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**AFRICA CENTRES OF EXCELLENCE PROJECT  
ON REGIONAL WATER AND ENVIRONMENTAL  
SANITATION CENTRE, KUMASI (RWESCK-  
KNUST)**

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**PROCUREMENT REPORT**

**2021**

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**DA**

Donaldy Associates  
Chartered Accountants  
House of Excellence Annex  
Adum –Kumasi

14<sup>th</sup> July, 2022

The Centre Leader  
Africa Centres of Excellence  
Regional Water and Environmental Sanitation Centre, Kumasi (RWESCK)  
KNUST

Dear Sir,

**PROCUREMENT AUDIT REPORT – 2021**

We have completed the procurement audit of the Africa Centres of Excellence Project on Regional Water and Environmental Sanitation Centre, Kumasi (RWESCK) for the year ended 31<sup>st</sup> December, 2021.

In accordance with our firm's practice, we are reporting on the matters which arose during our audit and you will appreciate that our audit procedures are designed primarily with the view to expressing an opinion on the project's procurement activities. Our comments, therefore, do not include all the possible improvements in internal controls that a special review might develop.

This report has been prepared for your information only and we accept no responsibility for any reliance that might be placed on it by third parties to whom it should not be shown without our prior written consent. Should such a third party obtain a copy without our prior written consent, we would not accept any responsibility for any claim that might be raised on it.

Finally, we wish to express our gratitude to the project management team for the cooperation extended to us during the audit.

Yours faithfully,

  
Donaldy Associates

## **1. INTRODUCTION**

The Government of Ghana through the Ministry of Finance (M.O.F.) signed a financing agreement with the International Development Authority (IDA) for the implementation of a project “The First Africa Higher Education Centres of Excellence for Development Impact Project”.

The objective is to support the Republic of Ghana to promote regional specialization among African Participating Universities in areas that addresses regional challenges and strengthen the capacities of these Universities to deliver quality training and applied research.

The Africa Centre of Excellence – Regional Water and Environmental Sanitation Centre, Kumasi (RWESCK) of the College of Engineering - KNUST was selected as one of the Centres for the research and education in water and sanitation sector.

Carrying out this task involved the procurement of Goods, Works and Services. As prescribed in Section 14 Sub-Section (1)(d) of the Public Procurement Act 2003, (Act 663), provisions of the Public Procurement Act apply to procurement with funds or loans taken or guaranteed by the State and Foreign Aid Funds. In this regard, the Centre is obliged to comply with the procurement processes as enshrined in the Public Procurement Act 2003, Act 663 as amended.

Additionally, Section 5.1 of the Performance and Funding Contract under the Agreement indicates Third Party verification through External Reviewers and Performance Audit reports as one of the tools for Monitoring and Evaluation. Hence, this report presents the findings and recommendations of the Procurement Audit on the procurement activities undertaken for RWESCK in terms of compliance with statutory and project requirements for the financial year ended 31st December, 2021.

## **2. OBJECTIVES OF THE AUDIT**

The procurement audit was carried out solely on the procurement activities of RWESCK under the College of Engineering to establish compliance with procurement law and the project agreement for the following audit objectives:

- To establish whether the Centre has put in place the necessary procurement structures to be able to carry out procurement activities and whether those structures are functioning in compliance with Public Procurement Act 2003 (Act 663) as amended and other legal framework of Public Procurement Authority (PPA), the University procurement policies and guidelines, project agreement and other legislations;
- To ascertain the level of internal controls, role conflicts, monitoring, or supervisory are in place to regulate procurement and to attain efficiency, competition, and Value for Money;
- To ascertain whether proper procurement records and documentations are kept by the Centre in compliance with Section 28 of the Public Procurement Act 2003, (Act 663) as amended;
- To identify best practices and challenges with the procurement processes and recommend appropriate and sustainable measures for improvement relating to the project agreement.

## **3. ACKNOWLEDGEMENT**

We wish to express our appreciation to management and staff of the (RWREK) and the Procurement and Works Directorates of the KNUST for the cooperation during the Procurement Audit exercise for 2021.

#### **4. SCOPE OF THE AUDIT REPORT**

The audit covered the procurement activities of the Regional Water and Environmental Sanitation Center, Kumasi (**RWERSK**) on Goods, Works, Consulting, and Technical Services for the financial year ended 31<sup>st</sup> December, 2021 under four (4) main areas:

1. Procurement Structures
2. Management Systems
3. Procurement Process
4. Contract Management

#### **5. METHODOLOGY OF THE AUDIT**

The two main evidence-based data collection tools used during the audit included the following:

- **Data collection**

Documents on the procurement process such as tender invitation letters, tender advertisements, Procurement Requisition Forms, Pro-Forma Invoices, Payment Vouchers, Goods Receipt Vouchers, (etc.) were examined at the RWREKS office and the main Procurement and Works Directorates of the University.

- **Interviews**

Key procurement and project management staff who were directly involved in the procurement process were interviewed to seek clarifications in the processes and documentations.

## **6. DETAILS OF FINDINGS AND RECOMMENDATIONS**

### **6.1 PROCUREMENT STRUCTURES**

Appropriate procurement structures such as Procurement Unit, Entity Tender Committee (ETC), Tender Opening Panel, and Evaluation Panel are put in place as prescribed by Public Procurement Act, 2003 (Act 663) as amended.

RWESCK is one of the Research Centers under the College of Engineering of KNUST. Procurements are activities not exceeding a threshold of GH¢10,000 per package are handled by the College Procurement Unit. Any procurement package exceeding GH¢10,000 is handled by the Main Procurement Directorate.

The College used permanent committees for both tender opening and tender evaluation. This was contrary to using ad-hoc committees for tender openings and tender evaluations.

### **6.2 SUPERVISION AND MONITORING AND INTERNAL CONTROL SYSTEMS**

This relates to internal control systems put in place by management to supervise, monitor, and ensure that the right procedures are adhered as prescribed by the Public Procurement Act (2003), Act 663 as amended, and that, people become responsible for their actions. These systems also mandate management to effectively monitor and institute controls on the procurement activities of the Centre.

The audit revealed that the main Procurement Directorate has no monitoring and control system to oversee the procurement activities of the Centre which is undertaken by the college's procurement unit. The college's procurement unit should be made to report and be responsible to the main procurement directorate in order for the main unit to supervise the unit.

### **6.3 QUARTERLY UPDATE OF THE PROCUREMENT**

Section 21 (1) (3) of the Public Procurement Act 2003, (Act 663) as amended, mandates entities to prepare a procurement plan to support its approved programme and the plan shall indicate Contract Packages, Estimated Cost for Each Package, the Procurement Method and Processing Steps and Times. The procurement plan should be updated every quarter.

Section 20 (b) entreats the Entity Tender Committee (ETC) to review and approve annual procurement plan and quarterly updates in order to ensure it supports the objectives of the centre.

The Centre did not review the annual procurement plan during the year. There was no evidence of approval of any review in the Centre's management meeting minutes. The Entity Tender Committee defaulted on its mandate to ensure that procurement plan is reviewed for their approval every quarter.

### **6.4 BULK BREAKING**

Section 21 (6) of Public Procurement Act 2003, Act 663 as amended prescribes that a procurement entity shall not divide a procurement order into parts or lower the value of a procurement order to avoid application of the procedures for public procurement under this Act. It is expected that, procurement entities aggregate requirements and procure in bulk.

The audit identified procurement infractions on bulk breaking in the Centre's procurement operations. Bulk breaking of procurements results in high cost, delays and deprive the Centre of quantity discount. Details are given below:



**Table 1: Bulk Breaking Activities**

Sch. 1 Ref.	Details	Supplier	Contract Amount (GH¢)
3.	Supply of 2 No. 7.50x 16 CEAT Tyres	Andy Sarfo Enterprise	1,977.04
10.	Supply of 225/75 R17.5 Amberstone Tyre	Andy Sarfo Enterprise	3,605.00
16.	Supply of 1 No. Logitech BCL 950 Video Conferencing Camera	BLU Diamond Plus Enterprise	3,708.00
21.	Supply of 1 No. Canon EOS 5D Mark IV DSLR Camera	New Bridge Limited	19,070.46
18.	Supply of Sanitation and Hygiene Materials	Kaprem Ventures	7,076.10
20.	Supply of Sanitation and Hygiene Materials	Kaprem Ventures	2,891.70

## 6.5 STANDARD EVALUATION OF TENDERS

Section 59 (1), (2), (5), and (6) of Act 663 as amended stipulates that, the procurement entity shall evaluate and compare the tenders that have been received to evaluate the successful tender in accordance with the procedures and criteria set out in the tender invitation letter and the tender document. No criterion shall be used other than the one set out in the invitation documents.

The College Procurement Unit used its own evaluation and recommendation form for tender evaluations instead of the standard tender evaluation form approved by the Public Procurement Authority (Refer to Schedule 1).

## **6.6 PROCUREMENT DOCUMENTATION AND RECORD KEEPING**

Section 28 of the Public Procurement Act 2003, (Act 663) as amended gives details of the procurement record management (Chapter 1.10.3 of the Public Procurement Manual, 2007 also provide details of the records that every procurement files must contain pre- to post-procurement activities.

For contracts that were handled by the College Procurement Unit on the Centre's behalf, it failed to keep separate files for each contract award as prescribed by section 28 of the Public Procurement Act. Sources of procurement documentations and records that were obtained for inspection were accounting records such as proforma invoices, stores receipt vouchers that were attached to payment vouchers.

The continued practice of relying on accounting records for procurement inspections and failure to document procurement processes does not facilitate the effective management of procurement and contract management activities as well as to ease audit verification, transparency and accountability.

## **7. CONCLUSION**

In conclusion, the overall procurement performance of the project in the year 2021 was satisfactory. However, the Centre must address the key challenges that limit the functioning of the procurement unit at the Centre. Bulk breaking and non-update of the procurement plan which affect compliance must be addressed. The main Procurement Directorate must supervise and monitor the activities of the College Procurement Unit to improve compliance level with the Public Procurement Act 2003, (Act 663).

## **8. RECOMMENDATIONS**

The following recommendations are made to assist in improving the overall performance of the Centre in the future:

1. The Centre must ensure that the annual procurement plan is reviewed quarterly with the “actual” columns updated regularly and presented to the Entity Tender Committee for approval.
2. The College Procurement Unit must use Standard Tender Document (STD) issued by the Public Procurement Authority for the Centre’s procurement instead of using three proforma invoices (refer to as 3-Quotations) from suppliers.
3. Tender opening and recording must be conducted for all tenders and evaluation of tenders must be conducted in compliance of the law using the standard evaluation template issued by Public Procurement Authority for the Centre.
4. The main Procurement Directorate of the university must supervise and monitor all procurements activities and must put in place proper control and monitoring systems to ensure absolute compliance with procurement rules and procedures.
5. The College Procurement Unit must keep procurement records in compliance with the Section 28 of the Public Procurement Act 2003, Act 663 as amended at the procurement unit for auditing, procurement assessment and future references.
6. The Centre must publish notices of contracts awarded on the PPA website and write to unsuccessful tenderers to notify them of tender outcome to enhance transparency.

**SCHEDULE 1**

**CONTRACT DATA SHEET ON SAMPLED PROCUREMENTS UNDERTAKEN (RWESCK-2021)**

NO.	CONTRACT NAME & PACKAGE NUMBER	NAME OF SUPPLIER/ CONTRACTOR/ CONSULTANT	PROCUREMENT CATEGORY	PROC. METHOD USED	STAGES OF THE PROCUREMENT PROCESS		Number of tenders received		
					PLANNING	TENDERING PROCESS			
1.	Supply of D26/N75 L. Mega Power Battery	Andy Sarfo Frimpong Ent.	Goods	PQ	YES	YES	NO	NO	3
					Availability of approved procurement plan for 2020 (Yes/No)	Contract package included in approved Plan (Yes/No)	Was tender Advert-ised /Letters of Invitation sent out? (Yes/No)	Standard Tender Document used (Yes/No)	

2.	Supply and installation of 1No. Brucker X-Ray Diffractometer System	Wagtech Ghana Limited	Goods	PQ	YES	YES	YES	YES	NO	3
3.	Supply of 2No. 7.50 x 16 CEAT Tyres	Andy Sarfo Frimpong Enterprise	Goods	PQ	YES	YES	YES	YES	YES	3
4.	Supply of 1.No 6000 Solid UPS	Xpert Vision Computers	Goods	PQ	YES	YES	YES	YES	YES	3
5.	Supply of Security Uniforms	Bozay Clothing	Goods	PQ	YES	YES	YES	YES	YES	3
6.	Supply and installation of Fibre Accessories	Aftech Solutions & IT Services	Goods	PQ	YES	YES	YES	YES	YES	3
7.	Fixing of air conditioner for vehicle No. GW5967-W	Andy Sarfo Frimpong Enterprise	Goods	PQ	YES	YES	YES	YES	YES	3
8.	Supply of Panels and Cables	Vision Vision Limited	Goods	PQ	YES	YES	YES	YES	YES	3

9.	Price of 1 No. 30 Seater Bus	Vesterline Company Limited	Works	NCT	YES	YES	YES	YES	YES	3
10.	Supply of 40No. 225/70 R15 Tyres.	Andy Sarfo Frimpong Enterprise	Goods	PQ	YES	YES	YES	YES	YES	3
11.	Supply of 225/75 R17.5 Amberstone Tyres	Andy Sarfo Frimpong Enterprise	Goods	PQ	YES	YES	YES	YES	YES	3
12.	Supply of 1No. Cisco Switch	Aftech Solutions & IT Services	Goods	PQ	YES	YES	YES	YES	YES	3
13.	Supply of 1No. 25L Microwave	Xpert Vision Computers	Goods	PQ	YES	YES	YES	YES	NO	3
14.	Supply of Blindfold Curtains	Royal Witness Curtains	Goods	PQ	YES	YES	YES	YES	YES	3
15.	Supply of 1No. Lawn Mower	C. Woermann GH Limited	Goods	PQ	YES	YES	YES	YES	YES	3
16.	Supply of 1No. Logitech BCL 950 Video	BLU Diamond Plus Enterprise	Goods	PQ	YES	YES	YES	YES	YES	3

	Conferencing Camera																		
17.	Supply of 4No. car tyres	Andy Sarfo Frimpong Enterprise	Goods	PQ	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	3
18.	Supply of Sanitation & Hygiene Materials	Kaprem Ventures	Goods	PQ	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	3
19.	Supply of Stationery.	K. Agyeman Company Limited	Goods	PQ	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	3
20.	Supply of Sanitation and Hygiene Materials	Kaprem Ventures	Goods	PQ	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	3
21.	Supply of 1No. Canon EOS 5D Mark 1V DSLR C	New bridge Limited	Goods	PQ	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	3
22.	Supply of 1No. Lenovo Laptop	Xpert Vision Computers	Goods	PQ	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	3

TENDER EVALUATION			CONTRACT FINALIZATION				CONTRACT MANAGEMENT				PAYMENT	
Tender Form completed, correctly signed and authorised (Yes/No)	Availability of Tender Evaluation Report (Yes/No)	Approval granted by Final Authority (Yes/No)	Date of Contract Award	Contract Agreement Signed	Contract Amount GH¢	Have all the Goods been delivered? (Yes/No)	Availability of inspection and acceptance reports for goods received (Yes/No)	Contract completed with acceptable performance (Yes/No)	Were payments properly approved? (Yes/No)	Payments made within the agreed period of payment (Yes/No)		
1 NO	NO	YES	-	NO	1,352.00	YES	NO	YES	YES	YES		
2 YES	YES	YES	28/05/21	NO	875,500	YES	YES	YES	YES	YES		
3 YES	YES	YES	-	YES	1,977.04	YES	YES	YES	YES	YES		
4 YES	YES	YES	5/06/21	YES	6,790.00	YES	YES	YES	YES	YES		
5 YES	YES	YES	-	YES	2,329.60	YES	YES	YES	YES	YES		
6 YES	YES	YES	5/07/21	YES	6,408.28	YES	YES	YES	YES	YES		
7 YES	YES	YES	-	YES	1,936.40	YES	YES	YES	YES	YES		



8	YES	YES	YES	YES	30/09/21	YES	9,172.80	YES	YES	YES	YES	YES	YES	YES
9	YES	YES	YES	YES	15/09/21	YES	519,112	YES	YES	YES	YES	YES	YES	YES
10	YES	YES	YES	YES	15/09/21	YES	5,616.00	YES	YES	YES	YES	YES	YES	YES
11	YES	YES	YES	YES	-	YES	2,600	YES	YES	YES	YES	YES	YES	YES
12	NO	NO	YES	YES	5/07/21	NO	9785	YES	NO	YES	YES	YES	YES	YES
13	YES	NO	NO	YES	30/08/21	NO	840	YES	YES	YES	YES	YES	YES	YES
14	YES	YES	YES	YES	5/07/21	YES	9,400	YES	YES	YES	YES	YES	YES	YES
15	YES	YES	YES	YES	-	YES	2,847	YES	YES	YES	YES	YES	YES	YES
16	YES	YES	YES	YES	-	YES	3,708	YES	YES	YES	YES	YES	YES	YES
17	YES	YES	YES	YES	-	YES	2,224.80	YES	YES	YES	YES	YES	YES	YES
18	YES	YES	YES	YES	10/05/21	YES	6,925.31	YES	YES	YES	YES	YES	YES	YES
19	YES	YES	YES	YES	5/03/21	YES	7,957.78	YES	YES	YES	YES	YES	YES	YES
20	YES	YES	YES	YES	5/03/21	YES	9,991	YES	YES	YES	YES	YES	YES	YES
21	YES	NO	YES	YES	23/02/21	YES	19,070.46	YES	YES	YES	YES	YES	YES	YES
22	YES	YES	YES	YES	08/01/21	YES	8,999.00	YES	YES	YES	YES	YES	YES	YES