

2022 PROCUREMENT AUDIT REPORT ON
THE AFRICA CENTRE OF EXCELLENCE-
REGIONAL WATER AND ENVIRONMENTAL
SANITATION CENTRE (RWESCK)



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5th July, 2023

The Centre Leader

Africa Centres of Excellence

Regional Water and Environmental Sanitation Centre, KNUST (RWESCK)

KNUST

TRANSMITTAL LETTER

Dear Sir,

PROCUREMENT AUDIT REPORT
REGIONAL WATER AND ENVIRONMENTAL SANITATION CENTRE- 2022

Please find attached our procurement audit report on Regional Water and Environmental Sanitation Centre (RWESCK) for the 2022 financial year.

We are available to provide any other information you may require on this report.

Yours faithfully,


Managing Partner

Donaldy Associates

Contents	
1.0 INTRODUCTION	1
1.1 OBJECTIVES OF THE AUDIT	2
1.2 ACKNOWLEDGEMENT	2
2.0 METHODOLOGY OF THE AUDIT REPORT	2
2.1 DATA COLLECTION APPROACH	3
2.2 INTERVIEWS	3
3.0 SCOPE OF THE AUDIT REPORT	3
3.1 DETAILS OF FINDINGS AND RECOMMENDATIONS	3
3.1.1 MANAGEMENT SYSTEMS	3
3.1.2 MONITORING AND INTERNAL CONTROL SYSTEMS	3
3.1.3 PROCUREMENT PROCESS	4
3.1.4 CONTRACT MANAGEMENT	6
4.0 CONCLUSION	7
5.0 RECOMMENDATIONS	7
APPENDIX I	9
APPENDIX II	10
APPENDIX III	11
APPENDIX IV	13
APPENDIX V	14

1.0 INTRODUCTION

The Government of Ghana through the Ministry of Finance (MOF) signed a financing agreement with the International Development Authority (IDA) for the implementation of the project “The first Africa Higher Education Centre 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 address 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 (ACE-RWESCK) of the College of Engineering (CoE), KNUST was selected as one of the Centres for research and education in the Water and Sanitation sector.

As part of implementing the project, funds are released for the procurement of some deliverables. This covers the procurement of Goods, Works and Services (Consulting and Non-Consulting). Section 14 sub-section (1d) of the Public Procurement Act, 2003 (Act 663), as amended, applies to the procurement of Goods, Works and Services with funds or loans taken or guaranteed by the State and Foreign Aid funds. In view of this, the Centre (RWESCK) is obliged to comply with the provisions of the Public Procurement Act. Also, Section 5.1 of the Performance and Funding Contract under the Agreement authorizes third-party verification by external reviewers and Performance Audit Reports as a tool for Monitoring and Evaluation.

It is noted, the procurement processes of the RWESCK Centre are implemented on their behalf by the Procurement Unit of the College of Engineering (CoE) and the University’s Procurement Directorate, in line with the provisions of the University’s Procurement Policy.

Hence, this report presents the findings and recommendations of the Procurement Audit on the procurement activities of the RWESCK Project for the accounting year ended, 31st December, 2022.

1.1 OBJECTIVES OF THE AUDIT

The objectives of the Audit are;

1. To ascertain the appropriateness of the procurement structures mandated to undertake the Project's procurement activities as provided in the Public Procurement Act, 2003 (Act 663) as amended, the University's Policy and other Legislations;
2. To ascertain the compliance level of the Centre with regard to the statutory requirements and provisions in the Public Procurement Act, 2003 (Act 663) as amended;
3. To ascertain the various internal control measures in place to regulate the procurement activities of the Centre to achieve Value for Money;
4. To ascertain the proper documentation and management of the Centre's records on its procurement activities; and
5. To identify the challenges of the Centre's procurement processes and recommend best practices and sustainable measures for continuous improvement.

1.2 ACKNOWLEDGEMENT

We wish to extend our appreciation to the management and staff of the Centre for their immense support and cooperation during the audit period. We are also grateful to the staff of the University's Main Procurement Directorate and the Procurement Unit of the College of Engineering.

2.0 METHODOLOGY OF THE AUDIT REPORT

Two main approaches were employed during the Audit period:

2.1 Data Collection Approach

The data collection stage of the audit sought to ascertain all documentary evidence related to the procurement activities of RWESCK. Data Collection Sheets were used to collect data on procurement transactions from initiation to completion. The interpretation of the data collected in relation to each of the Key Performance Indicators adopted has been detailed below under findings and discussions.

2.2 Interviews

Stakeholders who were involved in the implementation of the Project's deliverables were interviewed. The approach was a face-to-face interview to seek clarification on the documents examined. The details of the staff interviewed are attached in Appendix I of this audit Report.

3.0 SCOPE OF THE AUDIT REPORT

The Procurement Audit was conducted on the procurement activities of the Regional Water and Environmental Sanitation Centre (RWESCK) for the procurement of Goods, Works and Services (Consulting and Non-Consulting) for the 2022 accounting year. The audit was conducted under four (4) Key Performance Criteria (KPC):

1. Management Systems
2. Monitoring and Control Systems
3. Procurement Process
4. Contract Management

3.1 DETAILS OF FINDINGS AND RECOMMENDATIONS

3.1.1 MANAGEMENT SYSTEMS

The appropriate procurement structures including Procurement Unit, Entity Tender Committee, Tender Opening Panel, and Evaluation Panel were put in place by the University as prescribed in Part Two of the Public Procurement Act, 2003 (Act 663) as amended. The

College of Engineering (CoE) and the main procurement directorate had functional Procurement Units, managed by Procurement Officers with the requisite professional background.

Section 7.4 of the University's Policy gives authority to the various Colleges of the University to conduct procurement processes through the Procurement Units established at the College level. The Policy goes further to stipulate in Section 7.8.1 (d), that, the procurement of Goods, Works and Services with a threshold of Twenty Thousand Ghana Cedis (GH¢20,000) should be handled at the College level, while procurements above that threshold are to be referred to the University's Procurement Directorate for the implementation of the procurement processes. There was evidence to that effect during the audit.

3.1.2 MONITORING AND INTERNAL CONTROL SYSTEMS

Part two of the Public Procurement Act, 2003 (Act 663) as amended mandates the Entity Head and the Entity Tender Committee to have a supervisory role in the procurement activities of the Entity. Section 11 of the University's Policy also provides guidelines, measures and internal control procedures to monitor the procurement activities of the University at all levels. The Policy also makes provisions for the reporting structures of the Procurement Unit at the College level. Documentary evidence showed that the right structures were in place in that regard.

3.1.3 PROCUREMENT PROCESS

Procurement Planning

The Project Office duly prepared the 2022 annual procurement plan based on the approved budget and submitted it to the Procurement Directorate to be included in the annual procurement plan of the University for approval. It was published on the PPA website in accordance with Sections 21(2) and 21(3) of Act 663 as amended. The Centre and the Procurement Directorate complied with the use of the Standard Procurement Planning Template issued by the Public Procurement Authority (PPA).

Sourcing and Tendering Procedures

Part two (2) of the Public Procurement Act, 2003 (Act 663) as amended stipulates the scope of applying the statutory requirements to the procurement of Goods, Works and Services.

Also, Parts Four (4) and Five (5) of the Public Procurement Act, 2003 (Act 663) are to be applied in respect of each of the procurement methods for all the three (3) categories of procurement, i.e., Goods, Works and Services. Nine (9) transactions in total were initiated for procurement. It was noted that four (4) of them were cancelled after the evaluation stage at the CoE Procurement Unit, bringing the actual total of executed transactions to five (5). These items were executed using Pro-Forma invoices and Request for Quotation (RFQ) procurement methods. The following sourcing methods were applied:

(i) Request for Quotation (RFQ) Procurement

Three (3) transactions were executed using the RFQ method and all the statutory requirements of Section 42 of Act 663 as amended were applied. (See Appendices III, IV and V for details).

(ii) Pro-Forma Invoice Purchases

Two transactions were made using pro-forma invoices from suppliers (See Appendix II for details).

Standard Evaluation of Tenders

Documents examined had evaluation reports which were of standard to the guidelines of Section 59 (1), (2), (5), and (6) of Act 663 as amended. They were subjected to the criteria set out in the Tender Invitations and Tender Documents. Approved evaluation reports with the justification of the award of the contracts to the selected suppliers were present.

Cancelled Procurement Proceedings/Transactions

Four tenders were cancelled after tender evaluation at the CoE Procurement Unit, with the reason that the prices quoted by suppliers were high and not within the Centre's estimated budget/values.

These were:

1. Procurement of 2 Pieces of Branded Security Uniforms and 2 Pairs of Security Boots for the RWESCK, KNUST (AS/KNUST/GD/0041/2022)
2. Procurement of 1No. Printer for RWESCK, KNUST (AS/KNUST/GD/0036/2022)
3. Supply and Installation of 1No. 2.5HP Air-Conditioner for the RWESCK, KNUST (AS/KNUST/GD/0002/2022)
4. Procurement of 1No. Table Top Fridge for the RWESCK, KNUST (AS/KNUST/GD/0015/2022)

3.1.4 CONTRACT MANAGEMENT

Documents reviewed at the Procurement Directorate and the CoE Procurement Unit had their contract agreement documents on their respective transaction files. Physical verification of supplied goods and completed works was done by inspection teams, with written reports on their activities and endorsed by the Internal Auditor. Stock control procedures were adhered to, evidenced by the availability of the appropriate stock control books.

Payment

Payment forms an essential part of the contract management process and the procurement process as a whole. Hence, the Purchaser must fulfill payment obligations to the supplier after contract execution. Verification of payment vouchers carried at the Centre provided evidence of all payments made in fulfillment of executed contracts in line with agreed terms and conditions.

Record Keeping of Procurement Activities

Record keeping provides evidence and traces of procurement activities. Record keeping at the Procurement Directorate was satisfactory and in accordance with Section 28 of the Public Procurement Act, 2003 (Act 663) as amended. Transactions had dedicated files per each contract from initiation to completion, except for copies of payment vouchers and receipts of payments. There was ease in retrieving information from each transaction/contract file. At the CoE procurement unit there were no individual files for each transaction.

4.0 CONCLUSION

In conclusion, the overall procurement performance of the ACE-RWESCK project in the year 2022 was satisfactory. However, the following conclusions are made relating to:

- a) Provision of copies of payment vouchers and receipts from the Centre to the procurement units for filing;
- b) Transactions not having individual files at the CoE Procurement Unit;
- c) Supervision and monitoring of all procurement activities at the Centre by the Procurement Directorate;
- d) Usage of Pro-Forma Invoices instead of Standard Tender Documents;

5.0 RECOMMENDATIONS

The following recommendations are being made to assist in improving the overall procurement performance of the Project Centre:

1. The CoE Procurement Unit must use Standard Tender Documents (STD) issued by the Public Procurement Authority for the Centre's procurement instead of using three Pro-Forma invoices from suppliers. In this regard, the Standard Form for Minor Procurement developed by the Public Procurement Authority, which has a threshold value of GH¢30,000 for Goods, Works and Services, is recommended for use by the Procurement Unit of the CoE. Copies can be obtained via the website (www.ppa.gov.gh) of PPA;

2. Record keeping at the CoE Procurement Unit must comply with Section 28 of the Public Procurement Act. Each transaction should have a dedicated file, with only documents related to that contract, from initiation to completion to enhance the ease of retrieving data and information from contract files;
3. The main Procurement Directorate of the University is advised to supervise and monitor all procurement activities of the Centre regularly;
4. The Accounts Office of the Centre must serve copies of payment vouchers and receipts to the Procurement Units; and
5. Procurement-related training programs should be organized occasionally for the management of the Centre to improve their capacity.

APPENDIX I
RECORDINGS ON INTERVIEWED PERSONS FOR PROCUREMENT AUDIT AT THE REGIONAL
TRANSPORTATION RESEARCH CENTRE (RWESCK), KNUST

NO.	NAME OF STAFF	DESIGNATION
1.	Mr. Ato Eghan	Project Accountant-ACE-RWESCK Project
2.	Mr Kwame Adu-Gyamfi	Ag. Director Of Procurement, Procurement Directorate
3.	Mrs. Bernice Adomako Barfi	Head, Tendering Section-Procurement Directorate
4.	Mr Kofi Akrasi Sey	Snr. Procurement Assistant, Procurement Unit-College Of Engineering

APPENDIX II

DATA ON PRO-FORMA INVOICES AND GOODS RECEIVED VOUCHERS ON CONTRACTS AWARDED-RWESCK, 2022

NO.	NAME OF CONTRACT	NAME OF SUPPLIER	G.R.V. NO.	DATE	L.P.O. AVAILABLE? YES/NO?	L.P.O. DATE	CONTRACT AMOUNT GH¢	PV. DATE/MEMO FOR PAYMENT	APPROVAL FOR PAYMENT? YES/NO	ARE PRO-FORMA INVOICES AVAILABLE? YES/NO? & NUMBER OF INVOICES RECEIVED	G.R.V. VERIFIED BY INTERNAL AUDITOR?
1.	Procurement of 1No. Laptop Computer for the RWESCK Centre, College of Engineering	Xpert Vision Computer	Not Available	Not Available	Yes	1/3/2022	16,750.00	25/5/2022	Yes	Yes Three (3)	Yes
2.	Supply of 14 Inches Macbook Pro for the RWESCK Centre	IStore (Fruit Basket Limited, Kumasi)	Not Available	Not Available	No	N/A	21,171.15	12/12/2022	Yes	Yes Three (3)	Yes

**APPENDIX III
DATA SHEET ON FINDINGS ON THE STAGES IN THE PROCUREMENT PROCESS (SHEET 1)**

PROCUREMENT METHOD: REQUEST FOR QUOTATION – RWESCK (2022)

NO	CONTRACT NAME & PACKAGE NUMBER	NAME OF SUPPLIER	PROCUREMENT CATEGORY	STAGES IN THE PROCUREMENT PROCESS				SOURCING			
				PLANNING				Letter of Invitation were sent out	Standard Tender Document used	Date of Tender Invitation	Date of Tender Submission/Opening
				Availability of procurement plan for 2022	Contract package included in Plan	Procurement method used appropriately with procurement threshold	Yes				
1.	Procurement of 1No Dell Alienware Xi7 Core Laptop Computer for RWESCK, KNUST	Technics Engineering & Consultancy Services	Goods	Yes	Yes	Yes	Yes	24/6/2022	30/6/2022		
2.	Procurement of Various Items to aid in Shooting and Editing Video Productions at the RWESCK, KNUST-Lot 2	Technics Engineering & Consultancy Services	Goods	Yes	Yes	Yes	Yes	31/1/2022	8/2/2022		
	AS/KNUST/GD/001/2022										

3	Procurement of Various Networking Items/Fittings for the RWESCK AS/KNUST/GD/0012/2022	Technics Engineering & Consultancy Services	Goods	Yes	Yes	Yes	Yes	Yes	13/4/2022	21/4/2022
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**APPENDIX IV
DATA SHEET ON FINDINGS ON THE STAGES IN THE PROCUREMENT PROCESS (SHEET 2)
PROCUREMENT METHOD: REQUEST FOR QUOTATION – RWESCK (2022)**

TENDERING PROCESS				EVALUATION				
Was the tender opened publicly? Yes/No?	Number of Suppliers invited	Number of quotations received	Number of Responsive Tenders	Availability of Tender Opening minutes And Records sheet Yes/No?	Tenders evaluated By an evaluation Committee? Yes/No?	The evaluation Committee duly constituted Yes/No?	Availability of Standard Evaluation report Yes/No?	Evaluation reports Approved by the appropriate Approving Authority Yes/No?
Yes	5	3	3	Yes	Yes	Yes	Yes	Yes
Yes	6	3	3	Yes	Yes	Yes	Yes	Yes
Yes	7	3	3	Yes	Yes	Yes	Yes	Yes

APPENDIX V
DATA SHEET ON FINDINGS ON THE STAGES IN THE PROCUREMENT PROCESS (SHEET 3)
PROCUREMENT METHOD: REQUEST FOR QUOTATION – TRECK (2022)

CONTRACT AWARD AND AGREEMENT		CONTRACT MANAGEMENT		EXECUTION		AND		PAYMENT	
Availability of Notification of the award of Contract Letter/L.P.O	Date of Notification of Contract Letter / L.P.O	Contract Amount GH¢	Actual Contract Amount GH¢	Availability of formal Contract Agreement signed by parties	Unsuccessful Tenderers notified of Tender outcomes	Have all the Goods been delivered	Documentation on delivery and inspection of goods (GRV/SRV/ etc.) available	Have the goods been paid?	Were payments properly approved?
Yes	18/7/2022	7,280.00	7,070.00	Yes	Yes	Yes	Yes (004950)	Yes	Yes
Yes	6/6/2022	49,788.96	48,352.74 PV No.: 444538 DATE: 16/5/2022	Yes	Yes	Yes	Yes	Yes	Yes

Yes	20/5/2022	13,208.00	12,827.00 PV No.:445904 DATE: 1/7/22	Yes	Yes	Yes	Yes	Yes	Yes	Yes
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