
**AFRICA CENTRES OF EXCELLENCE – KNUST
ENGINEERING EDUCATION PROJECT (KEEP)**

PROCUREMENT REPORT

2021

TABLE OF CONTENTS

1. INTRODUCTION	3
2. OBJECTIVES OF THE AUDIT.....	4
3. SCOPE OF THE AUDIT REPORT	4
4. ACKNOWLEDGEMENT	5
5. METHODOLOGY OF THE AUDIT	5
6. DETAILS OF FINDINGS AND RECOMMENDATIONS.....	6
7. CONCLUSION.....	9
8. RECOMMENDATIONS.....	10
9. SCHEDULE 1	12



Donaldy Associates
Chartered Accountants
House of Excellence Annex
Adum –Kumasi

22nd June, 2022

The Centre Leader
Africa Centres of Excellence
KNUST Engineering Education Project, (KEEP)
KNUST

Dear Sir,

PROCUREMENT AUDIT REPORT – 2021

We have completed the procurement audit of the Africa Centres of Excellence Project KNUST Engineering Education Project (KEEP) for the year ended 31st December, 2021.

In accordance with our firm's practice, we are reporting on the matters which arose during our procurement 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 – KNUST Engineering Education Project (KEEP) of the College of Engineering - KNUST was selected as one of the Centres for the Engineering Education Project.

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 under KEEP 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 KEEP 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 and other legislations.
- To ascertain the level of internal controls, role conflicts, monitoring, or supervision are in place to regulate procurement activities 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. SCOPE OF THE AUDIT REPORT

The audit covered the procurement activities of KNUST Engineering Education Project, (KEEP) on Goods, Works, Consulting, and Technical Services for the financial year ended 31st December, 2021 under four (4) main areas:

- Procurement Structures
- Management Systems
- Procurement Process
- Contract Management

4. ACKNOWLEDGEMENT

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

5. METHODOLOGY OF THE AUDIT

The two main evidence-based data collection tools applied during the audit and it 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 KEEP 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 including Procurement Unit, Entity Tender Committee, Tender Opening Panel, and Evaluation Panel were put in place as prescribed by the Public Procurement Act 2003 (Act 663) as amended.

However, Section 7.2 of the University policy and procedures on procurement prescribed that procurement of goods, works and services with a threshold of up to Ten Thousand Ghana Cedis (GH¢10,000.00) should be handled at the College's level where the Centre belongs. For the period of the audit, the procurement activities undertaken were partly handled by the Centre Procurement Unit and the main University Procurement Directorate depending on the threshold as indicated above.

The Centre uses the College Procurement Unit for its procurement transactions up to the threshold of GH¢10,000. 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 OF INTERNAL CONTROL SYSTEMS

This relates to systems put in place by management to supervise and ensure that the right procedures are followed 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 system in place to oversee the procurement activities of the College Procurement Unit. The procurement unit at the College should be made to report and be responsible to the main procurement directorate in order for the Main Unit to supervise the procurement unit.

6.3 QUARTERLY UPDATE OF THE PROCUREMENT ACTIVITIES

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.

That, the procurement plan should be updated every quarter. Section 20 (b) mandates the Entity Tender Committee (ETC) to review and approve annual procurement plan and its quarterly updates in order to ensure it supports the objectives of the entity. The Centre did not review the annual procurement plan of the Centre. The Entity Tender Committee reneged on this mandate to raise query on the non-quarterly updates of the procurement plan during their meetings.

6.4 BULK BREAKING

In accordance with 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 which was conducted by the College Procurement Unit. Bulk breaking of procurements results in high cost, delays and deprive the Centre of quantity discount, and increased administration expenses.

Table 1: Bulk Breaking Activities at the Centre Procurement Unit

No.	Details	Date of Contact Award Letters	Supplier	Contract Amount (GH¢)
1.	Purchase of Apple MacBook Pro	19-10-21	Xpert Vision Computers	9,999.00
2.	Supply of laptop and LaserJet printer.	17-09-21	BKC Plus Ent.	5,950.00
3.	Purchase of 3D Printer Filament	20-12-21	Techmart Engineering Consult	3,000.00
4.	Purchase of 3D Printers for the College of Engineering Innovation Centre	14-12-21	Techmart Engineering Consult	10,000.00
5.	Purchase of MacBook Pro Laptop for KEEP Office use	20-12-21	Fruitbase Ltd	11,849.00

All computers and accessories should have been grouped together and procured as one package.

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.

Evidence gathered during the audit indicated evaluation were conducted with the College Procurement Unit's own evaluation form and recommendation for contract award made. Unfortunately, the College Procurement Unit did not conduct evaluation for all the items procured.

It did not also use the tender evaluation template issued by the Public Procurement Authority (PPA) for the purposes of the evaluation. (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 management of procurement records. Chapter 1.10.3 of the Public Procurement Manual, 2007 also provide details of the records that every procurement file must contain involving pre- to post-procurement activities.

The College Procurement Unit failed to keep separate files for each contract awarded as prescribed by the Public Procurement Act. The only source of procurement documentation and records available for the College Procurement Unit were Invoices attached to the Payment Vouchers in the Accounting Department. However, records on the contracts handled by the main University Procurement Unit were kept intact with individual records on all procurements including tender invitation letters, tender documents, evaluation reports, award notifications and store receipt vouchers.

Failure to document the procurement process for each contract 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, challenges relating to ineffectiveness of the procurement unit at the Centre, limited competition, bulk breaking and non-updating of procurement plan, affect compliance and must be addressed. The main Procurement Directorate has no supervisory, monitoring and controlling role over the Centre's

procurement unit. If these issues are addressed, the Centre's compliance level with the Public Procurement Act 2003, (Act 663) as amended will be improved.

8. RECOMMENDATIONS

The following recommendations are made to assist KEEP to improve the overall conduct of its procurement activities:

1. 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, auditing and future reference and other purposes. These records should include the following: tender invitation letters, tender documents, evaluation reports, award notifications, store receipt vouchers.
2. The College Procurement Unit must publish notices of contracts awarded on the PPA website and write to unsuccessful tenderers to notify them of tender outcomes to enhance transparency.
3. Contract values beyond GH¢100,000 for goods and GH¢200,000 for works handled by the main Procurement Directorate must be posted on Public Procurement Authority website to ensure transparency.
4. Management and the Entity Tender Committee must ensure the Annual Procurement Plan of the Centre is reviewed quarterly with the "actual" columns updated regularly.
5. The College Procurement Unit must use Standard Tender Document (STD) issued by Public Procurement Authority for its tendering instead of using three proforma invoices (refer to as 3-Quatations) from suppliers.

6. 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 the Public Procurement Authority.
7. The main Procurement Directorate of the University must supervise and monitor procurements activities of the Centre to ensure absolute compliance with procurement rules and procedures.
8. The entity must incorporate specific procurement training in the Annual Training Plan to build the capacity of its procurement staff in new procurement dimensions and international best practices to assist them to ensure compliance.

9. SCHEDULE 1

CONTRACT DATA SHEET ON SAMPLED PROCUREMENTS UNDERTAKEN (KEEP-2021)

NO.	CONTRACT NAME & PACKAGE NUMBER	NAME OF SUPPLIER/ CONTRACTOR/ CONSULTANT	PROCUREMENT CATEGORY	PROC. METHOD USED	STAGES OF THE PROCUREMENT PROCESS				
					PLANNING		TENDERING PROCESS		
					Availability of approved procurement plan for 2021 (Yes/No)	Contract package included in approved Plan (Yes/No)	Was tender Advertised /Letters of Invitation sent out? (Yes/No)	Standard Tender Document used (Yes/No)	Number of tenders received
1.	Construction of Postgraduate Building for college of Engineering	Asib Limited	Works	National Complete Tendering	YES	YES	YES	YES	13

2.	Consultancy for Gab Assessment	Prof. Samuel P. Owusu-Ofori	Consultancy Service	Price Quotation	YES	YES	YES	NO	3
3.	Supply of office stationery items for KEEP office use.	Assteve Ventures	Goods	Price Quotation (Proforma)	YES	YES	YES	NO	3
4.	Purchase of food items for research students on campus during holidays.	Nan Ent. Ltd.	Goods	Price Quotation	YES	YES	YES	NO	3
5.	Supply of office stationery to KEEP office	Assteve Ventures	Goods	Price Quotation	YES	YES	YES	NO	3
6.	Supply of 1No. 4x4 Cross Country Wagon Vehicle for KEEP project	Vesterline Company Limited	Goods	National Competitive Tendering	YES	YES	YES	YES	3
7.	Supply of 2No. 1500VA Mercury UPS device for KEEP office.	Dreamline Prestige Technology	Goods	Price Quotation	YES	YES	YES	NO	3

8.	Purchase of Apple Macbook Pro (Maintenance of equipment)	Xpert Vision Computers	Goods	Price Quotation	YES	YES	YES	NO	3
9	Purchase of Apple Macbook Pro (Maintenance of equipment)	Xpert Vision Computers	Goods	Price Quotation	YES	YES	YES	NO	3
10.	Supply of 2No. Pavillion laptop computers to KEEP.	Xpert vision computers	Goods	Price Quotation	YES	YES	YES	NO	3
11.	Supply of laptop and LaserJet printer.	BKC Plus Ent.	Goods	Price Quotation	YES	YES	YES	NO	3
12.	Purchase of 3D Printer Filament	Techmart Engineering Consult	Goods	Price Quotation	YES	YES	YES	NO	3
13.	Purchase of Macbook Pro Lanbtop for KEEP Office use	Techmart Engineering Consult	Goods	Price Quotation	YES	YES	YES	NO	3
14	Purchase of Macbook Pro Labtop for	Fruitbase Limited	Goods	Price Quotation	YES	YES	YES	NO	3

	KEEP Office use								
--	--------------------	--	--	--	--	--	--	--	--

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)
YES	YES	YES	18/12/20	YES	5,470,774.68	YES	NO	ON-GOING	YES	YES
YES	YES	YES	6/01/21	NO	108,776.9	YES	YES	YES	YES	YES
YES	YES	YES	-	YES	2,258.88	YES		YES	YES	YES
YES	YES	YES	-	YES	2,018	YES	YES	YES	YES	YES

YES	YES	YES	-	YES	2,070.30	YES	YES	YES	YES	YES
YES	YES	YES	-	YES	690,000	YES	YES	YES	YES	YES
YES	YES	YES	8/11/21	YES	1990	YES	YES	YES	YES	YES
YES	YES	YES	24/08/21	YES	9,999	YES	YES	YES	YES	YES
YES	YES	YES	19/10/21	YES	9,999	YES	YES	YES	YES	YES
YES	YES	YES	24/08/21	YES	9,998	YES	YES	YES	YES	YES
YES	YES	YES	-	YES	5,950	YES	YES	YES	YES	YES
YES	YES	YES	8/09/21	YES	3,000	YES	YES	YES	YES	YES
YES	YES	YES	-	YES	10,000.02	YES	YES	YES	YES	YES
YES	YES	YES	-	YES	11,849	YES	YES	YES	YES	YES