

2022 PROCUREMENT AUDIT REPORT ON THE
AFRICAN CENTRE OF EXCELLENCE- KNUST
ENGINEERING EDUCATION PROJECT (KEEP)



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5th July, 2023

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

TRANSMITTAL LETTER

Dear Sir,

PROCUREMENT AUDIT REPORT
KNUST ENGINEERING EDUCATION PROJECT - 2022

Please find attached our procurement audit report on KNUST Engineering Education Project (KEEP) 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

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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 – KNUST Engineering Education Project (ACE-KEEP) of the College of Engineering, KNUST was selected as one of the Centres for research and education in the engineering 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 (KEEP) is obliged to comply with the provisions of the Country’s Public Procurement Law. 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 KEEP 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 KEEP Project for the financial year ending, 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 express 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:

2.1 Data Collection Approach

The data collection stage of the audit sought to ascertain all documentary evidence related to the procurement activities of KEEP. 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

Officers 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 audit was conducted on the procurement activities of the KNUST Engineering Education Project (KEEP) for the procurement of Goods, Works and Services (Consulting and Non-Consulting) for the 2022 financial year. The Audit was conducted under four (4) Key Performance Criteria (KPC) outlined below:

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 University's Procurement Directorate and the College of Engineering 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 levels. 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. Documentary evidence showed that the right structures existed in that regard.

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 Centre 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.

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. The following sourcing methods were applied;

(i) Request for Quotation (RFQ) Procurement Proceedings

Four (4) 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) National Competitive Tendering (NCT) Procurement Proceedings

One (1) procurement proceeding was undertaken using the NCT Procurement Method. All the statutory requirements stipulated in Part Five (5) of Act 663 as amended were applied in the tendering process and the Tender Evaluation process was conducted using the PPA standard evaluation template, with evidence of subjecting the tenders received to the predetermined evaluation criteria set out in the tender document issued. (Find details in Appendixes VIII, IX and X).

(iii) Single Source Procurement Proceedings

Part four (4) of the Public Procurement Act, 2003 (Act 663) as amended stipulates the procedures under the Single Source Procurement Method. One (1) single source transaction was executed in 2022. The documents examined provided evidence of all the statutory requirements. Copies of the Entity's Letter of Approval Request to PPA, the Approval Letter from PPA, Quotations from the selected tenderer, the Award Notification Letter, the Contract Agreement and other supporting documents were appropriately on the contract file. (Find details in Appendixes VI and VII).

(iv) Pro-Forma Invoice Purchases

Two (2) transactions were made using Pro-Forma invoices from suppliers (See Appendix II for details).

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. Documents examined had evaluation reports which were of standard to the guidelines of Act 663 as amended. Approved evaluation reports with the justification of award of contract to the selected supplier(s) were present.

Cancelled Contract

One (1) NCT procurement proceeding was cancelled after the award of the contract, with the reason that the prices quoted by suppliers were high and not within the Centre's estimated budget/value. Documentary evidence of the cancellation was captured in the tender proceeding recordings in accordance with Section 28A (9) of Act 663 as amended.

Details of the cancelled contract referred supra;

1. Procurement of 6No. Laptop Computers for Digital Development Technologies Research Lab under KEEP Project (AS/KNUST/GD/0012/2022), awarded to IPMC Limited.

3.1.4 CONTRACT MANAGEMENT

Contract management procedures were followed and documents reviewed had their contract agreement documents on their respective transaction files. Physical verifications of supplied goods and completed works were done by inspection teams, with written reports on

their activities and rightly 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 out at the Centre provided all evidence of payments made in fulfillment of executed contracts in line with agreed terms and conditions.

Record Keeping of Procurement Proceedings

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 for 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 KEEP project in the year 2022 was satisfactory. However, the following conclusions are made with processes relating to:

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

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 processes instead of using three pro-forma invoices from suppliers and all purchases of the Centre must be subjected to the statutory requirements of Act 663 as amended. 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 College Procurement Unit. Copies can be obtained from the website (www.ppa.gov.gh) of the 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 Centre must serve copies of payment vouchers and receipts to the Procurement Units for their attention and filing;
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 KNUST ENGINEERING EDUCATION PROJECT (KEEP), KNUST**

NO.	NAME OF STAFF	DESIGNATION
1.	Prof. Jerry John Kponyo	Project Lead, ACE-KEEP Project
2.	Mr. Abraham Y. Lambon	Project Accountant, ACE-KEEP 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-KEEP, 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.	Supply & Installation of 376.3.0 Sq. Mtr Zebra Blinds at the Post Graduate Building under KNUST Engineering Education Project, KNUST AS/KNUST/GD/0021/2022	Perfect Home Design	0000513	22/11/2022	Yes	30/9/22	58,702.80	6/12/2022	Yes	Yes Three (3)	Yes
2.	Procurement of 1No. HP Envy Computer for KEEP	Xpert Vision Computers	0004985	-	Yes	7/6/2022	8,300.00	15/8/2022	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 – KEEP (2022)

NO	CONTRACT NAME & PACKAGE NUMBER	NAME OF SUPPLIER	PROCUREMENT CATEGORY	STAGES IN THE PROCUREMENT PROCESS						
				PLANNING			SOURCING			
				Availability of procurement plan for 2022	Contract package included in Plan	Procurement method used appropriately with procurement threshold	Letters of Invitation were sent out	Standard Tender Document used	Date of Tender Invitation	Date of Tender Submission/Opening
1.	Procurement of 1No. Canon EOS 5D Mark IV DSLR Camera with 24- 105mm F/4III Lens for the KEEP Project at the College of Education, KNUST AS/KNUST/GD/0007/2022	Oman Fofor Trading Company Limited	Goods	Yes	Yes	Yes	Yes	Yes	18/1/2022	25/1/2022
2.	Procurement of Various Toners for the KNUST KEEP, KNUST	Adjani Yin Limited	Goods	Yes	Yes	Yes	Yes	Yes	24/6/2022	30/6/2022

3	Supply of 2No. Office Chairs for KEEP Office PO/TEP/1/07/2022	Multinec Enterprise	Goods	Yes	Yes	Yes	Yes	Yes	24/6/2022	30/6/2022
4	Procurement of 1No. Huion Kamvas 16 (2021) GS 1562; 3No Black Box 2-Port USB 1.1/2.0 CAT 5 Extender Kits; And 3No. Aver DL 30 Tracking Cameras for the Digital Development Technologies Research Laboratory under KEEP Project at the College of Engineering, KNUST	True Data Services Limited	Goods	Yes	Yes	Yes	Yes	Yes	18/1/2022	25/1/2022

APPENDIX IV
DATA SHEET ON FINDINGS ON THE STAGES IN THE PROCUREMENT PROCESS (SHEET 2)

PROCUREMENT METHOD: REQUEST FOR QUOTATION – KEEP (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	6	3	3	Yes	Yes	Yes	Yes	Yes
Yes	5	3	3	Yes	Yes	Yes	Yes	Yes
Yes	4	4	Not Available	No	Yes	Yes	No	Yes
Yes	5	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 – KEEP (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 award 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 GRV No.	Have the goods been paid? Yes/No?	Were payments properly approved? Yes/No?
Yes	15/2/2022	32,105.77	28,088.85 PV No.: 444894 30/5/2022	Yes	Yes	Yes	Yes (004950)	Yes	Yes
Yes	18/7/2022	7,280.00	7,070.00 PV No.: 447477 DATE:30/8/ 2022	Yes	Yes	Yes	Yes (0004984)	Yes	Yes

Yes	18/7/2022	5,408.00	5,252.00 PV No.: 447108 DATE: 5/9/2022	Yes	Yes	Yes	Yes (0004983)	Yes	Yes
Yes	23/2/2022	49,533.80	48,104.94 PV No.: 444965 DATE: 30/5/2022	Yes	Yes	Yes	Yes (0004764)	Yes	Yes

APPENDIX VI

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

PROCUREMENT METHOD: SINGLE SOURCE – KEEP (2022)

NO.	CONTRACT NAME & PACKAGE NUMBER	NAME OF CONTRACTOR	PROCUREMENT CATEGORY	STAGES IN THE PROCUREMENT PROCESS					
				PLANNING			REQUEST & APPROVAL DETAILS		
				Availability of procurement plan for 2022 Yes/No?	Contract package included in Plan Yes/No?	Letter of Request for Approval from PPA Available? Yes/No?	Date of Request From Entity to PPA	Is evidence of Approval from PPA Available? Yes/No?	Date of Approval of Request from PPA to Procurement Entity
1.	Procurement of Various Teaching and Reasearch Equipment for the College of Engineering and the Power Systems and Renewable Energy Thematic Groups under KNUST KEEP AS/KNUST/GD/0024/2022	Fella Plannings AG Industriestrasse 4, 5432 Neuenhof, Switzerland	Goods	Yes	Yes	Yes	1/12/2022	Yes	19/12/2022

APPENDIX VII**DATA SHEET ON FINDINGS ON THE STAGES IN THE PROCUREMENT PROCESS (SHEET 2)****PROCUREMENT METHOD: SINGLE SOURCE – KEEP (2022)**

CONTRACT AWARD AND AGREEMENT						CONTRACT EXECUTION AND MANAGEMENT			PAYMENT
Availability of Notification of the award of Contract Letter? Yes/No?	Date of Notification of Award of Contract	Contract Amount Signed GH¢	Actual Contract Amount GH¢ (After delivery/contract execution)	Availability of formal Contract Agreement signed by parties	Any Advance Mobilization ? Amount Paid USD	Was Advance Mobilization Guaranteed? Yes/No? & Date of Payment & PV No.	No. of Invoices Paid	Has the Project been Completed with Acceptable Performance? Yes/No?	Were payments properly approved? Yes/No?
Yes	21/12/2022	Not Available	Ongoing	No	Yes USD 158,160.79	Yes 16/6/2022 PV No.: 445529	1	No Goods are yet to be delivered	The final Payment is yet to be effected

APPENDIX VIII

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

PROCUREMENT METHOD: NATIONAL COMPETITIVE TENDERING – KEEP (2022)

NO	CONTRACT NAME & PACKAGE NUMBER	NAME OF SUPPLIER	PROCUREMENT CATEGORY	STAGES IN THE PROCUREMENT PROCESS						
				PLANNING			SOURCING			
				Availability of procurement plan for 2022	Contract package included in Plan	Procurement method used appropriately with procurement threshold	Was the Tender Published in the News paper ?	Date of Tender Publication	Date of Tender Submission/ Opening	Standard Tender Document used
1.	Procurement of Various Classroom Furniture for the College of Engineering Post Graduate Building under the KNUST Engineering Education Project AS/KNUST/GD/00017/2022	Kingdesco Limited	Goods	Yes	Yes	Yes	Yes	6/4/2022	6/5/2022 (Original Date)	Yes

APPENDIX IX

DATA SHEET ON FINDINGS ON THE STAGES IN THE PROCUREMENT PROCESS (SHEET 2)

PROCUREMENT METHOD: NATIONAL COMPETITIVE TENDERING – KEEP (2022)

TENDERING PROCESS					EVALUATION			
Was the tender opened publicly? Yes/No?	Any Addendum issued? Date Issued and Actual Tender Opening Date	Number of Tenders 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	Addendum issuance Date: 19/4/2022 Actual Tender Opening Date: 29/4/2022	3	3	Yes	Yes	Yes	Yes	Yes

APPENDIX X**DATA SHEET ON FINDINGS ON THE STAGES IN THE PROCUREMENT PROCESS (SHEET 3)****PROCUREMENT METHOD: NATIONAL COMPETITIVE TENDERING – KEEP (2022)**

CONTRACT AWARD AND AGREEMENT						CONTRACT EXECUTION AND MANAGEMENT			PAYMENT
Availability of Notification of the award of Contract Letter/L.P.O Yes/No?	Date of Notification of award of Contract Letter / L.P.O	Contract Amount GH¢	Actual Contract Amount GH¢	Availability of formal Contract Agreement signed by parties Yes/No?	Unsuccessful Tenderers notified of Tender outcomes Yes/No?	Have all the Goods been delivered Yes/No?	Documentation on delivery and inspection of goods (GRV/SRV/ etc.) available GRV No.	Have the goods been paid? Yes/No?	Were payments properly approved? Yes/No?
Yes	9/6/2022	693,193.28	673,197.32	Yes	Yes	Yes	Yes	Yes	Yes