

**2023 PROCUREMENT AUDIT REPORT ON THE AFRICA CENTRE OF
EXCELLENCE-TRANSPORTATION RESEARCH AND EDUCATION CENTRE
KUMASI (TRECK)**

DA

Donaldy Associates

Chartered Accountants

House of Excellence Annex Adum

Kumasi, Ghana

18th March, 2024

The Centre Leader

Africa Centres of Excellence

Transportation Research and Education Centre Kumasi (TRECK), KNUST

TRANSMITTAL LETTER

Dear Sir,

PROCUREMENT AUDIT REPORT - TRANSPORTATION RESEARCH AND EDUCATION CENTRE KUMASI- 2023

Please find attached our procurement audit report on Transportation Research and Education Centre Kumasi (TRECK) for the 2023 financial year. We are available to provide any other information you may require on this report.

Yours faithfully,


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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 – Transportation Research and Education Centre Kumasi (ACE-TRECK) of the College of Engineering, KNUST was selected as one of the Centres for research and education in the transportation 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. Section 5.1 of the Performance and Funding Contract under the Agreement requires third-party verification by external reviewers and Performance Audit Reports as a tool for Monitoring and Evaluation.

It is emphasized that the procurement processes of the TRECK 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, the Public Procurement Act, 2003 (Act 663) as amended and the Guidelines of the Public Procurement Authority of the Republic of Ghana.

Hence, this report presents the findings and recommendations of the Procurement Audit on the procurement activities of the TRECK Project for the financial year ending, 31st December, 2023.

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 regarding 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

The Audit Team wishes 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 those 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 TRECK. Data Collection Sheets were used to collect data on procurement transactions from contract initiation to completion. The interpretation of the data collected in relation to each of the Key Performance Indicators (KPI) 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 Regional Transport Research and Education Centre Kumasi (TRECCK) for the procurement of Goods, Works and Services (Consulting and Non-Consulting) for the 2023 financial 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 the 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 University's 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. No contravention was detected in this 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. However, at the College level, the Tender Opening Panels were the same panel which evaluated tenders and the two processes were conducted at the same time. This was in contravention with Sections 16 and 53 of the Public Procurement Regulation, 2022 (L. I. 2466) as well as Sections 4.13 and 4.14 of the Public Procurement Manual.

3.1.3 PROCUREMENT PROCESS Procurement Planning

The Project Office duly prepared the 2023 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). The plan was in conformity with the processing steps and times outlined in the Public Procurement Manual.

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 with respect to each of the procurement methods for all the three (3) categories of procurement, i.e., Goods, Works and Services.

In 2023, a total of ten (10) transactions were executed through the application of the Request for Quotation (RFQ). The Audit Team sighted documents on one (1) Consultancy Service, whose procurement process was executed by the World Bank.

The sourcing methods applied in 2023 are discussed below, with details in the Appendixes indicated.

(i) Request for Quotation (RFQ) Procurement

A total of ten (10) transactions were executed using the RFQ method and all the statutory requirements of Section 42 of Act 663 as amended were applied. (Appendices II – Sheets 1-3 have details).

(ii) Consultancy Service

The World Bank procured a Consultant for the International Accreditation of Postgraduate Programmes in Engineering under the Regional Transport Research and Education Centre-Kumasi (TRECK), at the College of Engineering, KNUST on behalf of the TRECK Centre. The selection method could not be ascertained by the Audit Team since the documents on the procurement process prior to the award of the contract were not made available to the Centre. The Documents sighted include the Award Notification Letter, Contract Agreement, Request for Payment Letter, Invoice for payment and Payment Voucher. Contract execution was still in progress as at the time of this audit. (Details in Appendixes 111 - Sheets 1-2 of this report)

Standard Evaluation of Tenders

The documents examined had evaluation reports which were of the standard to the guidelines of Section 59 (1), (2), (5), and (6) of Act 663 as amended. The evaluation of tenders submitted 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.

3.1.4 CONTRACT MANAGEMENT

The documents examined had their contract agreement documents in 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, with the evidence in the 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 fulfil payment obligations to the supplier after contract execution. The verification of payment vouchers carried out at the Centre provided evidence of all payments made in fulfilment 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 was satisfactory and an improvement over the previous year. The filing was in accordance with Section 28 of the Public Procurement Act, 2003 (Act 663) as amended. Transactions had dedicated files per contract from initiation to completion.

4.0 CONCLUSION

In conclusion, the overall procurement performance of the ACE-TRECK project in the year 2023 was satisfactory. The Audit findings provided an improvement in performance in 2023, compared to 2022. However, the following conclusions are being made with processes relating to:

- a) The use of the same panel for both Tender Opening Proceedings and Evaluation of Tenders and the conduct of proceedings of both processes together at the College level,
- b) Regular supervision and monitoring of the Centre's procurement activities by the University's procurement directorate and facilitation of training programs for management members of the Centre.

5.0 RECOMMENDATIONS

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

1. Tender Opening and Evaluation Panels at the College level should be separate Panels and should be constituted in compliance with Sections 16 and 53 of the Public Procurement Regulation, 2022 (L. I. 2466) as well as Sections 4.13 and 4.14 of the Public

- Procurement Manual. The proceedings of Tender Opening and Tender Evaluation are two different processes and should be conducted separately and simultaneously,
2. The Procurement Directorate of the university should strengthen its supervision and monitoring activities of the Centre and also facilitate training programs in procurement for management members of the Centre to improve their capacity.

APPENDIX I

RECORDINGS ON INTERVIEWED PERSONS FOR PROCUREMENT AUDIT AT THE REGIONAL TRANSPORT RESEARCH AND EDUCATION CENTRE KUMASI (TRECK), KNUST

NO.	NAME OF STAFF	DESIGNATION
1.	Prof. Helen M. K. Essandoh	Centre Director, ACE-TRECK
2.	Mr. Ato Amos Eghan	Project Accountant, ACE-TRECK Project
3.	Mr. Fredua Agyeman	Director of Procurement, KNUST Procurement Directorate
4.	Mr. Kwame Adu-Gyamfi	Procurement Officer- KNUST Procurement Directorate
5.	Mr. Paul Adjei Serbeh	Procurement Officer- KNUST Procurement Directorate
6.	Mr. Jonathan Agyeman-Duah Karikari	Procurement Officer, Procurement Unit- College Of Engineering, KNUST

APPENDIX II

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

PROCUREMENT METHOD: REQUEST FOR QUOTATION – TRECK (2023)

CONTRACT NAME & PACKAGE NUMBER	NAME OF SUPPLIER	PROCUREMENT CATEGORY	STAGES IN THE PROCUREMENT PROCESS				SOURCING			
			PLANNING	PLANNING	PLANNING	PLANNING	PLANNING	PLANNING	PLANNING	PLANNING
1) SUPPLY OF 6NO. HP TONERS (CF217A) FOR THE REGIONAL TRANSPORT RESEARCH AND EDUCATION CENTRE KUMASI (TRECK), KNUST	KANNYSCO ENTERPRISE	GOODS	Availability of procurement plan for 2023	Contract package included in Plan	Procurement method used appropriately with procurement threshold	Letters of Invitation sent out	Standard Tender Document used	4/5/2023	17/4/2023	
PO/TEP/7/05/2023/15										
2) PROCUREMENT OF 5NO. CANON EXY33 TONERS FPR REGIONAL TRANSPORT RESEARCH AND CENTRE KUMASI (TRECK), KNUST	KANNYSCO ENTERPRISE	GOODS	YES	YES	YES	YES	YES	25/7/2023	1/8/2023	
AS/KNUST/GD/0000/2023 PO/TEP/10/08/2023/04										
3) PROCUREMENT OF 8 SETS HP LASERJET 207A TONERS FOR THE REGIONAL TRANSPORT	ADJANI YIN LIMITED	GOODS	YES	YES	YES	YES	NO	25/8/2023	8/9/2023	

RESEARCH AND CENTRE KUMASI (TRECK), KNUST																			
AS/KNUST/CoE/GD/003/2023																			
4) PROCUREMENT OF 3NO. SAMSUNG GALAXY TABLETS AND 3NO. ORIOMO POWER BANKS FOR THE REGIONAL TRANSPORT RESEARCH AND CENTRE KUMASI (TRECK), KNUST	JOE-NAKKY 25 ENTERPRISE	GOODS	YES	YES	YES	YES	YES	YES	NO	25/8/2023	7/9/2023								
AS/KNUST/GD/0000/2023																			
5) PROCUREMENT OF 100PCS FORTUNE BULBS AND 4NO. ORIENT CEILING FAN FOR THE TRANSPORT HOSTEL UNDER TRECK, KNUST – LOT 2	JOE NAKKY 25 ENTERPRISE	GOODS	YES	YES	YES	YES	YES	YES	YES	25/7/2023	30/7/2023								
PO/TEP/9/07/2023/11																			
6) PROCUREMENT OF 5NO. TYRES FOR VEHICLES WITH NO. GM 1333-12 BELONGING TO THE REGIONAL TRANSPORT RESEARCH AND EDUCATION CENTRE KUMASI (TRECK), KNUST	CHALAREL LTD.	GOODS	YES	YES	YES	YES	YES	YES	YES	16/1/2023	20/1/2023								
AS/KNUST/GD/0050/2023																			
PO/TEP/9/07/2023/11																			
7) PROCUREMENT OF PLUMBING MATERIALS FOR THE TRANSPORT	CHARIBOAT CO. LTD.	GOODS	YES	YES	YES	YES	YES	YES	YES	20/6/2023	30/6/2023								

HOSTEL UNDER TRECK, KNUST - LOT 1 PO/TEP/9/07/2023/10																				
8) PROCUREMENT OF INO. SWIVEL CHAIR FOR THE TRANSPORT HOSTEL UNDER TRECK, KNUST - LOT 9	KINGSDECO LTD.	GOODS	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	20/6/2023	30/6/2023					
9) PROCUREMENT OF 3NO. MFP M283 FDW HP LASERJET COLOURED PRINTERS FOR THE REGIONAL TRANSPORT RESEARCH AND EDUCATION CENTRE - KUMASI (TRECK), KNUST - LOT 1 AS/KNUST/GD/0036/2023	PC ORIGIN ENTERPRISE	GOODS	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	18/5/2023	24/5/2023					
10) PROCUREMENT OF 2NO. MSI ROUTER GE66-15 GEN. 12 CORE 19 LAPTOP COMPUTERS FOR VOLVO RESEARCH AND EDUCATIONAL FOUNDATION PROJECT (VREF) UNDER THE REGIONAL TRANSPORT RESEARCH AND EDUCATION CENTRE (TRECK), KNUST - LOT 1	PC ORIGIN ENTERPRISE	GOODS	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	24/1/2024	31/1/2023					

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

PROCUREMENT METHOD: REQUEST FOR QUOTATION – TRECK (2023)

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?	Evaluation Committee duly constituted Yes/No?	Availability of Standard Evaluation report Yes/No?	Evaluation reports Approved by the appropriate Authority Yes/No?	
YES	5	4	4	YES	YES	YES	YES	YES	
YES	5	5	5	YES	YES	YES	YES	YES	
YES	6	4	3	YES	YES	YES	YES	YES	
YES	6	5	5	YES	YES	YES	YES	YES	
YES	6	3	3	YES	YES	YES	YES	YES	
YES	6	3	3	YES	YES	YES	YES	YES	
YES	6	5	5	YES	YES	YES	YES	YES	
YES	6	5	5	YES	YES	YES	YES	YES	
YES	7	3	3	YES	YES	YES	YES	YES	
YES	9	4	4	YES	YES	YES	YES	YES	

**APPENDIX II
DATA SHEET ON FINDINGS ON THE STAGES IN THE PROCUREMENT PROCESS (SHEET 3)
PROCUREMENT METHOD: REQUEST FOR QUOTATION – TRECK (2023)**

CONTRACT AWARD AND AGREEMENT					CONTRACT MANAGEMENT		EXECUTION		AND	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	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	19/5/2023	2,028.00	1,969.50	YES	YES	YES	YES	YES	YES	
YES	3/8/2023	1,222.00	1,186.75	YES	YES	YES	YES	YES	YES	
YES	11/9/2023	19,968.00	19,392.00	YES	YES	YES	YES	YES	YES	
YES	11/9/2023	8,689.20	8,438.55	YES	YES	YES	YES	YES	YES	
YES	6/7/2023	4,118.40	4,118.40	YES	YES	YES	YES	YES	YES	

YES	24/1/2023	15,664.90	15,664.90	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
YES	6/7/2023	7,498.40	7,282.10	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
YES	6/7/2023	1,921.02	1,756.81	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
YES	12/6/2023	34,320.00	34,320.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
YES	23/2/2023	76,960.00	76,960.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES

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

PROCUREMENT METHOD: NOT AVAILABLE (CONSULTANCY SERVICE) – TRECK (2023)

CONTRACT NAME & PACKAGE NUMBER	NAME OF CONTRACTOR	PROCUREMENT CATEGORY	STAGES IN THE PROCUREMENT PROCESS				REQUEST & APPROVAL DETAILS					
			PLANNING	Availability of procurement plan for 2023	Contract package included in Plan	Selection Method used	Date of Invitation	Date of Submission/ Closing	Number of Tenders Received	Number of Responsive Tenders	Evaluation Report Available?	
1) PROCUREMENT OF A CONSULTANT FOR THE INTERNATIONAL ACCREDITATION OF POSTGRADUATE PROGRAMMES IN ENGINEERING UNDER THE REGIONAL TRANSPORT RESEARCH AND EDUCATION CENTRE – KUMASI (TRECK), KNUST AT THE COLLEGE OF ENGINEERING, KNUST IFT NO: AS/KNUST/CSERV/0029 /2023	AGENT UR FUR QUALIT ATSSIC HERUNG DURCH AKKRE DITIER UNG VON STUDIE NGANG EN (AOAS), GERMAN NY	CONSULTANCY SERVICE	YES	YES	NOT AVAILABLE	NOT AVAILABLE	NOT AVAILABLE	NOT AVAILABLE	NOT AVAILABLE	NOT AVAILABLE	NOT AVAILABLE	Yes/No?

APPENDIX III

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

PROCUREMENT METHOD: CONSULTANCY SERVICE – TRECK (2023)

CONTRACT AWARD AND AGREEMENT				CONTRACT MANAGEMENT		EXECUTION		AND	PAYMENT
Availability of Notification of the award of Contract Letter? Yes/No?	Date of Notification of the Contract	Contract Amount Signed GH¢	Actual Contract Amount GH¢	Availability of formal Contract Agreement signed by parties	Any Advance Mobilization Amount Paid GH¢	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	29/5/2023	Euros34,705.00	Euros24,225 @GH¢13.04= GH¢315,894.00	YES	NO	N/A	1		YES