

# PPA 2022 ANNUAL REPORT

PUBLIC PROCUREMENT AUTHORITY

## **EXECUTIVE SUMMARY**

### **Introduction**

This Annual Report has been prepared in fulfillment of sections 3 (i) and 13 (1) & (2) of the Public Procurement Act 2003, (Act 663) as amended which require Public Procurement Authority (PPA) to produce Annual Reports for submission to the Minister of Finance. It highlights the main programmes and activities, achievements and challenges of the Authority during the year ended December 2022.

### **Public Procurement Authority (PPA)**

The Public Procurement Authority (PPA) was established by the Public Procurement Act, 2003 (Act 663) as amended, as a body corporate, charged with the responsibility of overseeing the effective implementation and ensuring compliance with the Public Procurement Act.

### **Object of the Public Procurement Authority (PPA)**

The object of PPA is to secure a judicious, economic, efficient use of public funds, and to ensure that public procurement is carried out in a fair, transparent, non-discriminatory, environmentally and socially sustainable manner.

### **Vision**

The Authority's vision is to have a world class, efficient, transparent, accountable and professionally managed public sector procurement system in Ghana which enjoys a high level of business confidence and ensures consistent attainment of best value for money in the procurement of Goods, Works and Services in support of national development and fiscal policies.

### **Mission**

PPA is on a mission to harmonize the process of procurement in the public service to secure judicious, economic, and efficient use of public funds, and to ensure that public procurement is carried out in a fair, transparent, non-discriminatory, environmentally and socially sustainable manner while promoting a competitive Local Industry.

### **At PPA, we live our Mission and pursue our Vision**

### **Functions / Organisation of the Public Procurement Authority**

PPA, in carrying out its mandate in line with its vision and mission, was guided by its 2022-2025 Strategic Plan under the new Medium Term Development Plan of the Ministry of Finance which, in itself, was in sync with the United Nation's Sustainable Development Goals (SDGs). The institution systematically and successfully executed its obligations for the period as required by law. These include formulation and review of existing documents, policies and rules on procurement (STDs, FWA, SPAF, SPP), ensuring procurement policy implementation and compliance with Act 663 as amended.

The Authority's functions leading to its achievements were organized under Four (4) main Divisions; namely Compliance, Monitoring & Evaluation (CM&E), Policy, Planning & Research (PP&R), Capacity Development (CD), Legal and Board Affairs (LBA), while Information Technology (IT), Human Resource &

Administration, Finance and Audit Departments, as well as the Procurement and Corporate Affairs & Facilities Management Units, offer support services.

### Compliance, Monitoring and Evaluation to Ensure Compliance with Act 663 as amended

In fulfilment of its mandate stated in Sections 3(d) and 3(h) of the Public Procurement Act, 2003 (Act 663) as amended, the Public Procurement Authority assessed the procurement activities undertaken in the year 2021 by Public Procurement Entities in Ghana. The assessment of the procurement performance of the Entities was done using the Public Procurement Model of Excellence (PPME) Tool. The PPME Tool analysed data collected from seven hundred and eighty-seven (787) Entities using the Evaluation Grid and Contracts Data Sheets. Two reports, namely the qualitative Performance Assessment System (PAS) Report and the quantitative Performance Measurement Indicators (PMI) Report were generated from the analysis of the data.

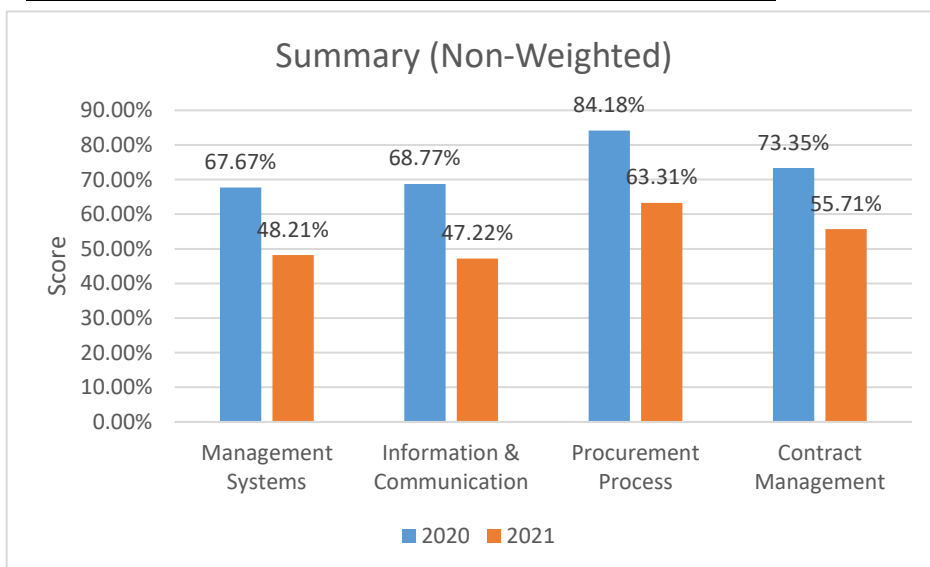
### PERFORMANCE ASSESSMENT SYSTEM (PAS) REPORT

The Performance Assessment System Report covers four main areas:

- Management System;
- Information and Communication;
- Procurement Process; and
- Contract management

Chart A presents the overall scores obtained under each of these four categories in 2021 displayed alongside those for 2020.

#### CHART A: PERFORMANCE ASSESSMENT SYSTEM SCORES



1. Under the **MANAGEMENT SYSTEMS**, the score for 2021 was 48.21% compared to 67.67% in 2020. There was an overall decline in the sub-indicators under Management Systems. Some Entities did not implement capacity development programmes for Procurement Officers and Internal Auditors to enable them to properly play their respective roles in the conduct of the procurement activities of Entities. However, evidence showed

improvement in the complaints, Appeals and Disputes Mechanism sub-category. It means that some Entities received more complaints in 2021 than in 2020.

2. The **INFORMATION AND COMMUNICATION** category recorded 47.22% in 2021 compared to 68.77% for 2020. There was a decline in the performance in all the three sub-categories. There was a decline in the engagement of Service Providers to improve their responsiveness, which were the requirements of improving the Marketplace sub-category. Data gathered showed a decline in the use of the PPA Standard Tender Documents and the PPA website by some Entities.
3. **PROCUREMENT PROCESS** which sought information on the Entities' knowledge of the procurement cycle recorded 63.31% in 2021 compared to 84.18% in 2020. All the indicators recorded a decline in performance. Posting of notices of contracts awarded on the PPA website still remains a challenge as well as informing the unsuccessful tenderers of the outcomes of the tender processes. Some Entities did not post their Procurement plans on PPA website, while others did not advertise their Tenders. These shortcomings work against increasing the levels of transparency associated with the award of contracts.
4. The **CONTRACT MANAGEMENT** category looked at Entities' ability to follow through the performance of the contracts they awarded. The overall score was 55.71% in 2021 compared to the 2020 score of 73.35% indicating an overall decline for the category. Some Entities had issues with supervision of contracts as well as record keeping especially as related to management of their Stores.

## **PERFORMANCE MEASUREMENT INDICATORS**

There are 11 Performance Measurement Indicators (PMIs). These indicators provide the means of measuring the performance of the activities they cover. The scores for 2021 are shown in Table A and compared with those for 2020.

**TABLE A: PERFORMANCE MEASUREMENT INDICATORS FOR 2021**

INDICATOR	METRICS	CRITERIA	RESULTS	
			2021	2020
1. Advertisement of Tender Opportunities	a) % of open tendering procedures publicly advertised	Percentage	<b>97.96%</b>	<b>97.02%</b>
	b) % of open tendering procedures opened publicly and recorded	Percentage	<b>94.62%</b>	<b>95.35%</b>
2. Publication of Awards	% of contracts awards published	Percentage	<b>13.04%</b>	<b>10.66%</b>
3. Time for tender invitation and opening	Average number of days between invitation to tender and tender opening	Number	<b>16 DAYS</b>	<b>17 DAYS</b>
4. Tenderer Participation	Average number of Tenderers per notice	Number	<b>7</b>	<b>6</b>
5. Responsive tenders	% of responsive tenders per notice	percentage	<b>94.78%</b>	<b>92.67%</b>
6. Method of Procurement	% of tenders using each of the procurement methods	INTERNATIONAL COMPETITIVE TENDERING	<b>0.10%</b>	<b>0.05%</b>
		RESTRICTED TENDERING	<b>2.19%</b>	<b>2.87%</b>
		SINGLE SOURCE	<b>3.90%</b>	<b>4.89%</b>
		NATIONAL COMPETITIVE TENDERING	<b>17.74%</b>	<b>27.62%</b>
		PRICE QUOTATION	<b>74.31%</b>	<b>62.97%</b>
		LOW/MINOR VALUE PROCUREMENT	<b>1.75%</b>	<b>1.60%</b>
7. Tender Processing lead-time	Average number of days between tender opening and contract award	number	<b>33 DAYS</b>	<b>27 DAYS</b>
8. Cancelled tendering Procedures	% of tendering procedures cancelled per the provisions of ACT 663 as amended.	percentage	-	-
9. Protests	a) Tendering procedures with protests	number	<b>305</b>	<b>20</b>
	b) % Protests resolved	percentage	<b>20%</b>	<b>35%</b>
10. Resolution of Contract Disputes	a) Contracts with disputes	number	<b>75</b>	<b>23</b>
	b) % of contracts with resolved disputes	percentage	-	-
11. Contract Completion	a) % of contracts completed fully with acceptable performance	percentage	<b>95.81%</b>	<b>94.95%</b>
	b) % of contracts with completion reports	percentage	<b>82.98%</b>	<b>92.45%</b>

The breakdown, shown in Table B, gives the ratio for each of the methods of procurement based on the total number of tenders put out in 2021. In 2021, Price Quotation was the predominant method used as it was in 2020.

**TABLE B: PROCUREMENT METHODS BASED ON THE TOTAL NUMBER OF TENDERS**

PROCUREMENT METHOD	PERCENTAGE	
	2021	2020
INTERNATIONAL COMPETITIVE TENDER	<b>0.10%</b>	<b>0.05%</b>
RESTRICTED TENDER	<b>2.19%</b>	<b>2.87%</b>
SINGLE SOURCE	<b>3.90%</b>	<b>4.89%</b>
NATIONAL COMPETITIVE TENDER	<b>17.74%</b>	<b>27.62%</b>
PRICE QUOTATION	<b>74.31%</b>	<b>62.97%</b>
LOW/MINOR VALUE PROCUREMENT	<b>1.75%</b>	<b>1.60%</b>

In terms of the values of the transactions captured, Table C gives the distribution per procurement methods and shows the Single Source Method is the highest value of procurement in 2021 compared to 2020 which had the National Competitive Tendering Method as the predominant method.

Though in 2021 the frequent method used was the Price Quotation Method, in terms of values it was the Single Source Method that recorded the highest score of 46.58%. This was because the Price Quotation threshold was limited to smaller amounts while the Single Source Method had no threshold limitation. The Single Sourced Contracts were large contracts with higher values.

**TABLE C: DISTRIBUTION OF PROCUREMENT METHODS BASED ON TENDER VALUES**

PROCUREMENT METHOD	PERCENTAGE	
	2021	2020
INTERNATIONAL COMPETITIVE TENDER	<b>0.93%</b>	<b>0.01%</b>
RESTRICTED TENDER	<b>23.81%</b>	<b>9.51%</b>
SINGLE SOURCE	<b>46.58%</b>	<b>32.58%</b>
NATIONAL COMPETITIVE TENDER	<b>21.85%</b>	<b>45.70%</b>
PRICE QUOTATION	<b>6.79%</b>	<b>11.03%</b>
LOW/MINOR VALUE PROCUREMENT	<b>0.03%</b>	<b>1.17%</b>

#### D. CONCLUSION AND LESSONS LEARNT

As in all previous assessment exercises, the Public Procurement Model of Excellence (PPME) Tool was used to analyse the data collected in 2021 from 787 Entities. These Entities covered the low to high spend spectrum throughout the Country. This gave the data the national characteristic making the results reflect the national levels of compliance with the requirements of the Public Procurement Act, 2003 (Act 663) as amended.

All the factors used in the Assessment Exercise showed that nationally, in 2021 there had been an overall decline in the conduct of public procurement relative to 2020.

## E. RECOMMENDATIONS

There had been an overall decline in the conduct of the procurement activities and measures needs to be put in place to improve on performance on a sustainable basis.

These recommendations are made therefore with the aim of improving on the performance of the 2021 Assessment Exercise:

1. Entities should encourage their staff involved in procurement, viz. Procurement Officers and Engineers to acquire appropriate professional procurement or allied qualifications.
2. The training of the Procurement staff and Internal Auditors should be expanded to include training on Contract Management and Sustainable Public Procurement.
3. Entities should engage Contract Administrators to effectively supervise the contracts awarded.
4. As a matter of urgency, PPA should include slots in all Training Programmes for instructing Entities on how to post notices of contracts awarded on the PPA website. This will ensure that Entities become more transparent with the contract awards and also inform the Tenderers on the outcomes of tenders they participated in.
5. The results of the 2021 Assessment Exercise showed there were challenges associated with the handling of procurement related disputes and complaints. Entities should be trained on dispute resolutions and put structures in place to resolve issues when they occur.
6. As part of PPA's training programmes, there should always be practical sessions on how to post tender notices on PPA website.
7. PPA should ensure that all Entities post their Procurement Plans on PPA website.
8. Entities should train the private Sector and Service Providers on how to effectively respond to tender invitations; and
9. PPA should ensure that Entities keep records in accordance with Section 28 of Act 663 as amended.

### **Policy, Planning & Research**

The PPA is mandated by section 3(a) (b) and (c) of the Public Procurement Act 2003, Act 663 as amended to develop best practice procurement policies, instructions and other regulatory documentation to ensure that government procurement achieves transparency, accountability and value for money. In the light of this, the PPA worked with other stakeholders to formulate and implement policies and guidelines on Sustainable Public Procurement (SPP), procurement of only legal timber and timber products, locally assembled vehicles, among others.

### **Capacity Development (CD)**

Capacity Development for Procurement practitioners and Entity managers are key measures to ensuring

compliance with the Public Procurement Act (Act 663) as amended. The Capacity Development Policy of PPA sets out clear objectives which informed the activities of PPA's training and Capacity Development in 2022. The following training activities were undertaken to build the capacity of Public Entities through:

- i. Short Term Training on Act 663 as amended,
- ii. Execution of Specialized Training Requests, and
- iii. Planned training programmes on Contract Administration, SPAF, SPP, FWAs among others.

### Legal and Board Affairs

In the year under review, the PPA worked heartily with the Attorney General's Department to draft the Public Procurement Regulations to reflect the amendments to the Principal Act, Act 663. The governing Board of the Authority had several meetings during year 2020. This included regular, emergency and technical meetings in respect of the Authority's operations. The Board supervised and approved a number of corporate activities including applications for Administrative Review of Complaints, Restricted Tendering and Single Source procurement, review of the Public Procurement Regulations, etc. (refer to Appendix III, IV and V respectively for reference).

### Finance and Audit

The Public Procurement Authority, as a wholly subvented GoG organization, continued to receive periodic releases from government for its operations during the period under review. Other sources of funds came from Development Partners.

Programme Based Budgeting (PBB) system for government institutions, which is now geared towards the National Medium Term Development Policy Framework (NMTDPF).

Inflows into the Authority's budget in 2022 were solely received from the Government of Ghana (GoG). Comparative figures in the Authority's 2022 and 2021 budgets in relation to actual funds released by the Ministry of Finance (MoF) are as shown in the table below:

#### Approved Budgets and Actual Releases for 2022 Under GOG Funding

EXPENDITURE ITEMS	2022			2021		
	APPROVED (GH¢)	ACTUAL RELEASED (GH¢)	VARIANCE (GH¢)	APPROVED (GH¢)	ACTUAL RELEASED (GH¢)	VARIANCE (GH¢)
Compensation of Employees	4,417,055.00	4,513,439.85	(96,384.85)	4,566,440.00	4,798,500.84	(232,060.84)
Goods and Services	2,200,000.00	1,690,105.52	509,894.75	2,440,929.00	4,451,999.28	(2,011,070.28)
Capital Expenditure	613,900.00	79,051.92	534,848.08	1,246,516.00	632,699.60	613,816.40
<b>Total</b>	<b>7,230,955.00</b>	<b>6,282,597.02</b>	<b>948,357.98</b>	<b>8,253,885.00</b>	<b>9,883,199.72</b>	<b>(1,629,314.72)</b>

### Donor Funding Support

PPA obtained support from development partners for developmental activities.

### Financial Statement for the year

The audited Income and Expenditure account for the year ended 31<sup>st</sup> December 2022 is presented in **Annex II**.



## **Challenges**

The main challenges in the year under review were in the areas of Funding and Office Accommodation were internal, while use of inappropriate alternative procurement procedures, Compliance with the requirements of posting of Procurement documents on the PPA website, Contract Management among others were challenges encountered by Procuring Entities.

Some programmes of the Authority could not be accomplished due to lack of Funding. Delays were experienced with the release of funds to the execution of some programmes even though prior approval has been secured. This subsequently resulted in delays in the implementation of programmes. The Authority operated from rented premises; it was a challenge to meet the growing need for space. The inappropriate alternative procurement procedures by some institutions were a challenge. The Authority through monitoring discovered that some entities failed to advertise procurement notices that needs to be advertised whilst others also failed to post their procurement plans, tenders and contract awards on our website, even though they have been trained on how to post documents on our website. Records keeping and proper Contract Management by most entities is still a challenge.

## **Way Forward**

PPA would build on its 2021 activities in the coming year to end the four-year Strategic Plan. With respect to office accommodation, PPA would continue to pursue already initiated processes for a permanent office accommodation. PPA would continue to depend on Government intervention, Development Partners and Internally Generated Funds to execute it's programmes and projects. Continuous training would be done to curb most of the anomalies encountered by procuring entities to ensure compliance with stipulations of Act 663 as amended.

## **Conclusion**

As part of our programmes in the ensuing year, PPA would widen its monitoring net to include the newly created District Assemblies and other 'low spend' Entities following our presence in two more regions. It is worth noting the improvements in the levels of compliance with the requirements of Act 663 as amended. This confirms that PPA's interventions through the issuance of Guidelines and Training Programmes are yielding results positively. In this regard PPA would continue to work with its training calendar of training Procurement Officers, Heads of Entities, Service Providers and other Key Stakeholders to improve their capacities to operate efficiently and effectively.

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Chief Executive Officer

## **1.0 INTRODUCTION**

This Annual Report has been prepared in fulfilment of section 3 (i) and 13 of the Public Procurement Act, 2003 (Act 663) as amended, which requires the Public Procurement Authority (PPA) to produce Annual Report for submission to the Minister of Finance. The Report highlights the main activities, achievements and challenges for the year ended 31<sup>st</sup> December 2022.

## **2.0 PUBLIC PROCUREMENT AUTHORITY (PPA)**

The Public Procurement Authority (PPA) was established by the Public Procurement Act, 2003 (Act 663) as amended, as a body corporate, charged with the responsibility of overseeing the effective implementation and ensuring compliance with the Act. Thus, the mission of PPA is to harmonize the process of procurement in the public service to secure judicious, economic, and efficient use of public funds, and to ensure that public procurement is carried out in a fair, transparent, non-discriminatory, environmentally and socially sustainable manner while promoting a competitive Local Industry.

## **3.0 ACTIVITIES UNDERTAKEN IN THE YEAR 2022**

The PPA's activities for 2022 are captured under Eight (8) broad functions in this document. These are:

- Compliance, Monitoring and Evaluation
- Policy Planning and Research,
- Capacity Development
- Legal and Board Affairs
- Management Information System
- Human Resource and Administration
- Corporate Affairs
- Finance and Audit

### **3.1.0 COMPLIANCE, MONITORING AND EVALUATION (CM&E)**

As part of its functions, the Public Procurement Authority (PPA) is mandated to periodically assess the conduct of public procurement in Ghana to ensure that it is being done in accordance with the provisions of the Public Procurement Act, 2003 (ACT 663) as amended. The relevant sections of the Public Procurement Act, 2003 (ACT 663) as amended, which support this are quoted here for emphasis:

***Section 3 (d)      monitor and supervise public procurement and ensure***

***compliance with statutory requirements; and***

***Section 3 (h)      assess the operations of the public procurement processes and submit proposals to the Board for improvement of the processes.***

In fulfilment of these requirements, the Public Procurement Authority carried out an assessment of the procurement activities undertaken by selected Procurement Entities in the year 2021 which is the subject matter of this report.

The Assessment Exercises are conducted one year in arrears. As such even though the data was collected in 2024, it covered the procurement activities of the Entities for the year 2021. The ideal time for the collection of data is at the end of the first quarter of the year following the year under review. This is to allow the Entities to use the first quarter of the current year to put all their records on the procurement

activities together to ensure a successful exercise. However, due to the timing of the release of funds, this assessment exercise was undertaken in the last quarter of 2024.

SELECTION OF ENTITIES

The Entities for the 2021 Assessment Exercise were selected from six broad groupings which characterize the composition of the public Procurement Entities in Ghana. Seven hundred and eighty-seven (787) Entities were assessed and the number from each category is as follows:

Central Management Agencies/Ministries/Sub-vented Agencies	-	139
Regional Coordinating Councils	-	16
Metropolitan/Municipal/District Assemblies	-	261
State Owned Enterprises	-	38
Tertiary Institutions (including the Colleges of Education)	-	167
Hospitals and Health Institutions	-	161
Financial Institutions	-	5

METHOD OF ASSESSMENT

The assessment of the procurement performance of the Entities was done using the Public Procurement Model of Excellence (PPME) Tool.

THE PPME TOOL

The PPME Tool is a web- and data-based software package which is used to analyse the data collected from the assessed Entities. It generates two main reports, namely:

- 1. Performance Assessment System (PAS) Report; and
- 2. Performance Measurement Indicators (PMI) Report.

DATA COLLECTION

The PPME Tool is an evidence-based tool and uses documentary evidence in the form of data collected from the Entities as the basis for generating its outputs. It has two main formats for the collection of data, which are:

- Evaluation Grid; and
- Contract Data Sheets.

EVALUATION GRID

The Evaluation Grid is a matrix of rows and columns which sets out the key performance criteria which are to be used for the assessment of the Procurement Entities. This Grid was used to collect data on the conduct of procurement activities from all the Entities. Deploying this same Grid for all the Entities puts them on the same platform for the purposes of comparison. The qualitative data collected is used to generate the Performance Assessment System (PAS) Report.

The Evaluation Grid is made up of nine (9) columns. The information contained in each of these columns is as described in Table 1.



**TABLE 1: COMPONENTS OF THE EVALUATION GRID**

<b>COLUMN NUMBER</b>	<b>COLUMN NAME</b>	<b>COLUMN DESCRIPTION</b>
<b>1</b>	Key Performance Criteria (KPC)	These are qualitative conditions that show how an Entity is operating in terms of carrying out its procurement activities. They are developed from international best procurement and performance management standards which have been adapted to suit the public procurement environment in Ghana. Currently, there are 59 Key Performance Criteria.
<b>2</b>	National Legal Framework	This provides the list of the Documents to which the particular KPC relates. These include: 1. The Public Procurement Act 2003 (Act 663) as amended; 2. The Internal Audit Agency Act 2003 (Act 658); 3. The Public Financial Management Act 2016 (Act 921); 4. The Public Financial Management Regulations 2019, LI 2378;
<b>3</b>	Key Objective	Describes the main aim or intention for each of the key Performance Criteria
<b>4</b>	Evidence	This column gives suggested pieces of documentary evidence that indicate the compliance with the KPC by the Entities.
<b>5</b>	Proof of Evidence	Whiles Column 4 lists pieces of evidence the Assessors are to look out for, Column 5 further guides the Assessor on the Items that the Entity has to show as proof of having complied with the criterion under review. Each proof is assigned a maximum rating that the Assessor may award to show the level of compliance.
<b>6</b>	Total Rating	A Rating system is used to show the Entity's level of achievement with regards to compliance with the Key Performance Criteria. The scores are assigned based on evidence provided by the Entity. The total rating for each criterion is 9.
<b>7</b>	Area/ Purpose of Improvement	This column is for the Assessors to flag those Key Performance Criteria the Entity needs to work on in order to improve the conduct of its procurement activities. Any rating from 0 - 7 must necessarily have an "area of improvement."
<b>8</b>	Level of Priority	This column is linked to the areas of improvement listed in Column 6 by assigning priority levels to the suggested areas of improvement. There are three priority levels viz. HIGH, MEDIUM and LOW.
<b>9</b>	Deadlines	The Deadlines are associated to the Levels of Priority and assign the period of time within which the Entity has to put in measures to address the identified areas of improvement. The deadlines are: "High" which means that the improvement measure must be dealt with within 3 months from the date of the Report. "Medium" which requires improvement in 6 months. "Low" which requires the Entity to correct its shortcomings within 12 months.

### Contract Data Sheet

The Contract Data Sheet are used to capture quantitative data on actual procurement transactions that Entities undertook during 2021, the period under review. Assessors enter the necessary contract details

in the fields provided on the Sheet. The PPME Tool generates Performance Measurement Indicators (PMIs) out of the data collected. A sample of the Contracts Data Sheet is attached to this Report as Appendix 2.

## **DATA COLLECTION APPROACH**

Data collection was carried out by selected Staff of PPA who had been trained on the use of the Evaluation Grid and the Contract Data Sheets.

### **Field Data Collection**

Data collection was done through actual visits to each of the Procurement Entities by the Assessors. The Entities had been informed in advance of the visits of the Assessors through Advertiser's Announcements placed in the Daily Graphic and Ghanaian Times newspapers (copies attached as Appendix 4) and formal letters from the PPA. The letters explained the essence of the Exercise and what was expected from the Entities in terms of the information to be provided by them. The Entities were also to make available for inspection, all documentation covering their procurement activities undertaken in 2021 to achieve the aim of basing the assessment on DOCUMENTARY evidence. Using the Evaluation Grids, Assessors were tasked to rate the performance of the Entities, on the strength of evidence they had seen, verified and collected. Assessors used the Contracts Data Sheets to collect quantitative data on procurement transactions.

## **DATA ENTRY AND ANALYSIS**

This section of the Report describes the entry of the data collected by the Assessors and how the analysis was undertaken.

### **Data Entry**

Data Entry was also seen as an important step in the quality assurance cycle. Therefore, the Data Entry Clerks were equipped not only with the skills of inputting the information brought by the Assessors but were also exposed to the rationale behind the Evaluation Grid and Contracts Data Sheet. This was to enable them to identify Evaluation Grids that had not been properly completed. Such Grids were verified by the Data Entry Supervisors before being returned to the concerned Assessors for correction and resubmission. The same was done for the Contracts Data Sheets. All these checks were aimed at safeguarding the quality of the data on which the analysis by the PPME Tool was based.

### **Data Analysis**

The PPME Tool was used for the analysis of all the data collected during the field assessments. As stated earlier in the Report, the PPME Tool generates two main Reports. These are:

1. the Qualitative Report, and
2. the Quantitative Report.

The qualitative report is the **PERFORMANCE ASSESSMENT SYSTEM** (PAS) Report while the quantitative report comes in the form of **PERFORMANCE MEASUREMENT INDICATORS** (PMI) Report. The national figures achieved for the Performance Assessment System and Performance Measurement Indicators for 2021 are presented in this Report. The 2021 achievements are compared with the 2020 levels to show whether or not progress has been made in the areas assessed. Figures for the individual Entities will be given in the respective Entity Reports. These are issued to the assessed Entities to show what must be done to improve the conduct of their procurement activities.

### Performance Assessment System (PAS) Report

The Performance Assessment System looks at the importance Entities attach to their procurement activities through the expected deployment of qualified personnel to man their Procurement Units as well as putting out their procurement related information in such a form as to ensure the receipt of good responses from well-informed Providers. It also checks if the contracts resulting from the procurement processes are properly managed. The PAS Report presents the national average scores of the procurement performance of all the Entities assessed. It brings out the strong points as well as the areas that need to be improved on to ensure that public procurement is carried out properly in Ghana.

There are Four (4) main areas under the Performance Assessment System. These are:

1. Management Systems;
2. Information and Communication;
3. Procurement Process; and
4. Contract Management.

Each of these also has sub-categories which contribute to the results achieved. The sub-categories are:

#### **1. Management Systems**

- Leadership
- Human Resources
- Monitoring and Control System
- Ethics and Compliance with Regulatory Framework
- Complaints, Appeals and Dispute Mechanism

#### **2. Information and Communication**

- Information
- Market Place
- Data Analysis

### **3. Procurement Process**

- Procurement Planning
- Notice
- Preparation of Tender Documents
- Invitation to Tender
- Submission of Tender
- Tender Opening
- Tender Evaluation
- Contract Award

### **4. Contract Management**

- Planning and Mobilization
- Implementation
- Supervision
- Inspection
- Inventory Control and Disposal
- Reporting

#### **Performance Measurement Indicators (PMI) Report**

The quantitative report generated from the information collected using the Contracts Data Sheets by the PPME Tool is the Performance Measurement Indicators (PMI) Report. The PMIs are quantifiable indicators that show how well the Entities are performing in relation to eleven (11) critical factors that cover their procurement processes and contract management practices. Based on the levels of achievement, the Entities can gauge whether they are meeting the set targets or have to put in the necessary corrective measures to address shortcomings identified in the previous assessment exercises.

This Report presents the national average scores for each of the procurement compliance/performance indicators. As in the case of the Performance Assessment System, the PPME Tool generates a PMI report for each of the assessed Entities.

The eleven (11) Indicators for which results are generated by the PPME Tool are:

- Advertisement of Tender Opportunities
- Publication of Contract Awards
- Time for Tender Invitation and Opening
- Tenderer Participation
- Responsive Tenders
- Method of Procurement
- Tender Processing Lead-time
- Cancelled Tendering procedures
- Protests



- Resolution of Contract Disputes
- Contract Completion

## FINDINGS AND DISCUSSIONS

The findings of the 2021 Assessment Exercise are presented in this section and will be done under the headings of:

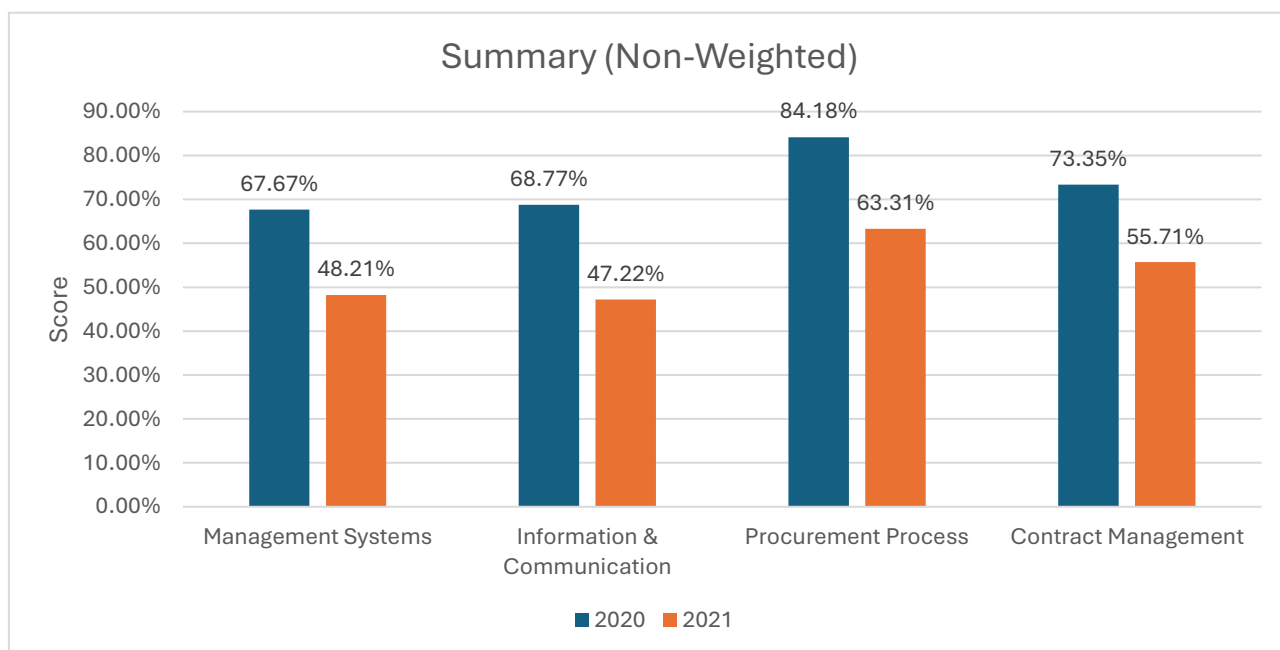
- the Performance Assessment System, and
- the Performance Measurement Indicators.

The performance levels achieved in the 2021 Assessment Exercise are compared to those of 2020. The necessary commentary will be made to contextualize the progress or otherwise made in each category.

### Performance Assessment System Report

The Performance Assessment System Report aggregates the scores of all the assessed Entities to give the overall national performance level. As explained in Section 3.4.2.1, the Performance Assessment System has four (4) categories and the findings are presented under those headings. Chart 1 is a graphical presentation of the National scores for 2021 achieved for each of the four categories under the Performance Assessment System set against those for 2020. The Chart shows that, in 2021, there was a decline in all the four categories compared to 2020 indicating that overall progress was not made in the conduct of public procurement in Ghana. The scores for each of the categories are discussed under the respective headings in the ensuing Sections alongside the scores of their respective sub-categories as the Report looks at the National performance into greater detail.

**CHART 1: NATIONAL ACHIEVEMENTS FOR THE PERFORMANCE ASSESSMENT SYSTEM**

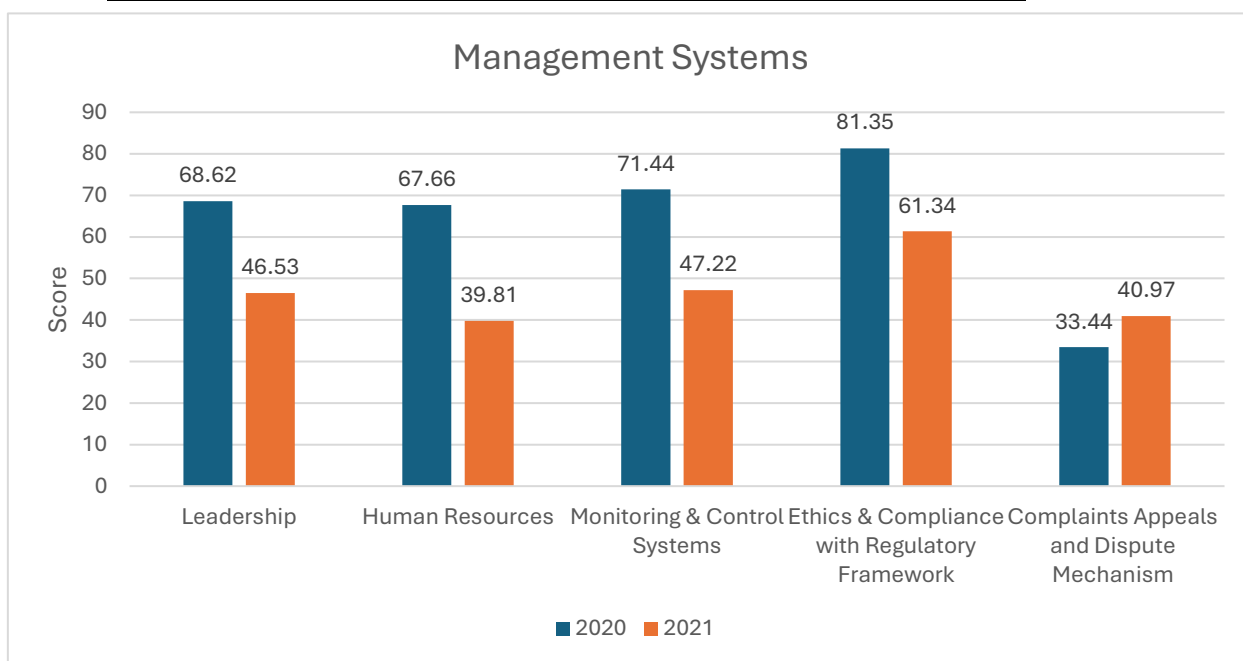


## Management Systems

The Management Systems Category looked at the extent of support provided by the Management of Entities in the establishment of the necessary structures to ensure the proper handling of the procurement activities in the Entities. Additionally, this category looked at the deployment of properly qualified Procurement Officers with enough supporting personnel as well as adequate resources to undertake the procurement activities. The existence of a framework for the handling of procurement related disputes and complaints was also examined.

The overall score in 2021 for this Category was 48.21% compared to 67.67% for 2020 which is a decline in the level of Management support for the procurement activities of the Entities. Chart 2 shows the levels of achievement for each of the sub-categories under Management Systems.

**CHART 2: COMPONENTS OF THE MANAGEMENT SYSTEMS**



Though most of the Entities had Procurement Units which were generally functional, the Procurement Officers mostly had academic qualifications in Procurement and Supply Chain but lacked the appropriate professional qualifications. Some of the Procurement Officers did not attend procurement training programmes. There was evidence that some Entities had no capacity development programmes for the Procurement Staff and training programmes for Internal Auditors to improve their knowledge base in procurement.

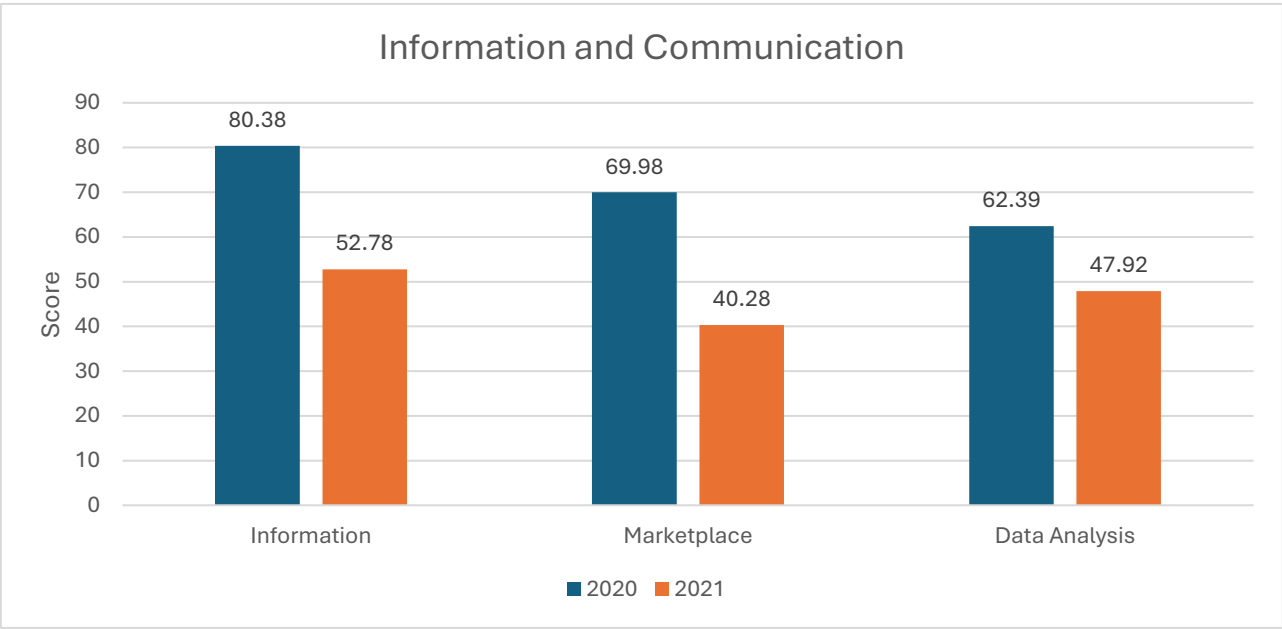
Handling of complaints and appeals was a problem as evidenced by the score of 40.97% in 2021 compared to the 2020 score of 33.44% which shows an improvement in performance. However, some Entities did not have structures in place to handle Complaints and Disputes when such issues come up. Incidentally, this was the only sub-category which recorded an improvement in performance in 2021. Most of the Entities ascribed their performance to the fact that there were more complaints received in 2021 than in 2020.

## Information and Communication

The capacity of Entities to give out and receive information in the right format is the main focus of the Information and Communication Category. The Category also reviewed their ability to make use of the

information they received, especially those relating to the structure and quality of the supply market and how they used such information to improve the ability of Providers to meet their procurement needs. The Entities were to show evidence of undertaking capacity development initiatives such as knowing their Providers and exposing them to the specific needs of the Entities and helping them to properly put their responses or tenders together. All these were aimed at assessing the initiatives put in place to make the Providers more responsive to the needs of the Entities and ultimately improve the overall conduct of public procurement in Ghana. The overall score for 2021 was 47.22% compared to 68.77% achieved in 2020.

**CHART 3: INFORMATION AND COMMUNICATION**



There was a decline in the performance levels for all the three (3) sub-indicators. The Entities did not have the capacity, to encourage the Providers to participate in the specialized training workshops organized by the PPA for Consultants, Contractors and Suppliers to acquire the necessary skill to enable them respond properly to the needs of the Entities.

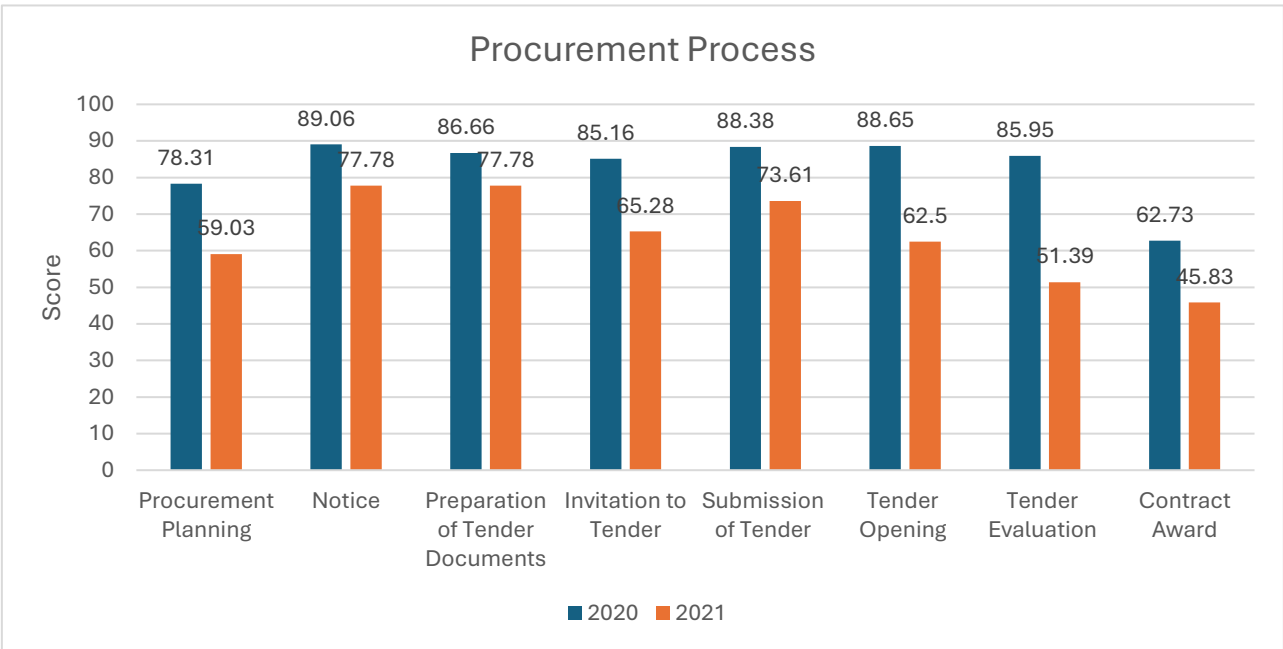
Some of the Entities did not use the PPA website or their internal notice boards in the dissemination of procurement information. The score of 40.28% for the Marketplace sub-category in 2021 indicates that there is the need for further improvement in the interaction with the Providers as a means to making them more responsive to the requirement of the Entities.

**Procurement Process**

The Procurement Process Category sought information on the Entities’ knowledge of the Procurement Cycle and how they were conducting their activities at each stage. The handling of each stage of the Procurement Cycle is of utmost importance to the success or otherwise of any procurement transaction. Entities were to show that they had planned their procurement activities and that whatever they had procured was from their Procurement Plans for 2021. Tender notices were expected to be issued in accordance with the requirements associated with the procurement methods in their Procurement Plans which should have been posted on the PPA website. Evidence on the fair and transparent conduct of the procurement activities were sought for in addition. It was important that not only were the winners of tenders notified of contract awards, but the losers too were also to be informed of the outcome of the

tendering processes. The overall score for the Procurement Process in 2021 was 63.31% compared to 84.18% in 2020. Chart 4 shows that there was an overall decline for all the components under this category relative to the 2020 scores.

**CHART 4: PROCUREMENT PROCESS**



The score of 45.83% for the Contract Award sub-category which is lower than the 2020 score of 62.73% shows that it needs to be worked on, as Entities were failing to inform the unsuccessful tenderers of the outcomes of the tender processes and post notices of contracts awarded on the PPA website.

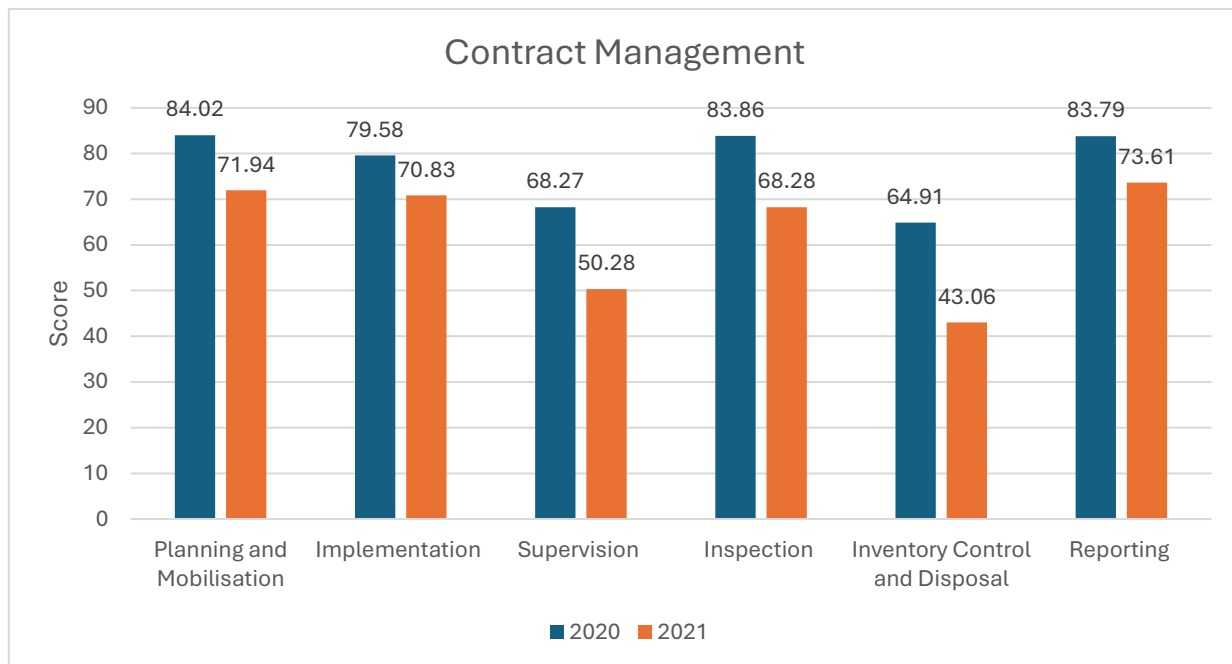
Some Entities did not also post their Procurement Plans and notice of tenders on PPA website and did not inform unsuccessful tenderers on tender outcome.

### Contract Management

This Category measured how Entities follow through the execution of the contracts they award. This very critical Category was often ignored as the procurement process was erroneously perceived to have ended once the contract was signed and so Entities were paying very little attention to Contract Management/Administration. The Entities were to demonstrate their appreciation of contract execution from the planning and mobilisation stage through implementation and supervision to contract closure or disposal stages. The Entities were to show evidence of all the Reports that were required to be issued at each of these stages.

In 2021, the overall score was 55.71% for this Category compared with 73.35% in 2020.

**CHART 5: CONTRACT MANAGEMENT**



From Chart 5, there was a decline in all the performance levels for the sub-categories those for Supervision and Inventory Control and Disposal were considerably low and not at par with the others. Entities had issues with their commitment to ensuring that the Providers completed their contracts on time. Stores management was an issue with the Entities as records were not properly kept on the movement of items from the Stores.

#### PERFORMANCE MEASUREMENT INDICATORS (PMI)

There are 11 Performance Measurement Indicators (PMIs). These indicators provide the means of measuring the performance of the activities they cover. Findings and Discussions will be done under the headings or names of the various indicators. The scores for 2021 are shown in Table 2 and compared with those for 2020.

**TABLE 2: PERFORMANCE MEASUREMENT INDICATORS FOR 2021 COMPARED TO 2020**

INDICATOR	METRICS	CRITERIA	RESULTS	
			2021	2020
1. Advertisement of Tender Opportunities	a) % of open tendering procedures publicly advertised	Percentage	<b>97.96%</b>	<b>97.02%</b>
	b) % of open tendering procedures opened publicly and recorded	Percentage	<b>94.62%</b>	<b>95.35%</b>
2. Publication of Awards	% of contracts awards published	Percentage	<b>13.04%</b>	<b>10.66%</b>
3. Time for tender invitation and opening	Average number of days between invitation to tender and tender opening	Number	<b>16 DAYS</b>	<b>17 DAYS</b>
4. Tenderer Participation	Average number of Tenderers per notice	Number	<b>7</b>	<b>6</b>
5. Responsive tenders	% of responsive tenders per notice	Percentage	<b>94.78%</b>	<b>92.67%</b>
6. Method of Procurement	% of tenders using each of the procurement methods	INTERNATIONAL COMPETITIVE TENDERING	<b>0.10%</b>	<b>0.05%</b>
		RESTRICTED TENDERING	<b>2.19%</b>	<b>2.87%</b>
		SINGLE SOURCE	<b>3.90%</b>	<b>4.89%</b>
		NATIONAL COMPETITIVE TENDERING	<b>17.74%</b>	<b>27.62%</b>
		PRICE QUOTATION	<b>74.31%</b>	<b>62.97%</b>
		LOW/MINOR VALUE PROCUREMENT	<b>1.75%</b>	<b>1.60%</b>
7. Tender Processing lead-time	Average number of days between tender opening and contract award	Number	<b>33 DAYS</b>	<b>27 DAYS</b>
8. Cancelled tendering Procedures	% of tendering procedures cancelled per the provisions of ACT 663 as amended.	Percentage	<b>-</b>	<b>-</b>
9. Protests	a) Tendering procedures with protests	Number	<b>305</b>	<b>20</b>
	b) % Protests resolved	Percentage	<b>20%</b>	<b>35%</b>
10. Resolution of Contract Disputes	a) Contracts with disputes	Number	<b>75</b>	<b>23</b>
	b) % of contracts with resolved disputes	Percentage	<b>-</b>	<b>-</b>
11. Contract Completion	a) % of contracts completed fully with acceptable performance	Percentage	<b>95.81%</b>	<b>94.95%</b>
	b) % of contracts with completion reports	Percentage	<b>82.98%</b>	<b>92.45%</b>

KEY: **I. C. T.** - INTERNATIONAL COMPETITIVE TENDER  
**N. C. T.** - NATIONAL COMPETITIVE TENDER  
**L/MVP** - LOW/MINOR VALUE PROCUREMENT

### **PMI 1: Advertisement of Tender Opportunities**

The Public Procurement Act 2003 (Act 663) as amended, in Section 47, enjoins that the notices for National Competitive Tenders (NCT) and International Competitive Tenders (ICT) which are open competitive methods, should be advertised publicly. The notices shall be published in at least ONE (1) daily newspaper of wide national circulation and the PPA website. The invitation may also be published in a newspaper, relevant trade publication, technical or professional journal of wide international circulation. Furthermore, the tenders were required to be opened publicly with signed records of all the read-out information. 97.96% of all tenders for NCT and ICT were advertised as required in 2021 compared to 97.02% in 2020. Additionally, 94.62% were opened publicly in 2021 compared with 95.35% in 2020. This is the result of the Entities failing to fully comply with the requirement of advertising tenders on BOTH the PPA website and a newspaper of wide national circulation.

### **PMI 2: Publication of Awards**

Section 31 (1) of Act 663 as amended, requires Entities to publish notices of procurement contract awards on the PPA website.

In 2021, 13.04% of the tenders posted on the PPA website had notices for contracts awarded as compared to 10.66% in 2020. Entities are not complying with this requirement of Act 663 as amended.

### **PMI 3: Time for Tender Invitation and Opening**

This is the time the tenderers are allowed to put together their tenders. It is measured as the difference between the date the tender notice first appeared in the newspaper and the date of the tender opening. The average time given to Tenderers, irrespective of the procurement method used, in 2021 was 16 days and 17 days in 2020. This is more than the minimum period of 14 days required for National Competitive Tendering. PMI 6 shows that Price Quotation, which requires a minimum of 7 days, was the predominant method of procurement for both years. Thus, the Entities, on the average, gave the Tenderers enough time to submit their tenders.

### **PMI 4: Tenderer Participation**

This indicator records the level of responses Entities receive to their tender notices. This is a measure of the responsiveness of the marketplace to meet the needs of the Entities. An average of 7 Tenderers responded to each tender notice in 2021 compared to 6 in 2020. This is more than the minimum of 3 tenders needed to guarantee effective competitive tendering based on the predominant procurement method in 2021.

### **PMI 5: Responsive Tenders**

This indicator gives a measure of the ratio of responsive tenders that are received for each tender notice put out by the Entities.

In 2020, an average of 92.67% of tenders received were responsive to the requirements of the Entities which increased to 94.78% in 2021. Applying this ratio to the average number of tenders received shows

that for each tender notice, approximately all seven (7) tenderers recorded in 2021 as shown in PMI 4 were responsive thus making the overall tendering process in 2021 competitively conducted.

#### **PMI 6: Method of Procurement**

This indicator showed the ratio of each of the recognised procurement methods bore to the number of tenders captured in the 2021 Assessment Exercise. The breakdown, shown in Table 3, gives the ratios based on the total number of tenders put out in 2021 and shows that Price Quotation was the predominant procurement method as it was in 2020.

**TABLE 3: PROCUREMENT METHODS BASED ON THE TOTAL NUMBER OF TENDERS**

PROCUREMENT METHOD	PERCENTAGE	
	2021	2020
INTERNATIONAL COMPETITIVE TENDER	0.10%	0.05%
RESTRICTED TENDER	2.19%	2.87%
SINGLE SOURCE	3.90%	4.89%
NATIONAL COMPETITIVE TENDER	17.74%	27.62%
PRICE QUOTATION	74.31%	62.97%
LOW/MINOR VALUE PROCUREMENT	1.75%	1.60%

In terms of the values of the transactions captured, Table 4 gives the distributions per procurement method and shows the Single Source Method as the predominant method of procurement in 2021 compared to 2020 which had the National Competitive Tendering as the predominant method. This shows that the Non-Competitive method was the preferred procurement route in 2021. Though the Single Source Method was the most used in terms of value in 2021, it was observed that the score of 46.58% in 2021 was less than 50% of the competitive methods. Additionally, the Open Competition was the preferred method in 2020.

**TABLE 4: DISTRIBUTION OF PROCUREMENT METHODS BASED ON TENDER VALUES**

PROCUREMENT METHOD	PERCENTAGE	
	2021	2020
INTERNATIONAL COMPETITIVE TENDER	0.93%	0.01%
RESTRICTED TENDER	23.81%	9.51%
SINGLE SOURCE	46.58%	32.58%
NATIONAL COMPETITIVE TENDER	21.85%	45.70%
PRICE QUOTATION	6.79%	11.03%
LOW/MINOR VALUE PROCUREMENT	0.03%	1.17%

#### **PMI 7: Tender Processing Lead-Time**

This is the time period between the date of tender opening and the date of contract award. This period covers the period for evaluation, the period for seeking approvals and the signing of the contract.

The turnaround time increased from the 2020 figure of twenty-seven (27) to thirty-three (33) days in 2021. This is an indication of a delay in the delivery of the processes leading to the award of contracts from the invitation of tenders.



## **PMI 8: Cancelled Tendering Procedure**

This indicator looks at the number of tendering procedures that were cancelled by the Entities.

There was no record of cancelled tenders in 2020 and 2021.

## **PMI 9: Protests**

This indicator captures the number of protests received and the ratio resolved. Three hundred and five tendering procedures had protest recorded compared to the 2020 score of twenty (20) tenders. The ratio of cases resolved satisfactorily also decreased from 35% in 2020 to 20% in 2021.

## **PMI 10: Contract Dispute Resolution**

This indicator shows the number of contracts with disputes and how many of them were resolved using the provisions of the conditions of contract.

Twenty-three (23) contracts had disputes in 2020 compared to seventy-five (75) contracts in 2021. However, there was no evidence recorded of any of them being resolved in the year under review.

## **PMI 11: Completion Rate**

The timely and acceptable completion of projects is measured by this indicator.

In 2020, 94.95% of contracts were completed with acceptable performance compared with 95.81% in 2021 and 82.98% had completion reports indicating a decrease over the 2020 score of 92.45%

## **LESSONS LEARNT**

The Assessors had a meeting with all the representatives of the Entities in a “conference” or group setting. Entities broadly cooperated with the Assessors in the provision of the required data.

It must however be noted that in nearly all the Entities, the Assessors met mostly the Procurement Officers with a few management staff present. The only exception to this was with the Metropolitan/Municipal/District Assemblies where either the Chief Executive or the Coordinating Directors were always present.

The ease with which information was retrieved was a major concern as the Entities had not significantly improved on their record keeping regimes. This made the period for data collection longer than planned.

## **CONCLUSION**

As in all previous assessment exercises, the Public Procurement Model of Excellence (PPME) Tool was used to analyse the data collected in 2021 from 787 Entities. These Entities covered the low to high spend spectrum throughout the Country. This gave the data the national characteristic making the results reflect the national levels of compliance with the requirements of the Public Procurement Act, 2003 (Act 663) as amended. All the factors used in the Assessment Exercise showed that nationally, in 2021 there had been an overall decline in the conduct of public procurement relative to 2020.

## RECOMMENDATIONS

There had been an overall decline in the conduct of the procurement activities and measures need to be put in place to improve on performance on a sustainable basis.

These recommendations are therefore made with the aim of improving on the performance of the 2021 Assessment Exercise:

1. Entities should encourage their staff involved in procurement, viz. Procurement Officers and Engineers to acquire appropriate professional procurement or allied skills and qualifications.
2. The training of the Procurement staff and Internal Auditors should be expanded to include training on Contract Management, Standardized Procurement Audit Framework and Sustainable Public Procurement (SPP).
3. Entities should engage Contract Administrators to effectively supervise contracts awarded.
4. As a matter of urgency, PPA should include slots in all Training Programmes for instructing Entities on how to post notices of contracts awarded on the PPA website. This will ensure that Entities become more transparent with the contract awards and also inform the Tenderers on the outcomes of tenders they participated in.
5. The results of the 2021 Assessment Exercise showed there were challenges associated with the handling of procurement related disputes and complaints. Entities should be trained on dispute resolutions and put structures in place to resolve issues when they occur.
6. As part of PPA's training programmes, there should always be practical sessions on how to post tender notices on PPA website.
7. PPA should ensure that all Entities post their Procurement Plans on PPA website.
8. Entities should interact and also train the private Sector and Service Providers on how to effectively respond to tender invitations.
9. PPA should ensure that Entities keep records in accordance with Section 28 of Act 663 as amended.

### 3.1.1 Due Diligence Unit (DDU)

During the period the DDU carried out extensive cost and value for money analysis which resulted in reduction of amounts totalling Three Hundred and Seventy-One Million, Five Hundred and Ninety-Seven Thousand, Three Hundred and Twelve Ghana Cedis, Forty-Nine Pesewas

**(GHS 371,597,312.49)** that would have otherwise been contracted to the various requests that received by PPA.

Details	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	Grand Total
Amount of Savings (GHS)	99,566,287.62	101,141,805.18	33,508,143.66	137,381,076.03	<b>371,597,312.49</b>

### **3.2.0 POLICY, PLANNING AND RESEARCH (PP&R)**

The PPA is mandated by section 3(a) (b) and (c) of the Public Procurement Act 2003, Act 663 as amended to develop best practice procurement policies, instructions and other regulatory documentation to ensure that government procurement achieves transparency, accountability and value for money. In the light of this, the PPA worked with other stakeholders to formulate and implement policies and guidelines on Sustainable Public Procurement (SPP), locally assembled vehicles among others.

#### **3.2.1 Sustainable Public Procurement Policy on Timber and Timber Products**

The PPA together with the Nature and Development Programme (NDP), the Ministry of Lands and Natural Resources, as well as the Forestry Commission developed the necessary policy measures under the Sustainable Public Procurement Objectives of the Authority to ensure only **legal timber and timber products are procured and used** by Public Entities. Domestic Timber Contract Document and the Domestic Timber Inspection Certificate (DOSTIC) forms part of the legal framework to enforce the policy. Some drafted documentation (**Contract to Purchase Legal Timber and Certificate of Legal Source of Timber**) has been revised to serve as proof of source of legal timber and actual use of legal timber in the execution of government projects.

#### **3.2.2 EU Funding for Sustainable Public Procurement Training**

The PPA in 2010 introduced Sustainable Public Procurement into Ghana's Public Procurement system with aid from SECO. To fully implement the SPP agenda, there is the need to develop SPP Policy Document which will provide a legal framework to delineate SPP in Public Procurement. The Final Draft of the Policy have been developed awaiting Cabinet approval to make it Final working document. PPA will organize refresher workshops for procurement officers, Engineers, Heads of Institutions as well as awareness creation on the Policy. In this vein, the Authority had discussions with the European Union (EU) to provide funding for the workshops, Printing and Publication of the SPP Policy.

#### **3.2.3 Tender Evaluation Guidelines Developed by Energy Commission**

The PPA together with Energy Commission developed Tender Evaluation Guidelines for implementing Local Content and Participation (L.I. 2354) in the Electricity Supply Industry. Staff of PPA reviewed the guidelines. To complete the guidelines a workshop to solicit stakeholders' view would be organized.

#### **3.2.3 Policy on Procurement of Locally Assembled Vehicles**

The PPA has put together a policy on the procurement of locally assembled vehicles by the Public Institutions. The Authority visited some automobile companies such as Universal Motors, Kantanka Automobile and Zonda tech Limited and interacted with them to be well informed. The policy when rolled/implemented would promote Domestic Comprehensive Automotive Development of Assembly and Component Manufacturing Industry to drive employment, foreign investment, innovation and economic growth to contribute directly and indirectly to GDP. Therefore, only domestically assembled vehicles and suppliers of such vehicles are required in order to promote the policy. This must be the basis of supplier selection criteria for the vehicle. The scope of the policy is to provide the necessary framework to establish, assembly and manufacturing capacity in Ghana for new passenger cars, SUVs and light commercial vehicles which include pickups, and cargo vans. In the future, assembling medium and heavy-duty commercial vehicles and buses will be introduced.

### **3.3.0 Capacity Development (CD)**

Capacity Development for Procurement practitioners and Entity managers are key measures to ensuring compliance with the Public Procurement Act (Act 663) as amended. The Capacity Development Policy of PPA sets out clear objectives which informed the activities of PPA's training and Capacity Development in

2022. The following training activities were undertaken to build the capacity of Public Entities through:

- iv. Short Term Training on Act 663 as amended,
- v. Execution of Specialized Training Requests, and
- vi. Planned training programmes on Contract Administration, SPAF, SPP, FWAs among others.

### 3.3.1 Specialised Training Requests

The Authority received EU-PFM support for the development of a Standardized Procurement Audit Framework (SPAF) and to train Audit Staff of MMDAs, MDAs, Ghana Audit Service (GAS), and Internal Audit Agency (IAA). A total of Two hundred and fifty (250) staff were trained in SPAF.

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) under the Governance for inclusive Development (GovID) engaged EY Ghana to develop FWAs training modules and enhance the Standardised Procurement Audit Framework training materials with additional module on procurement.

The objective of the additional training module is to equip Procurement Auditors who may not have adequate knowledge in procurement principles and practices.

Specialized training sessions on other areas of procurement were also held for some procuring entities.

NO.	NAME OF ORGANIZATION	TYPE OF TRAINING	NO. OF PARTICIPANTS
1.	Volta River Authority	Contract Administration for Goods, Works, Consultancy and Technical Services	30
2.	Volta River Authority	Introduction to Sustainable Public Procurement	30
	<b>TOTAL</b>		<b>60</b>

### 3.3.2 Training Calendar

The PPA in the year under review developed a training calendar to meet the growing needs of Entities who are not able to afford specialised training for its staff. The training calendar is designed such that there is training session every quarter. Training includes Preparation of Tender Documents, Legal framework of Act 663 as amended, Preparation of Evaluation Reports, Contract Administration among others. The various training sessions held within the period under review were attended by Heads of Department, ETC Members, Procurement Officers, Accountants, Civil Engineers, Quantity Surveyors and other Stakeholders.

**Table 4.2 Advertised Training**

NO	WORKSHOP TITLE	NO OF PARTICIPANTS
1	Legal Framework of the Public Procurement Act, 2003, Act 663 as amended and Roles of Heads of Entities	25
2	Roles and Responsibilities of Tender Committees	25
3	Contract Administration for Goods Technical Services	24
4	Contract Administration for Works and Consultancy Services	18
5	Effective Tender Preparation and Evaluation for Goods and Technical Services	34
6	Effective Tender Preparation and Evaluation for Works and Consultancy Services	26
7	Introduction to Sustainable Public Procurement	41
	<b>Total</b>	<b>193</b>

The Authority trained over five hundred (500) public and private sector officials in various procurement-related topics to equip them in their field of work within the year under review.

### **3.4.0 LEGAL AND BOARD AFFAIRS**

#### **3.4.1 LEGAL**

##### **3.4.1.1 Second Drafting of Public Procurement Regulations**

A draft of the Regulations on Act 663 as amended was considered by the Subsidiary Legislative Committee of Parliament at a retreat in Koforidua held on Saturday 5<sup>th</sup> February 2022. The report from the Attorney Generals' Department was forwarded to the Minister of Finance, laid before Parliament and was passed into a Legislative Instrument as Public Procurement Regulations, 2022 (L.I. 2466).

#### **3.4.2 BOARD AFFAIRS**

The Board executed its mandate by supporting the Authority's ongoing policy initiatives.

##### **3.4.2.1 Single Source & Restricted Tendering Procurement**

The Board considered a number of applications for Single Source and Restricted Tendering from several procuring Entities in the reporting period, as summarized in the table below:

##### **Summary of Single Source and Restricted Tendering (SSRT) for 2022**

Summary of single source 2022

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Approved	452	388	63	620	<b>1523</b>
Not Approved	14	5	0	4	<b>23</b>
<b>Total</b>	<b>466</b>	<b>393</b>	<b>63</b>	<b>624</b>	<b>1546</b>

##### **Summary of Restricted Tendering 2022**

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Approved	58	56	13	0	<b>127</b>
Not Approved	4	8	0	0	<b>12</b>
<b>Total</b>	<b>62</b>	<b>64</b>	<b>13</b>	<b>0</b>	<b>139</b>

##### **3.4.2.2 Requests for Ratification**

A number of institutions and government departments, which for various reasons neglected or failed to comply with the Procurement Act, applied to the Board for ratification of such procurement activities in order to complete the audit trail and payment requirements. Section 90 (2) (c) of the Public Procurement Act, 2003 (Act 663) as amended, mandates the Board to investigate, consider and ratify contraventions of the Act. Institutions listed below, variously applied to the Board to ratify the use of Single Source or Restricted Tendering methods without the Boards approval, within the reporting period. The Board has been advised and is considering the submission of such infractions to the Auditor-General in future, for onward submission to Parliament for the appropriate sanctions.

**Table: List of Entities that Applied for Ratification in 2022**

<b>NO</b>	<b>ENTITY</b>	<b>REQUEST</b>	<b>INVESTIGATION</b>	<b>DECISION</b>
1.	Korle Bu Teaching Hospital	Engaged Messrs. DCL Laboratories and Products Limited for the supply of Laboratory Reagents under a Memorandum of Understanding to feed the Selectra Pro XL Auto Chemistry Analyzer, Magkumi 2000 Plus Automated Immunology Analyzer and Convergys ISE Automated Electrolyte Analyzer as well as augment the Vitros 5600 Chemistry Integrated System.	Recommended	Ratified
2.	Ministry of Finance	Engaged the services of 3M Cogent for the provision of Biometric Data Registration.	Recommended	Ratified
3.	Bulk Oil Storage and Transportation Company Limited (BOST)	Engaged Best Western Premier Accra Airport Hotel for the provision of conference package for meetings and interview sessions.	Recommended	Ratified.
4.	PSC Tema Shipyard Limited	Engaged the services of Messrs. Emadan Inspection Engineering Limited to perform Ultrasonic Thickness Measurements (UTM) on a vessel, M.T Rosemary that underwent dry-docking	Recommended	Ratified
5.	Petroleum Hub Development Corporation (PHDC)	Engaged the services of Messers TCP/UIC Consortium to undertake phase 1 of the Hub project.	Recommended	Ratified
6.	National Service Scheme (NSS)	Engaged the services of Messers AB Power Conserve Limited to conduct forensic audit to scrutinize, review, validate the registrants, and ultimately ensure only qualified ones are deployed for service.	Recommended	Not Ratified
7.	National Petroleum Authority (NPA)	Engaged New Century Press Ltd to supply 50 Executive diaries for the Governing Board	Recommended	Ratified
8.	Ghana Ports and Harbours Authority (GPHA)	Procurement of Vehicles	Recommended	Not Ratified.
9.	Ministry of Finance	Engaged Messers Vallex Lease-Equip Ltd	Recommended	Ratified
10.	Ghana Cocoa Board (COCOBOD)	Procurement of 1,500 litres of Actara		

NO	ENTITY	REQUEST	INVESTIGATION	DECISION
11.	National Communications Authority (NCA)	Engaged the services of Independent Broadcasters Association (GIBA) for the provision of Sim Card Registration Publicly Campaign phase 1	Recommended	Ratified
12.	Office of the Attorney-General and Ministry of Justice	Engaged the services of Messers Volterra Fietta for the provision of legal services in respect of the challenge of an arbitral award issued against the Government of Ghana in the GPGC Limited Arbitration.	Recommended	Ratified
13.	Minerals Income Investment Fund (MIIF)	Engaged IMARA Corporate Finance SA to provide transaction advisory services for the monetization of gold royalties (Project Kingdom).	Recommended	Not Ratified
14.	National Centre for Radiotherapy and Nuclear Medicine (NCRNM)	Use of Single Source method for the acquisition of Brachytherapy Seeds.	Recommended	Ratified
15.	Ghana National Gas Company Ltd	Engaged Messers Startrack International Ghana Limited for hiring of equipment	Recommended	Ratified
16.	Scholarship Secretariat	Engaged the services of KLM Cargo to airlift Medical and Essential items for Ghanaian Medical Students on scholarship	Recommended	Ratified
17.	Ghana Health Services (GHS)	Engaged Messers Information Governance Solutions (IGS) to provide Data Management and Certification Training	Recommended	Ratified
18.	University of Ghana (UG)	Engaged Messers Kingdom Books and Stationery Limited for the supply of university branded souvenirs and certificate holders	Recommended	Ratified
19.	Korle Bu Teaching Hospital (KBTH)	Engaged Messrs Life Care Technology Limited and Paracelsus pharmacy Limited through sole source.	Recommended	Ratified
20.	Ghana National Petroleum Corporation (GNPC)	Engaged Messrs. David Sharp as an expert witness for an insurance claim settlement in reference to Turret Bearing, FPSO Kwame Nkrumah (MV 21) Jubilee Field, Offshore Ghana.	Recommended	Ratified
21.	Scholarship Secretariat (SLA)	Engaged Messrs Orcons Systems Limited to provide Systems Support and Maintenance Service of Government of Ghana Scholarships Management Systems.	Recommended	Ratified
22.	Ghana Police Service (GPS)	Engaged University of Professional Studies (UPSA) to conduct Recruit Applicants Exams for 60,000 candidates.	Recommended	Ratified

<b>NO</b>	<b>ENTITY</b>	<b>REQUEST</b>	<b>INVESTIGATION</b>	<b>DECISION</b>
23.	Korle Bu Teaching Hospital (KBTH)	Engaged various Suppliers for the provision of various medical items.	Recommended	Ratified
24.	Ghana Airports Company Limited (GACL)	Engaged of Messrs. KNK Services Limited for the provision of disinfection of all the surfaces of Terminal 3 Departure of Kotoka International Airport to protect passengers, staff and other users	Recommended	Ratified
25.	Ghana Statistical Service (GSS)	Engaged Mr. Andrews Fosuhene to redesign the 2021 Census Platform to include a Dissemination Page to accommodate various Census Reports.	Recommended	Ratified
26.	National Health Insurance Authority (NHIS)	Engaged Messrs. SIP Consult Limited for the extension of contract for the provision of maintenance and support services for ERP Finance Module	Recommended	Ratified
27.	Ghana Prisons Service (GPS)	Engaged of Messrs. Coded Innovation Technology Services for the development of an Internet-Based Application for Ghana Prisons Service (GPS) 2021 recruitment Exercise	Recommended	Ratified
28.	National Health Insurance Authority (NHIS)	Ratification for contract extension of Messrs. Top Archive Limited for the provision of Documents Storage and Archival Services	Recommended	Ratified
29.	Driver and Vehicle Licensing Authority (DVLA)	Engaged of Messrs. Godking Agile Systems Limited to design and produce pre-printed Colour-Coded Securitized Stickers for Luxury Vehicles Levy (LVL)	Recommended	Ratified
30.	Ghana Statistical Service (GSS)	Engaged Messrs. MM Global Ventures Limited (Mr. Martin Kwakye) as Consultant to facilitate the publicity of 2021 Population and Housing Census	Recommended	Ratified
31.	University of Environment and Sustainable Development (UESD)	Engaged Messrs. ROPAT System Limited for the deployment of ERP Software	Recommended	Ratified
32.	Ministry of Finance (MoF)	Engaged Chindit Defence Technologies LLP for the provision of Value for Money Assessment (VFM) on Government's Defence and National Security Procurement	Recommended	Ratified



<b>NO</b>	<b>ENTITY</b>	<b>REQUEST</b>	<b>INVESTIGATION</b>	<b>DECISION</b>
33.	Ministry of Lands and Natural Resources	Engaged Messrs. Ankamah Legal Consultancy to undertake a comprehensive audit of Chirano Goldmines Limited	Recommended	Ratified
34.	Driver and Vehicle Licensing Authority	Ratification for the engagement of various suppliers.	Recommended	Ratified
35.	Ghana Tourism Authority	Rehabilitation of Nana Yaa Asantewaa museum in the Ashanti Region.	Recommended	Ratified
36.	Ghana Tourism Authority	Rehabilitation of the Aburi Botanical Gardens in the Eastern Region.	Recommended	Ratified
37.	Ministry of Health (MoH)	Engaged a consultant Advisor for the Mortuary and Funeral Facilities Agency	Recommended	Ratified
38.	Minerals Income Investment Fund (MIIF)	Engaged IMARA Corporate Finance (PTY) and Algebra Securities Ltd to provide transaction advisory services.		
39.	Social Security and National Insurance Trust (SSNIT)	Ratification of variation orders in favour of Messrs. Zirconia Enterprise Limited due to increased defective works of the non performing contractor whose contract was re-awarded to Messrs. Zirconia Enterprise Limited under the completion of Government of Ghana Affordable Housing Project at Borteyman	Recommended	Ratified
40.	Social Security and National Insurance Trust (SSNIT)	Request to Ratify a signed Memorandum of Understanding with National Identification Authority (NIA) to use the Ghana Card for Social Security and National Insurance Trust operations.	Recommended	Ratified
41.	Ministry of Health (MOH)	Engaged various Suppliers to supply personal protective equipment, alcohol based hand sanitizers and essential medicine as part of the emergency preparedness response against the global outbreak of novel corona virus (Covid-19)	Recommended	Ratified
42.	Ghana Gas	Engaged Messrs. Studio HD for the provision of Event Management Services for 2021 Gas Challenge Project.	Recommended	Not Ratified.

NO	ENTITY	REQUEST	INVESTIGATION	DECISION
43.	Bulk Oil Storage and Transportation Company Limited (BOST)	Engaged Messrs Keikins Logistics Limited to check product quality from inter-depot Bulk Road Vehicles (BRVs) before discharging into the tanks.	Recommended	Ratified.
44.	Bulk Oil Storage and Transportation Company Limited (BOST)	Engaged Messrs. Treatol Ghana Limited to carry out fumigation and disinfection exercise	Recommended	Ratified.
45.	Ghana Ports and Harbours Authority	Engaged Messrs. Certification, Inspection and Training Ghana Limited for Procurement of Training and Certification Services for Reach Stacker Operators.	Recommended	Not Ratified.
46.	Ghana Ports and Harbours Authority	Ratification for an Expatriate support for the servicing Volvo Perta Engine for Security Patrol and Rescue Boat.	Recommended	Not Ratified.
47.	National Petroleum Authority (NPA)	Ratification of contract variation for the furnishing of NPA Head Quarters.	Recommended	Ratified.
48.	Bulk Oil Storage and Transportation Company Limited (BOST)	Ratify contract extension of PERSOL System Limited for the provision of software maintenance and support services	Recommended	Ratified.
49.	Ghana Export Promotion Authority (GEPA)	Ratification for the modification of services provided by Kollage Media Limited as Conference Event Manager for the organization of the 13 <sup>th</sup> World trade Promotion Organization (WTPO) Conference	Recommended	Ratified.
50.	Ghana Export Promotion Authority (GEPA)	Ratification of the expansion of hotel services provided by Labadi Beach Hotel	Recommended	Ratified.
51.	Ministry of Finance (MoF)	Ratification for the extension of the services provided by 3M Cogent as the Ministry of Finance (MoF) Consultant for the provision of Annual Biometric Registration Services from January 2019 to December 2021.	Recommended	Ratified.
52.	Ministry of Finance (MoF)	Ratify the re-engagement of various firms to provide consultancy services in relation to the rationalization of commercial agreements in the energy sector.	Recommended	Ratified.

NO	ENTITY	REQUEST	INVESTIGATION	DECISION
53.	Ministry of Finance (MoF)	Engaged Messrs KRL LLC as the Ministry's Consultant to support the Economic and Development agenda of the Government of Ghana (GoG).	Recommended	Ratified.
54.	National Cardiothoracic Centre (NCTC)	Ratification for the procurement laboratory reagents and consumables.	Recommended	Ratified.
55.	National Cardiothoracic Centre (NCTC)	Ratification for the procurement of Intensive Care Unit (ICU) and Cardiac Catheterization Laboratory (CATHLAB) consumables.	Recommended	Ratified.
56.	Korle Bu Teaching Hospital (KBTH)	Ratification for the procurement of various Pharmacy Drugs for the National Cardiothoracic Centre.	Recommended	Ratified.
57.	National Petroleum Authority (NPA)	Ratification of the production of Educational Audio-Visual materials for consumers of fuel and related products	Not Recommended	Not approved
58.	Ghana Cocoa Board (COCOBOD)	Engaged an external solicitor for the provision of legal services	Recommended	Ratified.
59.	Ghana Revenue Authority	Ratification for the Modification of the Integrated Tax Application Preparation System (ITAPS) features to GRA provided by Persol System Limited.	Recommended	Ratified.
60.	Ministry of Education	Engaged Messrs. Enterprise Insurance Company Ltd. for the provision of Vehicles Insurance Services.	Recommended	Ratified.
61.	Bank of Ghana	Engaged Messrs. IT Market Limited to provide Licenses and Support services for the Processors and Memory Kits	Recommended	Ratified.
62.	Bank of Ghana	Ratification of the award of contracts to Suppliers and Service providers for the acquisition of COVID – 19 Preventive Item and Services.	Recommended	Ratified.
63.	University of Ghana	Engaged Messrs. Prerceingle catering Services for the provision of catering services during the 2020 Ghana Universities Sports Association (GUSA) Games Camping	Recommended	Ratified.
64.	National Health Insurance Authority (NHIA)	Engaged Messrs. Zoomlion Ghana Limited to undertake nationwide disinfection of all NHIA offices across the country.	Recommended	Ratified.

<b>NO</b>	<b>ENTITY</b>	<b>REQUEST</b>	<b>INVESTIGATION</b>	<b>DECISION</b>
65.	Social Security and National Insurance Trust (SSNIT)	Ratify the procurement of International Business Machines Ghana Limited (IBM) for the provision of Hardware support.	Recommended	Ratified.
66.	National Identification Authority (NIA)	Ratify the extension of contract of Messrs. Metro Mass Transit Limited (MMTL) for the provision of transport services during the mop-up registration exercise.	Recommended	Ratified.
67.	National Identification Authority (NIA)	Ratify the extension of the contract of Messrs. Activate Africa for the provision of consultancy services for communication and publicity for mop-up registration exercise.	Recommended	Ratified.
68.	Ghana Revenue Authority (GRA)	Engaged Messrs. Digital Innova Ghana Limited for the generation of Tax Identification Numbers (TIN).	Recommended	Ratified.

### **3.5.0 MANAGEMENT INFORMATION SYSTEMS (MIS)**

#### **3.5.1 Ghana Electronic Procurement System (GHANEPS)**

To ensure transparency and efficiency in the Procurement process, The PPA introduced e-GP in 2019. Since its introduction, procuring entities have been trained on its usage. This training has enhanced procurement activities throughout the year with a total of three thousand, nine hundred and forty- eight (3,948) participants trained. These include Management staff, Procurement Officers and suppliers. Details is as follows:

Management Staff   **1,749**  
 Procurement Officers   **1,225**  
 Suppliers/Services Providers   **974**

#### **3.5.2 Website Activities**

The Authority, within the year under review provided assistance to Procuring Entities with the publication of procurement related information on the Authority’s website. Details are as follows:

- Tender Published   **1177**
- Open Tender Contracts   **266**
- Restricted Tender Contracts   **195**
- Sole Source Contracts   **411**
- Pre-qualification   **11**
- Expression Of Interest (EoI)   **41**

A total of two thousand, one hundred and one (**2,101**) publications were posted on the Authority’s website from the beginning of the year. There has been an increment on the website activities as compared to 2021 with a total of (**1,450**) publications. The Authority will entreat Entities to post their tenders and contracts on the PPA website to promote transparency in procurement activities.

### 3.5.3 Supplier Database

Registration of both local and foreign Service Providers (Consultants, Contractors and Suppliers) on the PPA Centralised Supplier Registration Portal continued. In all, 36, 478 local and foreign service providers were registered on the PPA Portal. Within the year under review the details of such activities are as follows:

- |   |               |
|---|---------------|
| 1. Total number of registration -       | <b>36,478</b> |
| 2. Total number of approved suppliers - | <b>21,650</b> |
| 3. Total number of paid up suppliers-   | <b>30,034</b> |
- (discuss the inclusion of this in the annual report)**

### 3.6.0 HUMAN RESOURCE

#### 3.6.1 Staffing Position

The numerical strength of the Authority as at the end of year 2022 was 59. Details of staffing information/data is provided in table 6 below

Directorate/ Position	CEO	Deputy CEO's	Directors	Deputy Directors	Principal Officers	Senior Officers	Officers	Assistant Officers	Drivers	Disp. Riders	Office Clerk	Total
CEO'S Secretariat	1		-	-	1	1	-	-	-	-	2	5
CD	-	-	1	3	-	1			-	-	-	5
PP&R	-		1	1	-	1	-	-	-	-	-	3
CM&E	-	-	1	5	-	-	-	-	-	-	-	6
MIS	-	1	-	1	-	2	-	-	-	-	-	4
Legal	-		1	-	-	2	-	-	-	-	-	3
Corporate Affairs	-	-			1	-	1	-	6	1	-	9
Finance	-	-	-	1	-	-	1	1	-	-	-	4
HR/Admin	-	-	-	-	-	1	-	-	-	-	-	2
Procurement	-	-	-	-	-	1	-	-	-	-	-	1
Internal Audit	-	-	-	-	1	-	-	1	-	-	-	2
Zonal Office(KSI)	-	-	-	1	1	1	1	-	1	-	-	5
Zonal Office(T'di)	-	-	-	1	-		1	1	1	-	-	5
DDU					1	2	-	-				4
<b>Total</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>4</b>	<b>7</b>	<b>12</b>	<b>6</b>	<b>4</b>	<b>8</b>	<b>1</b>	<b>2</b>	<b>59</b>

### **3.6.2 Scheme of Service for the Authority**

The Organizational Structure and Composition of Grades for the Authority have been approved by Public Services Commission (PSC) and has been approved. The Authority has submitted six (6) copies of the document for embossment and signature as required.

### **3.6.3 Recruitment**

Within the year under review the Authority employed two (2) Senior Operations Officers for the Zonal Offices. The officers assumed duty on 1st June 2022.

### **3.6.4 Resignation**

Three Officers tendered in their resignation letters within the year under review. The Authority would commence the replacement process in the ensuing year.

### **3.6.5 Retirement**

In July, 2022, the Director, Policy, Planning & Research (PP&R), and a Senior Driver retired their services from public service in accordance with the Article 199(1) of the 1992 Constitution of the Republic of Ghana.

### **3.6.6 Death**

The Authority lost one of its senior officers in 2022.

## **3.7.0 CORPORATE AFFAIRS**

The Authority engaged the media in procurement related issues in Accra, Kumasi, and Sunyani. The Authority successfully published two (2) of its e-Bulletins on the PPA Website on the themes "Implementation of GHANEPS and Achieving Greater Efficiency in Public Expenditure Using Procurement".

## **3.8.0 FINANCE AND AUDIT**

The Public Procurement Authority, as a wholly subvented GoG organization, continued to receive periodic releases from government for its operations during the period under review. Other sources of funds came from Development Partners.

Programme Based Budgeting (PBB) system for government institutions, which is now geared towards the National Medium Term Development Policy Framework (NMTDPF).

Inflows into the Authority's budget in 2022 were solely received from the Government of Ghana (GoG). Comparative figures in the Authority's 2022 and 2021 budgets in relation to actual funds released by the Ministry of Finance (MoF) are as shown in the table below:

### Approved Budgets and Actual Releases for 2022 Under GOG Funding

EXPENDITURE ITEMS	2022			2021		
	APPROVED (GH¢)	ACTUAL RELEASED (GH¢)	VARIANCE (GH¢)	APPROVED (GH¢)	ACTUAL RELEASED (GH¢)	VARIANCE (GH¢)
Compensation of Employees	4,417,055.00	4,513,439.85	(96,384.85)	4,566,440.00	4,798,500.84	(232,060.84)
Goods and Services	2,200,000.00	1,690,105.52	509,894.75	2440,929.00	4,451,999.28	(2,011,070.28)
Capital Expenditure	613900.00	79051.92	534848.08	1246516.00	632699.60	613816.40
<b>Total</b>	<b>7,230,955.00</b>	<b>6,282,597.02</b>	<b>948,357.98</b>	<b>8,253,885.00</b>	<b>9,883,199.72</b>	<b>(1,629,314.72)</b>

#### 3.8.1 Donor Funding Support

PPA obtained support from development partners for developmental activities.

#### 3.8.2 Financial Statement for the year

The audited Income and Expenditure account for the year ended 31<sup>st</sup> December 2022 is presented in **Annex II**.

### 4.0 THE MAIN CHALLENGES ENCOUNTERED IN THE YEAR

#### 4.1. INTERNAL CHALLENGES

##### Funding

Apart from lack of funding for some of the programmes, delays were experienced with fund releases, even when prior approval for GoG funds had been secured. Such situations resulted in delays in programme implementation and the performance of critical regulatory functions. Development Partners' funds proved useful in running some of our programmes during the year.

##### Inadequate Head Office Space

PPA operates from rented premises, and it is a challenge providing adequate office accommodation to meet the growing needs. A permanent office would be beneficial for the operations of the office.

##### Inadequate Conditions of Service

It is very difficult for PPA to retain middle level management due to inadequate conditions of service. Remuneration levels for staff of the Authority continues to pose a huge problem. The organisation keeps losing key staff as a result. Efforts to replace such staff has proved an enormous task as prospective applicants are



unwilling to settle for the rather low salary levels associated with the positions to be filled.

## **4.2 EXTERNAL CHALLENGES (to PPA)**

### **Wrong Perception**

Despite the potential for developing local industry through public procurement, many local small and medium enterprises (SMEs) do not participate in public procurement, for the following reasons, among others:

- a perception (and at times the reality) that the government is a slow payer, difficult to work with or has its own favoured suppliers for contract award.
- a feeling among SMEs based on anecdotal reports that corruption plays a part in contract award decisions.
- a perception that the Authority awards all government contracts to suppliers and prospective contractors.

However, there is an incredible improvement in this perception as the Authority has taken measures to improve its relationship (through training, administrative review of disputes/complaints as well as improving compliance) with the private sector during the year.

### **Lack of Capacity of Service Providers**

Inadequate capacity on the part of local suppliers, consultants, contractors, architects and engineers to participate in tenders advertised internationally and locally, particularly when values are huge.

### **Interest Rates**

The introduction of Tender Declaration form in the Revised Standard Tender Documents has curbed the high interest rates demanded by venders on small assignments. However medium to large assignments demand tender security to ensure commitment and execution of the assignment.

### **Lack of Capacity of Procurement Officers**

Majority of practitioners involved in public procurement lack the requisite expertise, and knowledge of the law governing the practice to execute various tasks related to the public procurement process.

### **Deliberate Project Deliverable Overruns**

These over-runs are characterized by cost escalations, especially delays in delivery time and the abandonment of projects which negate the attainment of "value-for-money" and development objectives.

### **Posting of Procurement Plans, Tender Awards and Contract Awards**

Many entities failed to post their procurement plans, tenders, and Contract awards on PPA's website, even though they have been trained to do so. PPA

would continue monitoring this and keep reminding entities at training sessions and also through press releases of the need to do so.

### **Others**

- i. Failure on the part of procuring entities to abide by threshold requirements and also to notify unsuccessful tenderers of the award of contracts in a timely manner.
- ii. Inadequate ICT facilities in the rural areas. Some Entities are unable to post procurement plans, or take advantage of ICT to improve procurement performance.
- iii. Frequent use of specialized procurement methods such as Restricted Tendering and Single Sourcing **without approval**.
- iv. Over pricing of tender documents by the Procurement Entities. The price should just cover the cost of its production.
- v. Creation of artificial shortages in the sale of tender documents;
- vi. Non-adherence to "same day" closure and opening of tenders;
- vii. Delay by entities in paying service providers;
- viii. Numerous requests for single source approvals for low value procurements often occasioned by a lack of knowledge in the application of other methods and concepts of procurement;
- ix. Inability to correctly follow prescribed procedures;
- x. Inadequate Tender Evaluation skills;
- xi. Fragmentation of procurement of common-user items resulting in large price variations.

## **5.0 WAY FORWARD/REMEDIES/RECOMMENDATIONS**

### **5.1 INTERNAL**

#### **Funding for PPA Programmes**

While PPA would continue to depend on Government subvention and Development Partners for funding for most of its programmes and material resources, efforts would be made to seek additional funding through Internally Generated Funds. It is however expected that the perennial problem of late release of funds would be solved so that PPA can expeditiously carry out its functions.

#### **Permanent Head Office**

PPA has been allocated land for construction of a Head Office building. Efforts would be made to secure funds to construct the envisaged permanent head office.

#### **Staff Retention**

Efforts would be made to continue to attract high caliber staff, and various strategies would need to be applied to retain them to enable the authority to carry out its mandate effectively.

## **5.2 EXTERNAL**

### **Procurement Planning**

More entities would be trained on procurement planning and posting of plans on the PPA website.

### **Capacity Development**

Training of procurement practitioners would continue. Also, service providers, and other oversight bodies would be beneficiaries of PPA's capacity development programmes.

### **Adherence to Anti-Corruption Measures**

Wherever anti-corruption rules are made, it is possible to find persons that will attempt to act to the contrary. Apart from the monitoring/feedback activities of the PPA, Section 92 of the Act 663 as amended acts as a deterrent for perpetrators of corrupt practices. This section prescribes penalties for persons who would contravene any provision of the Act. PPA will continue to initiate measures to clamp down on any activities of perpetrators of corrupt practices in public procurement to enhance the effective implementation of the Act.

## **6.0 CONCLUSION**

It is worth noting that there have been marked improvements in the levels of compliance achieved in 2022 over the 2021 achievements. This shows that the Authority is focused on attaining its vision.

In the ensuing year the Authority would widen its visibility in other regions to ensure monitoring and compliance with stipulations of Act 663 as amended. Our short-term training would be continued so as to improve capacity of entities, service providers, CSOs, Media, and other key stakeholders to operate efficiently and effectively in the procurement system. PPA would continue to press for greater efficiency of procurement within the Public Sector through active public education and awareness programmes in order to secure judicious use of public funds. PPA would continue to count on Government and Development Partners' support in implementing its planned programmes.

## **ANNEX I**

### **MEMBERS OF THE PPA GOVERNING BOARD**



Professor Ameyaw-Akumfi is a well-respected academician with long standing involvement in the educational reforms in Ghana.

He holds a PhD in Zoology from the University of Michigan, MSc and BSc in Zoology from the University of Ghana and from Adisadel College GCE 'A' and 'O' levels certificate.

He co-coordinated the introduction of the Semester and Course Unit System at the University of Cape-Coast. He chaired various committees at the University and acted as Vice-Chancellor during his tenure.

He authored papers on Decentralisation at the Seminar for University Administration under the auspices of the Tertiary Education Project, Income Generation and financing higher education in Ghana organized by Ghana Academy of Arts and Sciences.

He has chaired committees such as Natural Sciences Committee of the National Commission on UNESCO, and Editorial Committee of 'GHANA OCEAN' a GNC/IOC publication that have brought changes in both the Academia and Sciences.

He worked diligently to obtain the following Awards: The University of Ghana Scholar, AFGRAD Scholar, University of Michigan, Fullbright Scholar- Marine Research Laboratory Bodega Bay University Of California and Senior Research Fellow, Commonwealth Academic Staff Fellowship at University College of North Wales Bangor.

He has published twenty six (26) publication on Zoology and marine Biology. He is married with children.



Frank Mante appointed Chief Executive Officer of the Public Procurement Authority (PPA) in November, 2021, by His Excellency the President of Ghana. Prior to his appointment, he served as a Deputy Chief Executive -Technical/ Operations at the PPA in July, 2019 and was eventually appointed as Acting Chief Executive from August 2019 until his appoint as substantive Chief Executive Officer.

Prior to joining PPA, Frank served as the Procurement Director at the Millennium Development Authority (MiDA), Ghana and was responsible for all the procurement and contract administration activities under the Power Compact (Compact II) with total procurement estimated at US\$ 535million. with the support of the Procurement Agent, the Procurement Unit and the various project units.

**Frank Mante, FCIPS, CMILT, CPSM, LLM, MBA, BA, LLB, Dip. HND**  
**Chief Executive Officer, Public**

Frank also worked with Crown Agents Ghana Limited between 2012-2017 as the Project Procurement Manger, Team Leader and eventually Country

Manager during which period, he provided procurement support to DFID, USAID, JSI, AfDB, Ecobank Group and many public institutions in Ghana.

Frank has over 21 years' working experience in Ghana, the West African sub-region and the United Kingdom, having worked in different institutions. In addition to procurement, he has a background in banking, marketing/sales and he has lectured in procurement and supply chain management related courses in over five Universities in Ghana.

Frank holds the following professional and academic qualifications: Fellow of the Chartered Institute of Procurement & Supply (FCIPS, CIPS-UK), Certified Professional in Supply Management (CPSM) from the Institute for Supply Management (ISM-USA), Chartered Member of the Chartered Institute of Logistics and Transport (CMILT,CILT-UK), Master of Laws (LLM) in Public Procurement Law and Policy at the School of Law, University of Nottingham, Master of Business Administration (MBA) in Marketing from the University of Leicester-UK, LLB from the Mountcrest University College, BA (Hons) in Banking, Economics with Law from London Metropolitan University, Diploma in Management (Banking & Finance) from the University of Leicester, Higher National Diploma (HND) in Purchasing and Supply and a Teacher's Certificate 'A' from the Tamale Training College.



Mr. Samuel Baidoo holds an Honours degree in Law & Political Science from the University of Ghana, Legon (1979) and the Professional Qualifying Certificate from the Ghana School of Law, Accra (1981). He also holds a Certified Mediator's Certificate in Commercial Law from the A. A. White Dispute Resolution Centre, University of Houston Law Centre.

Nee has broad experience as a transaction Lawyer in negotiations, mergers and acquisitions, drafting partnership agreements, shareholder agreements, real estate, lease agreements and other contractual documents.

He brings to the table 35 years of valuable experience working in Ghana and other jurisdictions. He has specialized in providing legal and business services to both private and corporate clients.

In the course of his career, he has represented several companies in a variety of legal matters including but not limited to cross border commercial transactions, advising financial institutions, corporate arbitrations, administrative hearings related to individual employee eligibility for unemployment and other matters. He has also conducted legal research into various transactional matters and provided legal opinions and analysis related to such research.

Nee has worked variously in the UK and Ghana, and is currently the Managing Partner of Baidoo Amoako & Associates, a Corporate Law Firm based in Accra.

Mrs. Tina Swatson Eshun graduated with a BSc Civil Engineering in 1985 from the Kwame Nkrumah University of Science and Technology and obtained an MSc (Transportation Engineering) from Imperial College, University of London, in 1987.

Tina started her career as a Teaching Assistant at the Department of Civil Engineering, KNUST and later as a Lecturer. She travelled widely to Angola, Algeria, Gabon and Republic of Congo from 1991 to 1996, when she returned to Ghana to take up a position as Marketing Manager of Gabrho Ltd, a family owned pineapple farming and exporting venture. She became the Vice President of the

Horticulturists' Association of Ghana and served on several committees including the Technical Committee of the Ghana Standards Board for development of standards in production and handling of various horticultural produce, Steering Committees of the Horticulture Export Industry Initiative (HEII) and its follow up, the Export Marketing and Quality Assurance Program (EMQAP). These were multimillion-dollar World Bank funded Programs at the Ministry of Agriculture to expand Ghana's Horticultural Export Industry. She also headed a Task force set up to define a road map for EurepGAP Certification for exporters of Ghanaian Horticultural Produce into the EU Market. She was a member of the GhanaGAP Steering Committee.

Tina worked as a full time Civil Engineering consultant when her company was one of two Export Companies taken over and used as the nucleus for a World Bank funded Export Marketing Company with five outgrower groups in the pineapple growing belt of the Eastern Region.

As a consultant Civil Engineer, Tina was involved in various studies and projects including Design of Urban Roads in the Sekondi/Takoradi Metropolis; Design and Construction Supervision of Cocoa Feeder Roads funded by the EU in Ashanti and Brong Ahafo Regions; and Emergency protection of the Weija Dam catchment area. She was the Site Engineer responsible for construction supervision of 30 Presidential Villas built at Ridge, Accra, for the AU Summit in July 2007. She has since 2002 been a consultant to Schlumberger in their program for sponsoring non-Anglophone African students to study Engineering in Ghana.

She was named a Fellow of the inaugural Africa Leadership Initiative Class of 2002, and also served in 2015 and 2016, as a Senior Executive in the Fund Raising Office of the NPP 2016 Presidential Campaign, where she was directly responsible for a number of innovative fund raising activities.

Tina is currently employed at the Ministry of Finance and Economic Planning as a Technical Advisor to the Minister.

She is Christian, has been active at the St. Anthony of Padua Anglican Church serving on the Parochial Church Council and as Parish Council Secretary since 2006.

She is married with two adult children.

Patricia Safo holds an MSc in Financial Management.

She has been involved in attracting direct foreign investments into Ghana since the 1990s. She also established Safar Direct in the UK in 1995 to promote Ghana pineapples. Subsequently, in 1997, Patricia was a founding partner of Blue Skies Products Ghana Ltd, which formed the basis for development of an international group, which has now achieved an annual turnover of £50 million pounds sterling. Having identified the potential of inward investment in Ghana, Patricia established JCS Investments Ltd. to drive capital into the private sector. She is currently the Managing Director of JCS Investment Ltd. and strongly committed to the principles of inclusive business and promotion of off-grid energy solutions. She is mindful of Ghana's objective of achieving reliable energy supplies that help bridge

the 'energy gap' that currently hinders economic development. Her focus is on developing efficient and reliable solutions that support inclusive, sustainable businesses.

JCS Investments Ltd. is licensed with the *Securities and Exchange Commission* in Ghana and is actively working to support agriculture businesses using the latest technology, including the application of 'mobile money' services to strengthen business development.

Patricia was appointed the fund manager of Activity Venture Capital. She then set up the first micro finance equity fund domiciled in Ghana in association with Goodwell Investments of Holland. Following on from this, she identified a block on foreign investment and pushed the boundaries to allow foreign Impact Investors to be allowed to invest up to 20% equity in Rural Banks. She then managed and executed the first such investment in Ghana. Her experience, built up over the last 20 years, has given Patricia an in-depth understanding of agri-business in Ghana and the practical issues faced in setting up 'value add' ventures.

Patricia's previous experience includes being a founding partner of two pioneering and award winning agriculturally-focused, 'value add' businesses in Ghana. Taken together, and viewed in the context of the related businesses that have followed, these ventures have created thousands of new jobs. They provide evidence of the potential of new SMEs that build on relevant expertise, adopt a sustainable philosophy, and harness the natural resources that are available in the country. Her main areas of interest include inclusive businesses; rural development; renewable energy; agribusiness and financial inclusion.



Dr. Alhassan Iddrisu is a Macro/Development Economist with over 20 years of experience in economic policy & management, public finance management, empirical research, quantitative & statistical methods, development economics, and petroleum revenue management. He has written and published extensively in these areas.



He is currently a Chief Economics Officer at the Ministry of Finance and the Director of the Economic Strategy & Research Division (ESRD) of the Ministry since 2013 with core

responsibility of providing high quality research, macroeconomic analysis, and policy advice to inform and guide government's macro-fiscal policies. Dr. Iddrisu has also held other key management positions in the Ministry of Finance since 2008, including heading Economic Planning Division (EPD) and the Real Sector Division (RSD) of the Ministry.

Dr. Iddrisu is an effective team player, with admirable leadership qualities and a strong ability to work under pressure without compromising quality. He has served on several governing boards/councils and committees, where his vast experience and knowledge in Economics, Statistics, Quantitative Analysis, and leadership skills are brought to bear on national development. His training at the Harvard Business School on Corporate Board Effectiveness has no doubt enhanced his leadership qualities.

He has also consulted for a number of local and international organizations and provided lecturing and facilitation services in the area of economic policy/management, statistics and quantitative methods in reputable domestic and international institutions.

Dr. Iddrisu holds a PhD and a Masters in International Development Studies from the National Graduate Institute for Policy Studies (GRIPS), Tokyo; an MPhil in Economics from the University of Ghana; and a BA in Economics and Statistics from the University of Ghana, Legon, Accra.



Mr. Amoh is the Director of Internal Audit. He works to position the Internal Audit Unit of the Ministry as a public sector model that delivers value with professionalism, integrity, and ethics. He also provides assurance in areas bordering on value for money and financial due diligence, expenditure rationalization, project financial modelling and assessments, public financial management process and controls improvements and risk management.

Hayford has over 14 years of professional experience spanning financial statement reporting and auditing, internal controls evaluation, Risk management, Corporate Finance, and investment banking, import finance management, front loading and social accounting.

Hayford is a member of the ICAG. He also holds a Master of Science degree in Development Finance and a Bachelor of Science degree in Accounting.



Diana Asonaba Dapaah is a Deputy Attorney-General and Deputy Minister for Justice of the Republic of Ghana. Until her appointment as a Deputy Attorney-General & Deputy Minister for Justice, Ms. Dapaah was a lecturer in law at the Ghana Institute of Management and Public Administration (GIMPA) where she taught Corporate Law and Governance, Public International Law, Alternative Dispute Resolution (ADR), and Human Rights Law.

Prior to her appointment, Ms. Dapaah was also a Senior Associate of Sam Okudzeto & Associates, one of the leading law firms in Ghana, where she brought her over a decade experience to bear in handling complex cases before the Superior Courts and lower courts of Ghana. She is one of the founders of the Ghana ADR Hub and served as its Vice President. Ms. Dapaah also served as an arbitral tribunal secretary and subsequently as an arbitrator with the Ghana Arbitration Centre.

As a trainer in ADR and Human Rights as well as a World Bank certified trainer in corporate governance, she has trained lawyers, judges and ACCA members in Ghana, Sierra Leone and Liberia. Ms. Dapaah has also served as a consultant for both local and international institutions including the EU's Accountability, Rule of law and Anti-Corruption Programme (ARAP) and the Kofi Annan International Peacekeeping Training Centre



Mrs. Lesley Dodoo is a lawyer with 20 years work experience after being called to the Ghana Bar. She has mostly worked in the public sector, with 12 years in the Office of Legal Affairs of the Ministry of Finance & Economic Planning where she progressed to the position of Principal Legal Counsel. Mrs. Dodoo is currently the Legal Director & Board Secretary of the Public Procurement Authority of Ghana, which she joined in 2007.

She has served in various senior advisory & administrative capacities giving legal advice on legal issues in financial sector regulation and more recently on public procurement policy and regulation. Her work experience has included the negotiation and review of government loan agreements, government funding approval procedures, resolution of contractual disputes, contracts management, regulatory compliance, administrative review of contractor complaints in the public procurement system, interpretation and advice on the Public Procurement Act of Ghana, drafting of proposals for legislation, Board Secretarial work and advising on corporate governance issues.

Mrs. Dodoo holds a first degree in Law (BA Law/Spanish) from the University of Ghana, Legon; a Professional Qualifying Certificate in Law from the Ghana School of Law which licenses her to practice Law in Ghana (B.L. - Barrister-at-Law); an MBA in Corporate Strategy & Economic Policy from the Maastricht School of Management, the Netherlands (2003) and a Masters in Public Procurement Law & Policy (LLM) from the University of Nottingham, UK.

## **Annex II**

# **Financial Statements for The Year Ended 31st December, 2022**

# **Public Procurement Authority**

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**Annual Reports and Financial Statements  
for the year ended 31 December 2022**

# Public Procurement Authority

Annual Report and Financial Statements for the year ended 31 December 2022

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# Public Procurement Authority

Annual Report and Financial Statements for the year ended 31 December 2022

## General Information

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### Board Members

Prof. Christopher Ameyaw-Akumfi	Chairperson
Mr. Samuel Richard Nee Baidoo	Vice Chairperson
Mr. Frank Mante	CEO
Mad. Patricia Safo	Member
Mrs. Ernestina Swatson Eshun	Member
Hon. Diana Asonaba Dapaah	Member
Dr. Alhassan Iddrisu	Member
Mr. Isaac Kofi Amoah	Member
Mr. Hayford Amoh	Member

### Registered Office

6th Floor  
SSNIT Emporium Building  
Airport City  
Accra

### Bankers

Bank of Ghana  
National Investment Bank Limited  
Zenith Bank (Ghana) Limited

### Independent auditor

Intellisys  
No. 15, Lardzeh Crescent  
North Dzorwulu  
P.O.Box KN 4169  
Kaneshie-Accra

### Secretary

Mrs. Lesley Dodoo

# Public Procurement Authority

Annual Report and Financial Statements for the year ended 31 December 2022

## Report of the Board

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The Board present its report and the audited financial statements of Public Procurement Authority for the year ended 31 December 2022, which disclose the state of the affairs of the Authority.

The Board is responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position as at 31 December 2022, the statement of comprehensive income, the statement of changes in accumulated fund and the statement of cash flows for the year then ended, and other explanatory notes in accordance with International Financial Reporting Standards (IFRS) adopted by the Institute of Chartered Accountants, Ghana.

The Board is required to ensure that adequate accounting records are maintained so as to disclose at reasonable adequacy, the financial position of the Authority, it is also responsible for steps to safeguard the assets of the Authority and to prevent and detect fraud and other irregularities. It must present financial statements for each financial year, which give a true and fair view of the affairs of the Authority, and the results for that period. In preparing these financial statements, it is required to:

- Select suitable accounting policies and apply them on a consistent basis using reasonable and prudent judgement.
- state whether or not the relevant Acts and International Financial Reporting Standards (IFRS) have been adhered to and explain material departures thereto.
- use the going concern basis unless it is inappropriate.

The Board acknowledge its responsibility for ensuring the preparation of the annual financial statements in accordance with IFRS and the responsibility of external auditors to report on these financial statements. The Board is responsible for ensuring the maintenance of adequate accounting records and an effective system of internal controls and risk management. Nothing has come to the Board attention, to indicate any material breakdown in the functioning of the internal controls and systems during the period under review, which could have a material impact on the business.

The financial statements are prepared from the accounting records on the basis of consistent use of appropriate records supported by reasonable and prudent judgements and estimates that fairly present the state of affairs of the Authority. The financial statements have been prepared on a going concern basis and there is no reason to believe that the Authority will not continue as going concern in the next financial year.

The Board confirm that in preparing the financial statements, it have:

- selected suitable accounting policies and applied them consistently.
- made judgements and estimates that are reasonable and prudent.
- followed the International Financial Reporting Standards.
- prepared the financial statements on the going concern basis.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at all times the financial position of the Authority and to enable them ensure that the financial statements comply with all relevant Acts. It is also responsible for safe guarding the assets of the Authority and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Objective of the Authority

The Public Procurement Authority is established by the Public Procurement Act as a regulatory body responsible for the effective implementation of the Public Procurement Law in Ghana. The Authority seeks to ensure fairness, transparency, and non-discrimination in public procurement to promote a competitive local industry and increase the confidence of varied stakeholders in public procurement processes in the country.



# Public Procurement Authority

Annual Report and Financial Statements for the year ended 31 December 2022

## Report of the Board

### Financial result

There was a deficit for the year ended 31 December 2022 of GHS2,338,256 (2021: GHS368,589).

The Authority's revenue decreased from GHS9,883,200 in the prior year to GHS6,282,597 for the year ended 31 December 2022. This was significantly so because of the decision of Government of Ghana to reduce expenditure on the public purse thereby reducing subventions, especially for goods and services.

The total assets of the Authority as at year end 2022 was GHS 1,323,491 (2021: GHS 3,034,149). The total liabilities of the Authority as at year end 2022 was GHS 3,800,226 (2021: GHS 3,172,629).

### Events after reporting date

The Board is not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the Authority.

### Board members interest in contracts

To our knowledge none of the Board members had any interest in contracts entered into during the year under review.

### Board members

The Board members of the Authority during the year and up to the date of this report are as follows:

Prof. Christopher Ameyaw-Akumfi	Chairperson
Mr. Samuel Richard Nee Baidoo	Vice Chairperson
Mr. Frank Mante	CEO
Mad. Patricia Safo	Member
Mrs. Ernestina Swatson Eshun	Member
Hon. Diana Asonaba Dapaah	Member
Dr. Alhassan Iddrisu	Member
Mr. Isaac Kofi Amoah	Member
Mr. Hayford Amoh	Member

### Secretary

The Authority's designated secretary is Mrs. Lesley Dodoo.

### Independent Auditors

Intellisys were the independent auditors for the year under review. The audit fees payable for the period 2022 is GHS 60,000 (2021: 44,000).

### Appreciation

The Board would like to express its sincere appreciation to the management and staff of the Authority for their service during the year under review.

The annual financial statements set out on pages 8 to 19 were approved by the Board and were signed on their behalf by:

  
Chairperson  
08/12/2023

  
Chief Executive Officer 8/12/2022

## **Independent Auditor's Report**

### **Report on the Audit of the Public Procurement Authority's Financial Statements**

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#### **Opinion**

We have audited the financial statements of Public Procurement Authority set out on pages 8 to 19, which comprise the statement of financial position as at 31 December 2022, and the statement of comprehensive income, the statement of changes in accumulated fund and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the Authority as at 31 December 2022 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), Public Procurement Act (Amendment), 2016 (Act 914) and Public Financial Management Act, 2016 (Act 921) and other relevant Acts.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards for Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Authority in accordance with the International Code of Ethics for Professional Accountants (Including International Independence Standards) (the Code) issued by the International Ethics Standards Board for Accountants (IESBA), we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have nothing to report in this regard.

#### **Other Information**

The Board is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Independent Auditor's Report**

### **Report on the Audit of the Public Procurement Authority's Financial Statements**

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#### **Board's Responsibility for the Financial Statements**

The Board is responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Public Procurement Act (Amendment), 2016 (Act 914), Public Financial Management Act, 2016 (Act 921) and other relevant Acts, and for such internal control as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the Authority or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## Independent Auditor's Report

### Report on the Audit of the Public Procurement Authority's Financial Statements

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We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditor's report is MyraStella Ansah (ICAG/P/1051).

*Intellisys*

Intellisys (ICAG/F/2023/078)

Chartered Accountant

No. 15, Lardzeh Crescent

North Dzorwulu

Dated 22<sup>nd</sup> December 2023

# Public Procurement Authority

Annual Report and Financial Statements for the year ended 31 December 2022

## Statement of Comprehensive Income

Figures in GHS

	Notes	2022	2021
Government subvention	4	6,282,597	9,883,200
Internally generated funds	5	3,682,788	4,104,222
Grants and other income	6	21,271	26,228
<b>Total revenue</b>		<b>9,986,656</b>	<b>14,013,650</b>
Personnel emoluments	7	(4,974,226)	(5,328,344)
Services and programme activities	8	(4,052,155)	(3,154,190)
Financial and professional charges	9	(152,818)	(227,660)
General and administrative expenses	10	(3,145,713)	(5,672,045)
<b>Total operating expenditure</b>		<b>(12,324,912)</b>	<b>(14,382,239)</b>
<b>Deficit for the year</b>		<b>(2,338,256)</b>	<b>(368,589)</b>

The notes on pages 15 to 19 are an integral part of these financial statements

# Public Procurement Authority

Annual Report and Financial Statements for the year ended 31 December 2022

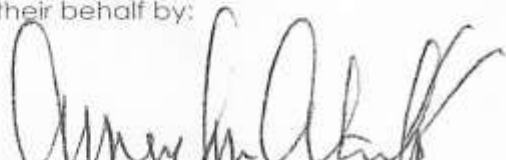
## Statement of Financial Position

Figures in GHS

	Notes	2022	2021
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	861,793	1,419,712
<b>Current assets</b>			
Accounts receivable	12	292,310	605,660
Cash and cash equivalents	13	169,388	1,008,777
<b>Total current assets</b>		461,698	1,614,437
<b>Total assets</b>		1,323,491	3,034,149
<b>Equity and liabilities</b>			
<b>Equity</b>			
Accumulated fund	14	(2,476,735)	(138,480)
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	15	3,800,226	3,172,629
<b>Total equity and liabilities</b>		1,323,491	3,034,149

The notes on pages 15 to 19 are an integral part of these financial statements

The annual financial statements set out on pages 8 to 19 were approved by the Board and were signed on their behalf by:



# Public Procurement Authority

Annual Report and Financial Statements for the year ended 31 December 2022

## Statement of Changes in Accumulated Fund

Figures in GHS	Accumulated fund	Total
Balance at 1 January 2022	(138,480)	(138,480)
Deficit for the year	(2,338,255)	(2,338,255)
Balance at 31 December 2022	(2,476,735)	(2,476,735)
Balance at 1 January 2021	230,109	230,109
Deficit for the year	(368,589)	(368,589)
Balance at 31 December 2021	(138,480)	(138,480)

The notes on pages 15 to 19 are an integral part of these financial statements

# Public Procurement Authority

Annual Report and Financial Statements for the year ended 31 December 2022

## Statement of Cash Flows

Figures in GHS

	Notes	2022	2021
Cash flows from / (used in) operations			
Deficit for the year		(2,338,256)	(368,589)
Adjustments to reconcile deficit			
Adjustment for decrease / (increase) in accounts receivable	12	313,350	(367,008)
Adjustment for increase in accounts payable	15	347,494	2,171,210
Adjustment for depreciation and amortisation expense	11	564,159	671,227
Adjustments for exchange loss		(11,467)	(24,437)
Prior year adjustment		-	22,374
Net cash flows (used in) / from operating activities		(833,149)	2,129,214
Cash flows used in investing activities			
Purchase of property, plant and equipment	11	(6,240)	(1,449,161)
Cash flows used in investing activities		(6,240)	(1,449,161)
Net (decrease) / increase in cash and cash equivalents		(839,389)	680,053
Cash and cash equivalents at beginning of the year		1,008,777	328,724
Cash and cash equivalents at end of the year	13	169,388	1,008,777

The notes on pages 15 to 19 are an integral part of these financial statements



# Public Procurement Authority

Annual Report and Financial Statements for the year ended 31 December 2022

## Accounting Policies

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### 1. General information

The Public Procurement Authority was established by the Public Procurement Act, 2003 (Act 663) as a regulatory body responsible for the effective implementation of the public procurement law in Ghana. The authority seeks to ensure fairness, transparency and non-discrimination in public procurement in order to promote a competitive local industry and increase the confidence of our varied stakeholders in public procurement processes in the country and beyond. The address of its registered office is 6th floor SSNIT emporium building, Airport city, Accra.

### 2. Basis of preparation and summary of significant accounting policies

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the authority's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretation adopted by the International Accounting Standards Board (IASB) and all the relevant Acts.

#### 2.2 Foreign currency translation

##### Functional and presentation currency

The financial statements have been presented in Ghana Cedi. The functional currency of the Authority is Ghana cedi.

##### Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in surplus or deficit account.

All other foreign exchange gains and losses are presented in surplus or deficit account.

#### 2.3 Property, plant and equipment

##### Definition

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- are expected to be used for more than one accounting period.

##### Recognition

Property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

##### Initial measurement

An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost.

# Public Procurement Authority

Annual Report and Financial Statements for the year ended 31 December 2022

## Accounting Policies

### *Basis of preparation and summary of significant accounting policies continued...*

The cost of an item of property, plant and equipment includes:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

### **Subsequent measurement - Cost model**

After initial recognition, property, plant and equipment is measured at cost less any accumulated depreciation and any accumulated impairment losses.

### **Depreciation**

Depreciation of an asset commences when it is available for use, and ceases at the earlier of the date that the asset is classified as held for sale, or the date that the asset is derecognised.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset. The depreciable amount of an asset shall be allocated on a systematic basis over its useful life. The depreciable amount of an asset is determined after deducting its residual value.

The measurement base, useful life or depreciation rate as well as the depreciation method for all major classes of assets are as follows:

Asset class	Measurement base	Useful life / depreciation rate	Depreciation method
Motor vehicles	Cost	25%	Straight line
Furniture and fittings	Cost	20%	Straight line
Office equipment	Cost	25%	Straight line
Computer and accessories	Cost	33%	Straight line

### **Impairments**

The entity tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount. The resulting impairment loss is recognised immediately in surplus or deficit, except where the decrease reverses a previously recognised revaluation increase for the same asset the decrease is recognised in other comprehensive income to that extent and reduces the amount accumulated in equity under revaluation surplus, and future depreciation charges are adjusted in future periods to allocate the revised carrying amount, less its residual value, on a systematic basis over its remaining useful life.

Where the estimated impairment loss exceeds the carrying amount of the asset to which it relates, the resulting liability is only recognised if it is required by another standard.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up are included in surplus or deficit when the compensation becomes receivable.

# Public Procurement Authority

Annual Report and Financial Statements for the year ended 31 December 2022

## Accounting Policies

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*Basis of preparation and summary of significant accounting policies continued...*

### Derecognition

The carrying amount of an item of property, plant and equipment is derecognised when the asset is disposed of or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. Gains are classified as other gains on the face of the statement of comprehensive income.

## 2.4 Financial instruments

### Accounts receivable

Accounts receivable are initially recognised at transaction price and subsequently measured as fair value at year end.

### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand. These are initially and subsequently recorded at fair value.

### Accounts payable

Accounts payable are initially measured at fair value and subsequently measured at the fair value of meeting the obligation.

## 2.5 Revenue

### 2.5.1 Government of Ghana subvention

Income from subvention is measured at the consideration received or receivable from the government of Ghana.

### 2.5.2 Internally generated fund

Internally generated fund is measured at the consideration received or receivable from registration of suppliers, website advert and training.

## 3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### 3.1 Critical accounting estimates and assumptions

The Authority makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### 3.1.1 Useful lives of property, plant and equipment

The Authority determines the estimated useful lives and related depreciation charges for its property, plant and equipment. The Board will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non strategic assets that have been abandoned or sold. The rates used are set out in 2.3 of this accounting policies.

# Public Procurement Authority

Annual Report and Financial Statements for the year ended 31 December 2022

## Notes to the Financial Statements

Figures in GHS

2022

2021

### 4. Government subvention

Personnel emoluments	4,513,440	4,798,501
Administrative and services	1,690,105	4,451,999
Capital expenditure	79,052	632,700
	<u>6,282,597</u>	<u>9,883,200</u>

### 5. Internally generated funds

Suppliers registration fees	1,159,200	2,705,865
Special training	2,329,400	1,291,173
Website advert	194,188	107,184
	<u>3,682,788</u>	<u>4,104,222</u>

Included in special training and website advert income for 2022 is the 15% non-tax revenue paid into the consolidated fund.

### 6. Grants and other income

Commission received	-	66
Foreign exchange gain	11,467	24,437
Other income - write offs	9,804	1,725
	<u>21,271</u>	<u>26,228</u>

### 7. Personnel Emoluments

Salaries, wages and allowances	4,513,440	4,798,501
Other staff cost	157,877	221,953
Medical expense	302,909	307,890
	<u>4,974,226</u>	<u>5,328,344</u>

### 8. Services and programme activities

Publicing of PPA activites	17,260	59,378
Budget preparation expenses	203,600	308,500
Conference and seminar expenses	1,370,381	83,294
Fuel and lubricants	244,245	170,323
Short term training	1,838,132	923,103
Entity assessment expenses	-	1,448,792
Public forum	-	160,800
Payment of non-tax revenue into consolidated fund	378,538	-
	<u>4,052,155</u>	<u>3,154,190</u>

Payment of non-tax revenue into the consolidated fund represent the 15% apportionment of special training and website advert directly transfer into consolidated fund.

# Public Procurement Authority

Annual Report and Financial Statements for the year ended 31 December 2022

## Notes to the Financial Statements Figures in GHS

	2022	2021
<b>9. Financial and professional charges</b>		
Bank charges	2,874	1,113
Legal fees and court expenses	67,729	29,314
Professional fees	9,075	125,863
Audit fees	60,000	44,000
Audit expenses	13,140	27,370
	<u>152,818</u>	<u>227,660</u>
Audit expenses comprise;		
Levies and VAT on 2019 and 2020 audit fees	-	15,400
Levies and VAT on 2021 audit fees and local travel	-	11,970
Levies and VAT on 2022 audit fees and local travel	13,140	-
	<u>13,140</u>	<u>27,370</u>
<b>10. General and administrative expenses</b>		
Board fees and expenses	566,360	831,421
Cleaning and sanitation	42,484	85,584
Common area maintenance fees	54,517	308,279
Depreciation	564,159	671,227
Donations	12,200	24,999
Electricity and water	350,767	369,297
Entertainment and refreshment	94,275	92,269
Hotel accommodation	9,010	9,439
Insurance	72,642	92,073
Office consumables	32,302	205,557
Office rent	814,777	2,167,760
Postage and communication	63,806	71,149
Printing and stationery	42,925	240,082
Repairs and maintenance	208,365	348,936
Security	52,548	21,768
Subscription and publication	16,160	10,628
Travel and transport	148,416	121,577
	<u>3,145,713</u>	<u>5,672,045</u>

## Notes to the Financial Statements

Figures in GHS

2022

2021

## 11. Property, plant and equipment

	Motor vehicles	Furniture and fittings	Office equipment	Computer and accessories	Total
Reconciliation for the year ended 31 December 2022					
Balance at 1 January 2022					
At cost	2,599,536	905,724	356,813	542,256	4,404,329
Accumulated depreciation	(1,473,039)	(754,839)	(318,444)	(438,295)	(2,984,617)
Carrying amount	1,126,497	150,885	38,369	103,961	1,419,712
Movements for the year ended 31 December 2022					
Additions from acquisitions	-	3,500	2,740	-	6,240
Depreciation	(459,488)	(42,475)	(10,640)	(51,556)	(564,159)
Property, plant and equipment at the end of the year	667,009	111,910	30,469	52,405	861,793
Closing balance at 31 December 2022					
At cost	2,599,536	909,224	359,553	542,256	4,410,569
Accumulated depreciation	(1,932,527)	(797,313)	(329,084)	(489,851)	(3,548,776)
Carrying amount	667,009	111,910	30,469	52,405	861,793



# Public Procurement Authority

Annual Report and Financial Statements for the year ended 31 December 2022

## Notes to the Financial Statements

Figures in GHS

2022

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### Property, plant and equipment continued...

	Motor vehicles	Furniture and fittings	Office equipment	Computer and accessories	Total
Reconciliation for the year ended 31 December 2021					
Balance at 1 January 2021					
At cost	2,043,704	731,957	315,550	388,125	3,479,335
Accumulated depreciation	(1,451,575)	(713,066)	(308,352)	(364,563)	(2,837,556)
Carrying amount	592,128	18,890	7,198	23,562	641,779
Movements for the year ended 31 December 2021					
Additions from acquisitions	1,080,000	173,767	41,263	154,131	1,449,161
Depreciation	(545,631)	(41,772)	(10,092)	(73,732)	(671,227)
Property, plant and equipment at the end of the year	1,126,497	150,885	38,369	103,961	1,419,712
Closing balance at 31 December 2021					
At cost	2,599,536	905,724	356,813	542,256	4,404,329
Accumulated depreciation	(1,473,039)	(754,839)	(318,444)	(438,295)	(2,984,617)
Carrying amount	1,126,497	150,885	38,369	103,961	1,419,712

### 12. Accounts receivable

Receivables	200,000	488,510
Staff advance	92,310	117,150
	<u>292,310</u>	<u>605,660</u>

The receivables represent release warrants for the fourth quarter for administrative expenses which is yet to be received.

### 13. Cash and cash equivalents

Cash on hand	22,952	14,035
Balances with banks	146,436	994,742
	<u>169,388</u>	<u>1,008,777</u>

### 14. Accumulated fund

At 1 January	(138,480)	230,109
Surplus for the year	(2,338,256)	(368,589)
At 31 December	<u>(2,476,736)</u>	<u>(138,480)</u>

# Public Procurement Authority

Annual Report and Financial Statements for the year ended 31 December 2022

## Notes to the Financial Statements

Figures in GHS

	2022	2021
<b>15. Accounts payable</b>		
Other payables	759,569	417,483
Audit fees and expenses	73,140	55,970
Rent accrued	1,894,248	2,339,576
Common area maintenance fees accrued	302,518	257,806
Utility accrued	433,870	101,794
Withholding tax	56,776	-
Board fees accrued	280,104	-
	<u>3,800,226</u>	<u>3,172,629</u>

Included in rent accrued is the provision of GHS 1,130,783 made from the outcome of the case between the Authority and Benson Nutsukpui.

### 16. Taxation

The Authority is not a taxable entity. No provision is therefore made in the financial statements for income taxes.

### 17. Events after the reporting date

The Board is not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the Authority.

### 18. Capital commitments

There were no commitments for capital expenditure not provided for in these financial statements at the end of the year. (2021: Nil).

### 19. Contingent liabilities

No known contingent liabilities or assets existed at 31 December 2022 that would have a material effect on the results of the financial statements or the continued existence of the Authority as a going concern.

### 20. Related party transactions

The total remuneration of the Board and key management staff during the period are as follows:

Board fees	566,360	831,421
Key management staff	1,271,681	2,134,899
	<u>1,838,041</u>	<u>2,966,320</u>

### 21. Approval of annual financial statements

These financial statements were approved by the Board and authorised for issue on

\_\_\_\_\_, 2023