



REPUBLIC OF GHANA



### **OUR VISION**

Our Vision is to become a world-class Supreme Audit Institution delivering professional, excellent and cost-effective auditing services.



---

# **CONSOLIDATED PERFORMANCE AUDIT REPORT OF THE AUDITOR-GENERAL ON CAPITAL PROJECTS OF 30 SELECTED MMDAs FUNDED THROUGH THE DACF-RFG**

---

**This report has been prepared in compliance  
with Article 187(2) of the 1992 Constitution  
of Ghana and Section 13(e)  
of the Audit Service Act, 2000 (Act 584)**

**Johnson Akuamoah Asiedu  
Auditor-General  
Ghana Audit Service  
25 May 2022**

**The report was written by:  
AYAGIBA Lawrence Ndaago  
(DAG, Performance Audit) and sponsored by KfW Germany**

**This report can be found on the Ghana Audit  
Service website: [www.ghaudit.org](http://www.ghaudit.org)**

**For further information about the  
Ghana Audit Service, please contact:**

**The Director, Communication Unit  
Ghana Audit Service – Headquarters  
Post Office Box MB 96,  
Accra.**

**Tel: 0302 664928/29/20  
Fax: 0302 662493/675496  
E-mail: [info@ghaudit.org](mailto:info@ghaudit.org)  
Location: Ministries Block 'O'**

**© Ghana Audit Service 2022**

## TRANSMITTAL LETTER

My Ref. No. **AG.01/109/Vol.2/170**

**Office of the Auditor-General  
Ministries Block 'O'  
P. O. Box M.96  
Accra  
GA-110-8787**

**Tel: (0302)662492  
Fax (0302)675496**

**25 May 2022**

Dear Rt. Hon. Speaker,

### **PERFORMANCE AUDIT REPORT OF THE AUDITOR-GENERAL ON CAPITAL PROJECTS FUNDED THROUGH DACF-RFG IN 30 MMDAs IN GHANA**

I have the honour, in accordance with Article 187(2) of the 1992 Constitution of Ghana, Sections 13(e) and 16 of the Audit Service Act, 2000 (Act 584) to present to you a performance audit report on Capital projects funded through DACF-RFG in 30 MMDAs in the Country. A total amount of GH¢503,627,551.12 had been mobilised and transferred to the MMDAs for implementation of activities in their MTDPs between 2017 and 2020 under the FOAT/DPAT.

2. In addition, in 2020, an amount of GH¢185,931,850 was transferred to successful MMDAs as their Investment Grant allocation for DPAT II. The Ministry of Local Government, Decentralisation and Rural Development

(MLGDRD) is mandated by the 1992 Constitution to supervise the Local Government Authorities in the country.

3. Subsequently the MLGDRD exists to promote the establishment and development of a vibrant and well-resourced decentralised system of local government for the people of Ghana to ensure good governance and balanced rural based development.

4. The decentralisation policy has resulted in large sums of government budget allocated to MMDAs. These monies include support from Development Partners and other statutory allocations like DACF among others.

5. Many infrastructure projects undertaken by MMDAs remain uncompleted for a long time while completed ones are of low quality resulting in their deterioration within a short period after handing over thus denying users the intended benefits.

6. The purpose of this audit was to ascertain whether the Assemblies planned, procured contractors, supervised, and monitored delivery of selected projects in accordance with sound administrative principles, practices, and management policies to guarantee Value for Money.

7. We assessed projects constructed between 2018 and 2021 by each of the 30 Assemblies for the audit to determine whether they met the required standard specifications and guaranteed Value for Money.

8. Our audit disclosed that there has been improved infrastructure delivery in MMDAs through the implementation of DACF-RFG and the impact on the Socio-economic development of the communities has been significant.

9. We also noted that to sustain these gains, some deficiencies exist that need to be addressed for which I have made recommendations to the MLGRD in this consolidated report.

10. I have also made recommendations to each of the MMDAs on specific areas of project planning, budgeting, and implementation to bring about improvement to ensure the country gets Value for Money for such projects.

11. Again, I have recommended to MLGRD to institutionalise refresher courses for the Works Engineers, Planning, Procurement and Budget officers on procurement of capital projects.

12. The Ministry of Local Government, Decentralisation and Rural Development's response to our findings and recommendations has been incorporated and it is attached as Appendix 8 of this report.

Yours faithfully,



**JOHNSON AKUAMOAH ASIEDU**

**AUDITOR-GENERAL**

**THE RT. HON. SPEAKER**

**OFFICE OF PARLIAMENT**

**PARLIAMENT HOUSE**

**ACCRA**

## TABLE OF CONTENTS

TRANSMITTAL LETTER .....	ii
LIST OF ACRONYMS .....	vii
EXECUTIVE SUMMARY .....	1
CHAPTER ONE .....	4
1.0 INTRODUCTION .....	4
1.2 Reasons for the audit .....	5
1.3 Audit purpose .....	6
1.4 Scope .....	6
1.5 Audit Objectives .....	7
1.6 Audit Questions and Assessment Criteria .....	7
1.7 Audit Standards used .....	8
1.8 How the audit was carried out .....	8
i. Criteria for selection of district.....	8
ii. Criteria for selection of projects. ....	8
iii. Criteria for assessing Economy, Efficiency and Effectiveness in performance. ....	12
iv. Evidence gathering method.....	12
v. Document reviews .....	13
vi. Interviews .....	13
vii. Inspections .....	13
1.9 PROCESS DESCRIPTION .....	14
CHAPTER TWO .....	15
2.0 FINDINGS, CONCLUSION AND RECOMMENDATIONS .....	15
2.1 INITIATION .....	15
MLGDRD RESPONSE.....	17
2.2 PLANNING AND BUDGETING .....	17
MLGDRD RESPONSE.....	18
2.3 PROCUREMENT OF CONTRACTORS.....	18
MLGDRD RESPONSE.....	20
2.4 PROJECT IMPLEMENTATION- SUPERVISION.....	20
MLGDRD RESPONSE.....	27
2.5 PAYMENT FOR WORK DONE.....	27

<b>MLGDRD RESPONSE.....</b>	<b>30</b>
<b>2.6 ELIGIBILITY OF EXPENDITURE.....</b>	<b>30</b>
<b>MLGDRD RESPONSE.....</b>	<b>31</b>
<b>CHAPTER THREE.....</b>	<b>32</b>
<b>3.0 PROJECT IMPACT .....</b>	<b>32</b>
<b>MLGDRD RESPONSE.....</b>	<b>34</b>
<b>CHAPTER FOUR.....</b>	<b>35</b>
<b>4.0 CONCLUSION AND RECOMMENDATIONS .....</b>	<b>35</b>
<b>4.1 CONCLUSION .....</b>	<b>35</b>
<b>4.2 RECOMMENDATION .....</b>	<b>36</b>
<b>APPENDICES .....</b>	<b>37</b>
<b>APPENDIX 1: AUDIT QUESTION, ASSESSMENT CRITERIA AND SOURCE .....</b>	<b>37</b>
<b>APPENDIX 2: DOCUMENTS REVIEWED.....</b>	<b>39</b>
<b>APPENDIX 3: OFFICIALS INTERVIEWED .....</b>	<b>40</b>
<b>APPENDIX 4: SOURCES OF CRITERIA .....</b>	<b>41</b>
<b>Mandate of the Assembly (Laws and Regulations) .....</b>	<b>41</b>
<b>APPENDIX 5: PROCESS DESCRIPTION .....</b>	<b>43</b>
<b>i. Identifying infrastructure projects.....</b>	<b>43</b>
<b>ii. Planning infrastructure projects.....</b>	<b>45</b>
<b>iii. Procuring and selecting contractors for infrastructure projects</b>	<b>46</b>
<b>iv. Supervising and monitoring infrastructure projects.....</b>	<b>48</b>
<b>v. Paying for works executed by contractors .....</b>	<b>49</b>
<b>APPENDIX 6: LIST OF SELECTED 30 MMDAS .....</b>	<b>50</b>
<b>APPENDIX 7: RECOMMENDATIONS FROM AUDIT OF 2020.....</b>	<b>52</b>
<b>APPENDIX 8: MLGDRD RESPONSE .....</b>	<b>54</b>

**LIST OF ACRONYMS**

MLGDRD	Ministry of Local Government, Decentralisation and Rural Development
AAP	Annual Action Plan
BOQ	Bill of Quantities
CAAP	Composite Annual Action Plan
CHPS	Community Based Health Planning Services
CSOs	Civil Society Organisations
DACF	District Assemblies Common Fund
DACF-RFG	District Assemblies Common Fund Responsive Factor Grant
DDF	District Development Fund
DFATD	Department of Foreign Affairs, Trade and Development
DMTDP	District Medium Term Development Plan
DPCU	Development Planning Coordinating Unit
ETC	Entity Tender Committee
EXECO	Executive Committee
FOAT	Functional Organisational and Assessment Tool
GSAM	Ghana Support Accountability Mechanism

IGF	Internal Generated Fund
IPC	Interim Payment Certificate
ITT	Instruction to Tenderers
MCD	Municipal Coordinating Director
MCE	Municipal Chief Executive
MFO	Municipal Finance Officer
MMDAs	Metropolitan, Municipal and District Assemblies
MPO	Municipal Planning Officer
MTC	Municipal Tender Committee
MTDP	Medium Term Development Plan
MTRB	Municipal Tender Review Board
NCT	National Competitive Tendering
NDPC	National Development Planning Commission
PBGS	Performance Based Grant System
PM	Project Manager
PPA	Public Procurement Act

## **EXECUTIVE SUMMARY**

The Government of Ghana since 2008 implemented a Performance Based Grant System (PBGS) known as the District Development Facility (DDF) as part of efforts to improve the performance of District Assemblies in terms of efficiency, accountability, and delivery of basic community services.

2. Under the DDF mechanism, District Assemblies were assessed on indicators using the Functional Organisational Assessment Tool (FOAT). After 10 years of implementation, the Government of Ghana decided to mainstream the good practices of the DDF into the Responsiveness Factor (RF) of the DACF allocation formula. The Responsiveness Factor has been a performance driven indicator computed with reference to improvements in MMDAs' internally generated funds and the status of MMDAs' implementation of budgets.

3. Under the new District Assemblies Common Fund Responsiveness Factor Grant (DACF RFG), indicators of the responsiveness factor have been expanded and Assemblies that perform satisfactorily in the performance assessment are financially rewarded to implement their MTDPs and AAPs.

4. Districts used the reward to supplement other GoG budgetary support to implement their Medium-Term Development and Annual Action Plans which contributed significantly to the advancement of the socio-economic development of the citizens.

5. The District Assemblies Common Fund Responsiveness Factor Grant (DACF-RFG) is the proportion of the DACF allocated to MMDAs based on their performance plus contribution of Development Partners that support the Performance Based Grant System (PBGS).

6. The overall objective of this grant is to institutionalise performance criteria in DACF-RFG transfers to MMDAs with specific objectives to:

- i. Strengthen the performance-based grant component of the DACF,
- ii. Mobilise additional resources to support implementation of AAPs of MMDAs, and
- iii. Enhance the capacity of MMDAs to improve service delivery performance.

7. The Auditor-General commissioned this performance audit in 30 MMDAs in line with Sections 13(e) and 16 of the Audit Service Act, 2000 (Act 584), to find out how the Assembly initiated, planned, and implemented DACF-RFG funded infrastructure projects to meet their set objectives.

## **WHAT WE DID**

8. We selected capital projects funded through DACF-RFG and implemented between 2018 and 2020. We reviewed documents, interviewed key players and stake holders, and inspected the projects to gather sufficient information to support our audit findings.

9. We used the NDPC guideline, the Public Procurement Act (PPA), Local government Service Operation Manual and other existing laws as assessment criteria. We focused the assessment on project initiation, planning and budgeting, project implementation (quality of works and payments for work done) and project closure.

10. Each MMDA in accordance with Section 29 of the Audit Service Act, 2000 (Act 584) was given the opportunity to respond to our management letters and their responses incorporated into the 30 MMDAs specific reports.

11. This report is a consolidation of major and recurring findings that need to be addressed for which the MLGRD has had the opportunity to respond.

## **WHAT WE FOUND**

12. We found that, DACF-RFG funds have significantly contributed to infrastructure development of the districts, thus improving through its impact, the socio-economic wellbeing of the communities. There has been improvement in health care and school facilities, as well as market structures which are interventions needed to address poverty and social inclusion of the public.

13. These improvements notwithstanding, we noted there is more room for improvement in the management of the funds as government continue to disburse more money to the districts. We particularly noted that involvement of communities in decision making regarding selection of projects was not as expected thus undermining the objective of ensuring community need and buy-in of development projects.

14. We also noted that planning and budgeting in the MMDAs could be improved by coordination among departments in the districts and complemented with capacity building efforts of the Assemblies.

15. Furthermore, supervision of projects during implementation was inadequate leading to unsatisfactory output because the Works Engineers were absent at critical stages of the construction. As a results, contractors

swapped items specified under the contract to inferior ones and yet were paid for. Twenty-one MMDAs paid an amount of **GH¢499,671.94** to contractors for no work done.

## **THE WAY FORWARD**

16. We have made specific recommendation to our findings in the MMDA specific reports. These recommendations are made to the MLGRD to improve upon the administration of capital projects across the country. We recommended to MLGDRD to require all Coordinating Directors to ensure that:

- i. Planning Officers guide communities to prioritise and select projects to be captured in the MTDP and APP that will be implemented in the Assemblies,
- ii. Procurement Officers, Budget Analysts, Planning Officers, and Works Engineers, document all processes used to solicit needs of communities, update of plans and progress reports,
- iii. There is coordination among all departments at all stages,
- iv. administrative oversight is improved to ensure internal controls are adhered to in all aspects of transactions undertaken in the districts,
- v. Records of all activities are captured and properly stored as evidence of having been undertaken,
- vi. Works Engineers supervise all works at all stages of construction and reported regularly to the Coordinating Directors, and
- vii. Institutionalise refresher courses for the Works Engineers, Planning, Procurement and Budget officers on procurement of capital projects.

17. The Ministry of Local Government and Rural Development response to our findings and recommendations has been incorporated and it is attached as Appendix 8 of this report.

# CHAPTER ONE

## 1.0 INTRODUCTION

The Government of Ghana since 2008 implemented a Performance Based Grant System (PBGS) known as the District Development Facility (DDF) as part of efforts to improve the performance of District Assemblies in terms of efficiency, accountability, and delivery of basic community services. Under the DDF mechanism, District Assemblies were assessed on indicators using the Functional Organisational Assessment Tool (FOAT). After 10 years of implementation, the Government of Ghana decided to mainstream the good practices of the DDF into the Responsiveness Factor (RF) of the DACF allocation formula. The Responsiveness Factor has been a performance driven indicator computed with reference to improvements in MMDAs' internally generated funds and the status of budget utilisation for implementing planned activities.

2. Under the new District Assemblies Common Fund Responsiveness Factor Grant (DACF RFG), indicators of the responsiveness factor have been expanded and Assemblies that perform satisfactorily in the performance assessment are financially rewarded to implement their MTDPs and Annual Action Plans (AAP).

3. Assemblies apply DACF-RFG to undertake development projects based on a guideline and operational manual for the use of the funds. The Assemblies in consultation with the communities select development projects that are of priority to them at the time. These priorities are mostly infrastructure projects that are catalysts of development and at the same time their presence can serve as indicators of development and play a crucial role in poverty reduction, economic growth, and empowerment for the African rural poor.

4. According to Laah, et al., 2014, "Effect of beneficiary participation in program design and implementation on satisfaction and acceptability among internally displaced persons" published in the Journal of International Humanitarian Action, adequate provision of infrastructural facilities enhances the quality of life in both urban and rural economies. Also, according to the Organisation for Economic Co-operation and Development, 2015, what matters to governments around the world, and to the citizens they represent, is having in place high-quality infrastructure that supports the delivery of effective public services – in transport, education, health, culture, or any of the myriad of policy areas that affect people's lives.

5. The Ministry of Local Government and Rural Development (MLGRD) is responsible for the implementation of the DACF-RFG through the Secretariat

supported by a Technical Working Group and governed by a Steering Committee chaired by the Minister of Local Government. In this regard, MMDAs under the MLGRD, are the vehicle through which government delivers its mandate at the local levels to citizens. They are responsible for the overall development of the communities in their respective jurisdictions including using the DACF-RFG to enhance provision of basic infrastructure to support social services delivery.

## **1.2 Reasons for the audit**

6. In 2019, under the KfW sponsored audit, 30 MMDAs were audited, where the focus was to ascertain whether value for money was achieved in the use of the grant in the implementation of approved priority projects. Findings to the audits were published in a consolidated report submitted to the MLGDRD and subsequently tabled in Parliament in 2020.

7. Following from a study by Martin Williams, Associate professor in Public Management at Blavatnik School of Government, the DDF had a significant impact. This study was supported by the International Growth Centre in 2018. This has now been adopted by the National Development Planning Commission (NDPC) for use in its National Infrastructure Plan and ongoing monitoring work. The DDF was designed to spend about 88 per cent of the annual allocation on infrastructure projects and the remaining on capacity building.

8. The studies also showed that, there are higher completion rates for DDF projects compared to projects funded by DACF and GETFund. Also, DDF has been more efficient than DACF due to; its quicker fund disbursement mechanisms; selected projects generally respond to district development priorities and match community needs; has provided a major complementary source of funding for most MMDAs given that other sources (DACF and IGF) were inadequate and irregular; and staff of MMDAs have reported improvement in their performance.

9. According to the Minister of MLGDRD at the 'Meet the Press' in August 2020, the Ministry had completed the assessment of 216 MMDAs for 2016 and 2017 across the country using the DPAT for 2016 and 2017 and 254 MMDAs for 2018. A total amount of GH¢503,627,551.12 had been mobilised and transferred to the MMDAs for implementation of activities in their MTDPs between 2017 and 2020 under the FOAT/DPAT. Also in 2020, an amount of GH¢185,931,850 was transferred to successful MMDAs as their Investment Grant allocation for DPAT II (2017) Assessment.<sup>1</sup>

---

<sup>1</sup> <https://www.graphic.com.gh/news/general-news/ministry-of-local-govt-and-rural-development-completes-integration-of-district-development-facility.html> accessed on 24 August 2021

10. Following from successful audit in 2019, 30 MMDAs that were not previously covered under Ghana Support Accountability Mechanism (GSAM) and KfW (1) were selected for the 2020 audit.

11. The Auditor-General, in line with Section 13(e) of the Audit Service Act, 2000 (Act 584), commissioned the performance Audit in 30 selected MMDAs to examine how the Assemblies initiated, planned, and implemented DACF-RFG funded infrastructure projects.

### **1.3 Audit purpose**

12. To ascertain whether these selected Assemblies planned, procured contractors, supervised, and monitored the delivery of DACF-RFG funded projects; and that the projects delivered have achieved their intended purposes. Our assessment was also to give assurance that Value for Money was achieved in the delivery of the projects earmarked under the grant and to ascertain whether the objectives of the grant to enhance MMDAs capacity to improve service delivery has been met.

13. Where we identified weaknesses, we made recommendations to improve the assemblies' performance.

### **1.4 Scope**

14. We carried out the audits in 30 selected MMDAs (listed as Appendix 6) and involved offices/officers responsible for implementing infrastructure projects. The audit covered the period 2018 to 2021 and commenced in July 2021.

15. We examined the performance of the Assembly in each stage of the project cycle and assesses value for money by evaluating the following:

#### ***Efficiency***

- i. initiation of projects – how the Assembly involved community members and stakeholders in the selection of projects and how they were approved for implementation, and
- ii. planning for projects - how the projects were planned for and included in the Assembly's planning documents (MTDP, AAP, Annual Budget, and Procurement Plans) for subsequent execution.

### ***Economy***

- i. procurement of Contractors- the processes of ensuring that the most advantageous/competent Contractors were obtained at the best cost to execute the construction of the projects,

### ***Efficiency***

- i. implementation of projects – Ensuring that monitoring, supervising, and making payments to Contractors was carried out in a manner so as not to delay the projects and to incur additional cost.

### ***Effectiveness.***

- i. impact of the projects – whether the projects were completed and in-use by the beneficiaries, and whether the projects had met their objectives.

## **1.5 Audit Objectives**

16. Our objectives were to determine whether the Assemblies:
  - i. identified and selected the projects for implementation based on the needs of the beneficiary community/stakeholders,
  - ii. planned efficiently for the implementation of the project, that is, projects captured in the MTDP, annual action plans, annual budget and annual procurement plans and whether they had architectural designs/drawings,
  - iii. followed the public procurement process to select competent Contractors at the best cost in accordance with the principle of Economy,
  - iv. supervised and monitored the construction works efficiently to ensure they were delivered to planned specifications, cost, and time,
  - v. paid contractors based on actual works done, and
  - vi. ensured that projects were completed, used, and were serving their intended purposes.

## **1.6 Audit Questions and Assessment Criteria**

17. In determining the audit questions and assessment criteria used for the audit the Operational Manual for the implementation and administration of the DACF-RFG -2019 was used as presented in Appendix 1.

## **1.7 Audit Standards used**

18. The audit was carried out in accordance with INTOSAI Standards on Performance Audit. These Standards require that the audit is planned and performed to obtain sufficient and appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objectives.

## **1.8 How the audit was carried out**

### ***i. Criteria for selection of district.***

19. Ghana Audit Service (GAS) had carried out Performance Audit of 100 MMDAs between 2016 and 2018 under the GSAM project sponsored by USAID (Base line 2). In 2019 under the DDF grant, KfW supported the audit of 30 MMDAs selected for a similar audit not included in any of the 100 Districts previously audited under GSAM (Baseline 1). The selection of this 30 MMDAs was in consultation with the MLGDRD and did not include any MMDA previously audited in 2016, 2018 and 2019.

### ***ii. Criteria for selection of projects.***

20. Analysis of expenditure of District disbursement on projects between 2018 and 2021, showed that significant portion of the grant was used to fund projects of educational facilities, Health (CHPS Compounds), Water (Sanitation), Feeder Roads and Markets (Economic).

21. Selection of projects to audit in each MMDA focused on these areas between 2018 and 2021 and solely funded through DACF-RFG. The list of projects was made available to the teams by the MLGDRD covered under eligible expenditure in the Operational Manual for the implementation and administration of the DACF-RFG.

**Sample of selected projects**

**Pictures I**



***Pic A. Market stalls at Offinso***



***Pic. B. 3-Unit Classroom Block with Staff Common Room, Office, and a mechanised borehole at Akroso DA JHS***



***Pic. C. Construction of 1 No. 12-Unit Lockable Stores at Akim Aperade***



***Pic. D. Mechanised borehole pumps for Nuabesa Fantekrom and Subri communities at Nzema***



***Pic. E. Access Road from Nsein to Aisakro-Nzema***



***Pic. F. Community Mental Health Centre in Sunyani***



***Pic. G. Construction of 1 No. 2-Bedroom Semi Detached Teachers Quarters at Nwasasua***

### ***iii. Criteria for assessing Economy, Efficiency and Effectiveness in performance.***

22. The audit relied on the National Development Planning Commission (NDPC) Guideline for compliance indicators on projects initiation, analysis of cost, time, and quality factors of projects implementation by MMDAs. The Public Procurement Act (PPA) 2003 Act 663 as amended, for the procurement process and other relevant laws and legislations as criteria for compliance and performance. For effectiveness we assessed project impact to beneficiary community's vis-a-vis intended project objectives.

### ***iv. Evidence gathering method***

23. We implored multiple sources of evidence gathering methods to support our observations and to draw conclusions on the performance of each MMDA. We reviewed documents, interviewed key players and stakeholders in each MMDA and also inspected the facilities as part of the process of corroborating our evidence. Where necessary we took physical measurement of the constructed buildings and compared with the architectural drawings. We also compared specifications in the Bills of Quantities (BoQ) to what had been provided at site.

#### ***v. Document reviews***

24. The teams reviewed documents from the Planning, Budget and Procurement Units to determine whether the projects audited were among the prioritised projects for the period 2018 to 2021. Our review was to enable us to determine whether the Assemblies involved the communities in projects selection as prescribed by the NDP guideline and allocated funds for the projects through its budgeting process for procurement and subsequent execution. It also enabled us to determine whether the expenditure incurred on the projects were eligible under the DACF-RFG.

25. We reviewed the project files to determine whether the Assemblies followed due processes to select contractors, supervise and pay for works done. We reviewed files from the committees of the Assemblies involved in project execution to determine whether they played their oversight and monitoring role during planning and execution of the projects. The list of documents reviewed is attached as Appendix 2.

#### ***vi. Interviews***

26. The teams interviewed the District Planning and Budget Officers (DBO) on issues related to planning, budgeting, and payment for the projects. We also interviewed the District Procurement Officers (DPO) on procurement planning and selection of contractors to execute the projects. The Directors of Health and Education were interviewed to determine their role in the initiation of the projects relating to their sectors. We also interviewed the Works Sub Committee Chairman/members on the oversight role of the committee to execute projects in the district. To assess whether project objectives were met, we interviewed residents of beneficiary communities. The sampled list of categories of persons interviewed is attached as Appendix 3 (Not exhaustive).

#### ***vii. Inspections***

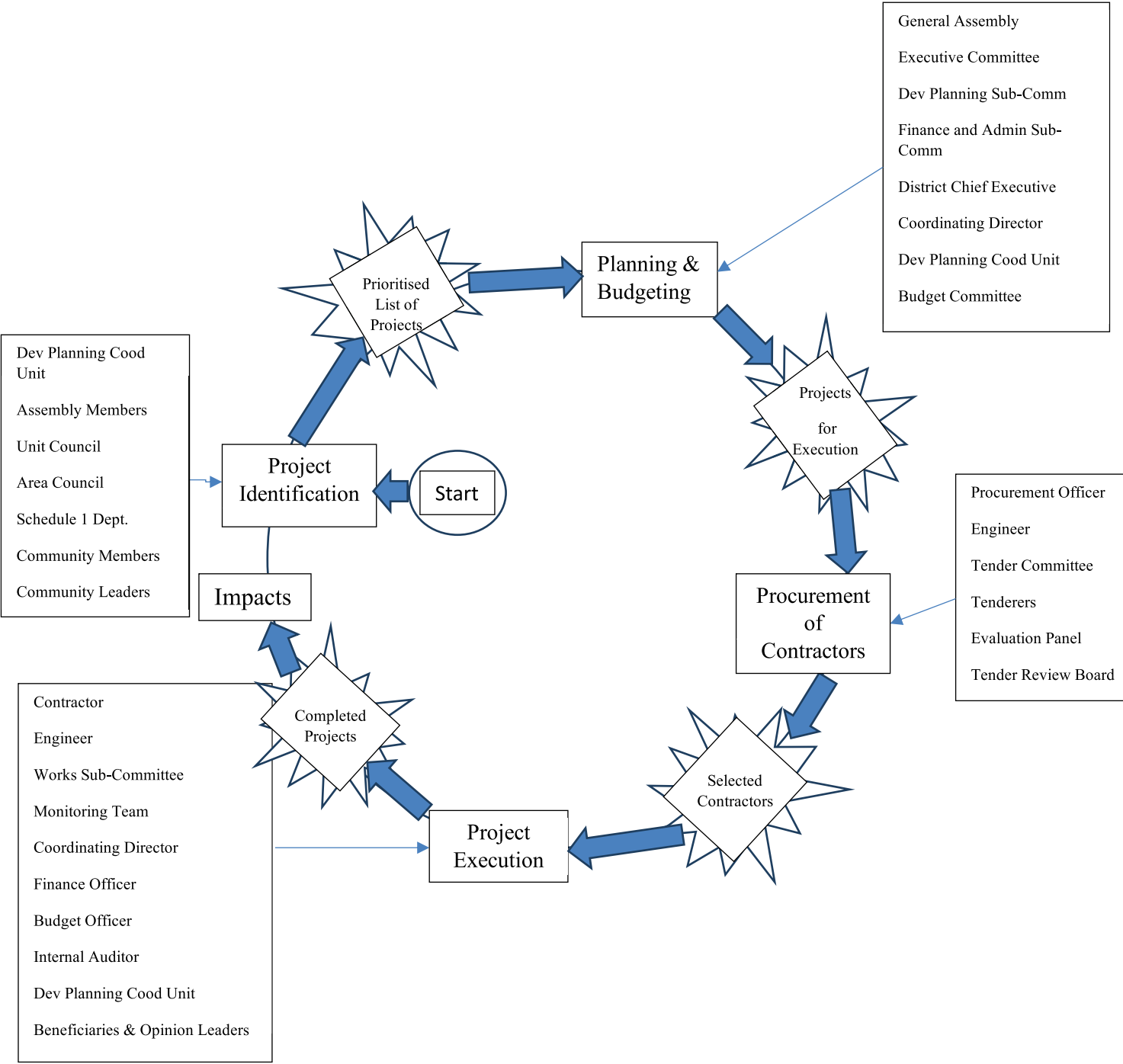
27. We inspected the projects to ascertain whether the structures conformed to the specifications in the contracts; the status of the projects; and to determine whether the beneficiaries were using the projects for the intended purposes.

28. The inspections also enabled us to test the quality of block and concrete works using the Schmidt Hammer, the gauge of roofing sheets using Engineer's callipers and "as built" measurements of the facility to determine if they conformed to architectural drawing dimensions.

29. We took pictures to support our evidence gathering and all the pictures used in this report were taken by the teams during the audit.

1.9 PROCESS DESCRIPTION

Figure 1: Process description of infrastructure projects in MMDAs



A detail narrative of the process is attached as Appendix 5 of this report.

## **CHAPTER TWO**

### **2.0 FINDINGS, CONCLUSION AND RECOMMENDATIONS**

30. The Auditor General issued a Consolidated Performance Audit report of 30 MMDAs published in May 2020 under KfW sponsored program and made observations and recommendations for improvement. This audit was an assessment of additional 30 MMDAs along the same area of audit focus and not a follow-up to the previous 30 MMDAs reported in 2020.

31. Each audit team assessed activities of the project cycle from planning through implementation of selected projects undertaken by the Assemblies to find out whether they were based on sound administrative and management practices. This was to determine whether there was value for money in the key focus areas of the audit.

32. We made our observations and recommendations to each of the 30 Assemblies in the district specific reports focusing on:

- i. Project initiation
- ii. Planning and budgeting
- iii. Procurement of consultants and contractors
- iv. Project implementation
- v. Eligibility of expenditures made from DACF-RFG

33. Each Assembly's response to our management letters have been incorporated into the final district specific report.

34. The summary of findings and recommendations presented in this report is a consolidation of significant observations made during the audit that need to be noted by the MLGDRD for improvement in the administration of capital projects in all districts.

### **2.1 INITIATION**

35. Section 83 (1) (a & b) of the Local Governance Act, 2016 (Act 936) requires Assemblies to prepare development plans with the full participation of the local community. Involving the citizens to identify and select projects promotes community ownership of the projects and ensures that the projects are need base. The National Development Planning Commission (NDPC) Guidelines for the preparation of the DMTDP (2018-2021) requires community participation and has specified the process that MMDAs need to follow to prepare development plans. The Assemblies are to consult the community members in the sub-district levels on their current needs and aspirations; compile, harmonise and capture them into DMTDP.

36. Section 3(1) of the National Development Planning Systems Act, 1994 (Act 480) also requires MMDAs to consult user agencies and conduct a public hearing to consider the views of the local community before the adoption of proposed district development plans. Also, Section 4(1) of Act 480 also requires that Assemblies document the processes and results of the public hearings and consultations.

37. During our audit we found that, various methods were used to solicit information from the communities to determine their needs that enabled the planning officers develop MTDPs for each MMDA. While some MMDAs met the communities personally to discuss their needs based on which priorities were set, two out of the 30 MMDAs administered request forms that were completed by community's leaders and submitted to the Assemblies whilst others received direct request from chiefs and Assembly members.

38. Regardless of which method was used, we noted that the Assemblies failed to guide and direct the communities in prioritising their needs by disclosing to them, projects available to each community from which they could choose. The methods used did not guarantee community participation and although the projects that were implemented were eventually useful to the communities, it did not mean it was their priority at the time.

39. We particularly noted a market shed sited on top of a septic tank at the Elmina fish market at Komenda Edina Eguafo Abirem (KEEA) Municipal Assembly.

**Picture 2**



40. The location of this shed constitutes an existential health hazard to both the market women and the public who patronise their produce because sanitation and health regulations are grossly undermined. Secondly, the structural integrity of the septic tank slab cannot be guaranteed and is likely to collapse with time. Our observation is that it could have only happened because of non-consultation with the beneficiaries as prescribed under the NDP guidelines for selecting and siting of structures.

41. We also noted that where there had been some consultations, the assemblies had not documented any of the processes as evidence of having complied with Act 936 of 2016, Act 480 of 1994 and the NDPC guidelines to involve the communities in selecting projects for their communities. The requirement to involve the communities and to document the process is needed to ensure community buy-in and that all projects implemented are based on need of the communities and sited appropriately.

## **MLGDRD RESPONSE**

- i. The Ministry in collaboration with its Partners will guide the Assemblies to address the weakness.*
- ii. The Ministry will liaise with the Office of the Local Government Service (OHLGS) to ensure that the Environmental, Health & Sanitation Unit of the Assemblies study the situation and proffer solution.*
- iii. MLGDRD to liaise with OHLGS to build capacity of the identified Assemblies to properly document planning and siting of projects*

## **2.2 PLANNING AND BUDGETING**

42. Section 122 (b) of the Local Government Act 2016, (Act 936) required MMDAs to include in their budget the annual budget for development plans and programmes of the Departments of the District Assembly. Also, under Section 13 of the Guidelines for the Preparation of the DMTDP for MMDAs (2018-2021), the Assemblies are to extract the projects or works, programmes and activities in their MTDP into their Annual Action Plans (AAPs) with a budget linked to the national budget for implementation.

43. Resources to the districts has increased in the ensuing years from both government and Development Partners. Hence, the need for accountability by ensuring that value for money is achieved for all resources utilised is a common goal of government. To guarantee proper use and accountability of resources at the district level, there is the need to build the capacity of the Assemblies in all aspects of administration.

44. We found that capacity of MMDAs to undertake capital projects need to be enhanced and strengthened because there is lack of professional capacity at the district level. First, Project estimates that feed into budgeting is not properly done because the Assemblies do not have capacity to carry out architectural design drawings from which to extract estimates. Where figures are provided by the works engineers, they are not based on estimates extracted from detailed architectural drawings but taken from previously known cost of similar works within the districts. This does not allow for a meaningful comparison of project cost.

45. Secondly, Planning and Budgeting are not synchronised given the impression that these departments are working in isolation.

46. We noted that budget officers allocated amounts to projects without input from the Works Engineers. As a result, the budgets are either inadequate or over estimated. This created an opportunity for potential insider manipulation as we observed in Mfanstiman District in the award of contract for the construction of the court building (See detail of finding in specific report).

47. We also observed that the non-coordination of the various departments during planning and budgeting, resulted in projects captured for procurement but not in Action plans and therefore not budgeted for. These projects have variously been justified as emergency projects thereby defeating the essence of consulting the communities for development projects.

## **MLGDRD RESPONSE**

- i. *The recommendation is well noted. The Ministry will discuss the finding with OHLGS to ensure design and architectural drawings of project is done by Architectural and Engineering Services Limited (AESL)*
- ii. *The Ministry (MLGDRD)/OHLGS would ensure that budget and planning activities are well coordinated at the Assemblies.*

## **2.3 PROCUREMENT OF CONTRACTORS**

48. Schedules five of the Public Procurement (Amendment) Act, 2016 (Act 914) has prescribed methods of procurement based on thresholds for goods, works and technical services. MMDAs are required to comply with the threshold limitations to ensure fiscal discipline is maintained at all levels of governance.

49. Chapter 5.5 of the PPA Manual requires the tendering procedures to be adopted in the procurement of contractors. This includes advertisement, closing and opening of tenders and giving sufficient time for Tenderers to buy, complete and return bids.

50. Also, Chapter 4.6 of the same manual requires MMDAs to use National Competitive Tender (NCT) if the threshold for works exceed GH¢9,200,000.00 to be published in at least one local daily newspaper of general circulation in Ghana, the Public Procurement Bulletin and the PPA website, and keep record of names of purchasers of tender documents and ensure that fees received from sales of the tender documents are paid into the Consolidated Fund.

51. All 30 MMDAs complied with the threshold requirement and used appropriate procurement methods as required by PPA and advertised for bidders using Ghanaian Times and Daily Graphic Newspapers. That notwithstanding, all 30 MMDAs partially complied with the provision to put on advertisements in the PPA website and bulletins.

52. On the other hand, we noted that Sagnarigu Municipal, Jasikan and Nzema District Assemblies could not account for the sale of Tender documents totalling GH¢4,400.00.

53. Evaluation of bids were not efficiently done because the evaluation panel members did not do due diligence and contractors who provided invalid (expired) or incomplete documents to support their bids were still awarded the contracts. For example, as in the case of Asutifi South District Assembly. Although contractors were selected among respondents to advertisements placed in the dailies, the process of evaluation was ineffective and had impacted on the quality of the works by the contractors during implementation.

54. Contractual agreements were signed as required but in two of the 30 Assemblies (KEEA and Wa MAs) the documents were not dated.

55. Keta Municipal Assembly awarded a contract for the supply of furniture without specification thereby leaving it to the discretion of the supplier and hence made it difficult to determine if contract quality was met. This lack of diligence on the part of the DCD and Procurement Officer allowed for the payment of **GH¢133,702.00** for furniture to be supplied at the supplier's discretion.

**MLGDRD RESPONSE**

- i. The Ministry in collaboration with the OHLGS will ensure the following:*
  - a) require all sale of tender documents are receipted with GCR and same lodged at BoG.*
  - b) Collaborate with the RCCs to review the procurement process in their respective MMDAs*
  - c) follow up on the Keta MA procurement discrepancy.*

**2.4 PROJECT IMPLEMENTATION- SUPERVISION**

56. Clause 16 of the PPA’s Standard Conditions of Contract states that, “The Contractor shall construct and install the Works in accordance with the Specifications and Drawings.” Clause 33 of the Conditions of Contract requires the Project Manager (the DWE) to check the Contractor’s work and notify the Contractor of any defects that is found and to ensure that the defects are made good.

57. In the 30 MMDAs covered under this audit, the works departments were solely responsible for supervising all works carried out in the districts and augmented by the District/Municipal/Metropolitan Monitoring Teams.

58. We observed that, supervision of the works in all the projects that we audited were not carried out adequately resulting in unsatisfactory workmanship and output. We observed defective works such as poor concrete works, leaking ceiling and varying of items to projects that were inferior to the items specified under the contracts.

**Pic, 3 (A-D) Defective works at some project sites**





***(C) Poorly constructed disability access (Mfantseman), (D) Loose electrical fixtures Aprusaya CHPS Compound (Nanumba)***

59. Furthermore, we noted for example that at Konkonse in Sene West District of Bono East Region, the contractor did not construct the building according to the dimensions on the drawings for the CHPS compound. Whilst the architectural details drawings had dimensions of 15.82m x 14.10m, the dimensions of the completed building were 10.11 m x 9.30 m when we measured them, a reduction of 130.039 m<sup>2</sup> of floor area being 58.3%. This reduction was unnoticed, and the contractor was paid the full amount of GH¢250,850.60 as contracted.

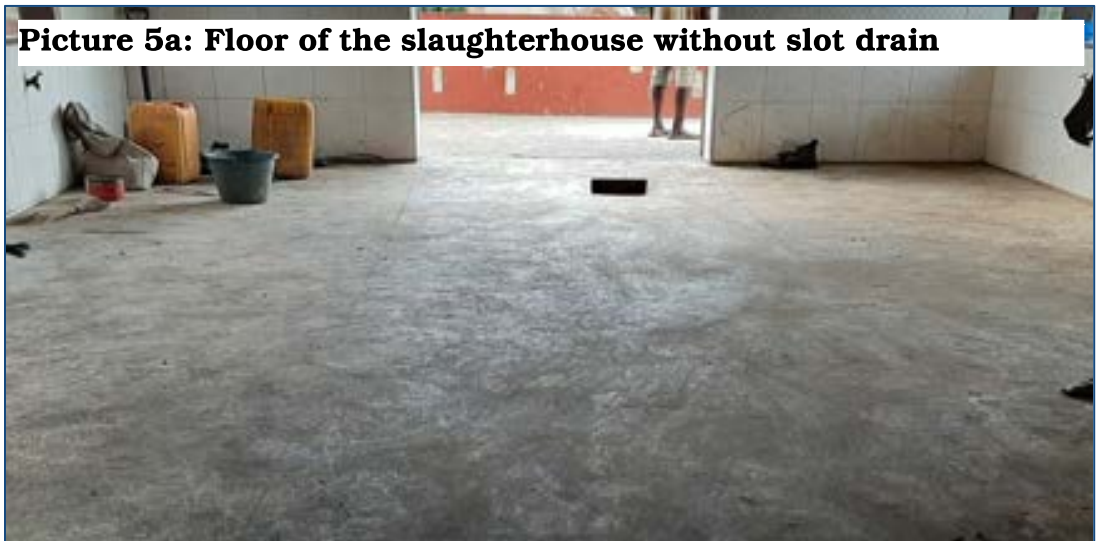
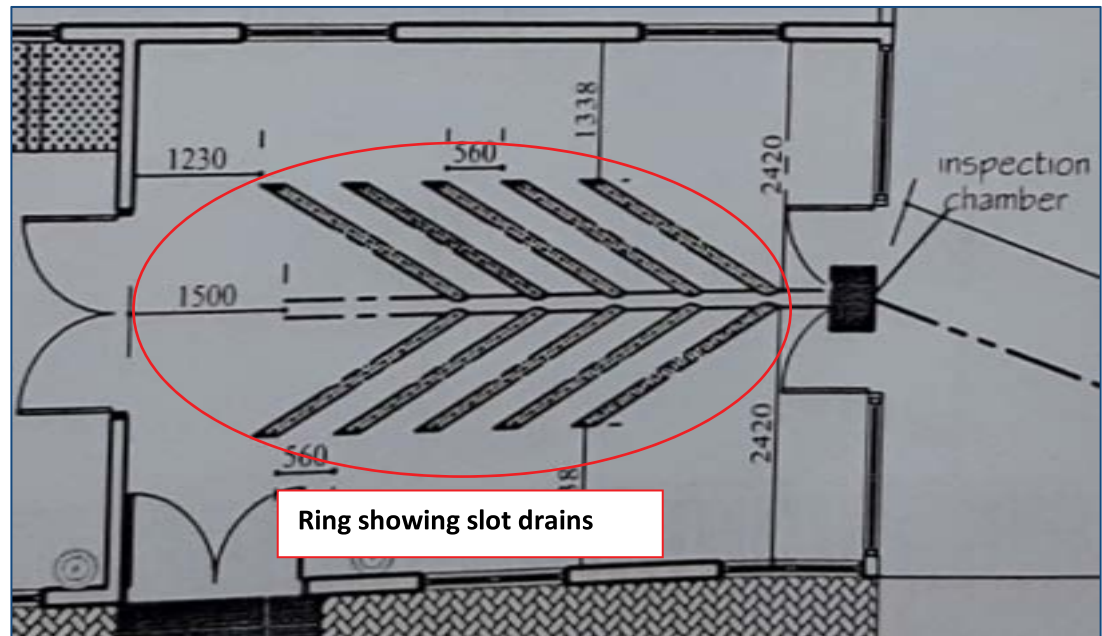
**Pic 4 CHPS compound at Konkonse (Sene West District)**



60. In another instance, at Ejisu Municipal Assembly, the contractor did not build to the specified dimensions in the drawings for the construction of 1No. 6-Unit Teachers Quarters at Timeabu. The specified dimensions were 14.7m x 16.5m (242.55m<sup>2</sup>) but on completion, it measured 14.6m x 14.2m (207.32m<sup>2</sup>) when we measured it during our visit. Thus, the contractor reduced the size of the Teachers quarters by 35.23 square metres being 15% and yet was certified by the MWE for full payments.

61. A slaughterhouse in Okadjakrom at the Jasikan District Assembly, while the architectural working drawings included slot drains to carry out slot from the floor, the contractor eliminated the said drain in the building and the Assembly accepted it as satisfactory work and paid the full contract sum. (See Pictures 5)

**Pic 5: Plumbing layout of the slaughterhouse showing slot drains**



62. In the same district the platform of a borehole sited at Kayadan community measuring 4.8x3.4 meters in the specification was reduced to 2.0x2.0 meters on completion instead, was not queried but the full contract sum was paid.

63. In addition to these observations, we noted that the Works Engineers were not diligent enough to supervise the projects. This dereliction of responsibility to supervise as required was widespread to the extent that in some cases the contractors installed items at their discretion and were accepted as completed works. For example, at Sagnarigu District, our inspection revealed that, the Labour ward at the Kogni Clinic had a small Wash Hand Basin instead of the Double Bowl Double Drain Sink specified in the Bills of Quantities (BoQ). The sink was not appropriate to serve the purpose for which it was installed for washing clinical tools and hands after delivery procedures.

**Pic 6. Wash had basin in place of double sink at the labour ward.**



64. In addition to this variation, the WC Cistern in the Labour Ward was not connected to the toilet bowl as shown in the picture, yet the works were accepted as completed works and paid for in full.

**Pic.7 Uncompleted plumbing works**



65. On the same project, we also noted that specified shelves were not provided in the Dispensary, as a result medical supplies were stored in boxes on the floor and left to the mercy of the weather.

**Pic. 8 Medical supplies on the floor of Kogni Clinic at the Sagnarigu District.**



66. At Ada East District Assembly, a Junior High School for the Atortorkope community was not built to specification. The DWE overlooked when the project specifications were varied, and windows reduced by eliminating jalousie fanlights, thereby making lighting and ventilation in the classrooms poor for the children.

67. At Kintampo South, we noted that although a contract for the provision of a borehole for the Sabule community was awarded on the 5th of July 2019, the contractor used an old abandoned well, drilled in May 1986 (as the date on the platform shows) as though he had done the work and paid for by the Assembly.

**Picture 9. An old borehole paid as new.**



68. Although we observed that most of the Works Engineers had Higher National Diplomas in Construction Management and some have upgraded themselves with master's degrees in construction, their output has been unsatisfactory. The general excuse of lack of logistics to visit project sites is not tenable as an efficient scheduling of projects supervision during critical activities would have sufficed. The Works Engineers were absent at critical stages of construction and District Coordinating Directors failed to ensure that they performed their functions.

69. The consequences for these lapses in supervision resulted in payments to contractors for no work done which is detailed under payments of works in this report.

## **MLGDRD RESPONSE.**

- i. The Ministry/RCCs/MMDAs will ensure that project supervision and final IPC payment meet all provisions in contract.*

## **2.5 PAYMENT FOR WORK DONE**

70. During the audit, a total amount of **GH¢499,671.94** and, **GH¢1,010,188.00** was questioned as amounts paid for no work done and payment without supporting documents respectively.

71. Section 7 of the Public Financial Management Act, 2016 (Act 921) requires a Principal Spending Officer of a covered entity to ensure the regularity and proper use of money appropriated and managed through authorising expenditure on the resources received and held for the covered entity.

72. Section 7 (2) also requires that a Principal Spending Officer shall, in the exercise of duties under the Act, establish an effective system of risk management, internal control and internal audit in respect of the resources and transactions of a covered entity. This places the control of expenditure on the DCE, DCD, DFO, DBA and the Internal Auditor. These officials are to ensure collectively that payment procedures are followed and that only works executed and approved as having met the standards are paid for.

73. Regulation 78 (1)(a) and (b) of the PFM Regulations requires that “Principal spending officer of a covered entity is personally responsible for ensuring in respect of each payment of that covered entity, (a) the validity, accuracy, and legality of the claim for payment and (b) that evidence of service received, certificates for work done and any other supporting documents exists. This is to ensure that payments are supported by relevant documentations, neither are they understated nor overstated.

74. Our audit revealed lapses in compliance to procedure for payment of works resulting in payments for works that were not executed. We noted that the requirement to support all PVs with supporting documents are violated and, in some instances, payments are made without recourse to Internal Audit for pre-auditing as required.

75. Our sampled reviews showed for instance, that Mfantsiman and Hohoe Municipal Assemblies, a total of **GH¢1,067,188.00** was paid to contractors without supporting documents, whilst Dormaa Central, Bawku and Sunyani were three out of the 30 that made payment of **GH¢1,764,520.62** to contractors without recourse to internal audit pre-audit requirements.

76. We found this to be contrary to Section 7 (2) of the PFM Act due to lack of administrative oversight on the part of the Coordinating Directors to ensure that internal control measures are adhered to in the districts.

77. According to Clause 16 of the PPA Standard Conditions of Contract, the contractor shall construct and install the works in accordance with the specifications and drawings. Also, Clause 33 to 36 of the Conditions of Contract requires the Project Manager (Works Engineer) to check the contractors work and notify the contractor of any defects found whilst Clause 37 of the conditions of contract states that the Contractor is paid for the quantity of the work done at the rate in the Bill of Quantities for each item.

78. We noted that twenty-one (21) of the Thirty MMDAs that we audited paid a total of **GH¢499,671.94** (*See details in Table 1*) for works not executed. The amounts were paid to the contractors upon recommendations made by the Work Engineers and approved by the Coordinating Directors in each of the Assemblies in violation of clauses 16, 33, 36 and 37 of the conditions of contract and Section 7 of the Public Financial Management Act, 2016 (Act 921).

79. For example, at the Keta Municipal Assembly, furniture valued at GH¢133,700.00 could not be accounted for although the Assembly had paid fully for them. During our exit meeting with the Assembly on the 30 March 2022 a list covering the distribution of 322 pieces of desk, amounting to GH¢109,447.20 (per their rate) was made available to us, as their evidence of receipt of the furniture from the supplier. Apart from the list we could not vouch for these supplies.

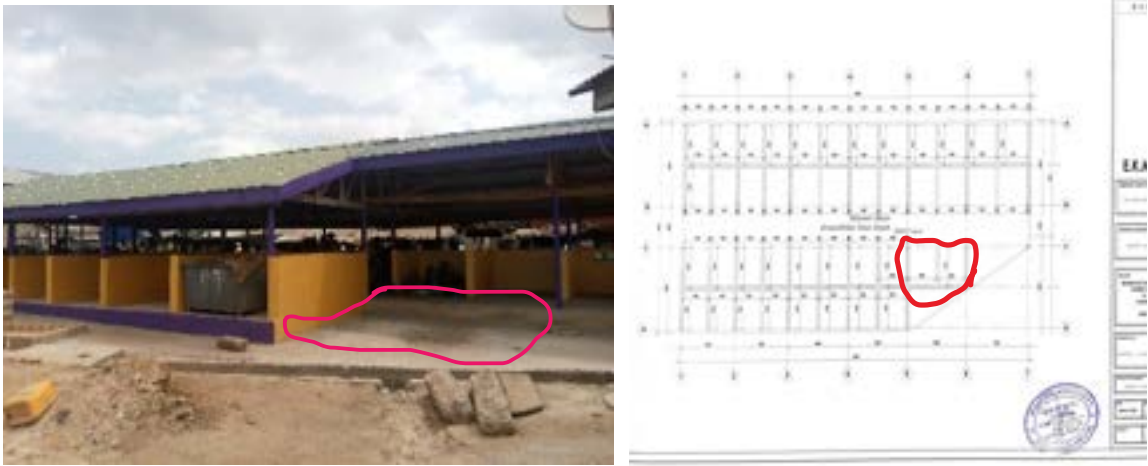
80. In another instance, Kintampo South paid GH¢57,925 for no work done to construct a school block and provide five boreholes, whilst Sene West District Assembly was short-changed by GH¢98,013.69 for a reduction in the size of a CHPS compound.

81. Our comparison of payment vouchers, BoQ and drawings of phase II of the Assakae Market Shed at the Effia Kwasimintim MA showed that the Assembly paid GH¢1,288.902 for a 2-unit cubicle (Phase II) which was not provided. It is worth noting that the long-term consequence of this omission is to deny two traders and their dependants their livelihood. Pictures of the design and implemented Phase II project is presented as Picture 9. The circled area in the project's design was the part which was not implemented as shown in the picture below:

---

<sup>2</sup> Auditors estimate. The estimates were arrived at using the BoQ and the projects drawings. The estimate is for the block walling, floor finishing, plastering and painting.

**Picture10: Phase II of the market shed and its design**



**Source:** Project File, EKMA

**Table 1. Details of total payment made for works not done**

No.	MMDA	Amount paid for no work done In GH¢
1	Atwima Kwanwoma	37,750.00
2	Asutifi South	0
3	Dormaa Central	0
4	Offinso Municipal Assembly	12,516.00
5	Bawku Municipal Assembly	0
6	Ejisu Municipal Assembly	2,418.00
7	Nzema	880.00
8	Sunyani Municipal Assembly	8,315.00
9	Adentan Municipal Assembly	0
10	Nanumba South District Assembly	0
11	Sanarigu Municipal Assembly	18,190.00
12	Chereponi District Assembly	41,956.00
13	Abuakwa South Municipal Assembly	0
14	Achiase District Assembly	9,643.00
15	Asene Manso Akroso District Assembly	2,900.00
16	Tema Metropolitan Assembly	0
17	Northeast Gonja District Assembly	1,680.00
18	Keta Municipal Assembly	133,700.00
19	KEEA Municipal Assembly	11,851.04
20	Mfanstiman Municipal Assembly	5,888.00

21	Hohoe Municipal Assembly	3,220.00
22	Kintampo South District Assembly	57,925.00
23	Jasikan District Assembly	0
24	Ada East District Assembly	0
25	La Nkwantanang Madina MA	26,134.00
26	Sene West DA	98,013.00
27	Suame Municipal Assembly	3,936.00
28	Wa Municipal Assembly	2,366.00
29	Juaboso	19,102.00
30	Effia Kwesimintim	1,288.90
	<b>TOTAL</b>	<b>499,671.94</b>

**Source. Audit team compilation**

82. In an isolated case, we noted that Northeast Gonja District Assembly, made a payment for work done valued at **GH¢22,942.00** on the 23 August 2019 before a certificate was prepared to cover the amount on the 6 February 2020. This procedure is contrary to sound contract administration and underlines the internal control weakness in the Assembly.

83. In uncharacteristic manner, Chereponi District Assembly signed a contract with a contractor to provide boreholes without any assurance clause for rejecting dry boreholes. In the given instance the Assembly ended up paying GH¢32,566.00 to the contractors for two dry boreholes that did not yield water for use.

## **MLGDRD RESPONSE**

- i. *The finding is well noted. The Ministry will do a follow up to ensure affected MMDAs recover the amount of payment for work not done from the Contractors. Failure for which the Coordinating Director, Finance Officer and the Works Engineer should refund the money.*

## **2.6 ELIGIBILITY OF EXPENDITURE**

84. Chapter 5 of the Operational Manual for the implementation and Administration of the District Assemblies Common Fund Responsiveness Factor Grant (DACF-RFG), require that all physical infrastructure projects financed through the DACF-RFG must go through Environmental and Social Impact Assessment (ESIA) and are to be part of the approved Medium-Term Development Plans and Annual Action Plans. Allowable expenditures will be those covered by the approved Medium-Term Development Plans and Annual Action Plans.

85. We assessed through review of MDTP and AAP to ascertain whether projects undertaken by the 30 MMDA had met the requirement as specified under Chapter five of the Operational Manual. However, we noted that eight out of the 30 Assemblies used the funds under the DACF-RFG for ineligible expenditure totalling **GH¢1,764,820.77**. Our reviews showed that these funds were expended on projects either not captured in the Assembly’s MTDP, AAP, not approved or used on non-eligible items. The Assemblies are listed in *Table 2*.

**Table 2. Ineligible expenditure**

No.	MMDA	Amount of ineligible expenditure		
		Not Captured	Ineligible items	No approval
1	Asutifi South			887,222.00
2	Dormaa Central	19,281.00		
3	Nzema	54,833.65		
4	Sunyani Municipal Assembly		395,932.71	
5	Asene Manso Akroso District Assembly	59,424.13		
6	Achiase District Assembly	100,367.09		
7	Jasikan District Assembly		59,886.25	65,900.00
8	Effia Kwasimintim		121,973.94	
	Totals	233,905.87	577,792.90	953,122.00
	<b>Grand TOTAL</b>	<b>1,764,820.77</b>		

**Source. Audit team compilation**

**MLGDRD RESPONSE**

- i. The Ministry will do follow up to the affected MMDAs. We would be grateful if the Audit Service could furnish the Ministry with the list of projects implemented by the three (3) named MMDAs totalling GH¢577,792.90 which it deemed ineligible to enable the Ministry take necessary action.*

## **CHAPTER THREE**

### **3.0 PROJECT IMPACT**

86. We evaluated the projects effectiveness by ascertaining to what extend the projects met the purposes for which they were procured. In the process, we noted that 80% of the projects audited were completed and being used by beneficiaries thus serving the community needs as envisaged.

87. All projects undertaken in MMDAs are intended to meet some economic and social objective and thus prudent that at the end of the cycle, an evaluation is carried out as part of the accountability requirement. This enables the Assemblies to determine whether the objective of putting up the project has been achieved and to draw useful lessons to improve upon delivery of projects to better the lives of the citizenry.

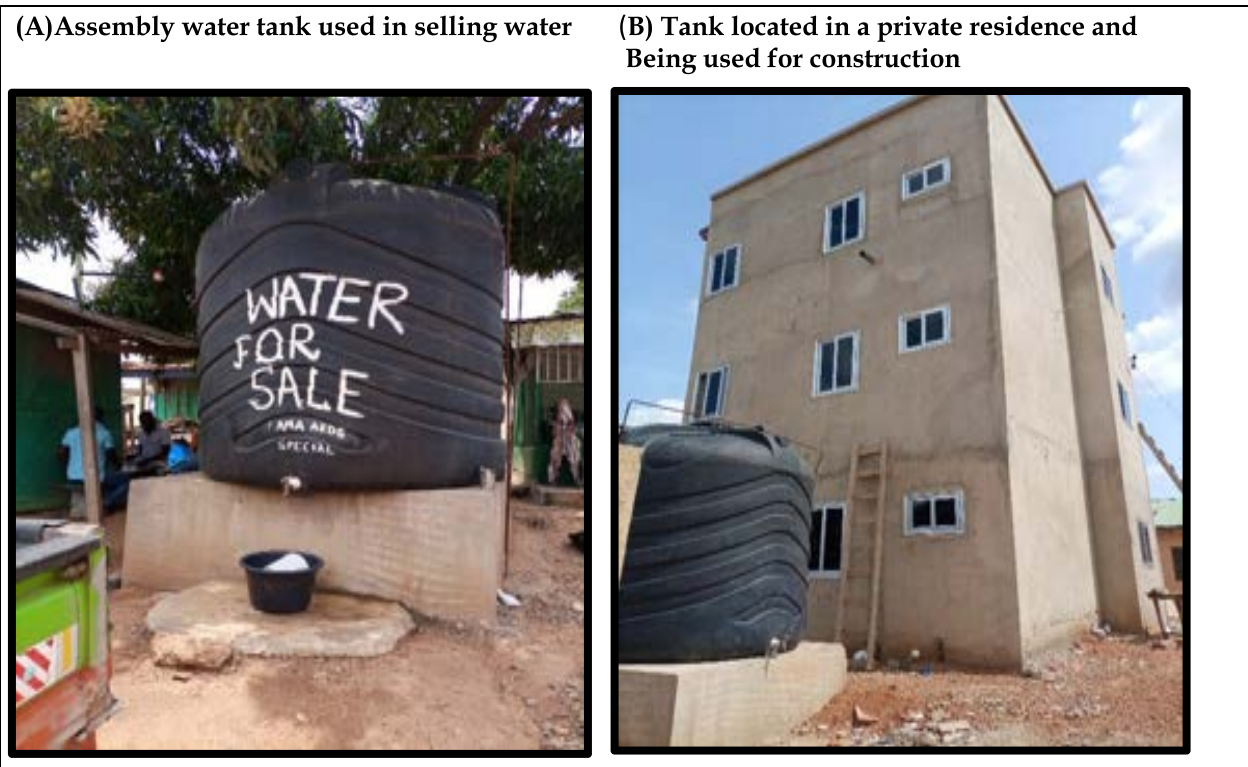
88. Despite the importance of this requirement to the MMDAs accountability process, we found that for all the completed projects, none of the MMDAs had carried out any post project evaluation to determine the success or otherwise of the investment.

89. In addition, feedback from our interviews with communities' members where some projects were sited had not met the intended purpose for which they were provided, hence were not effective. In this instance, at the Adentan Municipal Assembly, water storage tanks were distributed to 12 electoral areas within the municipality to store water for distribution to residents in the respective electoral areas to help mitigate the spread of the Covid-19 pandemic.

90. We found that, water tanks located in Amrahia, Adjiringanor, Ability, Lakeside Estate, and East Legon Hills were not filled with water to enable the residents access the water for free. In another instance, we noted that two individuals at Maamomo and Mmai Dzorm communities the tanks were filled with water and in turn sold the water to residents as a business. According to the persons in charge, they are charging the residents for accessing the water to pay for the monthly water bills they receive from Ghana Water Company.

91. Similarly, at Ashiyie Fulani in the Municipality, the water tank located in their community was never filled with water for use by the community. We found that the Water tank was mounted in the house of a private individual of the community who was using it to carry out construction works (see Picture 3B) thereby not serving its intended purpose.

**Picture 11 (A-B) shows some of the storage tanks mounted within the municipality that were not serving the intended purpose**



92. In the Sunyani Municipal Assembly (SMA), the objective to provide additional office space to GES to enhance effective administration was also not met. In this regard SMA had undertaken to provide additional block of offices for the Municipal GES to enhance school management system in the municipality. Contrary to this, we found during our inspection that, when work was completed on the block, staff of SMA occupied it instead of the intended beneficiary (GES) thereby defeating the purpose for which it was built.

93. Also, during the audit, we found that projects that were not completed could not have been used and therefore delayed their benefits to the users. At Asutifi South, 1No. 10-Unit Lockable Market Stores with metal rolling gate and forecourt pavement at Hwidiem and the second phase of the Supply and Installation of 80 No. Metal Street Light Poles and Accessories at (Dadiesoaba, Nkaseim, Nkrankrom, Konkontreso and Broniyayaa) were not completed. We found that the Market Stores project had delayed for two years and one month as at the time of the audit and therefore the benefits could not be derived. Similarly, the streetlight project for the five communities was yet to be connected to the main grid as at the time of the audit and was also not beneficial.

94. Mfanstiman Municipal Assembly awarded the construction of a courthouse at Saltpond at a sum of GH¢762,707.00 on 30 August 2019 and was completed in April 2020. The project was intended to ease the workload of an existing magistrate court. However, the project was not being used sixteen months after its completion.

#### **MLGDRD RESPONSE**

- i. The Ministry would engage consultants to conduct post project impact assessment.*

## CHAPTER FOUR

### 4.0 CONCLUSION AND RECOMMENDATIONS

#### 4.1 CONCLUSION

95. Our observations from the audits showed that most of the projects that have been completed are in use as intended and have been beneficial to the communities. The procurement of the various projects by the 30 MMDAs to the extent that it was in accordance with the principle of economy, efficiency and effectiveness was not satisfactory.

96. While the selection of contractors was open and published in the dailies for bidders, evaluation process was inefficiently done thereby undermining the principle of economy and efficiency and manifested through the unsatisfactory output of the executed works.

97. Supervision of works at all the 30 MMDAs did not ensure that the works were executed to the required standards. The MMDAs Works Engineers who supervised the works, were not diligent enough and resulted in variations of required specification for inferior ones. Also, where the sizes of the projects were reduced, they went unnoticed and were paid for.

98. Although about 80% of the projects that we audited were completed, their quality was not satisfactory because of poor supervision. With such undesirable outcomes, the long-term consequence will be an early deterioration of the structures and a high future maintenance cost.

99. Cost of the projects were comparative to other GoG projects, perhaps, because most of the projects were not duly estimated from architectural designed drawings but taken from previous similar project cost available to the engineers of the Assemblies.

100. We also noted that poor contract administration, documentation, issuance of essential documents such as, handing over notices, inspection reports, site instructions and certificates of completion of works, etc at each stage of the processes were either overlooked or ignored.

101. During our exit meeting, some of the Assemblies had started to collect refunds of monies we found to have been paid to contractors for no work done. The initial amount of GH¢836,102.55 from our observations made prior to the exit had been reduced to an outstanding **GH¢499,671.94** because of refunds in response to our recommendations.

## 4.2 RECOMMENDATION

102. The observations that we made in the audit of 2020 such as:

- i. *Low capacity of the works departments at the district level,*
- ii. *Constant transfer of technical staff,*
- iii. *Use of contingency sum without approval,*
- iv. *poor budgeting, and*
- v. *poor documentation of processes also prevails in all 30 districts under this audit. We have made district specific recommendations to the CDs in each report. The recommendations in this report are to the MLGDRD for implementation.*

103. To improve upon the administration of capital projects, we recommended to the MLGDRD in addition to the previous recommendations contained in the AG's report of May 2020 (see attached as Appendix 7) to require all District/Municipal and Metropolitan Coordinating Directors to ensure that:

- i. *Planning Officers guide communities to prioritise and select projects to be captured in the MTDP and APP that will be implemented in the Assemblies,*
- ii. *Procurement Officers, Budget Analysts, Planning Officers, and Works Engineers, document all processes used to solicit needs of communities, update of plans and progress reports,*
- iii. *There is coordination among all departments at all stages,*
- iv. *Administrative oversight is improved to ensure internal controls are adhered to in all aspect of transactions undertaken in the districts,*
- v. *Records of all activities are captured and properly stored as evidence of having been undertaken,*
- vi. *Works Engineers supervise all works at all stages of construction and submit reports regularly to the Coordinating Directors, and*
- vii. *Institutionalise refresher courses for the Works Engineers, Planning, Procurement and Budget officers on procurement of capital projects are organised regularly or periodically.*

## APPENDICES

### APPENDIX 1: AUDIT QUESTION, ASSESSMENT CRITERIA AND SOURCE

No.	Audit question	Assessment criteria	Source
1	How did the Assembly involve the stakeholders in identifying and selecting the projects?	The Assembly is required to follow the NDPC guidelines and Local Governance Act in planning for projects and ensure that the plans are prepared with full participation of the local community and stakeholders.	Section 83 (1) (a &b), Section 88 of the Local Governance Act 2016 (936),  National Development Planning (System) Act. 1994 (Act 480)
2	How did the Assembly plan for the implementation of the project?	The Assembly is required to prepare estimates for the project and incorporate it into the Annual budget linked to the Annual Action Plan and the DMTDP of the Assembly. The Works Department should prepare drawings, detailed specifications, bill of quantities or activity schedule for the required works. The Assembly is to prepare a procurement plan for each fiscal year for approval by the Tender Committee.	Section 12, sub-section 3(a; b & e) of the Local Governance Act 2016 (936),  Step 12.1 of the Guidelines for the preparation of the DMTDP (2018-2021), Chapter 5.3 of PPA Manual  Section 21 of the PPA Act 2003, (Act 663) as amended by (Act 914)
3	How did the Assembly ensure competent contractors were selected on time to construct projects at the least cost?	The Assembly is required to establish a Tender Committee, which shall ensure that procedures prescribed in the PPA, and Manual are followed at every stage of the procurement process.	Section 20 and 47 of the Public Procurement Amended Act 2016, Act 914,  Paragraphs 1.10.2 to 5.14.1, 5.15, 5.17.1 and 5.17.2 of PPA Manual,  Instructions to Tenderers (ITT),  Clause 34 of the conditions of contract.
4	How did the Assembly supervise the works to ensure the quality of	The Municipal Works Engineer is required to ensure the Contractor construct the works in accordance with the specifications and notify the Contractor of any defects that	General Conditions of Contract

	construction, concrete, roofing, etc met the required specifications?	are found. The Assembly is also required to issue to the contractor a Completion Certificate when he or she completes the works, a Taking-over Certificate, a Defects Liability Certificate and a Final Certificate.	
5	How did the Assembly ensure that payments to contractors were for actual works done?	The Assembly is required to ensure that Contractors are paid for actual work done.	Clauses 37, 42.4 and 43 of the Conditions of contract
6	How did the Assembly ensure that projects were completed and were serving their intended purpose?	The Assembly is required to evaluate the impact of the projects on the developments of the Municipality and whether it has achieved value for money.	Section 12 (4e) of the Local Governance Act, 2016 (Act 936)

## **APPENDIX 2: DOCUMENTS REVIEWED**

- Procurement Plan 2018, 2021
- Annual Action Plan 2018, 2021
- District Medium Term Development Plan DMTDP 2018 – 2021
- Composite budget 2018 – 2021
- Annual progress composite report
- Quarterly progress composite report
- Development sub-committee file
- Works sub-committee file
- Executive committee file
- Finance and Administration sub-committee file
- Procurement committee file
- Budget committee file
- Tender committee file
- DPCU File
- DACF-RFG investment & capacity building report
- Lose Tenderers File
- Assembly Database on contractors
- General Assembly File
- Monitoring reports file
- Works committee file
- Tender documents
- Tender Evaluation report
- Contract Document
- Contract register
- Payment certificate (IPC)
- PVs for payments under the contract

### **APPENDIX 3: OFFICIALS INTERVIEWED**

- District Procurement Officers
- District/Municipal Directors of Education
- District/Municipal Directors of Health
- District Budget Analyst
- Works subcommittee members
- District/Municipal Internal Auditors
- District/Municipal Works Engineers
- Beneficiary community members (Opinion Leaders)
- Contractors

## **APPENDIX 4: SOURCES OF CRITERIA**

### **Mandate of the Assembly (Laws and Regulations)**

Laws and regulations pertaining to the implementation of DACF-RFG projects. The operational Manual for the Implementation and Administration of the:

#### **4.1 Local Governance Act, 2016 (Act 936)**

The Local Governance Act, 2016 (Act 936) defines and regulates planning procedures of District Assemblies. It specifies how Assemblies should coordinate, facilitate, monitor, and supervise internal audit activities within District Assemblies and for related matters.

#### **4.2 Public Financial Management Act, 2016 (Act 921)**

The Public Financial Management Act, 2016 (Act 921) regulates the financial management of the public sector and defines responsibilities of persons entrusted with the management and control of public funds, assets, liabilities and resources. This is to ensure that public funds are sustainable and provide for accounting and auditing the funds.

#### **4.3 The Public Financial Management Regulations, 2019 (L.I. 2378)**

The Public Financial Management Regulations, 2019 (L.I. 2378) gives directions for the implementation of the Public Financial Management Act, 2016 (Act 921).

#### **4.4 Public Procurement Act, 2003 (Act 663) as amended with Act 914 (2016)**

The Public Procurement Act, 2003 (Act 663) and its amendment (Act 914) outlines the procurement processes and methods used to procure goods, works and services using public funds. It regulates the procurement processes to ensure a judicious, economic and efficient use of state resources in public procurement. The Act ensures that public procurement is carried out in a fair, transparent and non- discriminatory manner.

#### **4.5 Public Procurement Manual, 2003**

The Public Procurement Manual, 2003 provides guidelines and step-by-step procedures to assist procurement entities to undertake public procurement in accordance with the Public Procurement Act.

## APPENDIX 5: PROCESS DESCRIPTION

### i. Identifying infrastructure projects

1. District Assemblies have a 4-year planning cycle which is contained in the District Medium Term Development Plan. The DMTDP contains all programmes and projects the District Assemblies will execute in the four years including infrastructure projects. The National Development Planning Commission provides a framework and guidelines Assemblies have to follow to prepare the DMTDP. Involvement of the local community is key in the preparation process.

2. The process of preparing the plan starts with the Assembly reviewing its performance on the previous plan to identify its achievement, failures, problems encountered, and lessons learnt. The Assembly in consultation with relevant stakeholders including its sub-structures<sup>3</sup> and Local Economic Development (LED) Platforms collect and collate data to review its performance in relation to the past Plan. The data is collected from District Departments and public hearing/participatory processes. The information from the review is used to update the District Profile which becomes a baseline for development for the next four years.

3. The next step is seeking the views of community members on current development needs and aspirations of the district through consultation at the sub-District level. The Assembly use various strategies to gather the needs and aspirations of the people. Questionnaires are given to Assembly members to solicit information in their electoral areas. Traditional rulers are also consulted to give a list of projects. In addition, public hearings are held in major communities to solicit the views of the general public. Community needs and aspirations identified are harmonised by relating them to the gaps and issues identified under review of the performance of the past Plan. The Assembly compile the gaps and issues identified under the review of the previous plan, other interventions, the district profile and the community

---

<sup>3</sup> Urban/Town/Area Councils and Unit Committees

need and aspirations and come up with key development problems/issues. The key development issues/problems are matched to the relevant thematic areas of the national development plan, Ghana Shared Growth and Development Agenda (GSGDA).

4. Identified development issues are prioritised through consensus at a stakeholders'4 workshop. The prioritisation criteria include impact on a large proportion of the citizens and a significant multiplier effect on the local economy. Following this the Assembly subjects identified development issues through analysis of Potentials, Opportunities, Constraints and Challenges to formulate appropriate strategies for the Plan. The Assembly then indicates its development focus and sets development goals in line with the National Development Goal. This is then followed by development projections for the four years based on the prioritised issues, from which the Assembly sets objectives and strategies to achieve the development goal. The Assembly follows it with the formulation of a development programme from the plan.

5. Subsequently the Assembly formulates the Composite Programme of Action (PoA) covering the 4-year planning period. The PoA consists of a prioritised set of activities for the achievement of the goal and objectives as well as the location, indicators, time schedule, indicative budget and implementing agencies and their expected roles. From the PoA the Assembly then prepares an indicative financial plan indicating strategy to adopt to mobilise funds to implement the Plan. The PoA is then phased into Annual Action Plans to be implemented by the Assembly and other bodies.

6. Following from the PoA and the development programme, public workshops are held to disseminate and discuss the content of the plan prior to its adoption. After the public hearing, the plan is submitted to the Development Planning Sub-Committee for discussion. From the Committee, it is submitted to the EXECO for discussion after which it is submitted to the General Assembly for discussion and approval. After approval by the General

---

*4 MCE, Municipal Department, Sub-Municipal Councils, Assembly members, Parliamentarians, Traditional Authorities, Development Partners, NGOs, Private Sector, CSOs, Community leaders etc.*

Assembly, it is submitted to the Regional Coordinating Council for discussion and validation.

## **ii. Planning infrastructure projects**

### ***Preparation of Annual Action Plan***

7. Every year of the 4-year DMTDP, the Assembly prepares an Annual Action Plan by updating the AAP in the DMTDP. The update is necessary because some of the projects that were considered at the time of preparing the DMTDP may no longer be needed because of various reasons like, the project might have already been implemented by another source. Alternatively, new projects may be necessary now which had not been factored in when the DMTDP was being prepared. The DCE may also have some projects to be executed on behalf of government. The update is done towards the end of the year, in October. After the update, the DPCU submits the Annual Action Plan to the EXECO for approval. The AAP is reviewed quarterly by the DPCU and submitted to the EXECO for approval.

### ***Preparation of Annual Budget***

8. Planning for the budget for the preceding year starts from February to May when the MPCU, Finance and Administration Sub-Committee, the Development Planning Sub-committee and other sub-committees and the Budget Committee come together to review the performance of the current and past year's revenue and expenditure and estimate revenue that will be available to the Assembly. They review the DMTDP and revise the AAP. The team assess the progress of all on-going projects and programmes being implemented, the status of implementation, challenges and identify projects which cannot be completed at the end of the fiscal year and need to be rolled over. The Budget Committee organises departmental hearings to discuss and review the departments' policies and programmes to ensure that they are consistent with the overall goal of the Assembly as contained in the DMTDP. The Budget Committee proposes budget ceilings for all departments within which to prepare departmental budgets. The ceiling is based on the total ceilings communicated through the budget guidelines issued by MoF and other revenue sources including the IGF, retained IGF, DACF, DDF and other development partner funds.

9. Preparation of the budget starts from June to September. Heads of departments prepare and submit to the Budget Committee their projected revenue and expenditure estimates based on the ceilings given to them as inputs into the Composite Budget. The Budget Committee consolidate the Departmental Budgets and prepare the draft Composite Budget of the Assembly.

10. After that, the Draft Composite Budget is deliberated, discussed, and approved by 31 October each year at various levels. The approval process starts from the Management of the Assembly to the Finance and Administration Committee (F&A) for onward submission to EXECO. From EXECO, the draft budget is submitted to the RCC for regional budget hearing then to the Management of the Assembly, to F&A, to EXECO then to General Assembly and then submission to MoF. When there is a need for amendment, the Draft Budget comes back to the Budget Committee.

### ***Preparation of Procurement Plans***

11. Upon approval of the budget, the District Planning Coordinating Unit/Tender Committee prepares a Procurement Plan detailing all new and on-going projects and programmes for all departments. This shall be done in collaboration with the Procurement Officer and the Planning Officer. The Procurement Plan, approved by the Entity Tender Committee, is submitted to the Public Procurement Authority.

### **iii. Procuring and selecting contractors for infrastructure projects**

12. The procurement process starts when the time specified for the implementation of the project comes. The MWD prepares tender documents containing the invitation to tender, instruction to tenderers, conditions of contract, tender data, specifications, Bills of Quantities, and drawings among others. The Assembly puts up notices and advertisement inviting interested tenderers to buy the tender documents. The invitation for tenders provides the requirements for the tender. The tenderers submit their tenders on or before the deadline and the tenders are opened at the time indicated in the

Instruction to Tenderers. The opening is done in the presence of tenderers who submitted tenders and choose to be present or their representatives. After the opening, the Tender Committee (TC) goes through the supporting documents the tenderers submitted in their presence to satisfy themselves that the requested documents were submitted and indicate it on the tender opening results form. The tenders are announced, and the meeting comes to an end. The Tender Committee then forms an Evaluation Panel to evaluate the tenders and recommend the suitable tenderer for the project to the committee within two weeks.

13. The Evaluation Panel working in accordance with the Instruction to Tenderers does a preliminary evaluation of the tenders to determine if the tenderers meet the requirement of the tender document. The ones that meet the requirement are declared responsive and taken through detailed evaluation. Arithmetic errors in the responsive tenders are corrected and the tenders ranked, with the lowest evaluated ranked tender taken through a post-qualification evaluation and recommended for award. The Evaluation Panel presents its report to the Tender Committee which reviews, accepts or rejects the report and award the contract if the contract sum is within its threshold. Contract sum above the threshold of the Tender Committee is referred to next approval level for approval. After the approval, the report comes back to the Tender Committee for award of the contract.

14. Thereafter the Assembly writes to the selected tenderer informing him of the Assembly's acceptance of his offer to execute the works and gives him a period of time within which to accept the offer. The tenderer is then asked to submit a Performance Bond within 28 days. After the tenderer has accepted the offer and upon receipt of the Performance Bond, the Contract Agreement is signed between the Assembly and the tenderer to formalise the contract. Thereafter the contractor starts the work. The other tenderers who did not win are formally informed of not winning. The Assembly informs them about the winning tenderer and the contract. The tender securities are returned to all tenderers.

#### **iv. Supervising and monitoring infrastructure projects**

15. After the contract is awarded, the Assembly through the Engineer hands over the site to the contractor to commence works. The ceremony is attended by stakeholders who have an interest in the project (DCE, DCD, DPO, Assemblymen, Chiefs, Opinion Leaders and User Departments). The contractor then mobilises to site and starts work.

16. The DW Engineer supervises the contractor to ensure the contractor is working according to the specifications of the contract. The Engineer will have to ensure that the contractor uses the right material components and does the right measurement and mixtures.

17. The Engineer prepares progress reports on the infrastructure projects the Assembly is executing. He also reports on the progress of works to the DCD, Works Sub-Committee and DPCU quarterly. The Engineer can also be summoned to any of the committees of the Assembly or the General Assembly to report on infrastructure project that the Assembly is implementing.

18. There are other Assembly Officials/Departments and other stakeholders that also monitor projects. These are the DPCU, Assembly members, DCE, DCD, Beneficiary Communities or Institution, Civil Society, NGOs, Area Councils and Unit Committee Members and the Works Sub-committee. The Planning Department monitors in order to prepare the Monitoring and Evaluation report required by DPCU and also to prepare monthly, quarterly and Annual Progress Reports on the implementation of the Annual Action Plans. The Municipal Works Sub-Committee meet quarterly to deliberate on projects of the Assembly. They may visit project sites to have a first-hand impression of the progress of work in order to report to EXECO for further reporting to the General Assembly. The DCD receives monthly reports on works done during DPCU meetings. He also makes ad hoc visits to the project sites. The DCE makes ad hoc visits to the project site to keep himself updated on the progress of works.

**v. Paying for works executed by contractors**

19. The contract allows the contractor to be paid in instalments as the works proceeds. The contractor makes a request for payment of the value of works executed as at the date of request. The Engineer visits the site to verify the works done and prepares a certificate on Form 22A.

20. The Engineer applies for a commencement warrant to procure works through the DCE. This activity must be in the Procurement Plan and be in line with the appropriate procurement process as stated in the Public Procurement Act (Act 663, 2003). DCE/DCD refers the request to the MBA to the relevant budget provision, cash ceiling and relevant documentation including the Entity Tender Committee Minutes, award of contract letter and Bills of Quantities. The DBA through the DCE/DCD commits the Assembly to the tune of the value of the certificate by issuing a commencement warrant to the Works Department.

21. The Works Department upon receipt of the interim payment certificates applies for the release of funds from the Assembly with copies of the relevant documents and commencement certificates. The DCD charge a validation team to visit the project site to validate works done before payment. The MBA prepares the specific warrant for approval by the DCE and DCD. The approved specific warrant is forwarded to the Finance Office for the preparation of payment vouchers. The payment voucher together with the warrant and other supporting documents is forwarded to the Internal Auditor. The Internal Auditor pre-audits all disbursement documents including the warrant. The vetted documents are returned to the Finance Office for final payment to the contractor.

## APPENDIX 6: LIST OF SELECTED 30 MMDAS

No.	Region	Baseline 1 –DAs (KfW)	Baseline 2 – DAs (USAID)	Selected MMDAs
1.	Ashanti	Kumasi Metropolitan Assembly, Asante Akim North, Asokore Mampong, Atwima Mponua <b>(4)</b>	Offinso North, Kumawu, Amansie West, Atwima Nwabiagya, Sekyere South, Asante Akim South, Ahafo Ano North, Amansie Central, Sekyere Central, Afigya Kwabre, Sekyere East, Bosomtwe, Adansi North, Ejura Sekyeredumasi, <b>(13)</b>	Offinso Municipal, Suame, Ejisu Municipal, Juaben <b>(4)</b>
2.	Ahafo	Tano South <b>(1)</b>	Asutifi North, Asunafo South, <b>(2)</b>	Asutifi South <b>(1)</b>
3.	Bono East	Wenchi, <b>(1)</b>	Nkoranza South, Sene West, Techiman North, Kintampo South, Atebubu Amantin, <b>(5)</b>	Kintampo South Municipal, Sene West <b>(2)</b>
4.	Bono	Jaman South, <b>(1)</b>	Jaman South, Tain, Jaman North, Sunyani West, Sene East, Banda, <b>(6)</b>	Sunyani Municipal, Dormaa Central <b>(2)</b>
5.	Central	Awutu Senya District, Upper Denkyira East, <b>(2)</b>	Twifo-Ati-Morkwa, Gomoa East, Ejumako-Enyan-Essiam, Twifo-Hemang Lower Denkyira, Agona East, Esikuma Odoben Brakwa, Abura Asebu Kwamankese, Awutu Senya East, <b>(8)</b>	Komenda Edina Eguafio Abirem (KEEA), Mfantseman Municipal <b>(2)</b>
6.	Eastern	Birim South, Kwahu East, Birim Central Municipal, Upper Manya Krobo, <b>(4)</b>	Upper Manya Krobo, Birim South, Kwaebibirem, Asuogyaman, Fanteakwa, Ayensuano, Birim North, Kwahu South, Lower Manya Krobo, Suhum, Kwahu Afram Plains North, Akuapim South <b>(12)</b>	Asene-Manso-Akroso, Achiase, Abuakwa South, <b>(3)</b>
7.	Greater Accra	Ada West, Accra Metropolitan Assembly, <b>(2)</b>	Shai Osudoku, <b>(1)</b>	Adenta Municipal, La Nkwatanang Municipal, Tema Metropolitan, Ada East <b>(4)</b>
8.	North East		Bunkpurugu Yunyoo, West Mamprusi, East Mamprusi, <b>(3)</b>	Chereponi <b>(1)</b>
9.	Northern	Mion, Nankumbi North, Yendi, <b>(3)</b>	Kpandai, Karaga, Zabzugu, Gushiegu, Tolon, Tatale-Sanguli, <b>(6)</b>	Sagnerigu, Savelugu <b>(2)</b>
10.	Oti		Biakoya, Krachi West, Kadjebi, Krachi Nchumuru, Nkwanta, Krachi East, <b>(6)</b>	Jasikan <b>(1)</b>
11.	Savannah		Sawla Tuna Kalba, West Gonja, North Gonja, East Gonja, <b>(4)</b>	North East Gonja <b>(1)</b>
12.	Upper East	Bongo, Bolgatanga, <b>(2)</b>	Kassena Nankana West, Builsa North, Garu Tempane, Bawku West, Pusiga, Builsa South, <b>(6)</b>	Bawku Municipal <b>(1)</b>
13.	Upper West	Sissala East, Jirapa, Nandom, <b>(3)</b>	Lawra, Sissala West, Nadowli, Bole, Wa West, Sissala East, <b>(6)</b>	Wa Municipal <b>(1)</b>
14.	Volta	Afadzato South, Ho Municipal, Akatsi South, Ketu South, <b>(4)</b>	South Dayi, Central Tongu, North Tongu, North Dayi, South Tongu, Agotime Ziope, Adaklu, Ho West, <b>(8)</b>	Keta Municipal, Hohoe Municipal <b>(2)</b>
15.	Western North	Bibiani-Anhwiaso-Bekwai, Sefwi Wiawso, <b>(2)</b>	Aowin, Suaman, Sefwi Akontombra, Bodi, <b>(5)</b>	Juaboso <b>(1)</b>

No.	Region	Baseline 1 –DAs (KfW)	Baseline 2 – DAs (USAID)	Selected MMDAs
16.	Western	Prestea Huni-Valley, (1)	Shama, Mpohor, Ahanta West, Wassa Amenfi East, Wassa Amenfi West, Wassa Mpohor East, Wassa Amenfi Central (7)	Effia Kwesimintsim, Nzema East Municipal (2)
	TOTAL	30 MMDAs	100 MMDAs	30 MMDAs

## **APPENDIX 7: RECOMMENDATIONS FROM AUDIT OF 2020**

### **THE WAY FORWARD**

1. We made specific recommendation to each finding in the MMDA specific reports. These recommendations are made to the MLGRD to improve the deficiencies that we observed across the country. Summary of the recommendations are as follows,

- a) The instituted internal controls by the DMT need to be improved to serve as checks on the activities of the DWE before payments are made. To improve upon these controls, we recommended that the MLGRD organise capacity-building workshops for key functional officers especially DMT members to focus on aspects of construction that they should look for during inspection before approving for payments.
- b) MMDCEs should put in review mechanisms probably at the end of each quarter to ensure that all annual action plans and procurement plans are updated to reflect their status of implementation.
- c) The MLGRD should takes steps to comply with the transfers of staff policy to ensure continuity in the MMDAs.
- d) MMDAS should be made to publish details of contracts awarded in the district to include contract sum, commencement/expected completion date, Name of contractor and community to be sited on the district's notice board.
- e) Complete all ongoing project before starting new ones.
- f) All Municipal and District Coordinating Directors should improve their oversight function by ensuring that:
  - i. all activities of projects undertaken are document in the appropriate files and should include, date, instructions given and the author,
  - ii. All site instructions outside original scope of works (variations) receive the necessary approvals before implementation, failure of which the works executed from such directives should not be paid, and

- iii. The sanctity of the internal audit process is preserved and respected.
- g) Institutionalise the practice of maintenance. Provide for maintenance in their plans supported with a budget to take care of completed facility e.g., Boreholes, Schools and Toilets to ensure their sustained use.

## APPENDIX 8: MLGDRD RESPONSE

MINISTRY OF LOCAL GOVERNMENT, DECENTRALISATION AND RURAL DEVELOPMENT				
PERFORMANCE AUDIT OF THE AUDITOR-GENERAL ON CONSTRUCTION OF CAPITAL PROJECTS IN 30				
MLGDRD RESPONSE TO AUDIT MANAGEMENT LETTER				
SN	Chapters/ Headings	Paragraph	Finding	Ministry's Response/Comment
1	Initiation	37-38	Assemblies failed to guide and direct the communities in prioritising their needs by disclosing to them, projects available to each community from which they could choose. The methods use did not guarantee community participation .	The Ministry in collaboration with its Partners will guide the Assemblies to address the weakness
		39	Market Shed Sited on top of a Septic tank	The Ministry will liaise with the Office of the Local Government Service (OHLGS) to ensure that the Environmental, Health & Sanitation Unit of the Assemblies to study the situation and proffer solution.
		41	Non documentation of Consultation processes in selecting and siting of Projects	MLGDRD to liaise with OHLGS to build capacity of the identified Assemblies to properly document planning and siting of projects
2	Planning and Budgeting	44	Planning & Budgeting. Lack of Professional Capacity at the district level	The recommendation is well noted. The Ministry will discuss the finding with OHLGS to ensure design and architectural drawings of project is done by Architectural and Engineering Services Limited (AESL)
		45	Planning & Budgeting are not synchronised	The Ministry (MLGDRD)/OHLGS would ensure that budget and planning activities are well coordinated at the Assemblies
3	Procurement of Contractors	52	Sale of Tender documents not accounted for GHs 4,400.00	The Ministry in collaboration with the OHLGS will ensure the following- 1. require all sale of tender documents are receipted with GCR and same lodge at BoG. 2. Collaborate with the RCCs to review the procurement process in their respective MMDAs 3.follow up on the Keta MA procurement discrepancy.
		53	Evaluation of bids were not efficiently done because the evaluation panel members did not do due diligence	
		54	Contractual agreements documents were not dated	
		55	Keta Municipal awarded a contract for the supply of furniture without specification.	
4	Project Implementation-Supervision	58	Inadequate Project supervision resulted in unsatisfactory workmanship and output. - defective works such as poor concrete works, leaking ceiling and varying of items specified under the contracts.	The Ministry/RCCs/MMDAs will ensure that project supervision and final IPC payment meet all provisions in contract. .
		59	Construction of CHPS compound at Konkose reduced by 58.3% but Contractor was paid full amount	
		60	Construction of Teachers Quarters at Timeabu reduced by 15% dimension but fully paid	
		61	A slaughterhouse in Okadjakrom at the Jasikan Assembly. The contractor eliminated	
5	Payment for Work Done	56-80	Payment for Work Not Done- GHs 499,671.94	The finding is well noted. The Ministry will do a follow up to ensure affected MMDA's to recover the amount of payment for work not done from the Contractors. Failure for which the Coordinating Director, Finance Officer and the Works Engineer should refund the money
6	Eligibility of Expenditure	83-84	Eligibility of Expenditure-GHs 1,764,820.77. Funds expended on projects either not captured in the Assembly's MTDP, AAP, not approved or used on non-eligible items.	The Ministry will do follow up to the affected MMDAs, We would be grateful if the Audit Service could furnish the Ministry with the list of projects implemented by the three (3) named MMDAs totaling GHC577,792.90 which it deemed ineligible to enable the Ministry take necessary action.
7	Project Impact	85	There was no post project evaluation to determine the success or otherwise of the investment.	The Ministry would engage consultants to conduct post project impact assessment.

# MISSION STATEMENT

The Ghana Audit Service exists

**To Promote**

Good governance in the areas of transparency,  
accountability and probity in Ghana's Public  
financial management system

**By auditing**

to recognised international standards

**And**

reporting audit results to Parliament

