PERFORMANCE AUDIT REPORT

of the

AUDITOR-GENERAL

on

MANAGEMENT OF
ACCRA METROPOLITAN ASSEMBLY
MARKETS
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MANAGEMENT OF ACCRA METROPOLITAN ASSEMBLY MARKETS
EDWARD DUA AGYEMAN
AUDITOR-GENERAL

AUDIT STAFF WHO UNDERTOOK THE AUDIT ASSIGNMENT
From left: Messrs. Henry Missah, Lawrence N. Ayagba, Ms. Victoria Akordor, Sulley Saaka.
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Ref. No. AG.01/109

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6 April 2004

Dear Sir,

**PERFORMANCE AUDIT REPORT OF THE AUDITOR-GENERAL ON MANAGEMENT OF ACCRA METROPOLITAN ASSEMBLY MARKETS**

I have the honour to submit to you for presentation to Parliament my fourth performance audit report pursuant to Article 187(5) of the 1992 Constitution and Section 13(e) of the Audit Service Act (Act 584). The Audit Service Act, which came into force in November 2000, gives me the authority to audit programmes and activities of Public Offices to ensure economy, efficiency and effectiveness in the use of resources.

2. The Audit Service traditionally audits the financial statements prepared by public bodies. Performance auditing is currently being introduced at Ghana Audit Service as part of a capacity building project funded by the European Union as part of Public Financial Management Reform Programme and managed by National Audit Office (U.K.) in partnership with the Swedish National Audit Office. The team that carried out the audit comprised Messrs Lawrence Ndaago Ayagiba (Leader), Henry Missah, Sulley Saaka and Ms. Victoria Akordor under the supervision of Mr. R.K. Anaglate, Acting Deputy Auditor-General, Mr. A.R.K. Boadu, Acting Director of Performance Audit and Mrs. Z. Martey, counterpart officer in the capacity building project.

3. Performance audits are carried out by teams of professional staff, including specialists such as architects, legal experts, engineers, economists and accountants. Depending on the extent of the coverage and complexity, it normally takes between six months and one year to complete a performance audit, thus, making it more expensive than the traditional financial audit. Effective performance audits can lead to better use of resources by public bodies and
provide support to democratic governments by bringing about accountability and transparency, improved operations and better decision-making.

4. This report to Parliament is the fourth out of seven reports prepared by 21 staff who have been professionally trained in conducting performance audits to internationally recognised standards to supplement the traditional financial audits. We expect to submit the remaining three reports over the next three months.

5. This fourth report is on the management of Accra Metropolitan Assembly Markets.

6. I would like to thank my staff for their assistance in the preparation of this report and the staff of the AMA for the assistance offered to my staff during the audit.

7. I trust that this performance audit report will meet the approval of Parliament.

Yours sincerely,

[Signature]

EDWARD DUA AGYEMAN
AUDITOR-GENERAL

THE RT. HON. SPEAKER
OFFICE OF PARLIAMENT
PARLIAMENT HOUSE
ACCRA
PERFORMANCE AUDIT REPORT OF THE AUDITOR-GENERAL ON MANAGEMENT OF ACCRA METROPOLITAN ASSEMBLY MARKETS

EXECUTIVE SUMMARY

Legislative Instrument (L.I) No.1615 of 1995 established Accra Metropolitan Assembly to perform among other functions, provide and manage public markets, as a social service and for revenue generation purposes. The main goal is to maintain orderly trade in the metropolis and to serve as a source of revenue for development.

2. The purpose of the audit is to find out whether Accra Metropolitan Assembly (AMA) is providing adequate facilities and collecting maximum revenue for development.

3. The audit is based on interviews, review of documents, inspection and observation of market facilities of AMA and covered the period 1999 to 2001. The team visited Kumasi and Shama Ahanta East Metropolitan Assemblies (KMA & SAEMA) and also visited Makola Market Company and Dansoman Community Markets both in Accra.

4. The audit revealed that the objective of AMA to provide good markets had not been fully accomplished.

5. The report details the findings under:
   i. management of market services;
   ii. management of maintenance of market structures;
   iii. management of the running operations;
   iv. supervision and control of market activities; and
   v. revenue generation.

Management of market services

6. Services in the markets include sanitary, (urinals, washrooms, toilets) security and waste management services. The provision and management of these services, as the audit showed, were either non-existent or inadequate. To improve upon these services we recommended AMA to:
❖ consider constructing more toilets, urinals and washrooms in the markets;
❖ secure the markets with strong gates to prevent burglary;
❖ consider divesting the security aspect of the markets to private management; and
❖ provide more refuse containers at vantage points and increase the frequency of waste disposal in the markets.

Management of maintenance of market structures

7. AMA record on maintenance of the market structures had shown that this activity has not been given the necessary attention as evidenced by collapsing market stalls, leaking roofs, blocked drains, and weak and rusted metal gates. The audit found that these conditions developed because essential maintenance work had not been undertaken.

8. To address the issue of maintenance of the market structures, we recommended that AMA put in place an effective programme and ensure that the programme is carried out.

Management of the running operations

9. AMA is responsible for the day-to-day administration of the markets with major decisions and coordination of all activities of their personnel in the markets taken at the head office. The audit revealed that under the present system, there were delays in decision-making (especially relating to maintenance works), and cumbersome information flow and dialogue between the various stakeholders in the markets.

10. To address the management issues, we recommended that AMA should consider decentralising some management functions.
Supervision and control of market activities

11. It is prohibited by law to erect stores in places other than markets. The law also prevents the sale and purchase of goods or stocks near established markets or elsewhere. It also requires traders who have been allocated stores/stalls to occupy the spaces allocated to them to enable AMA to derive the expected revenue and maintain orderly trade in the metropolis. However, contrary to the law traders crowd the periphery of the markets selling their goods on the pavements and streets, which are not demarcated for market activities. The inability of AMA to enforce the law and the lapse in supervision and monitoring of the use of the stores have resulted in the emergence of street hawking within the market and in other parts of the metropolis (ref. Daily Graphic of Wednesday, April 16, 2003).

12. To effectively control market activities AMA should enforce the repossession clause on traders who abandon their stores/stalls to sell elsewhere and should also enforce the byelaws on street hawking.

Revenue generation

13. Revenue generation from the markets is one of the objectives of AMA. The revenue contribution from markets to AMA is 20% of its Internally Generated Fund (I.G.F.). The audit revealed that this percentage could have been higher if AMA had adopted a more scientific method in setting revenue targets instead of the present method of adding a percentage to previous years performance to set new targets. The targets set by this method are relatively low and therefore not demanding on performance. The audit identified the following causes of the present low level of revenue generation:

- poor monitoring of income due to inadequate information on fees payable by traders in the markets;
• poor monitoring and control of the activities of revenue collectors resulting in revenue leakages although some measures have been taken recently to address the issue; and

• lack of incentives to motivate revenue collectors.

14. To improve upon revenue generation, AMA should set challenging revenue targets, adopt methods to meet the targets and strengthen controls over revenue collectors to maximise revenue collection. In order to meet revenue targets, AMA should consider instituting incentive packages for revenue collectors as a motivation for better performance.
Background

Markets in Ghana play a major role in the food production and consumption chain and other economic activities of the citizens. Markets are a means of conducting orderly trade; hence their provision and management are of utmost importance to the Communities and Assemblies as an objective in fulfilling a social service and source of revenue respectively.

2. During the Special Audit of Metropolitan/Municipal/District Assemblies by the Ghana Audit Service, concerns were raised about the provision of markets with regards to contracting and siting. Management issues like revenue generation, day-to-day management and maintenance of the facilities in the markets were also mentioned.

3. It is because of these concerns and in accordance with Section 13(e), Audit Service Act 584, 2000 that we conducted a performance audit into the management of markets by AMA between April 2002 and April 2003.

Report of the Auditor-General on Management of AMA Markets
Purpose and scope
4. The purpose of the audit was to find out whether AMA was operating good markets to address the objectives of:
   - generating enough revenue efficiently for the Assembly; and
   - offering social service to the communities including efficient managing of market services, running operations of the markets, maintenance of market structures and proper supervision and control of market activities.

5. The overall objective was to identify problems associated with provision and management of markets and make meaningful recommendations for improvement. The study covered three financial years: 1999, 2000, 2001.

Revenue generation for the Assembly
6. The purpose was to find out how efficient revenue targets were set and met, and how revenue collections were managed.

Offering social service to the communities

Management of market services
7. AMA is to provide services like urinals, toilets, security and waste disposal in the markets, adequate enough for the convenience of customers. The purpose of the audit was to find out how adequate these facilities were, and whether the market users were satisfied with them.

Maintaining the markets
8. The audit also focused on how AMA maintained its markets. In this regard, the audit looked at how maintenance schemes were drawn, financed and carried out.

Managing the running operations
9. Management's relationship with other stakeholders and key players in the day to day running of the markets also formed part of the audit focus. The purpose was to find out the type of management practices and how helpful these practices were in the efficient management of the markets.

Supervision and control of market activities
10. AMA is empowered by law to regulate market activities to ensure that there is order in the markets. The audit was to find out whether AMA was able to control activities in the markets.

**Methods and implementation**

11. The methods adopted for the audit were:

   - review of documents;
   - interviews; and
   - inspection and observation.

**Review of documents**

12. The audit team called for the Legislative Instrument (L.I) 1615, which established AMA to determine whether AMA was performing its functions as spelt out in the L.I in relation to the management of markets.

13. The team reviewed AMA byelaws to ascertain whether the rules and regulations governing the operations of the markets were adhered to. AMA financial statements for 1999 to 2001 were also reviewed. This was to enable the team determine and analyse levels of revenue generation and expenditure on the markets. In addition, the team reviewed similar financial documents of Kumasi Metropolitan Assembly (KMA) and Shama Ahanta East Metropolitan Assembly as basis for comparison with AMA because of their similar metropolitan status.

14. We also reviewed Ghana Audit Service (GAS) financial audit reports on AMA East and West markets for 1997-1998 to have an insight into previous audit on revenue generation in the markets. The GAS reports were the latest and issues raised in them on revenue leakages were still outstanding at the time of our review.

15. A manual prepared by the Agricultural Sector Improvement Project (ASIP) on market management for trainees of the Assemblies market management committees was also reviewed. This was to enable us have an insight into the programmes put in place to improve their management skills.
Interviews
16. At AMA head office we interviewed schedule officers (see details in Appendix 1). The reasons for the choice of the interviewees at AMA was because they were directly involved in management processes of the markets. The corresponding officers in Kumasi and Sekondi-Takoradi were also interviewed and the information gathered used as a basis for comparison with AMA.

17. In addition, the team interviewed 6 Market Queens (Leaders of the traders associations) and 30 traders in 5 markets in Accra (see list of markets in Appendix 2). We visited two markets at Kumasi and two at Sekondi-Takoradi and in each of the markets; we interviewed 3 market queens and 10 traders. This was to enable us gather the opinions of the interviewees about management issues and to what extent their expectations were met.

Inspection and observation
18. The team selected and visited 5 out of the 25 markets under AMA management to represent big, medium and small sized markets. Agbogbloshie and “31st December” markets represent the big ones; Mallam Atta is medium whilst Osu and “Timber” markets represent small markets. Another reason for the choice was that, in terms of total revenue generation, the “31st December” and Agbogbloshie markets contribute about a quarter of revenue from markets. The “Timber” market is a specialised market, whilst Osu has recently been rehabilitated. The visits enabled us see the physical state of the market structures. We also inspected facilities like urinals, toilets and washrooms in these markets.

19. In the markets at Kumasi and Sekondi-Takoradi similar inspections were conducted and observations were made.

20. The team visited Dansoman Community Market and Makola Market Company (MMC) both under private management to enable us compare their methods of revenue generation, management of market maintenance and running operations of these two markets with those of AMA.
CHAPTER TWO
DESCRIPTIVE CHAPTER

Historical background

21. Human civilisation evolved simultaneously with commerce because no person could provide for all his or her needs. It was, therefore, necessary to exchange something for what one did not have. Hence markets evolved as a place where people met for social functions and for exchange of their goods (trade).

22. With the coming into being of nations, it also became necessary to trade and make revenue from such activities for development. Therefore, the importance of establishing and running markets for national development has long been recognised.

23. AMA was established by Legislative Instrument (L.I) No. 1615 of 1995 after Accra had acquired a metropolitan status to perform functions conferred on District Assemblies by the Local Government Act 462, 1963. The Law requires AMA to provide and manage public markets. However, apart from the rehabilitation of the Osu and ‘Tuesday’ markets in 2001, no new markets developed. The existing markets developed from community initiatives, subsequently, AMA moved in to upgrade those grounds by building stores and stalls, and providing some services like urinals, toilets, washrooms, security and general sanitation services. Then in accordance with the Legislative Instrument, the management of the markets came under the ambit of AMA. There are 25 of such markets operating at various locations within the metropolis.

Goals and objectives

24. The objectives of AMA are to provide and manage public markets as a social service and for revenue generation purposes with the goal of maintaining orderly trade in the metropolis and as a source of income for development.

25. In order to achieve these goals and objectives, the law empowers AMA:

- to build, equip, open, close and maintain markets, prohibit the erection of stalls in places other than markets and prevent the sale and purchase of goods or stocks near established markets or elsewhere;
- to regulate and control markets including the fixing of and collection of stallages, rents and tolls; and
to prescribe the condition subject to which the erection and construction, demolition, re-erection and the re-construction, conversion and re-conversion, alteration, repair, sanitation and ventilation of public and private buildings and structures may be undertaken.

Funding
26. Funding of AMA markets is through Internally Generated Fund (IGF) and District Assemblies Common Fund (DACF). The Internally Generated Fund is revenue raised by AMA through revenue generating activities. The I.G.F. is backed by byelaws and normally imposed annually through a fee-fixing resolution of the Assembly. Licences and Fees from the markets constitute an aspect of the I.G.F. Revenue from market fees constitute about 20% of IGF.

27. The DACF is 5% of total national annual revenue that is shared by the government among the 110 District/Municipal/Metropolitan Assemblies and 10 Regional Co-ordinating Councils based on a formular used by the Administrator of the Common Fund.

Current development
28. AMA is now encouraging private investors to take up the construction and management of markets with the view to improve and modernise the market structures and improve efficiency in their management due to financial constraints for example, Makola Market Company, and Kaneshie Market Complex.

29. There is also the option to lease land to investors for the same purpose and reasons; for example, the SSNIT market at Agbogbloshie and Dansoman Community market. In both arrangements, AMA collects the business-operating permit from the traders annually in all the markets and some dividends from holding shares in the Makola Market Company.

30. Privatisation of revenue collection has been adopted at Mallam Atta for bulk goods, with the view to improve efficiency in collection of revenue.
Key Players and activities

Assembly of AMA

31. The assembly consists of the following members:-

- Metropolitan Chief Executive;
- one person from each electoral area within the metropolis elected by universal adult suffrage in accordance with regulations made for the purpose by the Electoral Commission;
- the members of parliament from the constituencies that fall within the area of authority of the assembly except that such members have no voting rights; and
- other members not exceeding 30% of the total membership of the assembly appointed by the President in consultation with traditional authorities and other interest groups in the metropolis.

32. The assembly determines policy decisions, fixes market fees and is empowered by law to perform all functions conferred on Metropolitan/Municipal/District Assemblies by the Local Government Act.

AMA Management Function

33. The management of AMA is responsible for the day to day operation of the markets and coordination of other stakeholder activities that include allocation of market facilities, budgetary, revenue collection, monitoring, maintenance and waste disposal. (See Fig. 1 – AMA management structure for markets).
Fig. 1 AMA Management Structure for Markets

34. Metropolitan Co-ordinating Director (MCD) is the administrative head of the AMA and is responsible for coordinating all activities of the metropolis including the markets. The Director of Finance is answerable to the MCD and is responsible for all financial issues including revenue generation and disbursement, preparation of financial statements. In the present arrangement the Director of Finance in consultation with the Director of Budget is responsible for estimating revenue and setting revenue targets for the markets.

35. The Market Accountant coordinates all activities of Market Superintendent, Supervisors and Collectors. He receives all revenue from the markets and submits monthly returns to the Director of Finance.

36. Head of Research and Monitoring conducts routine checks on collectors in the market and investigates complaints from customers.

37. The collectors are responsible for collecting revenue from the markets and are supervised by a Market Supervisor who reports to a Market Superintendent.
38. The Metropolitan Engineers Department advises the Assembly on technical issues of civil engineering works, undertakes maintenance of the Assembly's buildings and provides supervision for construction works. The department does inspection, evaluation and estimation of works to be carried out on the Assembly's buildings including market structures. The Department also advises the Assembly on the choice of contractors for the award of contracts. For any maintenance work to be carried out, the Department is notified by a letter from the Metropolitan Co-ordinating Director instructing it to carry out an inspection and to provide estimates for consideration. After the estimates have been presented, the department is either made to undertake the works or asked to recommend a contractor for award of the contract.

Waste Management Department

39. The Department carries out services for the removal and destruction of all refuse, filth and carcasses from any public or private place. Collection and transportation of solid waste from the markets for disposal is also the responsibility of the Department. In the markets, traders are required to clean inside their stores and stalls and to deposit the rubbish outside their stores for onward collection and transportation by the waste management personnel. Cleaning and collection of refuse outside the stores and stalls is the responsibility of the Department and is done on daily basis.

Revenue accountant

40. The Revenue Accountant sets targets for the Market Accountant. The revenue targets set for any year, are guided by previous historical data i.e. looking at previous years collection and adding a percentage increase to it. For the period under review the percentage increase was between 15 and 20. The determining factors for the percentage increase were; equity, fairness to traders, deterrent, cost recovery and inflationary trends.

41. Based on the target set, the Market Accountant also apportions targets to the various market supervisors, determined by the size of their markets and areas of operation. For example, based on previous performance, areas considered to have more activities are given higher targets. The Market Accountants' targets are set on daily and weekly basis with the view to meeting the overall yearly target.
Revenue collectors

42. Revenue Collectors are responsible for collection of market dues. Revenue collection is done by both Salaried and Commissioned Collectors. Salaried Collectors are permanent employees of the Assembly who receive monthly wages whilst Commissioned Collectors are paid on commission basis. They ensure that all revenue due is collected and report any difficulties in collection to the Market Supervisor. Every Revenue Collector keeps a cashbook and enters all amounts received daily, quoting the number of the receipt and ticket issued. All monies collected are accountable to the Market Supervisor who cross-checks with the books and issues a receipt to the Collector. The Market Supervisor pays the cash to the cashier and collects a receipt. The monies are then deposited at the Bank by the cashier.

Traders and their associations in the markets

43. The traders are responsible for the day to day operation of the market stores/stalls i.e. they manage their individual stores/stalls and pay the necessary market fees for their usage. They form associations of various trades like cloth, second hand clothing, yam etc. through which they channel their grievances to the authorities. Each association has a leader who together elect a head called the Market Queen. All grievances and demands of the traders are channelled through the Market Queens to AMA management. Similarly all responses and other issues from AMA management to the traders are routed through the Market Queens.
CHAPTER FOUR
FINDINGS

44. The objectives of AMA to provide markets as a social service to the society and for revenue generation purposes have not been fully accomplished. The findings of the audit revealed that the management of market services, management of revenue collection and supervision and control of market activities are below expectation. The consequences have been dissatisfaction among the traders and low revenue generation to the Assembly. The chapter details the findings under:

1. Management of market services
   - Sanitary services,
   - Security services.

2. Management of maintenance of market structures
   - Poor conditions of market structures,
   - Provision of inadequate funds for maintenance of markets,
   - Delays in decision making for maintenance work,

3. Management of the running operations of the markets
   - Information and dialogue among the various stakeholders.

4. Supervision and control of market activities
   - Supervision and monitoring of the use of stores/stalls
   - Street hawking.

5. Revenue generation
   - Setting revenue targets,
   - Meeting revenue targets (monitoring income due, monitoring and controlling revenue collectors, incentives for revenue collectors).

Management of market services

45. The provision and management of services by AMA in the market does not provide the necessary satisfaction to the market users. As the detailed explanations below show, the audit revealed the provision of inadequate sanitary services and unsatisfactory
security services. In addition, the historical developments of the markets within the Metropolis meant that the markets were not planned to include such facilities.

**Sanitary services in the market**

46. The sanitary facilities in the five markets managed by AMA visited during the audit were either non-existent or inadequate. Toilets, urinals and washrooms were not sufficient, refuse was not regularly collected and drains were not working properly. The situation for toilets, urinals and washrooms in three markets is shown in the table below:

<table>
<thead>
<tr>
<th>Market</th>
<th>Urinals</th>
<th>Baths</th>
<th>Toilets</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Males</td>
<td>Females</td>
<td>Males</td>
<td>Females</td>
</tr>
<tr>
<td>Mallam Atta</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Agbogbloshie</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>31st December</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>

47. At “31st December” market a toilet building constructed by the AMA some 40 years ago and renovated by the traders in 1998 has 10 toilet outlets. Six of the outlets are for women and four for men; this facility serves numerous traders in the market as well as many of visitors who visit the market daily. The facility was located at one end of the market which occupies one kilometre squared of land area. This means it would take about 10 minutes for those at the other ends of the market to get to the facility. During a visit to the facility long queues of users waiting for their turn were seen. At the same vicinity a structure for washrooms had been provided which serves the same number of traders. There were no urinals anywhere in the market.

48. In Mallam Atta Market, AMA had not provided any toilets, urinals and washrooms. A toilet facility, which is privately owned, is located outside the premises of the market and this serves traders and visitors to the market as well as those who lived in the adjoining community, for a fee.

49. At Agbogbloshie, toilet facilities have been provided but no urinals and washrooms. However there were makeshift urinals and washrooms erected by private individuals because the market doubles as their place of residence. The Agbogbloshie market covers an area of about two square kilometres, with a daily attendance of tens of thousand people. There are in all ten pits; five each for men and women. This number is inadequate considering the number of people in the market at any particular time and the long queues for their usage.
50. In separate interviews with the six Market Queens and 30 traders in the five markets they all expressed the need for the toilet facilities to be increased, urinals and washrooms provided at vantage points in the various markets to ease the inconvenience users of these facilities had to deal with. They contended that revenue, which could otherwise have been generated by AMA, was going to private people who had provided makeshift urinals and washrooms in the markets and charging fees for their usage. These assertions were corroborated by some revenue collectors of AMA who said the traders complained bitterly about the sanitary services provided by AMA any time they go to collect tolls/fees from them.

51. In all the five markets that were visited, huge heaps of uncollected refuse were seen contrary to the claim that refuse was collected daily. Refuse, which had been disposed off for several days, was rotting and giving off a foul smell. Some traders were seen displaying their wares including foodstuffs near the refuse dumps, which is a risk to public health.
52. The drains in the markets have also not been maintained to enhance the sanitary condition in the markets. In the five markets visited, some of the drains were either choked or collapsed thus preventing the free flow of liquid waste and water especially during rainy days. The condition of the drain constitutes a health hazard, as the stagnant waters become breeding grounds for mosquitoes and flies. In the event of heavy rain, the markets are often flooded resulting in the damage or loss of property. Any time it rains, the markets become muddy, filthy and difficult to walk through.
53. The situation is different at MMC and DCM where toilet and urinal facilities are adequate to the extent that every store at DCM has a built-in toilet. In these markets, the drains are well kept, the surroundings paved and refuse is collected and disposed off promptly.

54. During our interview with the Metro Co-ordinating Director and officials at the Metro Engineers department it was revealed that most of the markets were started through community initiative. They were therefore not planned to include facilities like urinals, toilets, washrooms etc. This notwithstanding, the period over which they have been in existence and the revenue generated so far suggested that the AMA could have provided these social services in the markets. In response to why this was not so, the Metro Co-ordinating Director and the Metro Engineering department said that the provision of additional facilities like toilets, urinals, washrooms now could not be done without displacing some of the traders because of lack of space.

Security services

55. AMA is by law responsible for the opening and closing of the markets for daily activities, and determining when traders should leave the market premises for it to be locked and opened. AMA thus, ensures that the markets are secured and prevented from burglary, theft and fire outbreaks.

56. Complaints of the traders during the audit showed that burglary of shops after close of trading is rampant averaging five a day in the markets as estimated by the traders. The main gates, which are to be closed at the end of trading at 6pm by AMA, are not in good condition and are therefore not secured. The markets become thoroughfares and susceptible to theft and burglary.

57. Furthermore, squatters including drug peddlers and addicts have turned the markets, which are for trading purposes, into places of residence. At Mallam Atta where the squatters have virtually occupied the eastern end of the market, the traders and revenue collectors complained about their activities, which they say are affecting attendance to the market and also impacting negatively on the image of the market. At Agbogbloshie market, the criminal activities of the squatters have reached alarming proportions to the extent that the national security services had to be engaged in an effort to get rid of them. These ad-hoc measures proved temporarily successful.
58. In an attempt to protect their goods and property some traders at Agbogbloshie, Mallam Atta and “31st December” markets have engaged the services of private security personnel to watch over their goods at night.

59. Fire outbreaks in the markets have been recorded on a number of occasions for example the present MMC is located on part of the former Makola number 2 market, which got completely burnt in 1997. Similar fire outbreaks, which destroyed the second hand clothing section of the market, occurred at the “31st December” market in 2002. The causes of these fires, after investigations by the Ghana Fire Service, were traced to illegal and faulty electrical connections and naked fires from cooking. These were possible because AMA was unable to prevent the usage of the markets as residence and failed to ensure that electrical connections were satisfactorily done. In all the instances of the fire outbreaks, the Fire Service was unable to quickly put out the fire because traders occupied the fire tender lanes in the markets.

60. The security management situation is different at MMC and DCM where entrances to the markets are properly secured with heavy metal gates which are firmly locked at the close of trading activities. The controls in place are such that nobody except their officially engaged security personnel is allowed in the market when they are locked. Traders at these two markets are not allowed to carry out any electrical extension work by themselves.
61. The management of MMC has provided at vantage points fire extinguishers and educated the traders on how to use them. The management of DCM on the other hand has provided an office in the market for the Fire Service. In both cases, they have ensured that fire tender lanes are left free for easy access.

**Management and maintenance of market structures**

62. Maintenance is a necessary activity carried out to prevent the deterioration and early collapse of the market structures. When maintenance is properly managed, the structures retain their form and their life span is prolonged while the users of the facilities are satisfied. However, management of maintenance of the markets is not satisfactory and is evident in the conditions of the market structures. This was attributed to inadequate funds for maintenance works.

**Poor condition of market structures**

63. Conditions of structures in the markets at Agbogbloshie, Mallam Atta, “31st December” and “Timber” Markets showed that they were not satisfactorily maintained. We observed risky electrical wiring, collapsing stores/stalls, weak and rusted metal gates, collapsed and choked drains and rusted roofing sheets resulting in leakages into stores/stalls.

64. Agbogbloshie and “31st December” markets are among the well-attended markets and contribute about 25% of total revenue from markets. However, because of the poor state of its drainage systems, that is, collapsed and choked drains that have not been attended to by AMA the grounds in these markets become muddy and filthy whenever it
rains making walking through them an unwelcome experience. Apart from the fact that people try to avoid rain, the conditions in the markets contribute to the low turn out of traders and customers in the markets on rainy days, resulting in low revenue collections as evidenced in the monthly revenue returns submitted by the Market Accountant.

65. The weak and rusted metal gates make the markets vulnerable to burglary while the risky electrical wiring could lead to fire outbreaks.

66. During the period under review, AMA had no planned preventive maintenance scheme detailing how maintenance work would be carried out to cover areas such as drains, roofs, and the replacement of old electrical fittings and main structures. The Metropolitan Engineers Department, which is responsible for maintenance, had not prepared maintenance scheme for the past five years because hitherto, the schemes were not implemented for lack of funds. Instead, maintenance is done on ad-hoc basis, resulting in the conditions observed in the markets. At MMC and DCM, there are good drainage systems, electrical fittings are held firmly in place, the roofs do not leak, entrances to the markets are well secured with metal gates and the grounds are paved. One of the reasons for the good conditions in the two markets is that they were properly planned, designed and built as compared to AMA markets that were not planned. The managements of MMC and DCM markets have drawn maintenance schemes and have made funds available to execute the schemes in order to maintain the conditions of their market structures.
Provision of inadequate funds for maintenance of markets

67. The poor condition of the market structures is due to lack of preventive maintenance and provision of inadequate funds for repair (maintenance) works. Budgetary proposals for maintenance works are prepared by the Engineers Department based on assessment of maintenance works to be carried out on reported cases, hence there will be no maintenance budget for cases that are not brought to the notice of the Engineers Department. Even when there is a budget, there is no guarantee that funds would be provided for the purpose.

68. A review of financial statements of AMA from 1999 to 2001, disclosed that AMA did not make any budgetary provision for maintenance work in 1999. However, in 2000, €8.5m was budgeted for the maintenance of markets and €20m in 2001. However only 25% of the budgeted figure for the year 2000 was released and 20% for 2001. (See table 3.1.)

Table 3.1 Maintenance budget

<table>
<thead>
<tr>
<th>Year</th>
<th>Budget £ Million</th>
<th>Amount released £ Million</th>
<th>Percentage of budget released</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>0</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>2000</td>
<td>8.5</td>
<td>2.1</td>
<td>25%</td>
</tr>
<tr>
<td>2001</td>
<td>20</td>
<td>4.1</td>
<td>20%</td>
</tr>
</tbody>
</table>


69. Analysis of the data (table 3.1) indicates that, for the 25 markets under the management of AMA, an average of £84,000 was spent on the maintenance of each market for 2000 and £164,000 the following year. A bag of cement in 2001 was selling at £27,000 and a four-foot fluorescent lamp complete was selling at £50,000. The prices of the two items show that not more than one fluorescent lamp could be replaced in 2000 and three in 2001. To maintain the drains the amount provided in 2001 could purchase only four bags of cement. The amount does not include the cost of formwork, iron rods and stones, which are all necessary for concrete slabs of the drains.

70. The budget for maintenance of markets is far below the budgeted amount for maintenance of furniture and fittings. Even if there is no policy to plough back it can be noticed that revenue from markets constitute about 20% of I.G.F. of AMA, while furniture and fittings do not generate any income. Further, the amount of budgeted funds released

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was higher for furniture and fittings compared to markets. A review of the financial statements showed that this has been the trend over the years and indicates that, the maintenance of markets is disadvantaged compared to other expenditure (see table 3.2).

Table 3.2 Maintenance budget for furniture and fittings

<table>
<thead>
<tr>
<th>Year</th>
<th>Budget, € Million</th>
<th>Amount released € Million</th>
<th>Percentage of budget released</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>15.1</td>
<td>5.3</td>
<td>35%</td>
</tr>
<tr>
<td>2000</td>
<td>28.2</td>
<td>5.5</td>
<td>20%</td>
</tr>
<tr>
<td>2001</td>
<td>50.9</td>
<td>40.5</td>
<td>80%</td>
</tr>
</tbody>
</table>

Source: AMA financial statements for 1999 to 2001

71. The inability of AMA to make available adequate funds for maintenance of the markets is the main reason for the poor conditions of the market structures, such as leaking roofs, choked drains, cracks in walls and the collapse of structures in the markets.

Management of the running operations

72. AMA manages the day-to-day operations of the markets, and co-ordinates its personnel in the markets on all activities assigned them to ensure the proper functioning of the markets with the view to achieving their objectives. The management of the running operation process requires prompt response to emergency issues and cordial relationship between management, traders and other interest groups for the smooth running of the markets. The audit revealed that there were delays in decision making especially relating to maintenance works, cumbersome information flow procedures and dialogue between the various stakeholders in the markets. These are detailed below.

Delays in decision-making for maintenance work

73. Administrative decisions on issues bordering on the day to day running of the markets are taken by the top management of AMA at the head office. Implementation is done by personnel below the management structure especially where the decisions border on the disbursement of funds.

74. Decisions on maintenance work are not made due to the long procedure for reporting on defects. For example, when a repair work is needed on a leaking roof, or the replacement of an electrical bulb, the decision to carry it out has to be taken at the head office. The procedure is that a report has to be made by the trader to the Collectors. The

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Collector reports to the Supervisor, who in turn reports to the Market Superintendent. The Market Superintendent reports to the Market Accountant who formally informs top management through a memo about the existing defect. By a directive from MCD, the Metropolitan Engineers Department is directed to inspect, assess and evaluate the cost of repair. After the evaluation, a report is sent to MCD who then consults with the Director of Finance for funds to be made available for the work. The Engineers Department is asked to carry out the repair or recommends a contractor for the award of the contract.

75. The procedures for decision-making involves many people, takes a long time and therefore, causes delays in carrying out maintenance works.

76. The Market Supervisors at AMA markets have limited powers to solve problems in the markets on issues of quarrels over space and among traders.

77. In 2001, part of the Adabraka market stalls collapsed. Evidence from correspondences of AMA showed that approval for repairs on the market was given in April 2003, about two years after two separate memos were sent to management in 2001 and 2002 requesting those repairs.

78. When thieves raided the “31 December” market offices of AMA, a request for burglar-proof material took eight months for the money to be released for the installation works.

79. Decisions on the repair of some roof leakages at Adabraka market have still not been taken although the traders made reports to management over a year ago.

**Information and dialogue**

80. Interviews with the traders also revealed that information flow and dialogue between AMA top management on one hand and the traders on the other is below the traders’ expectation.

81. AMA increased the daily market toll from ₡300 to ₡500 in 2001. Although it is mandatory that the traders be consulted before these changes are made, interviews with them revealed that they wished management held discussions with them before the rates were fixed. This according to the traders would promote a harmonious relationship and
avoid unnecessary disputes between the traders on one hand and AMA management on
the other. The lack of such dialogue resulted in confrontation between traders and KMA
management in Kumasi rendering the KMA unable to increase the daily market tolls from
G300 to G500 in 2001.

82. Secondly, the traders do not discuss their grievances directly with an official of
AMA who has power in the decision making process. Their concerns are passed through
the market superintendent to top management along the market management structure as
in fig 1. The response is received via the same route. In this way there is the risk of
omission, dilution and distortion of information. Interviews with traders indicated that a
direct contact with top management would create an avenue for them to address their
grievances and strengthen the bond of co-operation between the stakeholders.

83. No information is passed on to the traders about development plans for the markets
and so traders do not know if there are prospects for improved facilities. If such plans
were made known to them, the traders will be more understanding why the fees they pay
should be increased and will then be in a position to ensure that those improvements in the
conditions in the markets are actually carried out.

84. At Makola Market Company, there is a Market Manager for each of their two
markets who is a member of the management team and acts as a liaison between the
traders and management. Each of the managers is allowed to take decisions that address
the traders concerns and only to inform management if such decisions border on major
policy changes. MMC has, by this system been able to transmit information, consulted and
solved problems within their markets relatively quickly.

85. In the markets, AMA has no means of getting information quickly and directly to
the traders, for instance in the case of emergency. In Takoradi and Kumasi central
markets, there are public address systems in the offices of the Market Supervisors. This is
the means by which information is passed instantly to the traders and visitors in the market
on all issues.

Supervision and monitoring of the use of stores/stalls
86. The L.I. prohibits the erection of stores in places other than markets and prevents
the sale and purchase of goods or stocks near established markets or elsewhere. It also
requires traders who have been allocated stores or stalls to occupy them to enable the AMA derive the expected revenue and to maintain orderly trade in the metropolis.

87. On the contrary, the audit revealed that the markets were disorderly because many traders crowded the periphery of the markets, selling their goods on the pavements and on the streets which are not demarcated for market activities. A lapse in supervision and monitoring of the use of the stores/stalls and the inability of AMA to enforce the law has resulted in the emergence of street hawking outside the markets and even to other parts of the metropolis.

88. AMA is required to supervise and monitor the use of the market facilities to ensure that beneficiaries use them for the intended purposes to enhance orderliness in the markets. However, the control over the use of these facilities has not been effective.

89. At Mallam Atta, about 30 stores were locked and about 50 stalls were empty. The indication by the Supervisors and confirmed by the Market Queens was that the owners had moved outside the markets to sell their goods. At the "31 December" markets some traders deposited their bulk goods in the stalls and sold them in bits in the streets. The audit revealed that selling on the streets have become lucrative as the traders are able to dodge the revenue collectors and so are able to escape the payment of the daily tolls as their movements are erratic.

90. At the MMC, occupancy status of the facilities is reported to management monthly. Where there are such desertions the owners are invited and warned. Management invokes the repossession clause in the tenancy agreement on repeated offenders. The
existence of such arrangement at MMC has created order in their markets, thus, eliminating the scenery at AMA markets.

**Prevalence of street hawking**

91. The law prohibits the sale and purchase of goods or stocks near established markets or elsewhere. Despite the existence of this law, the sale and purchase of goods outside the markets visited was prevalent. AMA has not taken concrete steps to discourage and discontinue the practice, thus resulting in increasing numbers of such traders leaving their stores and crowding the periphery of the markets selling on the pavements and walkways.

92. Traders who engage in street hawking and have no permanent stores/stalls do not pay business-operating permits. Street hawkers are able to avoid the payment of daily tolls on their goods as their movements are erratic. They also have the advantage of first contact with customers. These reasons have become incentives for traders to engage in the practice.

93. Visits to the markets, especially “31 December” and Agbogbloshie showed that the practice has become a nuisance as the hawkers occupied virtually every available space around the markets including entrances to the markets, pedestrian pavements, and even the streets of the metropolis. (See Ghana Daily Graphic report of April 16, 2003.)

94. When interviewed, the traders expressed their resentment of the practice and their disgust at the inability of AMA to control the situation. According to the traders sitting in
the markets, the operations of the street hawkers have put them at a disadvantage because the hawkers attract their potential customers, which invariably affect their sales. Secondly, because the hawkers do not pay the necessary fees, they can afford to sell their goods at prices usually lower than those in the market.

95. At Agbogbloshie and "31 December" markets out of the 30 street hawkers we interviewed, 27 of them indicated they had no stalls in any of the markets. Out of the 27, 17 said they could not afford to rent the stalls while 10 expressed their willingness to rent the stalls if the facility was offered them.

96. The remaining street hawkers indicated that they have stalls at various locations in the metropolis. They, however, contended that apart from market days in their respective locations, turn-out of customers at their markets was very low hence their engagement in street hawking to boost their sales.

97. We also noted that prices of goods especially foodstuffs were relatively low at Agbogbloshie compared with other markets because most of the cargo trucks bringing goods in bulk from the hinterland discharge there. This puts most of the traders in the other markets in the metropolis at a disadvantage since they have to trek to Agbogbloshie to buy their goods before retailing, thus causing a hike in their prices. The relatively low price differences attract more customers including some traders from other markets who buy goods for resale in their respective markets. Others relocate there in any available space to take advantage of the large influx of potential buyers in the area, thus increasing the activities of street hawkers at Agbogbloshie.

98. A lot of street hawking is done at "31 December" market because it is located at the central business district where people from different parts of the country converge to do their shopping.

99. The activities of the street hawkers have caused congestion in and around the markets and this has brought about disorder in the markets. The traders expressed their dissatisfaction about the hawkers and AMA's inability to stop or relocate them.

100. Interviews conducted with officials at AMA showed that they were aware of the activities of the street hawkers and measures have been taken on some occasions to stop
their operations. However, the measures had either been abandoned or shelved for political or social reasons.

101. AMA indicated that plans are in place to build new markets and that when those markets come into existence it will enable the relocation of some traders away from the presently overcrowded markets and thus reduce the incidence of street hawking and its attendant problems.

Revenue generation
102. The markets are a source of revenue, contributing averagely 20% of I.G.F of AMA. However, AMA does not have an efficient mechanism in place to set targets and meet them. It is unable to ascertain income due, because of weaknesses in monitoring and controlling activities of its revenue collectors and properly motivating them to give off their best.

Setting revenue targets
103. The audit findings reveal that AMA is setting targets based on historical data. The revenue target set for any year is guided by previous historical data, that is, taking previous year’s collection and adding a percentage increase to it. For the period of the audit, the percentage increase was between 15 and 20 and was influenced by equity, fairness to traders, deterrent, cost recovery and inflationary factors.

104. Information on all chargeable facilities in the markets and numbers of fee-paying users in the markets are not used in projections because AMA does not have such important data. Although registers of storeowners exist in the markets, it does not represent the total number of fee-paying traders in the markets. At MMC, all traders within the market premises are registered and made to pay fees and this information form the basis for target setting.

105. The revenue targets set by the method used by AMA is subjective and depends on previous performance, which might not be reliable.

106. Secondly, comparing revenue targets set by the three Metropolitan Assemblies, it is clear that AMA is setting relatively low targets considering the population and the number of markets in the locality of each of the Assemblies.
Table 3.3: Comparison of revenue targets of AMA, KMA and SAEMA, (in million cedis)

<table>
<thead>
<tr>
<th>Year</th>
<th>AMA</th>
<th>KMA</th>
<th>SAEMA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>976</td>
<td>1,900</td>
<td>1,114</td>
</tr>
<tr>
<td>2000</td>
<td>1,171</td>
<td>1,915</td>
<td>1,345</td>
</tr>
<tr>
<td>2001</td>
<td>2,375</td>
<td>2,341</td>
<td>1,040</td>
</tr>
</tbody>
</table>

Source: financial statements of AMA, KMA and SAEMA for 1999 to 2001

107. Table 3.3 shows that even though SAEMA has six markets with a daily toll rate of cedi 300, the projected targets for 1999 and 2000 exceeded those of AMA operating 25 markets. The figures for 2001 were higher for AMA than SAEMA partly because AMA had increased the daily toll from cedi 300 to cedi 500. Similarly, KMA managing 18 markets with a daily toll of cedi 300 over the period under review had higher projected targets than AMA and even in 2001, when AMA was operating with 66% increase in daily toll its estimates were at par with KMA operating at the old rate of cedi 300.

108. KMA and SAEMA are doing relatively better. For the three year period, it was noted that even though AMA has 25 fairly big markets, as against KMA with 2 big markets and 16 satellite markets, and at a daily toll rate of cedi 300, KMA collected more revenue than AMA for the years 1999 and 2000. Without the AMA increase of the toll rate, this would have been the case for 2001 as well. With the increase, however, AMA collected 10% more revenue than KMA.

109. SAEMA with 5 markets i.e. 1/5 of the number of markets that AMA has SAEMA revenue was averagely 50% of AMA figures for two year 1999 – 2001. (See Table 3.4).

Table 3.4: Revenue performance of AMA, KMA and SAEMA for the period 1999 – 2001 in million cedis and percentage of targets

<table>
<thead>
<tr>
<th>Year</th>
<th>AMA</th>
<th>KMA</th>
<th>SAEMA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>million cedis</td>
<td>% of target</td>
<td>million cedis</td>
</tr>
<tr>
<td>1999</td>
<td>824</td>
<td>84%</td>
<td>1,412</td>
</tr>
<tr>
<td>2000</td>
<td>1,303</td>
<td>111%</td>
<td>1,572</td>
</tr>
<tr>
<td>2001</td>
<td>2,283</td>
<td>96%</td>
<td>2,078</td>
</tr>
</tbody>
</table>

Source: Financial statement of AMA, SAEMA and KMA for 1999 to 2001
110. When KMA privatised the collection of revenue from the Asafo Market in Kumasi for six months, January-June 2002, the revenue collected was four times the amount collected under KMA direct management over the same period of time in the previous year without any increase in the daily tolls. The analysis suggests that even KMA performance could have been improved upon and therefore AMA even more so.

111. Setting challenging revenue targets is one aspect of income generation strategy, while meeting the target is another. Meeting revenue target strategies will require that AMA monitors income due, monitors and controls revenue collectors and gives incentives and motivates revenue collectors to enhance output with a view to meeting the overall objectives.

MEETING REVENUE TARGETS

Monitoring income due

112. The team visited MMC, which is a privately managed market, to ascertain how their system of monitoring income due is designed. The management was able to provide information on stores/stalls available, payments made and payments outstanding as at a particular date from computerised database. They also had information on occupied and unoccupied facilities. This system enabled them to monitor the use of facilities and income due at any given period.
113. In contrast, AMA does not know income due at a particular time because they do not have information on total number of traders, total numbers of payable facilities available, occupied and unoccupied stores by the original beneficiaries to enable them track income due at any particular time. The absence of this information makes it difficult for AMA to make proper revenue projections and planning.

Monitoring and controlling revenue collectors

114. Review of previous financial audit reports reference Nos. AUD/AMA/20/205 and 248 issued by the Ghana Audit Service on Accra East and West markets for the period 1997 to 1998 disclosed that 301 General Counterfoil Receipts (GCR’s) and €41 million worth of market tickets were suppressed and were not submitted for audit examination by eight revenue collectors. Seven revenue collectors did not account for a total revenue of €25,035,300 out of which €2,535,000 was recovered, leaving an outstanding amount of €22,500,000. Sixty-three officers who were revenue collectors, revenue supervisors and a cashier made short payments of revenue into the AMA’s account totalling €29,815,350 between January and December 1997.

115. It was also disclosed that a revenue coordinator appointed by the AMA in 1994 to undertake the collection of tolls from foodstuff sellers who operated in the markets at night could not account for tickets worth €138,433,300 in 1998. The coordinator again failed to record tickets valued at €55.5 million in his stock register making monitoring of tickets sold very difficult. The Auditor-General’s Representative at AMA brought revelations of these leakages in revenue to the attention of management even though there is a monitoring unit in the establishment. There is also no evidence during the audit to show that AMA is or has taken the necessary measures to prevent future leaks.

116. These issues were still outstanding at the time of our review.

117. At MMC, the computerised database system enables them to enter fees collected and number of receipt against the name of the payee. A daily revenue returns form is filled by the collector and submitted to Market Manager for monitoring purposes. This system makes it very difficult for revenue embezzlement.

118. The lack of effective monitoring and control over revenue collectors, market supervisors and cashiers create a risk for leakages in the revenue collection system.
Motivation for revenue collections

119. In revenue generation, incentives for motivation of collectors play a key role in meeting revenue targets. Indications by the Revenue Accountant are that, revenue collectors are always within their targets and never exceed them. Revenue Collectors have realised that there are no benefits for exceeding individual target and since the targets are relatively low, they are always achieved.

120. Review of AMA financial statements for 1999-2001 and interviews with the Revenue Collectors indicated that AMA has no incentive package for its revenue collectors. A request for ceiling fans to be installed at the Mallam Atta container office of the revenue collectors has not received any attention eight months since the request was made.

121. Revenue figures from AMA markets for 1999-2001 showed that on average 97% of revenue targets were met. (see table 3.4).

122. For two out of three years, KMA with a lower rate and fewer markets collected more revenue than the AMA in the period under review. This might be influenced by the fact that KMA has an incentive package for its revenue collectors, which include bonuses, training programmes and end of year awards for hard work. There were similar packages in SAEMA where provisions were made for raincoats, wellington boots, bags, in addition to bonuses.

123. In the absence of incentives, there is no motivation for the collectors to put in extra effort. Their best effort would be working within the targets set for them.
CHAPTER FOUR
SUMMARY AND CONCLUSIONS

124. The main objectives of AMA are to provide markets as a social service, to manage them in order to generate revenue for development and also as a means of organizing orderly trade in the metropolis. Chapter Three shows that these objectives have not been fully achieved.

125. As a provider of social services, AMA has not been able to meet trader and customer expectations, as there are complaints of inadequate facilities and services, such as urinals, toilets, washrooms, warehouses and security. Conditions of structures in the markets are also a source of concern with dilapidated stalls, leaking roofs and poor drainage systems. There are no preventive maintenance schemes in place due to lack of funds since revenue from the markets are lodged in a common fund of the Assembly and used for other purposes.

126. Conditions, both sanitary and market structures including services at the privately managed markets, are satisfactory to the traders and customers because the Managements of the two companies consider the provision of these services complimentary to improving revenue from the markets.

127. AMA seems to regard the markets as a principal source of revenue, contributing about 20% of total I.G.F but the provision of services to traders who pay the fees have not been given the necessary attention.

128. The problems are also affected by the market management structure of AMA. It involves about five different levels of administrative channels before decisions are taken for implementation, which leads to delays. Delays in decision-making as were found have affected certain aspects of managerial procedures. For example, delays in decision-making results in delays in maintenance works, which invariably affect market facilities because by the time the decision is made the facility has deteriorated further.

129. The processes of information flow from top to bottom and vice-versa were part of the causes of delays. We also found out during the audit that the information flow between the various stakeholders could be improved.
130. Even if AMA seems to have regarded the markets mainly as a source of revenue, it has not been efficient in generating revenue from the markets:

- AMA sets comparatively low targets and generates comparatively low revenue as against KMA and SAEMA;
- the use of market facilities can be improved;
- revenue\(^1\) collectors have not been effectively monitored to prevent leakages; and
- failure to provide revenue collectors with any incentives leaves them without any motivation to exceed the comparatively low targets set for them.

131. Further, street hawking has become a problem AMA is finding difficult to deal with, which defeats the objective of ensuring orderly trade in the metropolis.

\(^1\) However, measures have now been taken to address the issue of revenue leakages.

Report of the Auditor-General on Management of AMA Markets
CHAPTER FIVE

RECOMMENDATIONS

Improvement of market services

132. Services in the markets include sanitary, (urinals, washrooms, toilets) security and waste management services. The provision and management of these services, as the audit showed were either non-existent or inadequate.

133. In order to improve upon the market service in the markets, we recommended that AMA should:

- consider constructing more toilets, urinals and washrooms in the markets;
- secure the markets with strong gates to prevent burglary;
- consider divesting security and management of the markets to private management if it is more cost effective to do so; and
- provide more refuse containers at vantage points and increase the frequency of waste disposal in the markets.

Better management of maintenance of market structures

134. In order to improve upon the maintenance of the market structures, we recommended that AMA revive the preparation of maintenance schemes, as a guide for periodic maintenance work for the markets. In addition, we recommended that funds be made regularly available to cater for maintenance works. A possible source of these funds could be an agreed percentage of revenue generated from the markets set aside as a maintenance fund for the markets.

Better management of the running operations

135. In order to minimise the delays associated with decision making, improve upon the day to day operations of the markets and enhance better dialogue among the various key players, we recommended that AMA should consider decentralising some of its management functions, by forming market management committees for each market to be responsible for the:

- day-to-day operations of each markets;
- maintenance of the social facilities in the markets;
- maintenance of security of the market premises;
collection of revenue;
management of waste; and
general sanitation management in the markets.

**Proper supervision and control of market activities**

136. In order to reduce the incidence of street hawking, we recommended that AMA identifies the measures that can be taken and consider developing a strategy aiming at reducing the problem. In addition, AMA should consider the construction of new markets to ease congestion in some of the existing markets.

137. We also recommended that in order to improve upon usage of market stores/stalls, AMA should enforce the repossession clause in their byelaws on traders who leave their stores/stalls to sell outside the markets.

**Improved revenue generation**

138. We recommended that AMA should improve upon the methods of projecting revenue targets. A possible way will be to gather reliable data on its payable facilities, average daily attendance of fee-paying traders and status of its facilities to enable it compute more challenging revenue targets.

139. We also recommended that in order to meet their revenue targets the AMA should have to monitor income due by keeping a reliable database of their facilities and average daily attendance of traders who pay tolls.

140. AMA should also strengthen its monitoring control over revenue collectors to curb revenue leakages.

141. In addition, we recommended that AMA should consider instituting incentive packages for revenue collectors as motivation for higher performance.
Appendix 1 List of interviewees at AMA

Metropolitan Co-ordinating Director
Director of Finance
Revenue Accountant
Deputy Director of Finance
Head of the Metropolitan Engineers Department
Head of Waste Management Department
Market Accountant
Market Superintendent
5 Market Supervisors
25 Revenue Collectors
Appendix 2 Markets under AMA management.

Agbogbloshie
Mallam Atta
“31 December”
Adabraka
Kantamanto
Osu
“Timber”
Nima
Kaneshie
P.W.D
Tema Station
Teshie
Nungua
“Tuesday” market (Manprobi)
La-market
Abeka market
Mamobi market
Santana market (Achimota)
Mini market at Tema station
Metropolane (Opposite 31)
Salaga market (James town-CFAO)
London market (James town)
Neoplan Station (Circle)
Nii Boima
Takoradi station

Report of the Auditor-General on Management of AMA Markets