PERFORMANCE AUDIT REPORT OF THE AUDITOR-GENERAL ON TMA'S CONSTRUCTION PROJECTS

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REPUBLIC OF GHANA

VFM Report No. 24/2010
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Performance audit report of the Auditor-General on TMA’s Construction Projects
TRANSMITTAL LETTER

Ref. No. AG.01/109/27

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30 September 2010

Dear Madam Speaker,

PERFORMANCE AUDIT REPORT ON THE TEMA METROPOLITAN ASSEMBLY’S CONSTRUCTION PROJECTS

I have the honour to submit to you for presentation to Parliament my Performance audit report on the Tema Metropolitan Assembly’s (TMA) construction projects, in pursuance of Article 187(5) of the 1992 Constitution of the Republic of Ghana and Section 13(e) of the Audit Service Act 2000, Act 584. The Audit Service Act mandates my office to audit programmes and activities of public offices to ensure economy, efficiency and effectiveness in the use of resources.

2. Performance auditing was introduced into the Ghana Audit Service in 2001, as part of a capacity building project funded by the European Union. Officers who were professionally trained in conducting performance audits to internationally recognised standards prepared this report. The team that carried out the audit was made up of Mr. Kwame Asare, Principal Auditor (Leader), Mr. Kwaku
Akyena, Mr Michael Kwesi Opoku, and Ms. Alberta Owoo, all Auditors, under the supervision of Mr. Augustine R. K. Boadu, Deputy Auditor-General.

3. In a rapidly changing society such as ours, there is the need for performance auditing, since the inherent incentives for improvements are limited in the public sector compared to the private sector. Therefore, the performance audit process results in recommendations which initiate processes of renewal and change, leading to greater efficiency and effectiveness in government administration. Depending on the extent of coverage and complexity, it normally takes between six and twelve months to complete one performance audit, thus making it more expensive than the traditional audits. Effective performance audits can lead to better use of resources by public bodies and they provide support to democratic governments by bringing about accountability, transparency, improved operations and better decision-making.

4. I would like to thank my staff for the preparation of this report and the staff of TMA for the assistance offered to my staff during the period of the audit.

5. It is my hope that this report would meet the approval of Parliament.

Yours sincerely,

[Signature]

RICHARD Q. QUARTEY
AUDITOR-GENERAL

THE RT. HON. SPEAKER
OFFICE OF PARLIAMENT
PARLIAMENT HOUSE
ACCRA
PERFORMANCE AUDIT REPORT OF THE AUDITOR-GENERAL ON TMA'S CONSTRUCTION PROJECTS

EXECUTIVE SUMMARY

The Government of Ghana provides development projects in the areas of education, health, water and sanitation, electrification and markets in order to improve the quality of life of the citizens. The Government does this through the Ministries, Departments and Agencies (MDAs) and Metropolitan, Municipal and District Assemblies (MMDAs).

2. The Tema Metropolitan Assembly (TMA) has an objective of facilitating the provision of basic social and economic infrastructure and services in the Tema metropolis. To achieve this objective, the Assembly plans and implements development projects to enhance the quality of life of the people within the metropolis. From 2003 to 2007, the Assembly spent GH¢12.0 million to carry out various development projects.

3. However, the public is concerned with the wrong sites chosen and the abandonment of projects in the metropolis, implying wastage of public resources. Consequently, an audit was conducted from April to December 2008 to find out how well TMA managed its resources in carrying out construction projects from 2003 to 2007.
4. The audit disclosed that TMA executed 60 projects during the review period. However, the Assembly was not able to manage its resources economically and efficiently to deliver these projects to meet the needs of the citizens for the reasons that TMA:

- did not conduct needs assessment in identifying the projects and this led to waste of the Assembly's resources as completed projects were not used to full capacity;
- did not conduct site investigations and subsequently sited projects inappropriately thereby denying citizens' access to these projects;
- delayed in paying contractors, which in turn delayed project completion and increased project costs;
- did not monitor project execution or poorly supervised projects, which also led to delays in the completion of projects; and
- did not review projects during implementation in order to resolve implementation problems and ensure timely delivery of projects.

5. To improve upon the Assembly's delivery of project constructions, we made recommendations which are found in the succeeding paragraphs.
Improving project identification
6. To improve upon project identification, TMA should conduct needs assessment in identifying all construction projects to establish the development needs of the people before embarking on any project. TMA should also keep records of the processes it adopts in selecting projects for implementation.

Enhancing the siting of construction projects
7. To enhance the siting of projects, TMA should conduct feasibility studies and detailed site investigations to ensure the appropriateness of sites for construction projects and consult relevant land agencies and utility service providers for advice prior to deciding on projects’ location.

Improving payment of contractors
8. To improve upon the payment of contractors, TMA should ensure that projects started are completed and paid for before committing the Assembly to other projects which are to be funded from the same source.

Improving monitoring of project execution
9. To improve upon the monitoring of project execution, TMA should ensure that:
   ➢ project managers undertake regular site inspections;
➢ its clerks of works undertake daily monitoring of its projects; and
➢ project managers should conduct site meetings which should be duly recorded.

Improving review of on-going projects
10. To improve upon the review of projects, TMA should put in place a comprehensive monitoring and evaluation plan which should coordinate the participation of all the departments involved in the projects.
PERFORMANCE AUDIT REPORT OF THE AUDITOR-GENERAL ON TMA'S CONSTRUCTION PROJECTS

CHAPTER ONE

INTRODUCTION

1.1 Reasons for the audit
Government undertakes construction projects which are socially motivated to improve the quality of life of the citizens. These projects are undertaken mainly in the areas of education, health, water and sanitation, electrification and markets and they are aimed at improving the well-being of the citizens. Government provides these projects through the Ministries, Departments and Agencies (MDAs) as well as the Metropolitan, Municipal and District Assemblies (MMDAs).

2. The Tema Metropolitan Assembly (TMA) depends on the District Assembly’s Common Fund (DACF), Internally Generated Funds (IGFs) and donations from other agencies to carry out its construction projects. From 2003 to 2007, TMA spent GH¢12.0 million on the delivery of construction projects.

3. In spite of the money spent on the delivery of construction projects, there is public outcry over inappropriate siting of projects, abandonment of projects by the Assembly and non-usage of
completed projects by the community. For instance, TMA stopped the Kakasunanka community near Tema from using a completed toilet facility built for them due to its inappropriate siting by the Assembly. Another toilet facility in the same community, which is near completion and meant to replace the abandoned one, has also been left by the Assembly to deteriorate¹.

4. The inappropriate siting, abandonment of projects and non-usage of completed projects show a waste of public resources, which necessitated the audit into the delivery of construction projects by TMA.

1.2 Purpose and scope

5. The purpose of the audit was to find out how well TMA has been managing resources in carrying out its construction projects. The audit specifically looked at how TMA plans and implements its construction projects.

6. We focused on construction projects (e.g. construction of school blocks, hospitals/clinics, toilet facilities, markets, and drains) undertaken by TMA from 2003 to 2007. The audit was carried out from April to December 2008.

7. We considered 60 projects that TMA started from 2003 to 2007 and selected 28 projects for the audit. We selected the 28 projects because they were the ones that had relevant documents in their project files for examination. The documentation on the remaining projects was found not adequate for audit examination. Some of the projects had files containing only the contract documents, others had only award letters filed and the rest had no documentation at all.

1.3 Methods and implementation

8. The methods we used in the collection of our data were: through interviews, document review and inspections.

1.3.1 Interviews and documents reviewed

9. We reviewed 28 project files and other documents. We also interviewed key officials managing the Assembly’s delivery of construction projects. The reviews and interviews enabled us understand issues pertaining to the Assembly’s delivery of construction projects and came up with recommendations to address the issues. The list of officials interviewed and documents reviewed is provided in Appendix 1.

1.3.2 Inspection

10. We visited 15 project sites, which were representative of the projects selected for review so as to ascertain their levels of
completion and their usefulness to the community. Pictures 1 and 2 were some of the Assembly’s projects that we inspected.

Picture 1: TMA block of flats

![TMA block of flats](Image)

Picture 2: Ashaiman School Complex

![Ashaiman School Complex](Image)

Source: GAS field inspection
CHAPTER TWO
DESCRIPTIVE CHAPTER

2.1 Historical background

11. Ghana’s ten administrative regions have been subdivided into Metropolitan, Municipal and District Assemblies (MMDA). Each MMDA complements Government’s efforts of enhancing the quality of lives of the citizens through the provision of basic infrastructure.

12. The Tema Town Council became autonomous in 1974, attained the status of Municipal Assembly in 1990 and Metropolitan status in 2008. TMA is responsible for the formulation and execution of construction projects for the areas under its jurisdiction\(^2\). The Assembly identifies projects for the year, selects the ones to be implemented based on their importance and availability of funding and implements the projects for the benefit of the communities under its jurisdiction.

2.2 Mission

13. TMA’s mission is to improve the living standards of the people in the municipality, by providing effective and efficient municipal services within a conducive, physical, socio-economic environment and an established legal framework.

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\(^2\) Jurisdiction of TMA: Tema Town Council, Ashiaman, Kpeshie, Kpone, Katamanso and Kpeeshie Gonnor, all in the Greater Accra Region.
2.3 Vision

14. TMA envisions an international standard municipality where its inhabitants will enjoy the full benefits of modernisation and comfort on a peaceful, reliable and sustainable basis.

2.4 Objectives

15. TMA has various objectives but the one that is related to basic infrastructural delivery is to facilitate the provision of basic social and economic infrastructure and services in the metropolis.

2.5 Funding

16. Construction projects undertaken by TMA are funded through Internally Generated Funds (IGFs), District Assemblies’ Common Fund (DACF) and other donors. The IGFs consist of rates, fees and fines, licenses, rents and investments. The donors comprise the Danish International Development Agency (DANIDA) and Urban Environmental and Sanitation Project II (UESP II). Details of the amounts spent from each of these sources are shown in Table 1.

Table 1: Project funding from 2003 to 2007

<table>
<thead>
<tr>
<th>Year</th>
<th>IGF GH¢</th>
<th>DACF GH¢</th>
<th>HIPC GH¢</th>
<th>DANIDA GH¢</th>
<th>UESP II GH¢</th>
<th>Tot. Amt. GH¢</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>812,704</td>
<td>718,443</td>
<td>220,436</td>
<td>100,576</td>
<td>-</td>
<td>1,852,159</td>
</tr>
<tr>
<td>2004</td>
<td>1,155,392</td>
<td>839,075</td>
<td>335,000</td>
<td>40,600</td>
<td>-</td>
<td>2,370,067</td>
</tr>
<tr>
<td>2005</td>
<td>1,538,290</td>
<td>615,249</td>
<td>245,076</td>
<td>65,000</td>
<td>4,000</td>
<td>2,467,615</td>
</tr>
<tr>
<td>2006</td>
<td>2,699,985</td>
<td>527,165</td>
<td>420,000</td>
<td>58,149</td>
<td>162,441</td>
<td>3,867,470</td>
</tr>
<tr>
<td>2007</td>
<td>1,947,919</td>
<td>778,393</td>
<td>225,320</td>
<td>104,639</td>
<td>146,456</td>
<td>3,202,727</td>
</tr>
<tr>
<td>Total</td>
<td>8,154,290</td>
<td>3,478,325</td>
<td>1,445,832</td>
<td>368,964</td>
<td>312,897</td>
<td>13,760,308</td>
</tr>
</tbody>
</table>

Source: TMA Annual Financial Statements
17. Table 1 shows that IGF, DACF and HIPC contributed 59.3%, 25.3% and 10.5% respectively to the funding of the construction projects, whilst donors contributed 2.7% and EUSP II accounted for 2.3%, during the review period.

2.6 Organisational structure

18. The organisational structure of TMA is shown as Appendix 2.

2.7 Key players and their activities

19. The key players involved in the delivery of capital works in the Assembly and their roles are provided in Appendix 3.

2.8 Systems description

20. The stages involved in the delivery of construction projects by TMA are represented in Figure 1.

Figure 1: Stages involved in delivery of capital works

Source: TMA Planning Department

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2.9 **Current development**

21. TMA attained metropolitan status in 2008 and some of the areas which were under its jurisdiction have now been established as new District Assemblies. Some of the projects which we evaluated are now in these new Assemblies and TMA will not be able to implement the recommendations on those projects.
CHAPTER THREE

FINDINGS

3.1 Introduction

22. From 2003 to 2007, TMA spent a total amount of GH¢12.0 million to execute 60 projects. The projects included educational, health, recreational and sanitary facilities meant to ensure the well being of citizens in the municipality. TMA however could not deliver these projects to meet the needs of its citizens. Accordingly, we identified five areas that TMA could improve upon. Our findings were that TMA:

- did not conduct needs assessment to identify projects
- did not conduct site investigations on project locations
- delayed in paying contractors
- did not take the necessary measures to monitor the execution of projects, and
- did not review projects during implementation.

3.2 TMA did not conduct needs assessment to identify projects

23. In identifying projects to be undertaken by the Assembly, TMA is required by the Ghana Poverty Reduction Strategy (GPRS) to consult opinion leaders, Assemblymen, its development planning sub-committee and donor agencies to carry out needs assessment in order to identify the various developmental needs of the communities it
serves. This enables the Assembly to select the development projects that serve the needs of the communities.

24. The development needs of the communities are prioritised after the feasibility studies and a business case is prepared to justify why a particular project is to be undertaken. The results are compiled and included in the Assembly’s development plan, which serves as a guide for implementing projects that will be useful to the people.

25. We found that TMA had a list of construction projects in its development plan compiled with the guidance of the GPRS. There was, however, no record to show that TMA conducted needs assessment for the projects it undertook from 2003 to 2007. None of the 28 projects the team reviewed had a needs assessment report to justify why TMA undertook those projects. There were also no records to show that TMA consulted the intended beneficiaries before selecting those projects.

26. According to the Assembly, some level of needs assessment was conducted but they did not have a clear and concise format for evaluating needs assessments. The assessments were mainly verbal and informal and thus proceedings were not documented. Needs assessment in whatever form would have identified the projects the intended beneficiaries needed before funds are committed to their implementation.
27. A classroom block at Michel camp and a toilet facility at Amrahia which were completed in 2004 and 2006 respectively have not been used by the communities because they were not in favour of the projects. In the case of the classroom block, the Assembly explained that it constructed the classroom block at the request of the school's authorities. However, the headmistress of the school said that the four-classroom block cannot be used as a Junior High School which should be a three-classroom block or as a Primary School which should be a six-classroom block.

28. With the toilet facility, the Assembly provided water closet suites that needed water to function. But the community does not have any source of water to supply to the toilet and therefore could not use the toilet facility. The Assembly spent a total amount of GH₵56,029.00 on the two projects which are not being used by the people for whom they were meant, thus leading to a waste of public funds. These projects are shown in Pictures 3 and 4.
Picture 3: Completed and abandoned toilet facility at Amrahia

Source: GAS field inspection

Picture 4: The classroom block at Michel Camp

Source: GAS field inspection
29. Had this amount of GH¢56,029.00 been invested in a fixed deposit from 2004 to 2008, it would have yielded the Assembly GH¢86,392.40 by 2008.

3.2.1 Conclusion

30. TMA did not use a robust process in identifying and selecting projects for implementation as required by the GPRS. Management did not document the procedure they used in selecting the projects from 2003 to 2007. The poor process resulted in completed projects not being used by the intended beneficiaries and the abandonment of the projects. Consequently, no good value was obtained for the expenditure.

3.3 TMA did not conduct site investigations on project locations

31. When planning for a project, site investigations are done to ensure the appropriateness of the site of the project. This is done through consultation with relevant stakeholders, such as utility service providers and statutory bodies. Conducting site investigations will enable the Assembly establish the intended use of the land and its appropriateness for the project to be undertaken. It also helps to establish the ownership of the land and its availability for the project.

32. Detailed site investigations will indicate the presence of underground service lines that may need to be diverted, or if impossible to divert, the project may be relocated or stopped.

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Assembly could determine from site investigations whether the use of the proposed project will conflict with existing land use in the vicinity or impact negatively on the environment.

33. We, however, found that TMA did not conduct site investigations before implementing any of the projects reviewed. The Assembly could not provide documents to show whether or not it conducted site investigations for the various project sites.

34. Management of TMA explained that it is the planning authority for the metropolitan area and is therefore aware of which development is to be undertaken at a particular area. Planning authorities are known to vet proposed developments in their jurisdiction and issue permits before such developments are implemented. However, TMA did not vet any of their projects for conformity with statutory requirements. In view of this, no other measures were put in place to ensure the appropriateness of project sites.

35. The failure of the Assembly to diligently conduct site investigations resulted in TMA constructing two projects at the cost of GH¢49,085.63 only to be abandoned later. The projects consisted of a toilet facility at Kakasunanka that was later found to be on a major water pipeline. The Assembly stopped the citizens from using the facility because TMA realised after completion that the use of the
facility was not environmentally friendly to the underground water pipeline.

36. Management indicated that a level of site investigation would definitely be carried out before any project was sited anywhere. Management, however, said that it could not ascertain the thoroughness of its site investigations. Management explained that it had assumed that the projects were being sited in areas that had been planned. Management added that this assumption led them to site some of their projects on lands which turned out to be unplanned resulting in the various problems encountered.

37. Furthermore, management touched on the Assembly’s lack of adequate capacity to conduct site investigations. The challenges the Assembly faces include:
   - lack of equipment and tools
   - lack of transport
   - lack of funds to acquire the services of experts
   - lack of motivation, adequate and appropriate staff, and
   - lack of selflessness and commitment to duty.

38. The second abandoned project we found was a school at Ebenezer Hill in the same vicinity of the toilet facility. The Assembly realised later in the construction stage that the school was sited on a
major road and will be demolished in future to pave way for road construction. At the time of curtailing the project, the Assembly had spent GHc37,981.24. Again, the Assembly could not execute another proposed toilet facility at Adenta after it had been awarded, due to land litigation. Pictures 5 and 6 are examples of these projects.

*Picture 5: Classroom block at Ebenezer Hill, Kakasunanka*

![Classroom block at Ebenezer Hill, Kakasunanka](image)

*Picture 6: The toilet facility at Kakasunanka*

![The toilet facility at Kakasunanka](image)

*Source: GAS field inspections*
3.3.1 Conclusion

39. TMA did not conduct detailed checks on sites earmarked for its construction projects. This resulted in a school built in the middle of a road, a toilet placed on a water pipeline and another toilet project abandoned because of litigation on the land earmarked for it. Public funds used were lost and the intended benefits to the citizens were not realised. TMA will have to incur additional cost to demolish the projects to pave way for the intended use of the various sites and also find more money to provide those amenities elsewhere within the metropolis.

3.4 TMA delayed in paying contractors

40. The mode of paying contractors for satisfactory work done is an essential aspect in project delivery. The Assembly makes interim payments to contractors for satisfactory work done at various stages of a construction project. The condition of contract used by the Assembly allows payments within 28 days after issuing interim payment certificates (IPCs). This is a major obligation of the Assembly which will ensure that diligent contractors work continuously to complete projects on schedule.

41. For all the 28 projects we reviewed, IPCs and receipts of payments showed that the Assembly paid the contractors far beyond the 28 days after the issuance of the IPCs. For instance, during the continuation of TMA block of flats, for Block II, Phase II at
Community 7, the Assembly issued the first IPC for GH₵15,760.84 in May 2005 which was to be paid by June 2005. The Assembly made payments in parts, paying the first part in October 2005. It took the Assembly over a year to settle the amount of GH₵15,760.84. The contractor’s second IPC for GH₵16,039.97 also took about a year for TMA to fully settle.

42. We also found that TMA started the erection of school buildings at Seduase and Baatsona on July 2003 expecting to complete the one at Baatsona in September 2003 and that of Seduase in October 2003. Meanwhile the Assembly started another school project at Ebenezer Hill, Kakasunanka on August 2003 using the same source of funding from which the previous Baatsona and Seduase projects were funded. In February 2005, the Baatsona project was 60% complete whilst the one at Seduase was 85% complete. The Ebenezer Hill project was at roofing level in February 2005, though it was scheduled to be completed in November 2003, resulting in delays of 15 months, as of February 2005.

43. The Assembly completed the Seduase and Baatsona projects in January 2006. However, the Ebenezer Hill project was still not completed when the team visited the site in November 2008. We also noted delays of up to 31 months in the execution of TMA’s projects which the Assembly attributed to delays in paying contractors.
44. The delays in paying contractors, according to the Assembly, were caused by an array of reasons which included apathy on the part of contractors to rectify faults identified by project managers and the lack of a unified system of inspection on the part of the Assembly.

45. However, the delays in question were those arising out of the Assembly's own inability to honour IPCs promptly. These delays were calculated from the date on which IPCs were issued by the Assembly to cover satisfactory work done by the contractors and the date of receipt of payments. We also gathered from our interviews with the contractors that the delays in payments prevented them from completing projects on time as shown in Appendix 4.

46. Furthermore, since the Assembly could not fulfill its payment obligations, it was unable to enforce the terms of contract to ensure timely delivery of projects, though the contractors were not strictly following the contract terms. We also found that the Assembly delayed in terminating three contracts although the Assembly was aware that the contractors were performing abysmally. TMA re-awarded the completion contracts at higher costs as compared to the initial award cost. As a result of the re-award, the costs of the three projects increased by GH₵210,838 or 117.1%. The Assembly delayed in terminating the contracts for a period which ranged between 22 and 31 months. The delays in terminating the three contracts and the
increase in the initial costs of the three projects are shown in Tables 3 and 4.

Table 3: TMA delayed in terminating contracts

<table>
<thead>
<tr>
<th>Project</th>
<th>Commencement date</th>
<th>Expected completion date</th>
<th>Termination date</th>
<th>Waiting period for termination</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction of 3 unit classroom block, office and store at Gonten</td>
<td>22/04/05</td>
<td>22/06/05</td>
<td>12/04/07</td>
<td>22 months</td>
</tr>
<tr>
<td>Construction of 2 storey 6 classroom block at Adjiringano</td>
<td>27/01/04</td>
<td>15/09/04</td>
<td>12/04/07</td>
<td>31 months</td>
</tr>
<tr>
<td>Completion of 4 storey staff residence at Community 7</td>
<td>27/01/04</td>
<td>15/09/04</td>
<td>12/04/07</td>
<td>31 months</td>
</tr>
</tbody>
</table>

Source: TMA Engineering Department and Audit Team Analysis

Note: Waiting periods for termination were calculated from the expected date of completion to the date the contract was terminated. It was based on the assumption that the earliest date the contract should have been terminated was when the contractor was unable to complete by the completion date or any extended time without justification.
Table 4: Increase in project cost due to delays in terminating contracts

<table>
<thead>
<tr>
<th>Project</th>
<th>i. Initial award</th>
<th>ii. Amount paid to contractors before termination GĦ¢</th>
<th>iii. Estimated cost of outstanding works as at 12/04/07 GĦ¢</th>
<th>iv. Overall cost of project (ii + iii) GĦ¢</th>
<th>v. Increase in project cost (iv - i) GĦ¢</th>
<th>vi. Percentage increase ((\frac{v}{i} \times 100)) GĦ¢</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Date</td>
<td>GĦ¢</td>
<td>GĦ¢</td>
<td>GĦ¢</td>
<td>GĦ¢</td>
<td>GĦ¢</td>
</tr>
<tr>
<td>Complete onment of 4 storey staff residence at Community 7</td>
<td>27/01/04</td>
<td>75,228.80</td>
<td>33,922.92</td>
<td>171,587.00</td>
<td>205,509.92</td>
<td>130,281.12</td>
</tr>
<tr>
<td>Construction of 2 storey 6 classroom block at Adjiringano</td>
<td>27/01/04</td>
<td>74,371.35</td>
<td>31,793.80</td>
<td>98,994.00</td>
<td>130,787.80</td>
<td>56,416.45</td>
</tr>
<tr>
<td>Construction of 3 unit classroom block, office and store at Gotten</td>
<td>22/04/05</td>
<td>30,374.00</td>
<td>15,862.00</td>
<td>38,652.46</td>
<td>54,514.46</td>
<td>24,140.46</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>179,974.75</td>
<td>81,578.72</td>
<td>309,233.46</td>
<td>390,812.18</td>
<td>210,838.03</td>
</tr>
</tbody>
</table>

Source: TMA Engineering Dept. / GAS analysis

Conclusion

47. The Assembly excessively delayed in paying contractors because they were undertaking several projects at the same time and had to spread available resources over the competing projects which contributed to the slow pace of work that the contractors did and project cost over-run.

Performance Audit Report of the Auditor-General on TMA's Construction Projects 21
3.5 TMA did not take the necessary measures to monitor the execution of projects

48. Monitoring is an essential part of project execution. Section 10(4e) of the Local Government Act (Act 462) requires Assemblies to take measures and steps necessary to monitor the execution of projects. Monitoring is done to enable the Assembly check and assess the implementation status of projects on regular basis. It also ensures that projects are executed on time, within a reasonable cost and at the right quality.

49. Monitoring of projects at TMA involves:

- site inspections by project managers (PMs) to ensure conformity between drawings and the works. The PMs issue instructions for the rectification of discrepancies. The PMs also carry out material or component testing and issue site instructions where they are not satisfied with the quality of material or component;

- periodic site meetings between the representatives of the Assembly and the contractors to discuss progress of work, to review the plans for remaining work and to deal with matters raised during previous meetings; and

- daily inspection by clerk of works to ensure that the contractors are working according to the drawings. They
also ensure that consultants' instructions are adhered to and issue reports to the consultant.

50. We found that the Assembly appointed project managers for the various projects but there were no inspection reports or site instruction books to indicate that the Assembly conducted site inspections. Project managers of TMA however said they conducted site inspections but not on regular basis. The Assembly attributed the inability of project managers to conduct regular site inspections to transportation problems.

51. According to them, the Engineering Department had one vehicle, which was used by project managers, building inspectors and other staff including the Municipal Engineer for their schedules. The use of the vehicle by several officials made it difficult for project managers to get the vehicle to work when the need arose. Additionally, the Assembly did not make provision to reimburse project managers when they went to project sites for inspections using their own means of transport.

52. Also, the project managers did not convene site meetings on a regular basis and they could not provide us with minutes generated from the meetings they convened.
53. We also found that TMA had not engaged clerks of works to undertake daily inspection of any of the projects reviewed. TMA explained that clerks of works would add up to the project cost and therefore did not engage them for its projects. Meanwhile the Assembly did not put in place any measures to ensure that consultants’ instructions were implemented on site.

54. The irregular nature of the Assembly’s monitoring activities led to contractors working at their own pace and thereby delaying the completion of projects as shown in Appendix 4. In addition, due to the poor supervision of projects by TMA, a contractor wrongly sited a school building at Ebenezer Hill, Kakasunanka on a major road which the Assembly realised when the project was near completion.

3.5.1 Conclusion

55. TMA did not adhere to measures it has put in place to monitor project execution to ensure their timely execution within reasonable cost and quality.

3.6 TMA did not review projects during implementation

56. Section 2(1) of the National Development Planning (System) Act (Act 480) of 1994, requires TMA to prepare a Medium Term Development Plan and monitor and evaluate development policies, programmes and projects of the Assembly. To do this, they are to review ongoing projects in relation to the goals and objectives of their
development plan. The review involves collecting and analysing information on on-going projects to ascertain if the Assembly is going according to or deviating from their plans in the implementation of projects and take remedial measures to address them.

57. The purpose of the review is to enable management to:
- establish if projects are implemented on schedule
- establish if projects are implemented in accordance with approved specifications
- establish if costs are within budget, and
- identify implementation problems.

58. We found that TMA had drafted a monitoring and evaluation plan to be used as a guide for their reviews. The plan had goals and objectives with baseline information and targets. Details of activities to achieve the goals were stated in the plan. However, the plan did not give information on completion dates, monitoring milestones and who was responsible for each activity. The absence of this information meant that reviewers could not compare results of the implementation to the plans and demand accountability from those responsible for the activities. We gathered from our interviews with the personnel

4 Personnel involved in reviews: Coordinating Director, heads of Engineering, Planning, Budget, Finance and Internal Audit departments, Works sub-committee chairman and the Assembly man of the project area.
involved in the reviews that they did not attend the meetings regularly because the Planning Unit did not give them prior notice to enable them prepare for the meetings and the meetings usually coincided with their planned schedules. We were also not shown minutes of review meetings or reports on the reviews. The Assembly, however, indicated that some level of review was done, though not to the standard required.

3.6.1 Conclusion

59. The Assembly’s inability to prepare and abide by a comprehensive monitoring and evaluation plan led to the recurrent problem of projects exceeding their completion period and cost. Again, the inability of the Assembly to come up with remedial measures to rectify those issues led to the delays in completion of projects as shown in Appendix 5.
CHAPTER FOUR

RECOMMENDATIONS

4.1 Improving project identification
60. To ensure that projects are used effectively by the intended beneficiaries, TMA should improve upon project identification by conducting needs assessment for all construction projects so as to establish and build consensus with stakeholders on the development needs of the people before project execution.

61. TMA should also keep records of the processes they adopt in selecting projects for implementation.

4.2 Enhancing the siting of construction projects
62. To prevent projects being sited at wrong places, TMA should:
   ➢ conduct site investigations to ensure the appropriateness of a site for construction projects, and
   ➢ consult the relevant land agencies and utility service providers for advice prior to deciding on projects' locations even though TMA is the planning authority for the municipality.

4.3 Improving payment to contractors
63. To improve upon the payment of contractors, TMA should review how they determine and source funding for projects with long-
term financial requirements. Projects started should be completed before committing the Assembly to other projects funded from the same source.

4.4 Improving monitoring project execution

64. To improve upon monitoring of project execution, TMA should put measures in place to ensure that:

- project managers visit project sites for inspections
- project managers develop site-meeting schedules for the various projects and adhere to them
- personnel involved in reviews attend the meetings, and
- it has clerks of works for its projects to undertake daily monitoring.

4.5 Improving review of on-going projects

65. To improve upon the review of projects, TMA should:

- make their monitoring and evaluation plans more comprehensive and ensure their implementation; and
- coordinate all the departments involved in project reviews to participate in the reviews.
Appendix 1

List of officers interviewed and documents reviewed

**Officers interviewed**
Municipal Coordinating Director (MCD)
Municipal Planning Officer (MPO)
Municipal Budget Officer (MBO)
Municipal Engineer (ME)
Municipal Internal Auditor (MIO)
Municipal Finance Officer (MFO)
Project Managers
Chairman of Work Sub-Committee
Contractors

**Documents reviewed**
Operations Manual of TMA
Local Government Instrument, 19 90 (LI 1493)
Monitoring and Evaluation Plan of TMA
Medium Term Expenditure Framework (MTEF) Composite Budget Estimate
Trial Balances from 2003 – 2007
Annual Budgets from 2003-2007
Project Files of some of the selected projects
Tender Committee Meeting Minutes
List of Projects undertaken by TMA from 2003 – 2007
Financial Memorandum for District Assemblies
Public Procurement Act 2003 (Act 462)
Local Government Act 1993 (Act 462)
Government of Ghana Conditions of Contract (applicable where quantities form part of the contract).
Appendix 3

Key players and their roles

Assemblymen

The assemblymen are involved in the project identification process. They also form part of sub-committees (works/planning) that decides on and monitor projects within the Assembly. They are also part of the general assembly of the Assembly which approves projects to be undertaken by Assembly.

Communities

Community members participate in the project identification process and are the beneficiaries of the projects.

Town and Country Planning Department

The Town and Country Planning Department is a form part of the works sub-committee and help with the spatial planning of projects.

DACF Administrator

The Administrator prepares the formula for sharing the Common Fund and disburses the funds to the Assemblies after the formula has been approved by Parliament.

Donors

Donors include both local and foreign organisations that provide funds for development projects.
Contractors
Contractors are involved in the execution of projects of the Assembly.

Tender Committee
The Committee ensures that at every stage of the procurement activity, procedures prescribed in the Procurement Act have been followed. Also refers any procurement above its approval threshold to the appropriate Tender Review Board for approval; taking into consideration the fact that approval above the Entity Committee is a one stop only approval.

Tender Review Board
The Board reviews the activities at each step of the procurement cycle leading to the selection of the lowest evaluated bid, best offer. Also gives concurrent approval or otherwise to enable the procurement entity continue with the procurement process. Reviews decisions of heads of entities in respect of a complaint.

Technical Evaluation Committee
The Committee evaluates the responsiveness of each bid in the context of conditions prescribed for the tender. Also evaluates the technical feasibility and financial competitiveness of the tendered bid and make summary recommendations, accompanied by a detailed evaluation report to the District Tender Board. Advise the District Assembly on the award of contracts in the district.
Works Sub-committee
The Sub-committee advises the Assembly on the provision of roads and drains, electricity, sanitation, water and other utilities. Also maps out, initiate and phase programmes for development.

Planning and Budget Department
The Department draws up and monitor development plans, programmes and budget and monitor the Assembly’s revenue generation.

Engineering Department
The Department designs, construct, supervise and monitor projects.

Internal Audit Department
The Department performs the internal auditing of the Assembly in the area of revenue, expenditure, development, etc.

Finance Department
The Department maintains the accounts of the Assembly, prepares financial statements, collect revenue. Also facilitate the payment of certificates.
Key officials of the Assembly

**Chief Executive**
He is the political-administrative head of the Assembly and responsible for the performance of the executive and administrative functions of the Assembly. He is also the chief representative of the central government in the district.

**Coordinating Director**
As the administrative head of the Assembly, he initiates plans and programmes for policy formulation and ensures the execution of such policies. He coordinates and monitors the activities of the departments within the Assembly and Sub-offices and manages the resources of the Assembly. He scrutinizes contract agreements and makes recommendations for consideration. Ensures the development, discipline and assigning of duties to the staff of the Assembly and advises Municipal Chief Executive on all matters.

**Planning Officer**
He assists management in evolving strategies for development, preparation of plans and programmes of the Assembly and coordinates World Bank and other international assisted programmes. He also serves on the Development Planning Sub-Committee and the Municipal Tender Board. Supervises and trains staff of the department and performs any other duties that may be assigned from
time to time by the MCE and the MCD. A member of the three member monitoring team that monitors development projects.

**Budget Officer**
He prepares the annual estimates and the fee fixing resolutions of the Assembly. Assists management in evolving strategies for development and preparation of budgets and programmes for the Assembly. Undertakes general supervision of the Municipal Budget Officers. He is a member of the Finance and Administration Subcommittee, where he assists the treasurer in giving financial advice to the Assembly.

**Works Engineer**
He ensures the overall management and administration of the department. Prepares budgets and work plans and ensures their effective execution. Monitors and collates feedback on projects and present timely reports. He evaluates bids and tenders on contract and represents the department on various committees. He is a member of the three member monitoring team that monitors development projects.

**Project Managers/Clerk of Works**
The one supervise contractors and liaise between the Assembly and contractors.
Internal Auditor
He/she ensures the overall management and administration of the department and performs the internal auditing of the Assembly in the area of revenue, expenditure, development, etc. Member of the three member monitoring team that monitors development projects.

Finance Officer
The one ensures the overall management and administration of the department, prepares budgets and work plan and ensures their effective execution, organises seminars and workshops for staff to upgrade their skills and represents the department on various committees.
## Delayed periods for the selected projects

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Commencement Date</th>
<th>Completion Date</th>
<th>Cost of Project (GHe)</th>
<th>Status of Work</th>
<th>Completion Period</th>
<th>Period of Delay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Erection and completion of 6 unit classroom block with ancillary facilities at Seduase Basic School</td>
<td>15/07/03</td>
<td>15/10/03</td>
<td>50,241.35</td>
<td>95% Practical completion as at January 2006</td>
<td>3 months</td>
<td>27 months</td>
</tr>
<tr>
<td>Erection and completion of J.S.S. classroom block, ancillary facilities at Baatsona</td>
<td>15/07/03</td>
<td>15/09/03</td>
<td>28,733.23</td>
<td>95% Practical completion as at January 2006</td>
<td>2 months</td>
<td>28 months</td>
</tr>
<tr>
<td>Fencing works at the Tema sports stadium lot.2 Community 1</td>
<td>27/01/04</td>
<td>27/05/04</td>
<td>38,598.47</td>
<td>95% Practical completion as at January 2006</td>
<td>4 months</td>
<td>20 months</td>
</tr>
<tr>
<td>Construction of 6 classroom block 4 seater W.C. toilet &amp; 4 unit urinal at Comm. 5 Islamic School</td>
<td>6/07/04</td>
<td>6/10/04</td>
<td>39,958.34</td>
<td>95% Practical completion as at January 2006</td>
<td>3 months</td>
<td>15 months</td>
</tr>
<tr>
<td>Construction of 6 classroom block 4 seater W.C. toilet &amp; 4 unit urinal at Tema Tech. Sch.</td>
<td>9/07/04</td>
<td>9/10/04</td>
<td>39,899.89</td>
<td>95% Practical completion as at January 2006</td>
<td>3 months</td>
<td>15 months</td>
</tr>
<tr>
<td>Construction of fence wall with gate house at Tema Manhean Sec. Tech. Sch.</td>
<td>2/07/04</td>
<td>2/09/04</td>
<td>17,455.55</td>
<td>95% Practical completion as at January 2006</td>
<td>2 months</td>
<td>16 months</td>
</tr>
<tr>
<td>Construction of 10-seater w/c at Adentan</td>
<td>15/09/03</td>
<td>15/11/03</td>
<td>16,998.50</td>
<td>0% Practical completion as at Feb. 2005</td>
<td>2 months</td>
<td>15 months</td>
</tr>
<tr>
<td>Rehabilitation of street lights in the Municipality</td>
<td>13/01/04</td>
<td>13/04/04</td>
<td>51,399.87</td>
<td>40% Practical completion as at Feb. 2005</td>
<td>3 months</td>
<td>10 months</td>
</tr>
<tr>
<td>Project Description</td>
<td>Commencement</td>
<td>Completion Date</td>
<td>Cost of Proj. (GHC)</td>
<td>Status of Work</td>
<td>Completion Period</td>
<td>Period of Delay</td>
</tr>
<tr>
<td>-----------------------------------------------------------------------------------</td>
<td>--------------</td>
<td>-----------------</td>
<td>---------------------</td>
<td>-----------------------------------------------------</td>
<td>-------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>Erection and completion of 6-classroom block with ancillary facilities at Ebenzer Hill, Kakasunanka</td>
<td>29/08/03</td>
<td>29/11/03</td>
<td>50,315.26</td>
<td>Roof completed as at February 2005</td>
<td>3 months</td>
<td>15 months</td>
</tr>
<tr>
<td>Construction of two storey 6 classroom block at Adjiringano</td>
<td>27/01/04</td>
<td>15/09/04</td>
<td>74,371.33</td>
<td>30% Practical completion as at February 2005</td>
<td>8 months</td>
<td>5 months</td>
</tr>
<tr>
<td>Completion of 4 storey staff residence at Community 7</td>
<td>27/01/04</td>
<td>15/09/04</td>
<td>171,587.80</td>
<td>80% Practical completion as at February 2005</td>
<td>8 months</td>
<td>5 months</td>
</tr>
<tr>
<td>Construction of 6 classroom block, 4-seater w/c toilet, 4 unit urinal at Amrahia</td>
<td>13/07/04</td>
<td>13/10/04</td>
<td>39,799.90</td>
<td>Roof level as at February 2005</td>
<td>3 months</td>
<td>4 months</td>
</tr>
<tr>
<td>Railing works at TMA compound</td>
<td>13/07/04</td>
<td>13/10/04</td>
<td>22,481.00</td>
<td>40% Practical completion as at February 2005</td>
<td>3 months</td>
<td>4 months</td>
</tr>
<tr>
<td>Erection and completion of J.S.S. classroom block with ancillary facilities at Michel Camp</td>
<td>15/07/03</td>
<td>15/09/03</td>
<td>28,825.06</td>
<td>95% Practical completion as at September 2004</td>
<td>2 months</td>
<td>12 months</td>
</tr>
<tr>
<td>Construction of 3 Unit class room block with 4-seater K.V.I.P and urinal at Ashiaman Sch. Complex</td>
<td>15/09/03</td>
<td>15/11/03</td>
<td>29,326.13</td>
<td>95% Practical completion as at September 2004</td>
<td>2 months</td>
<td>10 months</td>
</tr>
<tr>
<td>Rehabilitation of fencing work at Ashiaman cluster of schools</td>
<td>13/01/04</td>
<td>13/04/04</td>
<td>28,947.02</td>
<td>95% Practical completion as at September 2004</td>
<td>3 months</td>
<td>5 months</td>
</tr>
<tr>
<td>Fencing works at Aggrey Road Basic School</td>
<td>May, 06</td>
<td>July, 06</td>
<td>20,755.51</td>
<td>5% Practical Completion as at Dec. 2006</td>
<td>2 months</td>
<td>5 months</td>
</tr>
<tr>
<td>Construction of 6-unit classroom block with office and store at Gbetsele, Tema</td>
<td>May, 06</td>
<td>August, 06</td>
<td>58,822.20</td>
<td>65% Practical completion as at December 2006</td>
<td>3 months</td>
<td>4 months</td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th>Project Description</th>
<th>Commencement</th>
<th>Completion Date</th>
<th>Cost of Proj. (GHC)</th>
<th>Status of Work</th>
<th>Completion Period</th>
<th>Period of Delay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concrete slab works at Ashiaman main market phase 1</td>
<td>July, 07</td>
<td>October, 07</td>
<td>24,680.38</td>
<td>90% Practical completion as at December 2007</td>
<td>3 months</td>
<td>2 months</td>
</tr>
<tr>
<td>Construction of 10-seater WC public toilet at Otano</td>
<td>July, 07</td>
<td>October, 07</td>
<td>27,203.83</td>
<td>0% Practical completion as at December 2007</td>
<td>3 month</td>
<td>2 months</td>
</tr>
<tr>
<td>Rehabilitation of 2 storey classroom block with 12 no WC toilet at Tema Manhean Sec. Tech</td>
<td>July, 07</td>
<td>November, 07</td>
<td>28,810.44</td>
<td>90% Practical completion as at December 2007</td>
<td>4 months</td>
<td>1 month</td>
</tr>
<tr>
<td>Construction of 6 unit classroom with office and store 4 unit W/C &amp; 4unit urinal at Tema Manhean Sec. School</td>
<td>22/04/05</td>
<td>27/07/05</td>
<td>Cost data not available</td>
<td>Excavation as at May 2005</td>
<td>3 months</td>
<td>Actual completion dates were not available, but officials of TMA said they were not completed in time.</td>
</tr>
<tr>
<td>Construction of 3 unit classroom block , office store at Gonten</td>
<td>22/04/05</td>
<td>27/06/05</td>
<td>-do-</td>
<td>Excavation as at May 2005</td>
<td>2 months</td>
<td>-do-</td>
</tr>
<tr>
<td>Construction of 10 Seater W/C at Amrahia</td>
<td>22/04/05</td>
<td>31/05/05</td>
<td>-do-</td>
<td>Mobilisation as at May 2005</td>
<td>1 month</td>
<td>-do-</td>
</tr>
<tr>
<td>Construction of Youth center at community 7.</td>
<td>27/01/04</td>
<td>27/05/04</td>
<td>-do-</td>
<td>100% as at February 2005</td>
<td>4 months</td>
<td>9 months</td>
</tr>
<tr>
<td>Construction of 6 unit classroom with office and store, 4 unit W/C and 4 unit urinal at Chenu Sec. Sch.</td>
<td>15/07/03</td>
<td>15/10/03</td>
<td>-do-</td>
<td>100% as at September 2004</td>
<td>3 months</td>
<td>11 months</td>
</tr>
<tr>
<td>Construction of 10 seater W/C at Kpone Lot 2</td>
<td>15/09/03</td>
<td>15/11/03</td>
<td>-do-</td>
<td>100% as at September 2004</td>
<td>2 months</td>
<td>10 months</td>
</tr>
<tr>
<td>Erection and completion of JSS Classroom block with ancillary facilities at Obolojo</td>
<td>15/07/03</td>
<td>15/09/03</td>
<td>28,853.35</td>
<td>100% as at September 2004</td>
<td>2 months</td>
<td>12 months</td>
</tr>
</tbody>
</table>
Mission Statement

The Ghana Audit Service exists to promote:

- good governance in the areas of transparency, accountability and probity in the public financial management system of Ghana

By auditing:

- to recognized international auditing standards the management of public resources

And:

- reporting to Parliament