

# **TRAINING WORKSHOP ON PROJECT AND CONTRACT MANAGEMENT BY OHLGS**

## **OVERVIEW OF LOCAL GOVERNMENT PROJECTS AND CONTRACTS**

JULY-AUGUST, 2021



**INSTITUTE OF LOCAL GOVERNMENT  
STUDIES**

# Presentation Overview

Introduction and Contextual Issues

Defining Projects and Contracts?

Scope of Local Government Projects

Audit Issues in Projects and Contracts Management

Takeaways and Conclusions

# Introduction

- ❖ What is Decentralisation?
- ❖ What about Local Governments?
- ❖ What about local governance?

# Introduction

- ❑ **Decentralisation** is a process of state reform composed by a set of public policies that transfer responsibilities, resources or authority from higher to lower levels of government in the context of a specific type of state (Falleti, 2005:328)
- ❑ **Local governments** (LGs) are established as lower tier governments that are closer to where the people live and have specific functions to deliver to their people within the jurisdiction.
- ❑ From cradle to grave, you need LGs
- ❑ LG entities:
  - ❑ are corporate bodies with perpetual succession;
  - ❑ perform public functions within their territorial jurisdictions;
  - ❑ have their own political leadership (elected and appointed);
  - ❑ set rules for localities and make society run smoothly by maintaining law and order and;
  - ❑ prepare and approve their own budgets.



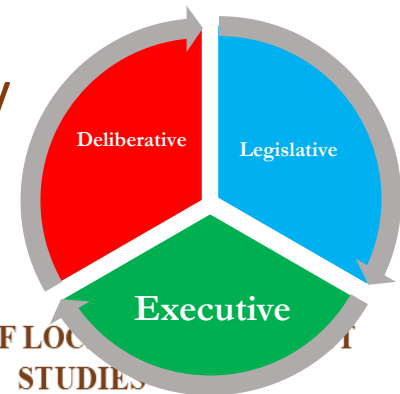
# Introduction

- ❑ The 1992 Constitution of the Republic of Ghana (Chapter 6 and 20), enshrines decentralisation policy
- ❑ Article 35 (6)(d) provides that the “State shall take appropriate measures to make democracy a reality by decentralizing the administrative and financial machinery of government to the *regions* and *districts* and by affording all possible opportunities to the people to participate in decision-making at every level in national life and in government”.
- ❑ Article 240 (2)(a) provides that “Parliament shall enact appropriate laws to ensure that functions, powers, responsibilities and resources are at all times transferred from the Central Government to LG units in a co-ordinated manner.



# Introduction

- ❑ LG units shall be established with sound financial base with adequate and reliable sources of revenue [(Articles 240(2)(c));
- ❑ Persons in the service of local government shall be subject to the effective control of local authorities [(Articles 240(2)(d));
- ❑ People in particular local government areas shall, as far as practicable, be afforded the opportunity to participate effectively in their governance [(Articles 240(2)(e)]
- ❑ A District Assembly shall be the highest political authority in the district, and shall have deliberative, legislative and executive powers [(Articles 240(3)].



# Introduction

- ❑ The Local Governance Act, 2016 (Act 936) provides the legal basis for the implementation of decentralization
- ❑ S. 4(1) A District Assembly shall be a body corporate with perpetual succession.
- ❑ S. 4(2) For the performance of its functions, a District Assembly may acquire and hold movable and immovable property, dispose of property and enter into a contract or any other transaction
- ❑ S. 12(1) MMDAs are the highest political and administrative authority in the district



# Functions of District Assembly

- Section 12 (3) of Act 936 prescribes the functions of MMDAs.
- District Assembly has responsibility for:
  - the overall development of the district;
  - formulating and executing plans, programs and strategies for the effective mobilization of the resources necessary for the overall development of the district;
  - promoting and supporting productive activity and social development in the district;
  - sponsoring the education of students from the district to fill particular manpower needs of the district;
  - initiating programs for the development of basic infrastructure and providing municipal works and services in the district;



# Functions of District Assembly

- District Assembly has responsibility for:
  - the development, improvement and management of human settlements and the environment in the district;
  - in co-operation with the appropriate national and local security agencies, the maintenance of security and public safety in the district;
  - ensuring ready access to courts in the district for the promotion of justice;
  - acting to preserve and promote the cultural heritage within the district; and
  - initiating, sponsoring or carrying out studies that may be necessary for the discharge of any of the duties;
- An Assembly may **delegate** any of its functions to a Sub-Metro District Council, Urban, Zonal, Town or Area Council or Unit Committee or any other body or person except the power to borrow.



# Other Relevant Laws

- ❑ What are the other relevant laws for our work as project and contract managers?



# Other Relevant Laws

- ❑ Public Procurement Act, 2003 (Act 663) as amended [Public Procurement (Amendment) Act, 2016 (Act 914)]
- ❑ Public Financial Management Act, 2016 (Act 921)
- ❑ Ghana Audit Service Act, 2000 (Act 584)
- ❑ Public Private Partnership Act, 2020 (Act 1039)
- ❑ Sale of Goods Act, 1962 (Act 137)
- ❑ Contracts Act, 1960 (Act 25)



# Scope of Contracts and Projects

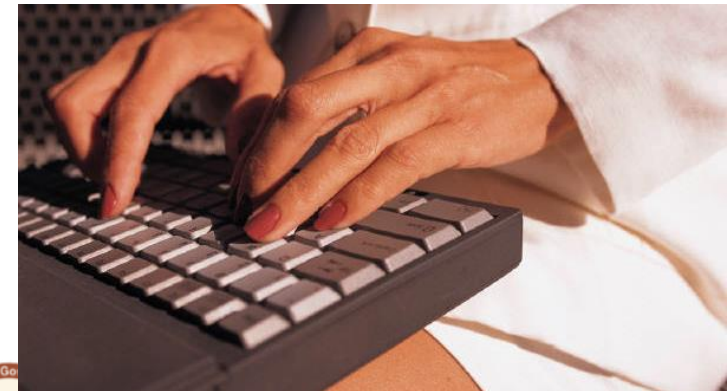
- ❖ Local Governments (LGs) provide a variety of services and goods to their citizens and residents by implementing diverse arrays of interventions: water, sanitation, public works, health, security and safety, communications, and other legally mandated projects and programmes.
- ❖ The delivery of these mandates makes MMDAs credible, reliable and responsive and able to build trust among citizens.

# Types of LG Projects and Contracts

## Group Work

Mention 3 examples of LG Projects under these broad procurement classifications

Goods	Works	Consulting Services	Technical Services



# Defining Projects and Contracts

- ❖ How do you understand a Project?
- ❖ How different is a Project from a Programme?
- ❖ What is Project Management?
- ❖ What is your understanding of a Contract?

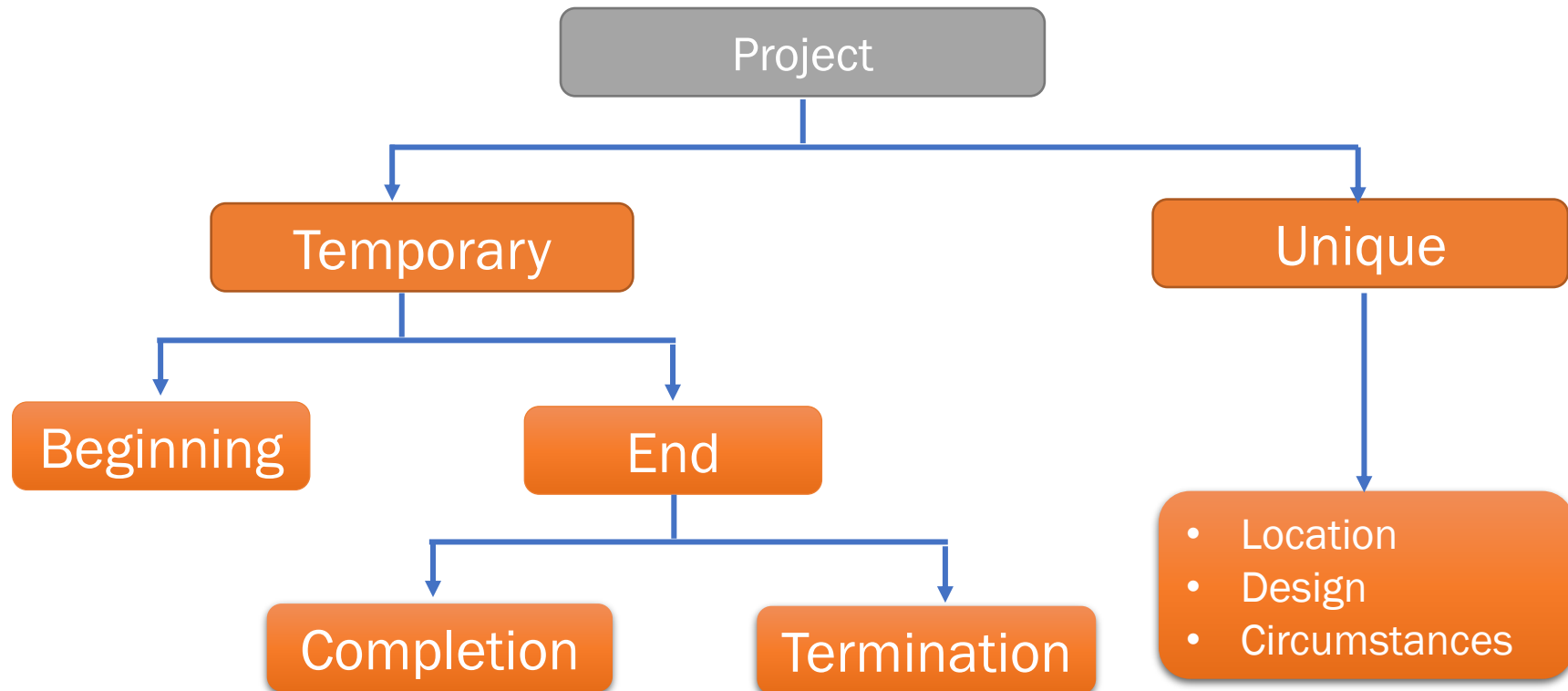


# Types of Projects



# What is Project...

- It is a temporary endeavour undertaken to produce a unique product, service or result



# Characteristics of Projects

- Projects differ in size, scope, cost and time, but they all have the following characteristics:
  1. A start and a finish
  2. A life cycle involving a series of phases in between the beginning and end
  3. A budget
  4. A set of activities which are sequential, unique and non-repetitive
  5. Use of resources which may require coordinating
  6. Centralised responsibilities for management and implementation
  7. Defined roles and relationships for participants in the project

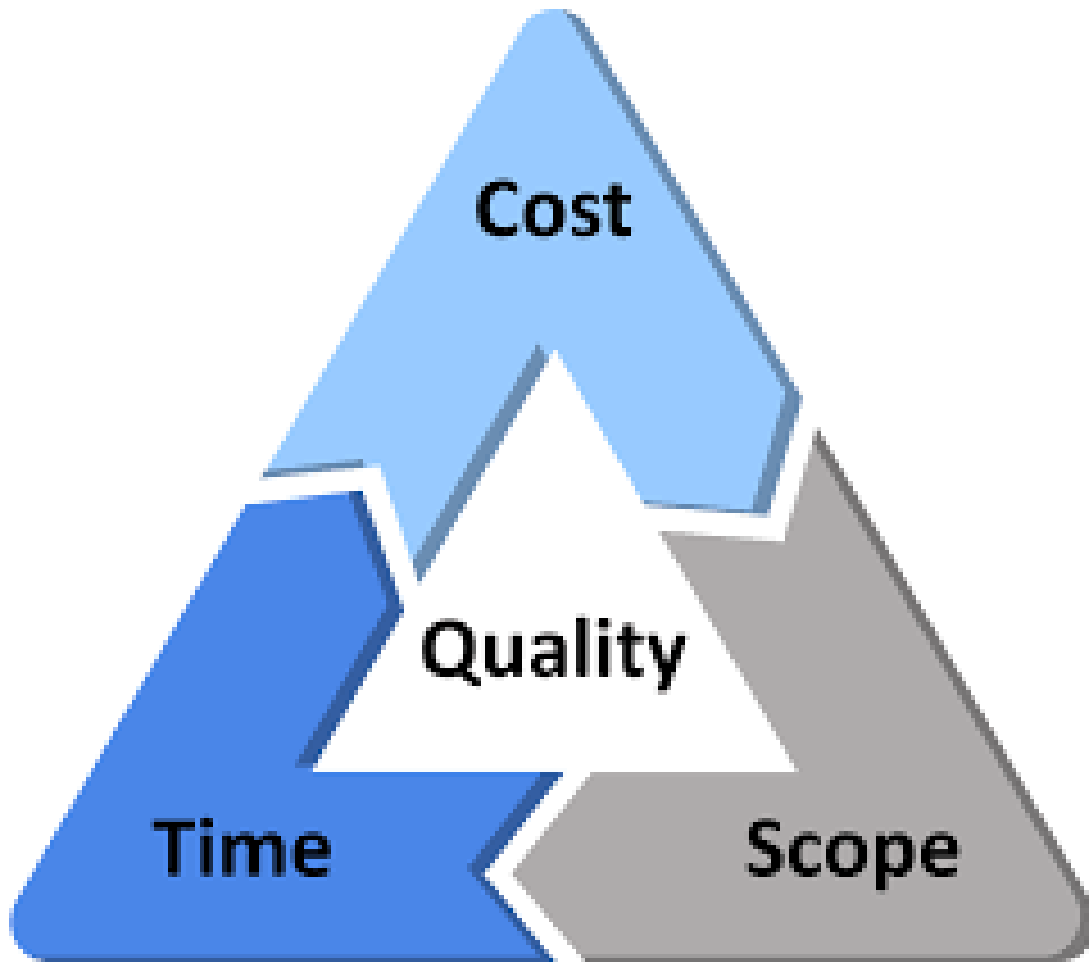


# Project Environment

- ❖ Cultural and Social
- ❖ People and Demographics
- ❖ Politics and Economics
- ❖ Formal and Informal Institutions
- ❖ Physical – Building or Virtual



# The Constraint Triangle



- Projects are implemented within the constraints of scope, budget/cost and schedule/time
- Changes to any of them will most likely affect the others, or impact on the quality of the project

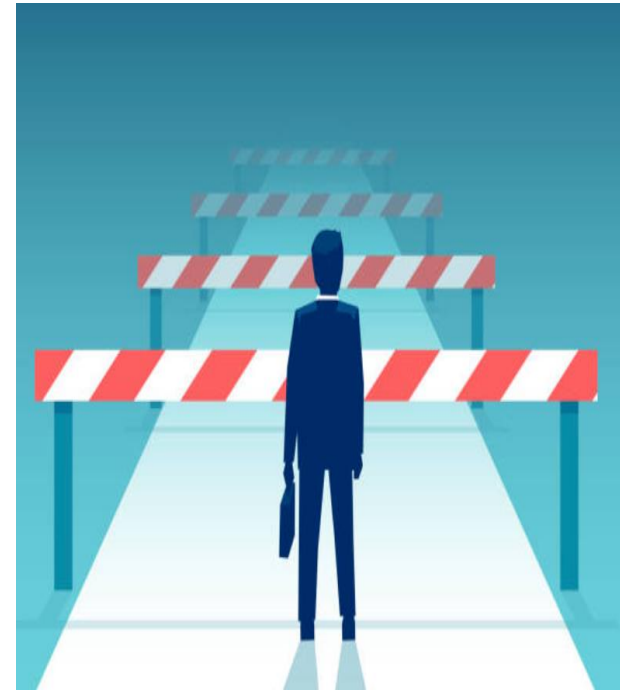


# What is a Contract?

- ❖ A contract is a legally binding document between at least two parties that defines and governs the rights and duties of the parties to an agreement.
- ❖ A contract is legally enforceable because it meets the requirements and approval of the law.
- ❖ Key: Mutual assent, expressed by a valid offer and acceptance; consideration; capacity; and legality.

# Challenges of Projects and Contract Management

- Challenges that affect the Projects Executions by MMDAs.



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# Audit Issues of Projects

- Abandoned Projects
- Delayed Projects
- Completed Projects not put to Use
- Poorly Constructed Projects
- Unjustified Payment of Contingency
- Mobilization Paid but site is yet to be handed over



## Group Work

- What are the causes of these audit issues emanating from Contracts and Projects Management in MMDAs; and
- Identify effective ways to addressing these issues

# Summary of Issues

**W**aste

**I**gnorance

**G**reed



# Removing the WIG in MMDA Contracts

- Use the recommended processes and procedures
- Enhance stakeholder engagement
- Increased supervision and use appropriate technology
- Improve organisational culture
- Sensitization, awareness creation and education
- Behavioural change communication
- Training and development
- Self-development and learning
- Increase transparency and accountability
- Reward exemplary achievers
- Strengthen institutional capacity
- Apply sanctions when necessary



# Removing the WIG in MMDA Contracts

- ❑ Chapter 24 of the 1992 Constitution spells out the code of conduct for public officers
- ❑ Article 288: A "public officer" means a person who holds a public office.
- ❑ Article 284: A public officer shall not put himself in a position where his personal interest conflicts or is likely to conflict with the performance of the functions of his office.
- ❑ Article 286: Declaration of assets
- ❑ Article 287: Grants the Commissioner of the CHRAJ the authority to investigate and take appropriate action(s) for the contravention or non-compliance of the values and standards embodied in the Code
- ❑ Article 296: stipulates that Discretionary power shall be deemed to imply a duty to be fair and candid; shall not be arbitrary, capricious or biased either by resentment, prejudice or personal dislike and shall be in accordance with due process of law



# Removing the WIG in MMDA Contracts

- ❑ Staff of the Public Services shall:
  - ❑ at all times have the public interest in mind;
  - ❑ protect non-public, confidential and classified information at all times;
  - ❑ not seek or obtain personal or private benefit from the use of information acquired in the course of his/her official duties; and,
  - ❑ serve the State and the public in an unbiased and impartial manner.



# Conclusions

- Local level development is a process of improving the quality of life of the people.
- The service delivery responsibilities and development interventions of LGs are performed through projects and contracts that are a regulated by law that should be adhered to
- The skills needed to be effective in contracts and project management include:
  - leadership
  - team building
  - motivation
  - communication
  - political and cultural awareness
  - conflict management skills



Thank  
you

