MTC PFM ACT AND TAX MASTERCLASS

GAMELI ANAGLATE
CONSULTANT
MGA CONSULTING GHANA LIMITED

ABOUT THE FACILITATOR

- GAMELI K. ANAGLATE, MBA (Auditing), MBA (Finance), CA, CTA, Ch. Admin., PM (UK)
- Chartered Accountant, Chartered Tax Administrator, Chartered Administrator, Professional Manager (UK), Finance and Audit Expert, Management Consultant, Corporate Trainer, and Business Advisor.
- Managing Partner, Glan Consult – A Firm of Chartered Accountants.
- Former Chief Finance Officer & Head of Administration – Capital Express Assurance Limited; Former General Manager – Regimanuel Limited; Former Chief Accountant – Regimanuel Gray Limited; Former Finance Manager – Regimanuel Limited; Former Audit Manager – Global Auditors; Former Audit Senior – Global Auditors; Former Auditor – James Quagraine & Co.; Former Teaching Assistant (Auditing) – Institute of Professional Studies.
- Member – Institute of Chartered Accountants; Chartered Institute of Administration; Chartered Institute of Taxation; Professional Managers Association (UK).
- Over 30 years of professional experience in accounting, auditing, taxation, finance, administration, consulting, and corporate management.

SCAN TO REGISTER FOR SESSION

LEARNING AGREEMENTS: GROUND RULES

- A two-day workshop works only with a shared discipline:

❑Be Present

❑Be Candid

❑Confidentiality Holds

❑Speak Up, Step Back

❑Apply, Do Not Just Listen

❑Punctuality After Breaks

"What gets measured gets managed."

- Peter Drucker-

TABLE OF CONTENT

MGA Consulting Ghana Limited

FIVE OUTCOMES A STRONG DVLA FINANCE FUNCTION DIRECTLY ENABLES

MGA Consulting Ghana Limited

1 Clean Audit Opinion

A clean opinion from the Auditor-General protects the Authority's reputation and its budget allocation.

2 Value for Money

Procurement that follows Act 663 and L.I. 2516 delivers what DVLA needs at competitive prices.

3 Operational Continuity

Properly managed imprests mean regional offices and outreach exercises run without interruption.

4 Tax Compliance

Correct withholding, accurate filing, and timely remittance protect the Authority from GRA exposure.

5 Reduced Financial Risk

Strong internal controls, accurate logs, and disciplined records reduce the cost of error and fraud.

6 Institutional Reputation

A finance function known to pass audit becomes part of how DVLA is judged as a public institution.

LET’S DISCUSS

a. What do you know about Ghana’s PFM Framework?

b. How is DVLA operations linked to the PFM?

INTRODUCTION TO PFM

THE FIVE PILLARS OF PFM

REVENUE MOBILISATION

Fees, charges, levies, and grants — raised by law. At DVLA, every registration and licensing fee.

RESOURCE ALLOCATION & BUDGETING

Medium-Term Expenditure Framework + the annual Appropriation. Aligns spending to mandate.

BUDGET EXECUTION & EXPENDITURE CONTROL

Commitments, payments, procurement, imprest, GIFMIS. Where most discipline is required.

ACCOUNTING, RECORDING & REPORTING

Trial balance, quarterly returns, audited annual accounts. The evidence trail.

AUDIT, OVERSIGHT & ACCOUNTABILITY

Internal Audit, Audit Committee, Auditor-General, Parliament. The verification layer.

THE FOUR OBJECTIVES OF PFM

OBJECTIVE	WHAT IT MEANS	WHAT IT LOOKS LIKE AT DVLA
Fiscal Discipline	Spending is sustainable, within budget, aligned with revenue.	Expenditure does not exceed IGF inflows; no unfunded commitments enter GIFMIS.
Strategic Allocation	Resources allocated to the activities that deliver the mandate.	Spending prioritised on licensing systems, inspection equipment, customer offices.
Operational Efficiency	Public funds deliver value for money in goods, services, works.	Procurement of biometric capture, card stock, and IT produces competitive prices.
Accountability & Transparency	Every cedi is traceable, reported, and auditable.	Imprests retired on time; WHT remitted by the 15th; quarterly returns to CAGD.

THE FINANCE OFFICER - RESPONSIBILITIES THAT DEFINE THE ROLE

Verification of Document

No payment leaves without procurement approval, delivery note, matching invoice, tax invoice with TIN, and a budget code with uncommitted appropriation.

Compliance Gate-Keping

Apply the PFM Act, Procurement Act, PFM Regulations, and tax laws to every transaction — before the payment is released.

Withholding Tax Application

Correct WHT rate at source, certificate issued, tax remitted to the GRA within 15 days of the following month.

Record - Keeping

Every transaction has a primary record, a supporting voucher, and a GIFMIS entry. The audit trail is built daily.

Honest Reporting

Quarterly returns, imprest reports, and annual accounts reflect what actually happened — including errors and delays.

PAYMENT VERIFICATION CHECKLIST

- ☐ 1. Budget line exists and has uncommitted appropriation.
- ☐ 2. Procurement approval is on file for this expenditure.
- ☐ 3. Invoice matches the purchase order (item, quantity, price).
- ☐ 4. Signed delivery note or goods-received note is attached.
- ☐ 5. Tax invoice carries a valid TIN for the supplier.
- ☐ 6. Withholding tax computed; credit certificate ready to issue.
- ☐ 7. Transaction is entered in GIFMIS.
- ☐ 8. Payment is authorised by the correct signatory.

If any box is unchecked, the payment does not go out. This is the gate.

GROUP EXERCISE

CASE STUDY 1
THE UNBUDGETED COMMITMENT

- It is October. The Director of ICT at the DVLA approaches the Finance Manager with an urgent request. A new biometric capture device has just become available from a long-trusted supplier; the supplier is offering a 12% discount if the order is placed by the end of the week. The Director wants to order ten units at a total cost of GHS 320,000. There is no current line item in the approved budget that covers this expenditure, but the Director argues that the saving justifies the deviation, and that the budget can be "adjusted later."

DISCUSS IN YOUR GROUPS

In groups of 6, discuss,

a. Which of the four PFM objectives is most directly tested here?

b. Cite the specific provision of the PFM Act that constrains the Finance Manager's response.

c. What are the Finance Manager's options? Identify at least three legitimate responses.

THE PFM ACT (ACT 921)

WHAT GUIDES EVERY DECISION UNDER ACT 921

PRINCIPLE	WHAT IT MEANS	WHAT IT REQUIRES OF DVLA FINANCE
Fiscal Discipline	Spending lives within the budget; no unfunded commitments.	No payment without confirmed budget line and uncommitted appropriation.
Transparency	Public financial information is accessible to those with legitimate interest.	Trial balances, quarterly returns, audited accounts produced on time.
Accountability	Named officers carry named responsibilities; misconduct has consequences.	CEO of DVLA (as PSO) carries statutory responsibility for expenditure.
Value for Money	Public funds buy the right things at the right prices.	Procurement follows the Act; comparison quotes sought; prices reflect competition.
Efficient Use of Resources	Government processes operate without unnecessary cost or delay.	GIFMIS used in real time; manual workarounds minimised.
Macroeconomic Stability	Spending does not destabilise the wider economy.	Multi-year contracts flagged early and require Ministerial clearance.

PFM ARCHITECTURE

NAMED OFFICER	WHO IT IS AT DVLA	CORE DUTY UNDER ACT 921
Minister responsible	Minister of Finance	Principal Account Holder. Submits Appropriation Bill; controls fiscal policy.
Chief Director	Chief Director, Ministry of Transport	Principal Spending Officer for the Sector. Coordinates budget preparation.
Principal Spending Officer	Chief Executive of DVLA	Section 7. Responsible for DVLA's resources, statements, internal controls.
Controller and Accountant-General	CAGD	Section 8. Custody of public funds. Issues general instructions to PSOs.
Auditor-General	Audit Service	External auditor. Reports to Parliament on DVLA's annual accounts.

PFM ACT - THREE ENFORCEMENT CHANNELS

Channel 1 - Administrative

Internal Audit Unit, Audit Committee, Auditor-General reports. Disciplinary action under Civil Service and SOE rules.

Channel 2 - Civil / Finance

Surcharge under Section 18 of the Audit Service Act, 2000 (Act 584). Officers personally liable for losses caused by negligence.

Channel 3 - Criminal

Section 98 of the PFM Act and related Criminal Code provisions. Imprisonment up to 5 years and/or financial penalties.

PUBLIC PROCUREMENT FUNDAMENTALS

THE SIX ENFORCEABLE PRINCIPLES OF PROCUREMENT

PRINCIPLE	WHAT IT MEANS	WHAT IT REQUIRES AT DVLA
Transparency	Procurement decisions are visible and explainable.	Plans published; tender notices placed; awards publicised.
Accountability	Named individuals responsible for each decision.	Records identify requisitioner, evaluator, approver, and reasons.
Value for Money	Combination of price, quality, and life-cycle cost.	Evaluations weigh price and technical merit, not just lowest cost.
Fairness	Every bidder receives the same information.	Identical tender documents to all bidders; no selective late info.
Non-Discrimination	No exclusion other than on objective pre-disclosed criteria.	Specifications written for the requirement, not a preferred supplier.
Environmental & Social Sustainability	Procurement considers environmental and social impact.	For fleet — fuel-efficient vehicles; for e-waste — disposal arrangements.

THE PROCUREMENT CYCLE

01

PROCUREMENT PLANNING

Annual plan tied to the budget. Updated quarterly. Published per PPA requirements.

02

NEEDS DEFINITION

Specifications and quantities written for the requirement, not a preferred supplier.

03

METHOD SELECTION

Apply L.I. 2516 thresholds. ICT, NCT, Restricted, RFQ, Single Source, RFP.

04

TENDERING

Public invitation, identical documents, published deadline, sealed bids.

05

EVALUATION

Tender Evaluation Committee. Pre-disclosed criteria. Technical + financial scoring.

06

CONTRACT AWARD

Lowest evaluated responsive bid. Approval, notification, standstill, signing.

07

CONTRACT MANAGEMENT

Delivery, inspection, payment. Variations within permitted limits only.

08

RECORDS AND CLOSE - OUTS

File passes the five-question test. Lessons learned recorded.

PROCUREMENT METHODS

METHOD	WHEN USED	KEY FEATURES
1. International Competitive Tendering	High-value goods, works, or services where local competition is insufficient.	Open to foreign bidders; international advertisement.
2. National Competitive Tendering	Default for most large-value DVLA procurements in Ghana.	Public advertisement; open to all qualifying local bidders.
3. Restricted Tendering	Specialised goods or services from a known pool.	Pre-selected list invited; PPA approval typically required.
4. Single Source Procurement	Genuine sole-source or emergency situations only.	Strict justification; PPA approval mandatory; high scrutiny.
5. Request for Quotations	Lower-value, off-the-shelf items.	At least three written quotations; documented comparison.
6. Request for Proposals	Consultancy where technical quality is paramount.	Two-envelope: technical + financial; weighted scoring.

THE PROCUREMENT METHOD SELECTOR

IF THE REQUIREMENT IS…	USE THIS METHOD	KEY CONDITION
Low-value, off-the-shelf (stationery, small consumables)	Request for Quotations	At least three written quotations; documented comparison.
Large-value goods or works in Ghana (card stock, office fit-out)	National Competitive Tendering	Public advertisement; open to all qualifying bidders.
Consultancy where technical quality matters (strategy, systems)	Request for Proposals	Two-envelope: technical + financial; weighted scoring.
Specialised item from a known, limited pool of suppliers	Restricted Tendering	Pre-selected list; PPA approval typically required.
Genuine sole-source or emergency only	Single Source	Strict written justification; PPA approval mandatory.
Very high value; competition needs foreign bidders	International Competitive Tendering	International advertisement; longer timelines.

- *Match the method to the requirement*
- *Always confirm the current cedi thresholds with the PPA (L.I. 2516) before you commit.*

GROUP DISCUSSIONS

CASE STUDY 2
THE SPLITTING QUESTION

- The Procurement Unit needs to acquire office furniture for the recently commissioned Adentan 24-hour office. The total estimated value is approximately GHS 280,000. The Procurement Officer suggests splitting the requirement into three separate orders of about GHS 93,000 each, each for a different category (desks, chairs, filing cabinets), to use the Request for Quotations method rather than National Competitive Tendering. The argument is that this saves time and that each category is genuinely distinct.

DISCUSS IN YOUR GROUPS

a. Is the proposed approach permitted under Act 663 as amended? Why or why not?

b. What is the correct procurement method for a requirement of this total value?

c. How should the Finance Officer respond to the Procurement Officer's proposal?

PROCUREMENT COMPLIANCE

ETHICAL PRINCIPLES THAT PROTECT THE FUNCTION

Confidentiality
Tender information held until official opening.

Impartiality
Every bidder receives the same information at the same time.

Integrity
No gifts, hospitality, or favours from suppliers.

Accountability
Every officer signs the documents they author, reasons recorded.

Independence
Pressure from senior officers documented and escalated.

PROCUREMENT VIOLATIONS

VIOLATION	WHAT IT LOOKS LIKE	WHY IT MATTERS
Splitting of contracts	Single requirement broken into smaller orders.	Breach of Act 663; standard audit finding; surcharge risk.
Sole-source without justification	Single Source used without genuine basis or PPA approval.	Voidable contract; personal liability.
Restricted specifications	Specs written to favour a particular brand.	Compromises non-discrimination; legal challenge.
Post-award price changes	Variations exceeding permitted limits.	A new contract that should have been competed.
Late or no procurement plan	No annual plan, or plan not aligned to budget.	Breach of the Act; routine audit query.
Backdated documents	Documents dated to fit a narrative after the fact.	Falsification; criminal exposure under PFM Act s.98.
Conflict of interest not declared	Personal or family interest in a bidder concealed.	Voidable award; disciplinary exposure.
Improper records	Missing notices, evaluation reports, approval evidence.	Cannot defend the award; fails the five-question test.

CONFLICT OF INTEREST DECLARATION DISCIPLINE

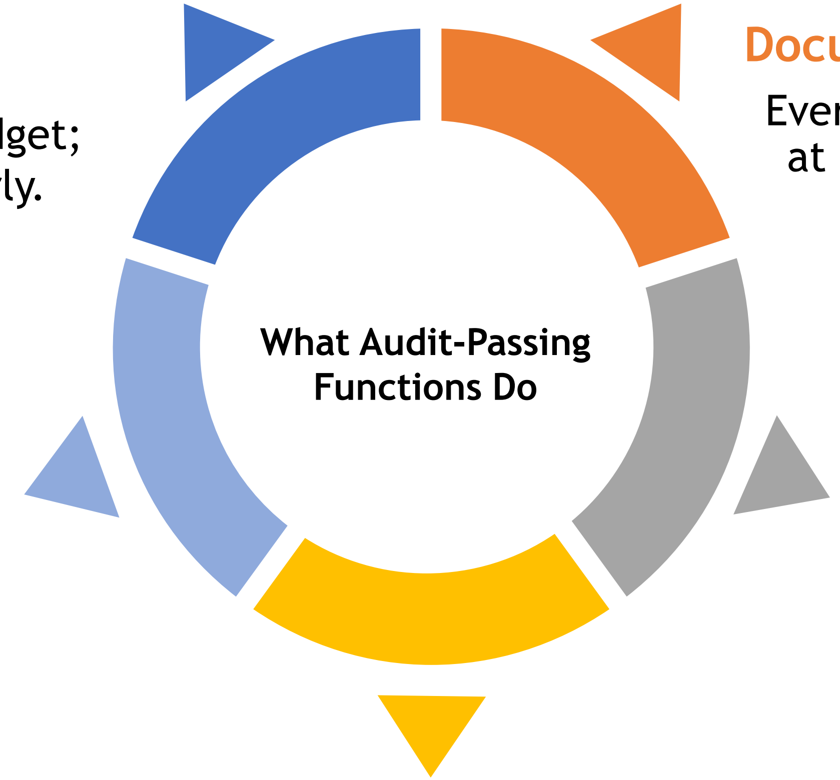
01 Family member, friend, business associate, former employer, or any personal benefit in the outcome creates a potential conflict.

02 Written declaration to the chair of the Tender Committee and a copy to the Internal Audit Unit, before the matter is discussed.

03 The conflicted officer takes no part in the evaluation, the award, the payment, or the contract management of that procurement.

04 The declaration and the recusal are recorded in the procurement file. The Tender Committee minutes reference the recusal. Declaring is the protection. Concealing is the offence.

FIVE BEST PRACTICE HABITS



Plan Early
Procurement Plan tied to budget; published; updated quarterly.

Document Contemporaneously
Every document dated and signed at the time, not reconstructed.

Run a Working Tender Committee
Quorum maintained; minutes taken; decisions recorded with reasons.

Declare Every Potential Conflict
Standing declaration at the start of every procurement.

Close Files Properly
Procurement file passes the five-question test before shelving.

GROUP DISCUSSIONS

CASE STUDY 3
THE BROTHER'S COMPANY

- A Procurement Officer at the DVLA is on the Tender Evaluation Committee for a procurement of vehicle inspection equipment. One of the three bidders is a company in which the Officer's younger brother is a 30% shareholder. The Officer has not discussed this with anyone. He believes he can evaluate fairly. The bidder's offering is technically the strongest of the three.

DISCUSS IN YOUR GROUPS

a. Identify the ethical principle most directly tested in this situation.

b. Apply the four-step COI declaration discipline.

c. What should the Officer have done before evaluation?

IMPREST MANAGEMENT

STANDING IMPREST VS SPECIAL IMPREST

STANDING IMPREST

- **Purpose**: Recurring small-value operational expenditure through the year.
- **Holder:** Designated officer, named in writing on the authorisation.
- **Replenishment:** Replenished as it is spent.
- **Reconciliation:** Monthly, within 5 working days of month-end.
- **Year-end:** Returned to nil at year-end. Nothing carried forward.

SPECIAL IMPREST

- **Purpose:** A one-off purpose with defined scope, amount, and timeline.
- **Holder:** Designated officer for the specific assignment.
- **Replenishment**: None. Issued for a single purpose.
- **Reconciliation:** Retired in full within 14 days of the assignment end.
- **Unused balance:** Returned to the imprest account immediately on completion.

CONDITIONS THAT GOVERN THE USE OF IMPREST

Stated Purpose Only

An imprest for a regional licensing exercise cannot be used for personal expenditure or for purposes that should have gone through procurement.

Approved Period Only

Special imprests have a stated end date. Expenditure after that date is not retired against the imprest.

Retirement on Time

The imprest holder's primary duty after use is to retire correctly and on schedule.

Original Receipts Retained

Every cedi spent is supported by an original receipt. Photocopies and "trust" entries are not acceptable.

Funds Kept Secure

Bulk cash is not carried on public transport, kept overnight at home, or commingled with personal funds.

Tax Obligations Applied

Withholding tax applies to qualifying imprest payments to suppliers above the GHS 2,000 threshold.

PHYSICAL SAFEGUARDS THAT PROTECT THE IMPREST HOLDER

1 Secure Storage

Lockable cash box or office safe. Never desk drawer, personal bag, or residence.

2 Dual Count

Cash movements above a threshold counted by two officers and signed by both.

3 Banking Discipline

When not in active use, balances banked in the imprest account, not held as cash.

4 Surprise Check

Internal Audit conducts unannounced cash counts. The holder welcomes them.

5 Loss Reporting

Any loss reported within 24 hours to supervisor, Internal Audit, and (if material) police.

6 No Commingling

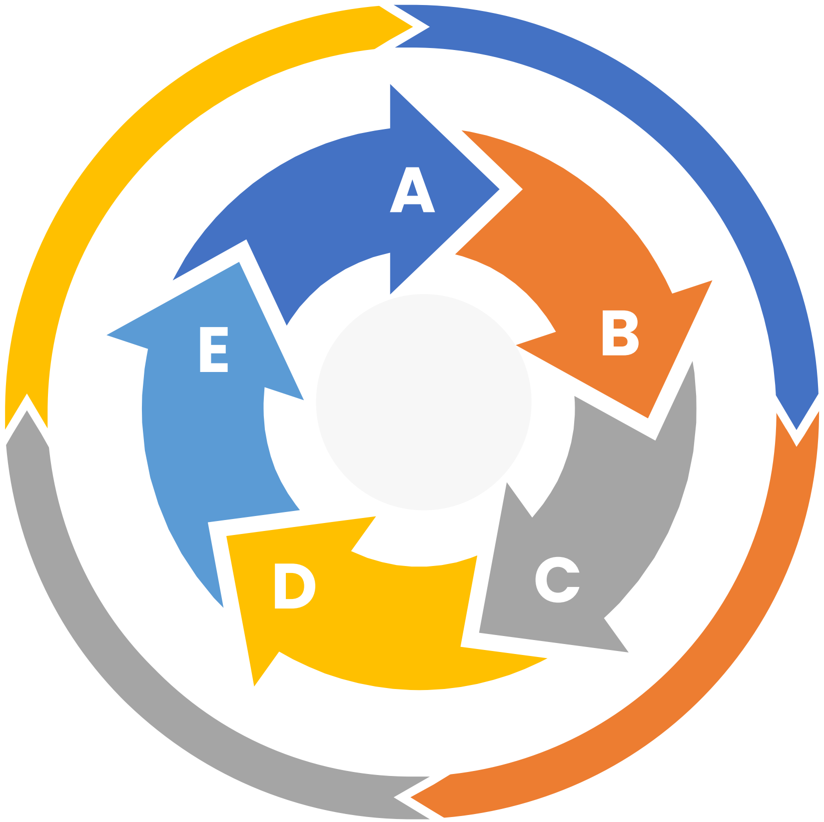
Imprest cash never mixed with personal funds or other operational floats.

IMPREST LIFE CYCLE

REQUEST

Imprest Request Form. Purpose, amount, period stated by the user department.

.



APPROVE AND DISBURSE

Budget checked. Authorised by the PSO or delegate. Holder signs for the funds.

USE

Stated purpose only. Original receipts kept. WHT applied where it bites.

RETIRE

Special: within 14 days of the assignment. Standing: monthly

RECONCILE

Cash + receipts + bank = imprest. Signed statement to Internal Audit.

RETIREMENT OF IMPREST & TAX

RETIREMENT TIMELINES

IMPREST TYPE	TIMELINE	IF NOT RETIRED ON TIME
Special Imprest	Within 14 days of the end of the assignment (or shorter period stated).	Unauthorised use; personal debt against the holder; recoverable from salary.
Standing Imprest	Monthly reconciliation within 5 working days of month-end.	Imprest may be withdrawn; future replenishment refused; holder reported.
Year-End Position	All imprest balances retired in full by 31 December.	Unretired balance disclosed in audited accounts as a receivable from the officer.

WHEN AN IMPREST IS NOT RETIRED ON TIME

Day 1 After Deadline

Written reminder to the imprest holder; copy to the holder's supervisor.

Day 15 After Deadline

Formal notice that the imprest is treated as a personal debt. Future imprest refused. Reported to Internal Audit.

Day 30 After Deadline

Authorisation to recover the unretired balance from the holder's salary or other emoluments.

Year - End

Any outstanding balance disclosed in the audited accounts as a receivable. Auditor-General notified.

APPLICABLE WITHHOLDING TAX (WHT) RATES

PAYMENT TYPE	RATE (RESIDENT)	NOTES
Supply of goods	3%	Threshold GHS 2,000 per annum.
Supply of services (general)	7.5%	Threshold GHS 2,000 per annum.
Supply of works (civil works)	5%	Construction, renovation, civil works.
Management and technical service fees	20%	Final tax for non-residents.
Rent (commercial / non-residential)	15%	Final tax.
Rent (residential)	8%	Final tax.
Dividends	8%	Final tax.
Interest (excluding individuals)	8%	Final tax.
Payments to non-residents (services)	20%	Subject to double-taxation treaties.

WHT DECISION TREE

Q1	Is this a payment to a supplier for goods, services, or works?	*No → not a withholdable payment*
Q2	Do cumulative payments to this supplier exceed GHS 2,000 this year?	*No → no WHT yet (below threshold)*

Yes ▼ apply the rate for the payment type

3%	7.5%	5%	20%	15% / 8%
Goods	Services	Works	Mgmt / Tech	Rent

THEN: Deduct at source ▶ Issue the WHT certificate ▶ Remit to the GRA by the 15th of next month ▶ File the return.

THE FIVE STEP WHT WORKFLOW

1 **IDENTIFY**
At the point of payment, identify whether WHT applies (payment type + threshold).

2 **COMPUTE**
Apply the correct rate to the taxable amount; deduct from the gross payment to the supplier.

3 **ISSUE CERTIFICATE**
Issue a Withholding Tax Credit Certificate to the supplier, signed by an authorised officer.

4 **REMIT**
Remit the withheld tax to the GRA within 15 days after the end of the month of deduction.

5 **FILE**
Submit the WHT return to the GRA on the prescribed form; retain the file copy.

YOUR THREE COMMITMENTS

Before you leave the room, write your three personal action commitments. Share at least ONE aloud with a partner. Saying it out loud doubles the likelihood it happens.

1

COMPLIANCE

The control I will tighten

WHICH CONTROL. ON WHICH TRANSACTION TYPE. WHEN I WILL START.

2

IMPREST

The retirement I will complete

WHICH IMPREST. BY WHEN. WHAT IT WILL TAKE TO CLOSE.

3

TAX

The WHT discipline I will embed

WHICH PAYMENT TYPE. THE EXACT WORKFLOW I WILL APPLY.

IN CONCLUSION…

- **Effective public financial management and sound tax administration** are **fundamental to the delivery of quality public services**, the prudent use of public resources, and the achievement of Ghana's national development priorities.

- As a key public institution, the Driver and Vehicle Licensing Authority (DVLA) **plays a significant role in safeguarding public funds** through **responsible financial management, compliance with statutory tax obligations, and adherence to the requirements of the Public Financial Management Act**, 2016 (Act 921), as amended.

"Integrity is the essence of everything successful."

- Kofi Annan-

SCAN CODE TO EVALUATE SESSION

THANK YOU

Contact Person :
Michael Abbiw

Phone Number :
0243784721

Email :
m.abbiw@mgaconsultingltd.com