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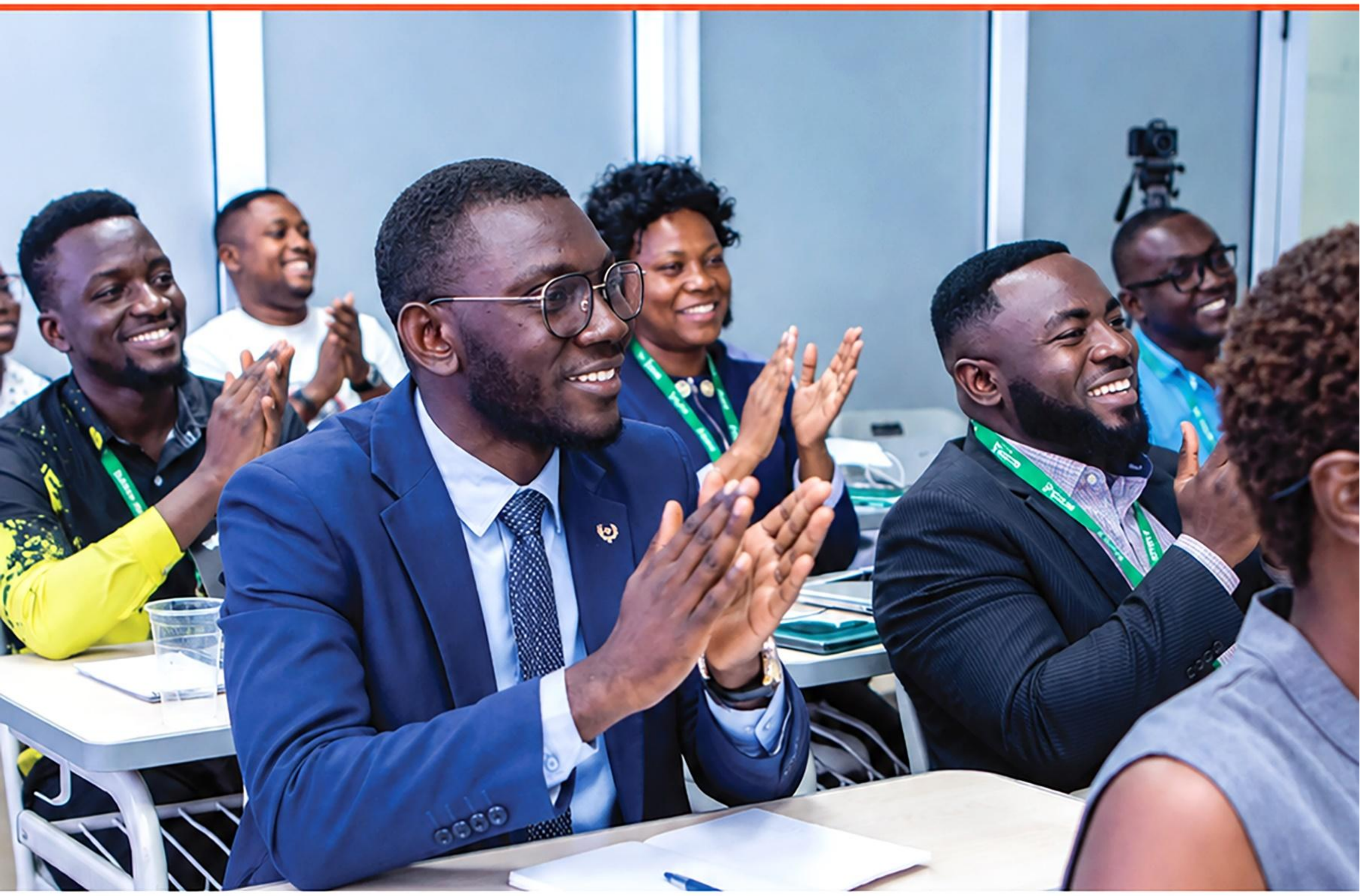

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PFM ACT AND TAX MASTERCLASS

DRIVER AND VEHICLE LICENSING AUTHORITY (DVLA)

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INTRODUCTION TO PUBLIC FINANCIAL MANAGEMENT

1.0 Learning Objectives

a. Define Public Financial Management (PFM) and explain its scope in the Ghanaian public sector.
b. State the four core objectives of PFM and link each to DVLA operations.
c. Identify the specific role of DVLA Finance Officers in ensuring accountability.
d. Describe the architecture of Ghana's PFM framework and locate DVLA within it.

1.1 What Is Public Financial Management?

Public Financial Management (PFM) is the set of laws, rules, systems, and processes used by sovereign governments and the entities they own to mobilise revenue, allocate public funds, undertake public spending, account for the funds spent, and audit the results (BudgIT Ghana, 2025). It is the operating discipline of public money. Every step from the moment a vehicle owner pays a registration fee at a DVLA office to the moment that revenue is reported in the Authority's audited financial statements — sits within the PFM framework.

For the DVLA, PFM is not a theoretical subject. As an internally generated funds entity weaned off government subvention since March 2016, every cedi the Authority spends comes from the fees it collects — and every one of those cedis must be raised, recorded, allocated, spent, accounted for, and audited under the PFM regime (Devex, n.d.).

1.1.1 The Five Pillars of PFM

PFM spans the full cycle of public money. Five pillars define its scope.

a. **Revenue Mobilisation**: Taxes, fees, charges, levies, grants — raised by law.
b. **Resource Allocation** and Budgeting: Medium-Term Expenditure Framework + annual Appropriation.
c. **Budget Execution and Expenditure Control**: Commitments, payments, procurement, imprest, GIFMIS.
d. **Accounting, Recording and Reporting**: Trial balance, quarterly returns, audited annual accounts.
e. **Audit, Oversight and Accountability**: Internal Audit, Audit Committee, Auditor-General, Parliament.

Every cedi at the DVLA moves through these five pillars.

1.2 The Four Objectives of PFM in the Public Sector

The Public Financial Management Act, 2016 (Act 921) was passed to address historical deficiencies in Ghana's public finances and to promote discipline, transparency, and accountability in the management of public resources (BudgIT Ghana, 2025). The Act articulates four core objectives that drive everything Finance Officers do.

OBJECTIVE	WHAT IT MEANS	WHAT IT LOOKS LIKE AT DVLA
Fiscal Discipline	Public spending is sustainable, within approved budgets, and aligned with revenue.	DVLA expenditure does not exceed IGF inflows; no unfunded commitments are entered into GIFMIS.
Strategic Allocation	Resources are allocated to the activities that deliver the entity's mandate.	Spending is prioritised on licensing systems, vehicle inspection equipment, and customer-facing offices that deliver road safety.
Operational Efficiency	Public funds deliver value for money in the goods, services, and works procured.	Procurement of biometric capture devices, card stock, and IT services follows the Act and produces competitive prices.
Accountability & Transparency	Every cedi is traceable, reported, and auditable.	Imprests retired on time, withholding taxes remitted on time, quarterly returns submitted to CAGD on the 15th.

Table 1 The Four Objectives of PFM

1.3 The Role of the Finance Officer in Ensuring Accountability

The Finance Officer is not a clerk who processes payments. The Finance Officer is the operational guardian of public money inside the entity — the person who reads every payment voucher, verifies every invoice, checks every withholding-tax computation, and reconciles every imprest. Five specific responsibilities define the role.

a. **Verification of Documents.** No payment leaves the DVLA without a valid supporting document trail — procurement approval, signed delivery note, invoice that matches the order, tax invoice with TIN, and budget code that has uncommitted appropriation.
b. **Compliance Gate-Keeping.** The Finance Officer applies the PFM Act, the PFM Regulations, the Public Procurement Act, and the tax laws to every transaction — not as an audit exercise after the fact, but as a real-time check before the payment is released.
c. **Withholding Tax Application.** For every supplier payment, the correct withholding tax rate is applied at source, the appropriate certificate is issued, and the tax is remitted to the GRA within fifteen days of the following month.
d. **Record-Keeping.** Every transaction has a primary record, a supporting voucher, and an entry in GIFMIS. The audit trail is built daily, not reconstructed quarterly.

e. **Honest Reporting.** Quarterly returns, imprest reports, and the annual accounts reflect what actually happened — even when what actually happened includes errors, delays, or unretired imprests.

1.4 Ghana's PFM Framework · Where the DVLA Sits

Ghana's PFM architecture is a multi-layered system in which the DVLA, as a Covered Entity under the PFM Act, has clearly defined upward and downward reporting relationships. Understanding where the Authority sits in this architecture is the foundation for understanding why specific obligations apply.

GHANA PFM ARCHITECTURE — THE DVLA'S PLACE IN IT

PARLIAMENT — passes Appropriation Acts; oversight via PAC

MINISTER OF FINANCE — Principal Account Holder

CHIEF DIRECTOR, MoF — Principal Spending Officer

CONTROLLER & ACCOUNTANT-GENERAL — custody of public funds

SECTOR MINISTRY (MINISTRY OF TRANSPORT)

DVLA — Covered Entity, IGF

AUDITOR-GENERAL — external audit, reports to Parliament

Figure 1 Ghana's PFM Architecture

1.5 Case Scenarios

1.5.1 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 on the discount justifies the deviation, and that the budget can be "adjusted later."

Discussion Questions

1. Which of the four PFM objectives is most directly tested here, and how?
2. Cite the specific provision of the PFM Act that constrains the Finance Manager's response.
3. What are the Finance Manager's options? Identify at least three legitimate responses.
4. If the procurement proceeds without budget cover and is later flagged by the Auditor-General, who carries the liability?

1.5.2 The Missing Audit Trail

The Internal Audit Unit at the DVLA is reviewing the previous quarter's expenditure on community outreach. A payment of GHS 18,500 was made to a printing vendor for fliers and banners used at the National Community Outreach programme in two regions. The Finance Officer can produce the payment voucher and the bank advice, but the underlying invoice is missing from the file, the delivery note has no quantity recorded, and there is no record of which Procurement Officer raised the requisition. The vendor is reachable and can re-issue the invoice.

Discussion Questions

1. Which of the five pillars of PFM are most directly compromised here?
2. Is "the vendor can re-issue the invoice" an acceptable remedy? Why or why not?
3. What are the three immediate actions the Finance Officer should take?
4. What systemic change would prevent this from recurring next quarter?

1.6 Knowledge Check

Q1. Which of the following is NOT one of the four core objectives of PFM?

- ◻ A. Fiscal discipline
- ◻ B. Strategic allocation of resources
- ◻ C. Maximisation of profit
- ◻ D. Accountability and transparency

Q2. The DVLA is described as an "internally generated funds" entity. What does this mean?

- ◻ A. It pays no taxes to the GRA.
- ◻ B. It is funded by the fees and charges it collects, not by direct government subvention.
- ◻ C. It is exempt from the PFM Act.
- ◻ D. It reports only to the Ministry of Transport.

Q3. Which institution is the external auditor of every public-sector entity in Ghana, including the DVLA?

- ◻ A. The Internal Audit Agency
- ◻ B. The Auditor-General
- ◻ C. The Public Accounts Committee

- ◻ D. The Controller and Accountant-General

Q4. The Finance Officer's role at the DVLA is BEST described as:

- ◻ A. A clerical role processing payment vouchers.
- ◻ B. A compliance gate-keeping role applying the PFM Act, PPA, and tax laws in real time.
- ◻ C. A reporting role limited to quarterly returns.
- ◻ D. An advisory role with no transactional responsibility.

Q5. Which of the five pillars of PFM does the audit function primarily sit within?

- ◻ A. Revenue mobilisation
- ◻ B. Resource allocation and budgeting
- ◻ C. Budget execution and expenditure control
- ◻ D. Audit, oversight and accountability

Practical Task - To Be Completed at Your Desk

1. Map your daily transactions to the five PFM pillars. For 5 working days, log every financial transaction you handle. Beside each one, write which of the five PFM pillars it sits under and which Section of the PFM Act governs it.
2. Audit your own audit trail. Pick any one supplier payment processed in the last 30 days. Pull the complete file. Identify any missing documents. List the gaps. Plan how you will close them this week.
3. Draft your accountability statement. In one page, write the personal accountability standards you commit to as a DVLA Finance Officer. Frame each as "I will…" statements. Sign and date it.

OVERVIEW OF THE PFM ACT (ACT 921)

2.0 Learning Objectives

a. Explain the background, purpose, and structure of the Public Financial Management Act, 2016 (Act 921).
b. State the key principles guiding public financial management under the Act.
c. Identify the roles and responsibilities of named officers under the Act, with specific reference to the DVLA.
d. Describe the compliance and enforcement mechanisms in the Act and the consequences of breach.

2.1 Background and Purpose of the PFM Act

The Public Financial Management Act, 2016 (Act 921) was assented to in 2016 to consolidate and modernise Ghana's public financial management framework, replacing earlier instruments and aligning Ghana with international good practice. The Act has been described as "one of the best in the world" legislatively (BudgIT Ghana, 2025). It is supported by the Public Financial Management Regulations, 2019 (L.I. 2378), which operationalise the Act's broad provisions into specific rules for budgeting, expenditure, imprest management, revenue, and reporting (Ministry of Finance, 2019).

Three forces drove its passage. First, historical deficiencies in Ghana's public finances that produced repeated fiscal slippage, weak expenditure controls, and audit findings that recurred across administrations. Second, the need to clearly assign responsibility for public money to specific named officers, removing the ambiguity that had allowed earlier accountability gaps. Third, the imperative to align Ghana with the IMF, World Bank, and OECD standards on transparent and disciplined public finance.

2.2 Key Principles of the PFM Act

The Act articulates the principles that guide every decision a Principal Spending Officer or Finance Officer makes. Six principles, drawn from the Act and the Regulations, frame the discipline.

PRINCIPLE	WHAT IT MEANS	WHAT IT REQUIRES OF DVLA FINANCE
1. Fiscal Discipline	Public spending is sustainable, lives within the budget, and avoids unfunded commitments.	No payment is processed without a confirmed budget line and uncommitted appropriation.

PRINCIPLE	WHAT IT MEANS	WHAT IT REQUIRES OF DVLA FINANCE
2. Transparency	Public financial information is accessible to those with a legitimate interest.	Trial balances, quarterly returns, and the annual accounts are produced on time and on schedule.
3. Accountability	Named officers carry named responsibilities; misconduct has consequences.	The CEO of DVLA (as Principal Spending Officer) accepts statutory responsibility for the Authority's expenditure.
4.Value for Money	Public funds purchase the right things at the right prices through the right processes.	Procurement follows the Act, comparison quotes are sought, and prices reflect competition.
5. Efficient Use of Resources	Government processes operate without unnecessary cost or delay.	GIFMIS is used in real time; manual workarounds and paper-only systems are minimised.
6. Macroeconomic Stability	Public spending does not destabilise the wider economy through arrears or off-budget commitments.	Multi-year contracts (e.g. IT licensing, service agreements) are flagged early and require Ministerial clearance.

Table 2 Key Principles of the PFM Act

2.3 Named Officers and Their Responsibilities

The PFM Act removes ambiguity by naming specific officers and attaching specific duties to each. Five named roles operate inside or above the DVLA.

NAMED OFFICER	WHO IT IS AT DVLA	CORE DUTY UNDER ACT 921
Minister responsible	Minister of Finance	Principal Account Holder. Submits Appropriation Bill, controls aggregate fiscal policy.
Chief Director	Chief Director, Ministry of Transport	Principal Spending Officer for the Sector. Coordinates budget preparation across MDAs in the sector.

NAMED OFFICER	WHO IT IS AT DVLA	CORE DUTY UNDER ACT 921
Principal Spending Officer	Chief Executive of DVLA	Section 7. Responsible for management of DVLA's resources, financial statements, internal controls.
Controller and Accountant-General	CAGD	Section 8. Custody of public funds. Issues general instructions to Principal Spending Officers.
Auditor-General	Audit Service	External auditor. Reports to Parliament on the DVLA's annual accounts.

Table 3 Named Officers and Their Responsibilities

2.4 Duties of the Principal Spending Officer

Section 7 of the PFM Act, read together with Regulations 78–85 of L.I. 2378, sets out the specific duties of the Principal Spending Officer. For the DVLA, these duties are carried personally by the Chief Executive, but they are operationalised every day by the Finance Manager and the Finance Officers acting on the CEO's authority.

- **Manage the resources of the DVLA** efficiently, effectively, transparently, and within the limits of the approved budget.
- **Ensure that the DVLA maintains** effective and transparent systems of internal control, risk management, and financial reporting.
- **Enter contracts and commitments** only after they have been approved and recorded in the Ghana Integrated Financial Management Information System (GIFMIS).
- **Maintain the assets register** of the DVLA — land, buildings, vehicles, equipment, furniture — with full conveyance and acquisition records.
- **Submit financial statements** and quarterly returns to the Controller and Accountant-General and the Minister, on the timelines set in the Act.

2.5 Compliance and Enforcement Mechanisms

The PFM Act is not aspirational. It carries enforcement mechanisms that operate through three channels.

PFM ACT — THREE ENFORCEMENT CHANNELS

CHANNEL 1 · ADMINISTRATIVE
Internal Audit Unit + Audit Committee + Auditor-General reports.
Disciplinary action under the Civil Service Act and SOE rules.

CHANNEL 2 · CIVIL / FINANCIAL
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 provisions of the Criminal Code.
Offences carry imprisonment of up to 5 years and/or financial penalties.

Compliance is not optional. The cost of breach is personal.

Figure 2 Three Enforcement Channels

2.6 Case Scenarios

2.6.1 The CEO's Verbal Instruction

The Acting CEO calls the Finance Manager directly. He requests that GHS 75,000 be paid immediately to a consultant who has been advising the Authority on its overseas-office strategy. The consultant has not been engaged through a formal procurement; there is no written contract on file; the CEO insists the matter is urgent and that the formalities will be "tidied up" in the next week. The CEO is the Principal Spending Officer.

Discussion Questions

1. Cite the specific Section of the PFM Act that the Finance Manager must apply here.
2. Does the fact that the CEO is the Principal Spending Officer change the Finance Manager's response? Why or why not?
3. What is the right written response, and to whom should it be addressed?
4. If the payment is processed and a subsequent audit raises it, who bears the surcharge — the CEO, the Finance Manager, or both?

2.6.2 The Multi-Year IT Contract

The ICT Department of the DVLA is finalising a 3-year cloud-hosting agreement with an international service provider for the Authority's licensing platform. The total contract value over three years is approximately GHS 4.2 million. The Finance Officer reviewing the draft notices that the contract commits the DVLA to fixed annual payments. The annual amount fits within the current year's approved budget, but no Ministerial clearance has been sought for the multi-year commitment.

Discussion Questions

1. Cite the provision of the PFM Act that applies to multi-year contracts.
2. What is the institutional risk if the contract is signed without Ministerial clearance?
3. Draft the specific written advice the Finance Officer should give to the ICT Director.
4. If the contract is signed without clearance and is later voided, who bears the cost to the DVLA?

2.7 Knowledge Check

Q1. In what year was the Public Financial Management Act (Act 921) passed?

- ◻ A. 2003
- ◻ B. 2014
- ◻ C. 2016
- ◻ D. 2019

Q2. Who is the Principal Spending Officer of the Driver and Vehicle Licensing Authority?

- ◻ A. The Minister of Transport
- ◻ B. The Chief Director of the Ministry of Transport
- ◻ C. The Chief Executive of the DVLA
- ◻ D. The Finance Manager of the DVLA

Q3. Which of the following is NOT a duty of a Principal Spending Officer under section 7 of the PFM Act?

- ◻ A. Manage the resources of the entity efficiently and within budget
- ◻ B. Maintain internal controls and risk management systems
- ◻ C. Personally approve every supplier payment regardless of value
- ◻ D. Submit quarterly returns to the Controller and Accountant-General

Q4. A multi-year contract commits the DVLA to payments over several budget years. Whose clearance must be sought before signing?

- ◻ A. The Internal Audit Unit
- ◻ B. The Auditor-General
- ◻ C. The Minister of Finance
- ◻ D. The Public Procurement Authority

Q5. Which of the following is NOT one of the six key principles of PFM described in this session?

- ◻ A. Fiscal discipline
- ◻ B. Transparency
- ◻ C. Profit maximisation
- ◻ D. Value for money

Practical Task - To Be Completed at Your Desk

1. **Read the relevant Sections.** Read Sections 7, 8, and 25 of the PFM Act in the next 7 days. Note any provision you do not currently apply on your desk.
2. **Audit one current contract for multi-year exposure.** Identify one current DVLA contract you have in front of you. Determine whether it spans more than one budget year. If so, verify the Ministerial clearance. Document the position.
3. **Draft a named-officer matrix for your desk.** On a single sheet, list every named officer above you in the PFM hierarchy. Beside each, write what they expect from you and what you expect from them. Keep it on your desk.

FUNDAMENTALS AND PROCESSES OF PUBLIC PROCUREMENT

3.0 Learning Objectives

a. Define public procurement and explain its importance to DVLA operations.
b. State the six key principles of public procurement under Act 663 as amended.
c. Walk the procurement cycle from planning through contract close-out.
d. Identify the procurement methods and thresholds under L.I. 2516 (2025) and apply them.
e. Specify the tendering, evaluation, and documentation requirements at each step.

3.1 What Is Public Procurement?

Public procurement is the process by which a public-sector entity acquires the goods, services, and works it needs to deliver its mandate, using public funds. In Ghana, every acquisition by the DVLA from biometric capture devices and licence card stock to office cleaning services and the construction of the recently commissioned Adentan office is governed by the Public Procurement Act, 2003 (Act 663), as amended by the Public Procurement (Amendment) Act, 2016 (Act 914), and operationalised through the Public Procurement (Thresholds for Approving Authorities and Procurement Methods) Regulations, 2025 (L.I. 2516) (Public Procurement Authority [PPA], 2025).

Procurement matters because it is where most public funds are actually deployed and where most procurement-related audit findings, fiscal losses, and corruption risks arise. A weak procurement function compromises every other PFM objective. A strong procurement function is the operating discipline that makes value for money real.

3.2 The Six Key Principles of Public Procurement

Act 663, as amended, articulates six principles that govern every procurement decision at the DVLA. Each principle is enforceable; each maps to specific actions on the desk of the Procurement Officer and the Finance Officer.

PRINCIPLE	WHAT IT MEANS	WHAT IT REQUIRES AT DVLA
1. Transparency	Procurement decisions are visible and explainable to those with a legitimate interest.	Procurement plans published; tender notices placed; contract awards publicised.
2. Accountability	Named individuals are responsible for each procurement decision.	Procurement records identify the requisitioner, evaluator, approver, and the basis for award.

PRINCIPLE	WHAT IT MEANS	WHAT IT REQUIRES AT DVLA
3. Value for Money	The combination of price, quality, and life-cycle cost delivers maximum benefit per cedi.	Evaluations weigh price and technical merit, not just lowest cost.
4. Fairness	Every bidder receives the same information and is judged against the same criteria.	Identical tender documents to all bidders; no late information given selectively.
5. Non-Discrimination	No bidder is excluded other than on objective, pre-disclosed criteria.	Specifications written for the requirement, not for a preferred supplier.
6. Environmental and Social Sustainability	Procurement considers environmental impact and social outcomes (added by Act 914).	For example, requirements for fuel-efficient fleet, e-waste disposal arrangements.

Table 4 Principles of Public Procurement

3.3 The Procurement Cycle

Procurement is a cycle, not a transaction. It begins long before the tender is issued and continues long after the contract is signed. Eight stages define the cycle at the DVLA.

THE EIGHT-STAGE PROCUREMENT CYCLE

1. **PROCUREMENT PLANNING → annual plan tied to budget**
   ▼
2. **NEEDS DEFINITION → specifications and quantities**
   ▼
3. **METHOD SELECTION → apply L.I. 2516 thresholds**
   ▼
4. **TENDERING → invitation, documents, deadline**
   ▼
5. **EVALUATION → technical + financial scoring**
   ▼
6. **CONTRACT AWARD → approval, notification, signing**
   ▼
7. **CONTRACT MANAGEMENT → delivery, inspection, payment**
   ▼

8. RECORDS & CLOSE-OUT → file, audit trail, lessons learned

Figure 3 The Eight Stage Procurement Cycle

3.4 Procurement Planning and the Budget Linkage

Stage 1 of the procurement cycle is also the stage that fails most often. The PFM Act and the Procurement Act together require that procurement is planned in advance and aligned to the approved budget. Every DVLA procurement should appear on the annual Procurement Plan, which is prepared in tandem with the budget and submitted in line with PPA requirements (PPA, 2025).

- **Procurement Plan precedes the budget submission.** Capital and recurrent expenditure that requires procurement is identified before the budget is finalised.
- **Every procurement line ties to a budget line.** No procurement proceeds without a confirmed budget allocation and uncommitted appropriation.
- **The plan is published and updated.** Quarterly updates reflect actual activity and any approved variations.
- **Unplanned procurement is the exception.** Emergency procurement uses the methods prescribed under the Act, with clear documentation of the emergency.

3.5 Procurement Methods and Thresholds (L.I. 2516, 2025)

The choice of procurement method is not discretionary. It is determined by the estimated value of the procurement and the category (goods, services, or works), applying the thresholds in the Second, Third and Fifth Schedules of Act 663 as amended by L.I. 2516 (2025) (PPA, 2025). The table below summarises the principal 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; longer timelines.
2. National Competitive Tendering	Default method for most large-value DVLA procurements within Ghana.	Public advertisement; open to all qualifying local bidders.
3. Restricted Tendering	Specialised goods or services from a known pool of suppliers.	Pre-selected list of bidders invited; PPA approval typically required.

METHOD	WHEN USED	KEY FEATURES
4. Single Source Procurement	Genuine sole-source or emergency situations only.	Strict justification required; PPA approval mandatory; high audit scrutiny.
5. Request for Quotations	Lower-value, off-the-shelf items.	At least three written quotations; documented comparison.
6. Request for Proposals	Consultancy services where technical quality is paramount.	Two-envelope system: technical + financial; weighted scoring.

Table 5 Procurement Methods and Thresholds

3.6 Tendering, Evaluation, and Contract Award

Stages 4 through 6 of the cycle — tendering, evaluation, and contract award — are the stages where procurement either delivers or fails. Six rules govern them.

a. **Identical tender documents.** Every bidder receives the same tender documents at the same time. Clarifications are issued in writing to all bidders simultaneously.
b. **Sealed bids.** Bids are submitted sealed and opened publicly at the announced time. The opening is recorded in a register signed by witnesses.
c. **Evaluation by the Tender Committee.** The Tender Evaluation Committee applies the pre-disclosed evaluation criteria. No criterion is invented after bids are received.
d. **Award to the responsive lowest-evaluated bidder.** "Lowest evaluated" is not the same as "lowest price." It is the bid that satisfies the technical and commercial requirements at the lowest cost.
e. **Notification and standstill.** Successful and unsuccessful bidders are notified; the contract is not signed before any prescribed standstill or review period elapses.
f. **Contract recorded in GIFMIS.** The contract is signed by the Principal Spending Officer and entered into GIFMIS per Section 25 of the PFM Act.

3.7 Documentation and Record-Keeping

Every procurement file should be able to answer five questions — quickly, completely, and without dispute. If it cannot, the procurement is exposed to audit query.

3.7.1 The Five-Question Test For a Procurement File

1. What was bought? Specifications, quantities, delivery location, technical requirements.
2. Why was it bought? Requisition signed by user department; need justification; budget line.
3. How was the supplier chosen? Method used, tender notice, bids received, evaluation report, approval.
4. What was paid? Invoice, delivery note, payment voucher, withholding tax certificate.
5. Was it received? Goods received note, inspection report, asset register entry where applicable.

3.8 Case Scenarios

3.8.1 The Splitting Question

The Procurement Unit at the DVLA 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 will save time and that each category is genuinely distinct.

Discussion Questions

1. Is the proposed approach permitted under Act 663 as amended? Why or why not?
2. What is the term used to describe this practice, and where in the procurement principles does it fail?
3. What is the correct procurement method for a requirement of this total value?
4. How should the Finance Officer respond to the Procurement Officer's proposal?

3.8.2 The Specification Written for the Vendor

The DVLA is procuring biometric capture devices. The technical specification submitted by the user department is highly detailed: it specifies a particular brand, a particular model number, a particular firmware version, and a particular accessory bundle that, on inspection, matches one vendor's catalogue exactly. The user department argues the specification is "performance-based." The estimated value places the procurement under National Competitive Tendering.

Discussion Questions

1. Which of the six procurement principles is most directly compromised?
2. What is the difference between a performance-based specification and a brand-specific specification?
3. What is the right course of action for the Procurement Officer at this stage?
4. If the procurement proceeds with the specification unchanged, what audit and legal risks does the DVLA carry?

3.9 Knowledge Check

Q1. Which of the following is the principal Act governing public procurement in Ghana?

- ☐ A. The PFM Act, 2016 (Act 921)
- ☐ B. The Public Procurement Act, 2003 (Act 663) as amended
- ☐ C. The Income Tax Act, 2015 (Act 896)
- ☐ D. The Audit Service Act, 2000 (Act 584)

Q2. Which of the following is NOT one of the six key principles of public procurement?

- ☐ A. Transparency

- ◻ B. Value for money
- ◻ C. Lowest price always wins
- ◻ D. Non-discrimination

Q3. Splitting a single procurement requirement into smaller orders to use a less rigorous method is:

- ◻ A. Acceptable if it saves time
- ◻ B. A breach of the Procurement Act and a serious audit finding
- ◻ C. Permitted with the approval of the Procurement Officer
- ◻ D. Standard practice for office consumables

Q4. A procurement file should be able to answer five questions. Which of the following is NOT one of them?

- ◻ A. What was bought?
- ◻ B. Why was it bought?
- ◻ C. How did the supplier influence the user?
- ◻ D. Was it received?

Q5. Award of a competitive tender goes to:

- ◻ A. The bidder with the lowest price
- ◻ B. The bidder with the highest technical score
- ◻ C. The responsive bidder with the lowest evaluated bid
- ◻ D. The bidder closest to the user department

Practical Task - To Be Completed at Your Desk

1. Walk one live procurement against the eight-stage cycle. Pick one current DVLA procurement. Document, for each of the eight stages, where the procurement is and what documentation exists. Identify any stage where the documentation is incomplete.
2. Build a desk-side procurement-methods card. On a single A4 sheet, write the current L.I. 2516 thresholds and the corresponding procurement methods. Verify with the PPA website. Keep it on your desk.
3. Run the five-question test on three closed files. Pull three procurement files closed in the last 90 days. Apply the five-question test. Note any gap. Plan the remediation.

PROCUREMENT COMPLIANCE - DO'S AND DON'TS

4.0 Learning Objectives

a. Apply the ethical standards in procurement set by Act 663 as amended.
b. Recognise and respond to the most common procurement violations seen in Ghanaian public-sector entities.
c. Manage conflicts of interest using a structured declaration and recusal process.
d. Quantify the compliance risks and consequences of breach for the officer and for the DVLA.
e. Embed the five best-practice habits that protect a procurement function from audit query.

4.1 Ethical Standards in Procurement

Procurement at the DVLA is regulated not only by the technical rules of Act 663 and L.I. 2516, but by ethical standards that apply to every officer involved. Five ethical principles, drawn from the Act and from the Public Procurement Authority's guidance, anchor the discipline (PPA, 2025).

a. **Integrity.** Officers act honestly. They do not accept gifts, hospitality, or favours from current or prospective suppliers. They do not promise outcomes they cannot deliver.
b. **Impartiality.** Every bidder is treated equally. Information is shared simultaneously and identically. No bidder receives advance notice, draft questions, or unofficial guidance.
c. **Confidentiality.** Tender information is held confidentially until the official opening. Bidder pricing, evaluation discussions, and internal estimates are not shared outside the Tender Committee.
d. **Accountability.** Every officer signs the documents they author. Decisions are recorded in writing with reasons. The audit trail is maintained for the period prescribed by L.I. 2378.
e. **Independence.** Officers do not accept instructions to favour a specific outcome from anyone outside the proper procurement structure. Pressure from senior officers is documented and escalated.

4.2 Common Procurement Violations

The Auditor-General's annual reports and the PPA's monitoring reports identify a consistent set of procurement violations in Ghana's public sector. The same violations recur year after year in different entities. Eight in particular are worth memorising — not as a list of theoretical risks, but as the practical patterns that compromise procurement functions.

VIOLATION	WHAT IT LOOKS LIKE	WHY IT MATTERS
Splitting of contracts	A single requirement broken into smaller orders to use a less rigorous method.	Breach of Act 663; standard audit finding; potential surcharge under Audit Service Act.

VIOLATION	WHAT IT LOOKS LIKE	WHY IT MATTERS
Sole-source without justification	Single source procurement used without genuine sole-source basis or PPA approval.	Breach of the Procurement Act; voidable contract; personal liability.
Restricted specifications	Technical specifications written to favour a particular brand or supplier.	Compromises non-discrimination; opens contract to legal challenge.
Post-award price changes	Variations to the contract value that exceed permitted limits.	Constitutes a new contract that should have been competed.
Late or no procurement plan	No annual procurement plan, or plan filed late and not aligned to budget.	Breach of the Act; routine audit query.
Backdated documents	Requisitions, quotations, or contracts dated to fit a narrative after the fact.	Constitutes falsification; criminal exposure under PFM Act section 98.
Conflict of interest not declared	Procurement Officer or Evaluator has personal or family interest in a bidder.	Breach of ethical standards; voidable award.
Improper records	Missing tender notices, missing evaluation reports, missing approval evidence.	Cannot defend the award; cannot pass the five-question test.

Table 6 Procurement Violations

4.3 Conflict of Interest Management

Conflict of interest is not, by itself, misconduct. The misconduct is failing to declare it and failing to recuse. Every officer involved in procurement at the DVLA — from requisitioners and evaluators to approvers and payment officers — has a duty to recognise conflicts when they arise and to act on the declaration discipline.

4.3.1 The Conflict of Interest Declaration Discipline

- **Step 1 Recognise**: Family member, friend, business associate, former employer, or any personal benefit in the outcome creates a potential conflict.

- **Step 2 Declare In Writing**: Written declaration to the chair of the Tender Committee and a copy to the Internal Audit Unit, before the matter is discussed.
- **Step 3 Recuse**: The conflicted officer takes no part in the evaluation, the award, the payment, or the contract management of that procurement.

- **Step 4 Record**: 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.

4.4 Compliance Risks and Consequences

A breach of the Procurement Act carries layered consequences. The cost is rarely a single penalty; it is a stack of consequences operating in parallel — institutional, civil, criminal, and reputational.

- **Institutional.** The contract may be voided; the procurement may be redone at the DVLA's cost; the Auditor-General records the finding in the next public report.
- **Civil / Surcharge.** Under section 18 of the Audit Service Act, 2000 (Act 584), officers can be surcharged personally for losses arising from negligence or improper conduct.
- **Criminal.** Section 98 of the PFM Act and related provisions of the Criminal Code carry imprisonment of up to five years and/or financial penalties.
- **Disciplinary.** Civil Service disciplinary procedures including suspension, demotion, and dismissal.
- **Reputational.** For the DVLA, repeated audit findings damage the Authority's standing with the Ministry, with development partners, and with the public.

4.5 Five Best-Practice Habits

The DVLA Finance and Procurement functions that consistently pass audit do five things differently from those that do not. These are the habits to internalise.

1. **Plan Early**: Procurement Plan tied to budget; published; updated quarterly.
2. **Document Contemporaneously**: Every document dated and signed at the time, not reconstructed.
3. **Run A Tender Committee That Works**: Quorum maintained; minutes taken; decisions recorded with reasons.
4. **Declare Every Potential Conflict:** Standing declaration at the start of every procurement; updates as facts change.
5. **Close Files Properly**: Procurement file passes the five-question test before it is shelved.

4.6 Case Scenarios

4.6.1 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.

Discussion Questions

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

2. Apply the four-step declaration discipline. What should the Officer have done before the evaluation?
3. If the Officer participates in the evaluation and the brother's company wins, what is the institutional consequence — even if the evaluation was technically correct?
4. Is the answer different if the Officer evaluates fairly and the brother's company does NOT win? Why or why not?

4.6.2 The Variation That Became a New Contract

The DVLA awarded a contract for the renovation of a regional office at GHS 480,000. During execution, the user department requested additional works — air-conditioning of two extra rooms, expansion of the customer service area, and additional security infrastructure — totalling GHS 220,000. The Project Manager wishes to process this as a single variation. The Finance Officer reviewing the variation request notes that the cumulative additional value is approximately 46% of the original contract.

Discussion Questions

1. What is the principal compliance concern with treating this as a single variation?
2. At what point does a "variation" become, in substance, a new contract requiring its own procurement?
3. What is the Finance Officer's correct response to the Project Manager?
4. If the variation proceeds and is later flagged, who carries the personal exposure under the Audit Service Act?

4.7 Knowledge Check

Q1. Splitting a procurement into smaller orders to use a less rigorous method is:

- ☐ A. A common audit finding
- ☐ B. Acceptable for time-pressured situations
- ☐ C. Permitted with management approval
- ☐ D. Standard for low-value items

Q2. A Procurement Officer realises that a bidder is owned by their cousin. The right next step is:

- ☐ A. Continue and evaluate fairly
- ☐ B. Declare the conflict in writing and recuse from the evaluation
- ☐ C. Discuss informally with the supervisor
- ☐ D. Resign from the Tender Committee at the end of the year

Q3. Under section 18 of the Audit Service Act, an officer who causes a loss to the public through negligence can be:

- ☐ A. Reprimanded only
- ☐ B. Surcharged personally for the loss
- ☐ C. Required to apologise
- ☐ D. Transferred to another department

Q4. A variation of approximately 46% of the original contract value:

- ☐ A. Is a routine adjustment
- ☐ B. Constitutes in substance a new contract requiring its own procurement
- ☐ C. Can be approved by the Procurement Officer alone
- ☐ D. Has no audit implications

Q5. Which of the following is NOT one of the five best-practice habits?

- ☐ A. Plan early
- ☐ B. Document contemporaneously
- ☐ C. Adjust documents after the fact to match outcomes
- ☐ D. Close files properly

Practical Task

1. Identify three live conflicts. List three procurements you are currently involved in. For each, identify any actual or potential conflict of interest. Make the declarations in writing this week.
2. Audit one variation file. Pull one variation order processed in the last 90 days. Compute the cumulative variation as a percentage of the original contract. If it exceeds the threshold permitted by the Act, flag it.
3. Run the five-habit self-check. For each of the five best-practice habits, score yourself honestly on a scale of 1 to 5. Identify the lowest score. Commit to one specific improvement this month.

IMPREST MANAGEMENT AND ACCOUNTABILITY

5.0 Learning Objectives

a. Define imprest and explain its purpose in DVLA operations.
b. Distinguish standing imprest from special imprest and apply each correctly.
c. Walk the procedures for requesting, approving, and disbursing imprest.
d. State the conditions governing imprest usage and the responsibilities of imprest holders.
e. Embed the cash-handling safeguards that protect the officer and the Authority.

5.1 What Is an Imprest?

An imprest is a sum of money advanced to a designated officer to meet specific expenditure that, by its nature, cannot conveniently be paid through the normal procurement and payment process. Imprests exist because public-sector operations sometimes need to spend small amounts quickly, a regional licensing exercise that requires immediate cash for venue rental, a community outreach event that requires a refreshment budget on the day, an emergency repair to a vehicle inspection lane that cannot wait for a procurement cycle.

Imprest is governed in Ghana by Regulations 99 to 105 of the Public Financial Management Regulations, 2019 (L.I. 2378) (Ministry of Finance, 2019). These Regulations define the types of imprest, the procedures for request and retirement, the conditions of use, the responsibilities of imprest holders, and the consequences of unretired or misused imprest.

5.2 Types of Imprest

L.I. 2378 distinguishes two principal types of imprest. Each has its own purpose, its own procedure, and its own retirement discipline.

TYPE	PURPOSE	KEY FEATURES
Standing Imprest	Recurring small-value operational expenditure where multiple small payments are made throughout the year.	Replenished as it is spent. Held by a designated officer. Reconciled monthly. Returned to nil at year-end.
Special Imprest	A one-off purpose with a defined scope, amount, and timeline — e.g. a regional outreach, a one-time training, a specific assignment.	Issued for a single purpose. Retired in full at the end of the assignment. Unused balance returned immediately.

Table 7 Types of Imprest

A standing imprest is the running float for everyday small expenditure. A special imprest is the dedicated cash advance for a specific event or assignment. Confusing the two — for example, using a special imprest as a running float, or topping up a standing imprest after it has been retired — is a common audit finding.

5.3 Procedures for Requesting and Approving Imprest

Every imprest at the DVLA follows the same approval discipline. Five stages move an imprest from request to disbursement.

IMPRESST REQUEST AND APPROVAL FLOW

1. **REQUEST** → **Imprest Request Form completed by user department; purpose, amount, period stated.**
   ▼
2. **BUDGET CHECK** → **Finance verifies budget availability; ensures purpose is approved expenditure.**
   ▼
3. **APPROVAL** → **Authorised by the Principal Spending Officer or delegated approver.**
   ▼
4. **DISBURSEMENT** → **Funds released to the named Imprest Holder, recorded against the budget line.**
   ▼
5. **ACKNOWLEDGEMENT** → **Imprest Holder signs receipt of funds; imprest register updated.**

Figure 4 Imprest Request and Approval Flow

5.4 Conditions Governing Imprest Usage

Imprest is not a personal float. Six conditions govern its use; breach of any one is a basis for audit query and possible disciplinary action.

1. **Use only for the stated purpose.** An imprest issued for a regional licensing exercise cannot be used for personal expenditure, for unrelated activities, or for purposes that should have gone through procurement.
2. **Use only within the approved period.** Special imprests have a stated end date. Expenditure after that date is not retired against the imprest.
3. **Retain original receipts for every disbursement.** Every cedi spent must be supported by an original receipt or other primary document. Photocopies, written notes, and "trust" entries are not acceptable.

4. **Apply the relevant tax obligations.** Withholding tax applies to qualifying imprest payments to suppliers above the GHS 2,000 threshold (per supplier per annum).
5. **Keep funds secure.** Imprest is held in a secure location. Bulk cash is not carried on public transport, kept overnight at home, or commingled with personal funds.
6. **Submit a retirement on time.** The retirement discipline is the subject of Session 6. The imprest holder's primary duty after using the imprest is to retire it correctly and on schedule.

5.5 Responsibilities of the Imprest Holder

The Imprest Holder is named in writing on the imprest authorisation. From the moment the funds are received, the holder carries personal responsibility for the imprest until it is fully retired and the file is closed.

- **Personal custody.** The holder is personally responsible for the safe-keeping of the funds. Loss, theft, or misplacement is the holder's liability unless promptly reported and investigated.
- **Disbursement discipline.** Disbursements are made only for the approved purpose, supported by receipts, and recorded contemporaneously in the imprest cash book.
- **Record-keeping.** A simple cash book or ledger records each disbursement, the recipient, the receipt number, and the running balance.
- **Reporting.** Standing imprest holders submit a monthly reconciliation. Special imprest holders submit the retirement at the close of the assignment.
- **No delegation without authority.** An imprest holder does not delegate disbursement to another officer without written authority. The named officer remains personally accountable.

5.6 Cash-Handling Safeguards

Where cash is involved, the controls become physical, not just procedural. Five safeguards protect both the imprest holder and the DVLA.

5.6.1 Five Cash-Handling Safeguards

1. Secure storage. Imprest cash is held in a lockable cash box or office safe — not in a desk drawer, a personal bag, or a residence.

2. Dual count. Any movement of cash above a stated threshold is counted by two officers and signed by both.

3. Banking discipline. Where the imprest is not in active use, balances are banked in the imprest bank account, not carried as cash.

4. Periodic surprise check. Internal Audit conducts unannounced cash counts. The imprest holder welcomes and facilitates them.

5. Insurance and reporting. Any loss is reported within 24 hours to the supervisor, the Internal Audit Unit, and (where the loss is material) the police.

5.7 Case Scenarios

5.7.1 The Regional Outreach Imprest

A special imprest of GHS 95,000 has been issued to a Senior Examiner to cover the cost of a DVLA Community Outreach Programme in the Bono Region over a two-week period. The purposes include venue rental, refreshments for participants, printing of educational materials, and per-diem allowances for the team. Three days into the exercise, the lead Examiner finds that the printing vendor in Sunyani requires payment in advance for a print run of 5,000 educational fliers. The amount is GHS 16,800. There is no GRA-registered alternative vendor within practical reach.

Discussion Questions

1. Is paying the printing vendor in advance from the imprest permitted? On what conditions?
2. Does withholding tax apply to this payment? At what rate? Who issues the WHT certificate?
3. What documentation must the Examiner obtain from the vendor and retain in the imprest file?
4. What is the consequence if the vendor delivers a tax invoice without a valid TIN?

5.7.2 The Imprest That Became a Float

A Standing Imprest of GHS 15,000 is held at one of the DVLA's regional offices for incidental operational expenditure (small stationery, urgent fuel, refreshments for visiting officers). Over the past four months, the imprest has not been reconciled monthly as required. The cash book shows numerous entries described only as "operations" or "office use." Receipts are missing for several disbursements. The Imprest Holder argues that the office has been busy and that the imprest is being used "as a float, as everyone does."

Discussion Questions

1. Cite the specific Regulations of L.I. 2378 that have been breached.
2. What is the difference between a standing imprest and a "float"?
3. What is the personal exposure of the Imprest Holder under the Audit Service Act?
4. What are the three immediate corrective actions the Finance Manager should take?

5.8 Knowledge Check

Q1. Which Regulations govern imprest in Ghana's public sector?

- ◻ A. PFM Act 2016 (Act 921), sections 1–10
- ◻ B. L.I. 2378 of 2019, Regulations 99–105
- ◻ C. Audit Service Act 2000 (Act 584)
- ◻ D. Public Procurement Act 2003 (Act 663)

Q2. Which of the following is the BEST description of a special imprest?

- ◻ A. A recurring float held by a designated officer
- ◻ B. A one-off advance for a specific purpose with a defined timeline

- ☐ C. Money set aside by management for emergencies
- ☐ D. A revolving fund replenished monthly

Q3. An imprest holder must:

- ☐ A. Keep cash in their personal residence overnight
- ☐ B. Use the imprest for any operational expenditure
- ☐ C. Hold personal custody and use the imprest only for the stated purpose
- ☐ D. Delegate disbursement to a junior officer when convenient

Q4. A standing imprest at a regional office has not been reconciled monthly as required. This is:

- ☐ A. Acceptable if the office has been busy
- ☐ B. A breach of L.I. 2378 with personal exposure for the imprest holder
- ☐ C. Standard practice for small offices
- ☐ D. Acceptable as long as the cash is accounted for at year-end

Q5. Loss of imprest cash should be reported:

- ☐ A. Within 24 hours to supervisor, Internal Audit, and (if material) the police
- ☐ B. At the next monthly reconciliation
- ☐ C. Only if the amount exceeds GHS 5,000
- ☐ D. Privately to a colleague first

Practical Task

1. Inventory every imprest under your responsibility. List every standing and special imprest active in your area. For each, note the holder, the purpose, the amount, the date of issue, and the next retirement date.
2. Run the imprest holder self-check. If you are an imprest holder, walk through the six usage conditions. Identify any condition you are not consistently meeting. Plan the remediation within 14 days.
3. Schedule an internal cash count. Coordinate with Internal Audit (or self-administer) an unannounced count of every active imprest in your area in the next 30 days. Document the results.

RETIREMENT OF IMPREST AND TAX COMPLIANCE

6.0 Learning Objectives

a. Apply the procedures and timelines for retiring imprest under L.I. 2378.
b. Specify the supporting documentation required for a complete retirement.
c. Handle delayed or unretired imprests, including the reporting requirements.
d. Reconcile imprest accounts at month-end and year-end.
e. Apply withholding tax correctly to DVLA supplier payments: when it applies, the rate, the filing procedure, and the consequences of non-compliance.

6.1 Procedures and Timelines for Retiring Imprest

Imprest retirement is the discipline of accounting for the funds advanced. For a special imprest, the retirement is submitted at the end of the assignment. For a standing imprest, the retirement is the monthly reconciliation that demonstrates how the float has been used and refreshes it for the next month. Regulations 99 to 105 of L.I. 2378 prescribe the timelines and the consequences for delay (Ministry of Finance, 2019).

IMPREST TYPE	RETIREMENT TIMELINE	IF NOT RETIRED ON TIME
Special Imprest	Within fourteen (14) days of the end of the assignment, or such shorter period stated in the authorisation.	Treated as unauthorised use; converted to a personal debt against the holder; recoverable from salary.
Standing Imprest	Monthly reconciliation submitted within five (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; nothing carried into the new year.	Unretired balance disclosed in the audited accounts as a receivable from the named officer.

Table 8 Procedures and Timelines for Retiring Imprest

6.2 Required Supporting Documentation

A complete retirement is a file. The cash book is necessary but not sufficient. Six categories of document together make a retirement defensible at audit.

- **The cash book (or imprest ledger).** A contemporaneous record of every disbursement with date, recipient, purpose, amount, receipt reference, and running balance.
- **Original receipts.** For every disbursement, the original receipt from the vendor or recipient. Photocopies are not retirement evidence.

- **Tax invoices and WHT certificates.** For supplier payments above the WHT threshold, the tax invoice and a copy of the WHT certificate issued to the supplier.
- **Acknowledgement of allowances.** For per-diem and travel allowances, signed acknowledgement by each recipient.
- **Activity report.** A short narrative of what was done, particularly for special imprests issued for a defined assignment.
- **Refund evidence.** For any unspent balance, a paying-in slip or bank advice showing the balance returned to the imprest account.

6.3 Handling Delayed or Unretired Imprest

Where an imprest is not retired on time, the Regulations require specific action. The Finance Manager does not have discretion to overlook the delay; the discipline applies regardless of seniority or circumstance.

6.3.1 The Unretired Imprest Discipline

a. **Day 1 after deadline:** Written reminder to the imprest holder; copy to the holder's supervisor.
b. **Day 15 after deadline:** Formal notice that the imprest is treated as a personal debt; future imprest refused; reported to Internal Audit.
c. **Day 30 after deadline:** Authorisation to recover the unretired balance from the holder's salary or other emoluments.
d. **Year-end:** Any outstanding balance disclosed in the audited accounts as a receivable; Auditor-General notified.

6.4 The Reconciliation Process

Reconciliation is the discipline of proving that the imprest account balances. It moves through five steps and ends with a signed reconciliation statement.

6.4.1 The Five – Step Imprest Reconciliation

- STEP 1: Cash count: physical count of cash on hand by two officers.
- STEP 2: Bank statement: tie cash book to imprest bank account.
- STEP 3: Receipts: total of original receipts matches disbursements.
- STEP 4: Tax verification: WHT computed and remitted on qualifying payments; certificates issued to suppliers.
- STEP 5: Sign-off: imprest holder and Finance Officer sign the reconciliation statement; Internal Audit retains a copy.

$$\begin{aligned}\text{Imprest received} = {} & \text{Cash on hand} + \text{Receipted disbursements} \\ & + \text{Bank balance} \\ & + \text{Refund returned}\end{aligned}$$

6.5 Introduction to Withholding Tax

Withholding Tax (WHT) is a mechanism by which tax is deducted at source on certain payments and remitted directly to the Ghana Revenue Authority (GRA) by the payer on behalf of the payee (GRA, 2026; UKGCC, 2024). For the DVLA, withholding tax applies primarily to payments made to suppliers of goods, services, and works. Every Finance Officer should be able to identify when withholding tax applies, at what rate, who issues the certificate, and when the deduction must be remitted.

The legal basis is the Income Tax Act, 2015 (Act 896), together with the Revenue Administration Act, 2016 (Act 915), and from 1 January 2026 , the VAT Act, 2025 (Act 1151), which governs VAT withholding (GRA, 2026).

6.5.1 When Withholding Tax Applies

Withholding tax applies to certain categories of payment made by a resident person (which includes the DVLA) to another person, where the cumulative payments to that person exceed a stated threshold per annum. The current threshold for goods, services, and works is GHS 2,000 per annum per recipient (UKGCC, 2024). Below this threshold, no WHT is due on the underlying transaction; above it, WHT is applied to all subsequent payments to that recipient.

At the DVLA, withholding tax typically applies to payments for:

- **Supply of goods**: biometric capture equipment, vehicle inspection devices, card stock, stationery, office furniture.
- **Supply of services**: Consultancy, training, IT services, courier, cleaning, security.
- **Supply of works**: Office renovation, fit-out, civil works at regional offices.
- **Rent payments**: Commercial premises hosting DVLA satellite offices.
- **Management and technical service fees**: Specialist advisory and technical support.

6.5.2 Applicable Withholding Tax Rates

The rates that apply to common DVLA payments are summarised below. Rates change periodically; verify with the GRA before applying to a specific transaction (GRA, 2026).

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.

PAYMENT TYPE	RATE (RESIDENT)	NOTES
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.

Table 9 Applicable Withholding Tax Rates

6.5.3 Filing and Remittance Procedures

The Finance Officer's discipline around withholding tax is built on five sequential steps. Each one is auditable; each one must be done in the right order.

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 CERT → Issue a Withholding Tax Credit Certificate to the supplier, signed by an authorised officer.**
4. **REMIT → Remit the withheld tax to the GRA within fifteen (15) days after the end of the month.**
5. **FILE → Submit the WHT return to the GRA on the prescribed form; retain the file copy.**

Figure 5 The Five Step WHT Workflow

6.5.4 Penalties for Non-Compliance

The Revenue Administration Act, 2016 (Act 915), and the Income Tax Act, 2015 (Act 896), provide a layered set of penalties for non-compliance. Each penalty operates independently — they accumulate; they do not substitute for one another.

- **Failure to withhold.** The withholding agent becomes personally liable for the tax that should have been withheld, plus interest and penalties.
- **Late remittance.** Interest at the statutory rate, plus a penalty for late payment, calculated from the due date.
- **Failure to file the return.** A fixed penalty per default and additional penalties for continued non-compliance.
- **Failure to issue the WHT certificate.** Specific penalty under Act 915; supplier may treat the tax as not withheld.
- **Criminal exposure.** Wilful failure or falsification is an offence under Sections 78 and 82 of Act 915, carrying fines up to GHS 50,000 or three times the tax involved.

6.6 Case Scenarios

6.6.1 The Imprest That Was Not Retired

A Senior Examiner was issued a special imprest of GHS 120,000 in March for a regional licensing exercise expected to last three weeks. By the end of June (three months later), no retirement has been submitted. The Examiner has been in and out of the office on other duties; the Finance Manager has sent two reminders. The Examiner now produces a cash book that records expenditure of GHS 96,400 and claims a balance of GHS 23,600 was used "for additional logistics costs" but receipts cannot be found.

Discussion Questions

1. Cite the specific Regulation that has been breached and the prescribed deadline.
2. How should the GHS 23,600 without receipts be treated under L.I. 2378?
3. What is the consequence for the Examiner, and how is the unretired amount recovered?
4. What systemic change should the Finance Manager institute to prevent recurrence?

6.6.2 The Withholding Tax Decision

The DVLA has signed a contract with a Ghanaian consultancy firm for the provision of management consulting services on the Authority's new strategy. The contract value is GHS 380,000, payable in three milestone instalments of GHS 120,000, GHS 130,000, and GHS 130,000. The first invoice has been received. The consultancy firm is VAT-registered. The Finance Officer reviewing the invoice needs to determine the correct withholding tax treatment.

Discussion Questions

1. Does withholding tax apply to this payment? Why?
2. At what rate? On what amount is the rate applied — the gross invoice, the VAT-exclusive amount, or some other base?

3. What document must the Finance Officer issue to the consultancy firm in respect of the WHT, and by when?
4. By what date must the withheld tax be remitted to the GRA, and on what form?

6.7 Knowledge Check

Q1. A special imprest must be retired:

- ◻ A. Within 14 days of the end of the assignment
- ◻ B. At year-end only
- ◻ C. Whenever the Imprest Holder finds time
- ◻ D. After the next imprest is issued

Q2. The withholding tax rate on the supply of services to a resident is currently:

- ◻ A. 3%
- ◻ B. 5%
- ◻ C. 7.5%
- ◻ D. 20%

Q3. Withholding tax on a qualifying payment must be remitted to the GRA:

- ◻ A. Within 7 days of the payment
- ◻ B. Within 15 days after the end of the month in which the deduction was made
- ◻ C. Within 30 days of the financial year-end
- ◻ D. When the GRA issues a demand notice

Q4. A supplier is paid GHS 1,400 once during the year. Does WHT apply?

- ◻ A. Yes, on the full amount
- ◻ B. No, the payment is below the GHS 2,000 cumulative threshold
- ◻ C. Yes, but only at half the normal rate
- ◻ D. Only if the supplier requests it

Q5. An imprest holder cannot find original receipts for GHS 23,600 of expenditure. The correct treatment is:

- ◻ A. Accept the cash-book entries as sufficient
- ◻ B. Treat the GHS 23,600 as unauthorised use, recoverable as a personal debt from the holder
- ◻ C. Write off the amount and move on
- ◻ D. Issue a new imprest to cover the gap

Practical Task

1. Audit one open imprest for retirement readiness. Pick one active imprest in your area. Walk through the five-step reconciliation. Identify any gap before the retirement is due. Close the gaps this week.
2. Build your WHT rates card. Using the table in Section 6.5.2 as a starting point, build a one-page WHT rates card for the most common DVLA supplier payments. Verify each rate with the GRA website. Keep it on your desk.
3. Walk one supplier payment through the five-step WHT workflow. Take one recent supplier payment processed without WHT (if any) or with WHT (if all in order). Walk through each of the five steps. Identify any deviation from the workflow.

IMPLEMENTATION GUIDE — 30 / 60 / 90 DAY PLAN

The training produces no behaviour change without the 90 days that follow. This plan turns the six sessions into a structured implementation over twelve weeks. Read it the day after the workshop. Discuss it with your supervisor. Put the review dates in your diary now.

Days 1–30 · ESTABLISH

Build the foundations. By Day 30, the daily disciplines should be in place: the document checks before every payment, the WHT computation on every supplier transaction, the contemporaneous record-keeping that closes the audit trail.

DAY	ACTION	EVIDENCE OF COMPLETION
Day 1	Re-read your personal accountability statement (Session 1 practical task). Sign and date it. Place it where you will see it daily.	Statement on display.
Day 3	Read Sections 7, 8, 25, and 98 of the PFM Act. Note any provision you do not currently apply.	Annotated copy of the relevant Sections.
Day 7	Verify your WHT rates card against current GRA rates. Place it on your desk for daily reference.	Verified WHT rates card.
Day 14	Audit every active imprest under your responsibility against the six usage conditions (Session 5).	Imprest audit checklist completed.
Day 21	Run the five-question test on three procurement files closed in the last 90 days. Identify any gaps and remediate.	Three remediated files.
Day 30	Self-review: are all four daily disciplines in place — document verification, WHT computation, contemporaneous recording, and budget gate-keeping?	Written 30-day self-assessment.

Table 10 Implementation Guide Days 1 – 30

Days 31–60 · DEEPEN

Move from foundational discipline to active compliance. By Day 60, the harder situations should be handled with structure: declared conflicts, escalated risks, properly variation requests, retirement disciplines under pressure.

DAY	ACTION	EVIDENCE OF COMPLETION
Day 35	Identify any actual or potential conflict of interest you are exposed to. Make the written declaration to the Tender Committee chair.	Filed declaration.
Day 42	Audit one current contract for multi-year exposure. Verify Ministerial clearance where required (Session 2).	Documented multi-year-contract audit.
Day 45	Walk one current procurement against the eight-stage cycle (Session 3). Identify any stage with incomplete documentation.	Procurement-cycle walk-through.
Day 50	Process one supplier payment using the five-step WHT workflow (Session 6). Document each step.	Documented WHT workflow.
Day 55	Pair check-in with an accountability partner from the workshop. What is working? What is hard?	Documented conversation.
Day 60	Self-review: am I applying PAUSE-style discipline (declare, escalate, document) on the harder situations?	Written 60-day self-assessment.

Table 11 Implementation Guide Days 31 – 60

Days 61–90 · EMBED

The final phase. By Day 90, the standard should be operating without conscious effort. The Finance Officer who has internalised the disciplines is no longer running a checklist; they are operating the standard automatically.

DAY	ACTION	EVIDENCE OF COMPLETION
Day 65	Re-read all six sessions. Annotate which sections feel less relevant now (because internalised) and which still need work.	Personal annotation of the manual.
Day 70	Run a comprehensive imprest audit across your area. Verify timelines, documentation, and reconciliation status.	Comprehensive imprest audit.

DAY	ACTION	EVIDENCE OF COMPLETION
Day 75	Identify one process improvement you will propose to the Finance Manager. Frame it with a business case.	Process-improvement proposal.
Day 80	Mentor a junior colleague informally. Share one discipline from this manual that has made a real difference.	Personal note of the conversation.
Day 85	Re-read your personal accountability statement (from Day 1). Revise if needed. Re-sign and re-date.	Revised, re-signed statement.
Day 90	Final self-review: am I the Finance Officer I committed to being? What is the next standard to raise?	Written 90-day self-review submitted to supervisor.

Table 12 Implementation Guide Days 61 – 90

The Three-Person Accountability Structure

You will not sustain this alone. Three people support your implementation:

- **Your supervisor:** They sign off the 30-day, 60-day, and 90-day self-reviews. They notice when standards slip. They are your formal accountability.
- **Your accountability partner:** A fellow DVLA Finance Officer who has been through the same training. Bi-weekly check-ins. Honest conversation. Mutual support when the standard is hard to keep.
- **Yourself:** The personal accountability statement on the wall. The diary entries on Day 30, 60, 90. The personal commitment that makes the difference between attending a workshop and changing your daily practice.

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.

The true value of this training lies not in the knowledge acquired, but in its consistent application. Every officer, manager, and decision-maker has a responsibility to uphold the principles of transparency, accountability, efficiency, and value for money. Compliance should not be viewed merely as a statutory obligation but as a professional commitment to protecting public resources and maintaining public confidence in the Authority.

Ultimately, excellence in public financial management is a shared responsibility. By applying the knowledge and skills gained through this masterclass, every member of staff can contribute to a more accountable, efficient, and high-performing DVLA that delivers greater value to citizens while fulfilling its mandate with integrity and professionalism.

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