GHANA HEALTH SECTOR


APRIL, 2014
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Abbreviations and Acronyms

BCA      Basic Cooperation Agreement
BMC      Business Management Centre
CCM      Country Coordinating Mechanism of the Global Fund
CHAG     Christian Health Association of Ghana
CIMU     Capital Investment Management Unit of the Ministry of Health
CMA      Common Management Arrangement
CSOs     Civil Society Organisations
DHIMS    District Health Information Management System
DPs      Development Partners
GAC      Ghana Aids Commission
GFATM    Global Fund for AIDS, Tuberculosis and Malaria
G-HAP    Ghana Harmonisation Action Plan
GHS      Ghana Health Service
G-JAS    Ghana Joint Assistance Strategy
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>GoG</td>
<td>Government of Ghana</td>
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<tr>
<td>HQ</td>
<td>Headquarters</td>
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<tr>
<td>IALC</td>
<td>Inter-Agency Leadership Committee</td>
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<td>ICCs</td>
<td>Inter-Agency Coordinating Committees</td>
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<td>IGF</td>
<td>Internally Generated Funds</td>
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<td>MDAs</td>
<td>Ministries, Departments and Agencies</td>
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<td>MDBS</td>
<td>Multi-Donor Budget Support</td>
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<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
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<td>MOFEP</td>
<td>Ministry of Finance and Economic Planning</td>
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<td>MOH</td>
<td>Ministry of Health</td>
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<td>MoU</td>
<td>Memorandum of Understanding</td>
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<td>MTEF</td>
<td>Medium Term Expenditure Framework</td>
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<td>NDPC</td>
<td>National Development Planning Commission</td>
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<td>NGOs</td>
<td>Non-Governmental Organisations</td>
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<td>NHIA</td>
<td>National Health Insurance Authority</td>
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<td>NHIF</td>
<td>National Health Insurance Fund</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Cooperation and Development</td>
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<td>PAF</td>
<td>Performance Assessment Framework</td>
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<tr>
<td>Abbreviation</td>
<td>Description</td>
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<tr>
<td>PEPFAR</td>
<td>US President's Emergency Plan for AIDS Relief</td>
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<td>PFM</td>
<td>Public Financial Management</td>
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<td>PIUs</td>
<td>Project Implementation Units</td>
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<td>POW</td>
<td>Programme of Work</td>
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<td>PPA</td>
<td>Public Procurement Authority</td>
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<td>PBU</td>
<td>Budget Unit of the Policy Planning, Monitoring and Evaluation Directorate</td>
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<td>PPME</td>
<td>Policy Planning, Monitoring and Evaluation</td>
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<td>SBS</td>
<td>Sector Budget Support</td>
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<td>SMTDP</td>
<td>Sector Medium Term Development Plan</td>
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<td>SWAp</td>
<td>Sector Wide Approach</td>
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<td>SWG</td>
<td>Sector Working Group</td>
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<tr>
<td>TB</td>
<td>Tuberculosis</td>
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<td>VFM</td>
<td>Value for Money</td>
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1. Introduction

Background
This Common Management Arrangement (CMA) sets out arrangements for effective collaboration and coordination within the health sector. It describes interrelationships within the health sector. It is aimed at ensuring effective achievement of the Health Sector Medium Development Plan. The CMA recognizes institutional legislation, mandates and roles of all sector partners. The CMA is guided by the sector legislations, mandate, policies and procedures as well as key developments in the international and national aid architecture as reflected in the following – the Ghana Health Services and Teaching Hospitals Act 525, 1996; the National Health Insurance Act 850, 2012; the Financial Administration Act 654, 2003; and Regulations 2004; the Accounting, Treasury and Financial Rules and Regulations; the sector annual Planning Guidelines; the Paris Declaration on Aid Effectiveness; the Accra Agenda for Action; the Ghana Aid Policy; the Ghana Harmonisation Action Plan (G-HAP); the Ghana Joint Assistance Strategy (G-JAS) and the sector Aide Memoire.

The Common Management Arrangement IV is different from previous CMAs because of the evolving institutional reforms and decentralisation of the sector. There is an
increasing need to involve a larger group of stakeholders such as the private sector and civil society in the sector planning, implementation and monitoring processes. CMA IV also reflects the changing financing architecture of the health sector.

Under the guidance of the National Development Planning Commission (NDPC), the Ministry of Health together with other MDAs has prepared a new Health Sector Medium Term Development Plan 2014-2017 (HSMTDP II). The HSMTDP II is aligned to the overall National Medium-Term Development Policy Framework (2014-2017) which has been developed with a view to improving the living standards of people in Ghana. While the HSMTDP II sets out the direction for the sector for the next four years in terms of policy and key implementation strategies, the CMA focuses on the collaboration arrangements which need to be in place in the sector for the policies outlined in the HSMTDP II to be successfully implemented.

All stakeholders in the sector will be expected to comply with arrangements set out in the current CMA. On an annual basis, and in line with the principles of mutual accountability, all sector partners and other stakeholders will undergo a peer review exercise to assess their level of compliance with the CMAs key principles. The review will be coordinated by the PPME of MOH and the results will be
presented at the first Business Meeting for the year. Sector stakeholders will be expected to take corrective measures to address any deviations identified in these reviews. Compliance with the CMA will also be encouraged through the dialogue processes in the sector.

**Purpose**
The purpose of the Common Management Arrangement is to spell out modalities for effective collaboration and coordination of all processes and activities within the health sector and describes interrelationships, roles and responsibilities within the health sector.

**Objectives**
The broad objectives are as follows:

- Provide a framework that ensures arrangements for coordination and dialogue in the sector facilitates effective implementation of sector programs.
- Ensure transparent and equitable resource allocation in the sector
- Integrate all plans and resources into sector planning and management processes.
- Ensure that all parties commit to an indicative resource framework in line with MOH guidelines.
- Clarify and improve reporting and communication within the sector;
Improve linkages between sector data sources and; operationalise arrangements for performance agreements with service providers.

- Promote the participation of the private sector and civil society in health sector financial management and oversight processes; and to maximize compliance with the agreed rules and procedures by the use of dialogue through existing structures.
- Intensify collaboration between MOH and its stakeholders to use national systems in the procurement of goods and services.
- Promote use of a common audit system for all sources of funds,
- Provide a framework to enable key sector stakeholders address challenges confronting the sector and ensure that institutional arrangements and coordination in the sector facilitate effective implementation of programs and achievements.
2. Coordination and Dialogue

Background
A number of emerging challenges have been identified in the health sector's institutional arrangements and coordination during and since CMA III. They include:

- Weak coordination and collaboration between the Ministry, its agencies and partners;
- Complex and increased fragmentation of the sector with different funding modalities;
- Relatively weak institutional arrangements for performance agreements with service providers;
- Inadequate structures for effective inter-sectoral collaboration;
- Weak engagement with the private sector and civil society.

Health Sector Partners
The key sector partners identified under the CMA IV are listed below and are hereinafter referred to in the CMA as 'key sector partners'.

- The Ministry of Health;
• Other Public Sector Implementing Agencies - Quasi-Government Institutions;

• Christian Health Association of Ghana

• Non-Government Providers - Private Sector and NGOs, including Traditional Providers;

• The Ghana Health Service;

• The Ministry of Finance, and other MDAs; the Parliamentary select Committee on Health; and the National Development Planning Commission;

• Metropolitan, Municipal and District Assemblies;

• Development Partners;

• Civil Society;

• The HIV/AIDS Sub-Sector led by the Ghana Aids Commission.

**Sector Dialogue Structures**

The Ministry of Health provides overall leadership and direction to the health sector; coordinates implementation of the HSMTDP to ensure achievement of sector objectives; and facilitates engagement with health sector partners at all levels. The Ministry shall facilitate policy and technical dialogues with health sector partners and stakeholders through the following structures:
1. The Inter-Agency Leadership Committee (IALC)
2. The Sector Working Group Meetings (SWG)
3. Business Meetings
4. Annual Health Summit
5. Decentralised Level Dialogue

The Inter-Agency Leadership Committee
The primary purpose of the Inter-Agency Leadership Committee (IALC) is to institutionalize a key leadership structure across MOH and its Agencies. The Committee fosters health sector unity through collaboratively determining priorities, discussing issues, sharing strategic ideas, examining results to date, shaping policy, and strengthening overall strategic direction. The Committee works together as health leaders and Agencies of the MOH to contribute to and meet health sector goals and outcomes as laid out in the Health Policy, Programmes of Work and complementary Aide Memoire.

The Inter-Agency Leadership Committee shall convene four times a year (quarterly) to discuss ongoing governance planning, assess performance, and consider other contemporary issues confronting the ministry and the sector as a whole.
Core membership of the Committee shall comprise the \textbf{Minister of Health, the Deputy Ministers, the Heads of Agencies, and the Chief Director}. Other stakeholders (i.e. training and research institutions, development partners, civil society, the private sector, other Ministries, Agency board members, health sector specialists, CHAG etc) shall be invited as participants on an ad hoc basis to speak to particular agenda items or support any committee member to make decisions on a specific agenda item.

The PPME of MOH shall be responsible for coordinating agenda and meeting materials, and attend each meeting.

The Minister of Health shall be the standing chairperson; where the Minister is unavailable to act as chairperson a Deputy Minister may stand in. The Chief Director is responsible for oversight of the agenda and works with the PPME to coordinate the meeting schedules and agenda.

\textbf{Sector Working Group Meetings}
Health is influenced by many factors outside the direct control of the MOH. Progress in health sector objectives depends on how effectively the Ministry engages with its stakeholders. The Sector Working Group provides the forum to achieve effective engagement with all health sector stakeholders. The objectives of Sector Working Group meetings are to:
- Conduct a coordinated, coherent and quality policy dialogue among health sector stakeholders;

- Provide input to formulation of sector policies, strategies and programs and to ensure coherence with the national development plan;

- Participate actively in decision-making on the direction of policies and strategies concerning health;

- Monitor implementation of the sector program and commitments made by different stakeholders to the realization of the objectives of the health policy and strategic framework;

- Monitor resource allocation and utilisation, and integration of external assistance into the overall sector financing plan;

- improve the harmonization and alignment of DPs support towards Government budget, priorities, systems and procedures; and

- Share information and agree on sector operational issues.

Sector Working Group Meetings shall be designed and convened by the PPME Directorate in consultation with
sector partners including the Development Partner Lead. Working group meetings are expected to be attended by all key sector partners at senior management and technical staff level.

Sector Working Group Meetings shall be held monthly at the Ministry of Health and chaired by the Chief Director of the Ministry. If necessary, the Ministry of Health may decide to convene additional sector group meetings.

Inter-Agency Coordinating Committees
The Inter-Agency Coordinating Committees (ICCs) provide the platform for discussing technical issues on specific themes/diseases. To ensure their effectiveness:

- The Ministry of Health will agree with stakeholders on which ICC's will be in operation at any point in time – the aim will be to ensure that groups cover all relevant themes and/or diseases while maintaining a manageable number of groups;

- Sector agencies and partners engaged in or interested in a particular theme/disease will participate in that group;

- The structures for meetings – the Chair; frequency; format; location; planned outputs; shall be agreed by participants;
• Outputs from ICC meetings will feed into the monthly Sector Working Group meetings - reports will be prepared and presented at the SWG meeting.

The Global Fund Country Coordinating Mechanism (CCM) will work closely with the Inter-Agency Coordinating Committees on its three focal diseases – HIV/AIDS; TB and Malaria, and its program managers will participate actively in the relevant ICCs and the Sector Working Group. The CCM will also be broadened to include all relevant agencies and stakeholders, including the NHIA and Chairs of relevant groups on its three thematic areas.

Business Meetings
Business meetings take place three times a year. One of them is in conjunction with the April health summit and the two others are in August and November. Business meetings are attended by the key sector partners at senior management and technical level, and are chaired by the Ministries of Health and Finance. Business Meetings are open and other interested stakeholders can attend as observers. Business Meetings focus on:

• stakeholder commitments to implementation of the sector program;

• current policy issues relevant to the sector; and
- Budget updates and disbursement schedules of Government and Development Partners.

The business meeting during the April health summit shall assess the sector Performance Assessment Framework (PAF) to feed into the MDBS dialogue. An Aide memoire shall be signed between the MOH and the DPs at the end of the April business meeting.

The second business meeting in August shall review the sector's progress from the beginning of the year to date and provide an opportunity to table new issues.

The business meeting in November shall be devoted to planning and budgeting. The meeting shall discuss and agree on health sector plans and associated budget for the ensuing year. It shall also agree on indicators for the PAF based on the sector program that was presented and discussed.

Minutes of agreement will be prepared after the August and November business meetings. However, all the agreements or actions reached at all the business meetings shall be tracked. The PPME shall report on progress at subsequent business meetings.

**Health Summit**

The Health Summit takes place once a year in April and provides the forum to discuss the results of the annual
sector performance review (including the assessment of the sector performance appraisal framework of the previous year). All key sector partners and health sector stakeholders shall participate in the health summit. The reports and presentations from the summit shall be made public on the Ministry of Health website.

**Decentralised Level Dialogue**

The Ministry of Health in conjunction with the Ghana Health Service will coordinate sector dialogue at the decentralized level until such a time that the District Assemblies assume responsibility for coordination and planning of district health services through their respective health Departments. The structures for engagement at the decentralized level will be strengthened and modalities will be put in place to ensure that outputs from the dialogue feed into the dialogue at the national level. In the short-term, District Health Directors will coordinate all the sector players and engagement at the district level and report to the District Assembly. Engagement at the decentralized level will include:

- Quarterly stakeholder meetings at the district level involving all contributors to district health services, together with representatives from the District Assembly. All service providers will
provide quarterly information on agreed indicators and the district health management teams will coordinate and consolidate the information. Progress on performance will be discussed and reasons for non-performance analysed;

- GHS shall hold annual district, regional and national fora for all managers of the different levels and commissioned health facilities to discuss strategic and operational issues;

- Bi-annual regional meetings will be held to strengthen regional collaboration.

**Engagement with the Private Sector and Civil Society**
The Ministry of Health has set up a Private Sector Unit under the PPME Directorate and developed a Private Health Sector Policy with broad policy objectives to facilitate participation of the private sector in health service provision and to establish a framework for partnership and collaboration between the private and public health sectors. To achieve this:

- The private sector and civil society will be involved in policy development, planning, implementation, reviews, monitoring and evaluation of health sector activities at all levels – National, Regional, District and Sub-district;
• The Ministry will implement strategies for reaching out to private sector and civil society, to make them aware of the various dialogue platforms and to ensure their participation in relevant ones.

• The Ministry will engage collectively with the private sector and civil society through the emerging coalition of private health sector bodies and the Coalition of NGOs in the Health Sector.

• The Ministry and its agencies shall issue policy guidelines to agencies for contracting with private providers as necessary, with the mandatory involvement of the appropriate statutory bodies;
3. Planning and Budgeting
The health sector program is based on the concept of a Sector Wide Approach (SWAp), with comprehensive planning, programming, budgeting and reporting for the sector encompassing all sources of funding (Treasury, Internally Generated Funds, NHIF, SBS and Earmarked Funds). The objectives in planning and budgeting include managing the rapidly changing funding environment in the sector.

The Planning and Budgeting Process
All formal agreements between the Ministry of Health and its agencies shall be adhered to. The Ministry of Health will ensure that the resource allocation principles and processes address the changing organisational framework and funding structure of the sector. The key activities in the planning and budgeting process are as follows:

- There will be a sector dialogue with agencies and partners to agree on priorities for the budget year from the health sector program. Budget guidelines for the sector will be drawn based on the guidelines from MOFEP, with ceilings for agencies. There shall be agreed resource allocation formula for the sector.
• Agencies will prepare their respective annual work plans and budgets based on the guidelines and agreed priorities and ceilings.

• The MOH will sign annual performance contracts with the various provider agencies.

**The Budget Committee**
The Ministry of Health's Budget Committee is made up of representatives from all the Agencies. The Budget Committee will meet quarterly and will:

• review the guidelines, tools and timetable for planning and budgeting including resource allocation formula

• review and approve disbursement proposals

• and any other functions that may be referred to the budget committee

**Development Partners (DPs)**
DPs will provide inputs to support sector planning and budgeting through their Sector Lead.

DPs shall ensure harmonisation and alignment of their support to GoG budget, priorities, systems and procedures; submit quarterly reports on their activities to the sector.
All Development Partners shall ensure that their funding modalities are in line with international and national aid effectiveness principles and commitments. DPs shall also commit to increase the use of country systems in aid delivery.

DPs providing Sector Budget Support shall:

- Ensure prompt transfer of funds to the national treasury through the Ministry of Finance, and inform the Ministry of Health once funds are transferred;

DPs providing earmarked funding shall:

- Ensure that earmarked funds contribute to filling gaps in priorities identified in the sector program;

4. Performance Monitoring

- To continue strengthening sector M&E the key sector partners shall support the implementation of the health sector M&E framework

Performance Management

- A performance agreement shall be signed between the Minister of Health and all Agencies and this will be shared with all partners.
Data Management
The DHIMS shall be the official source for reporting health service data

Monitoring

- MOH shall be responsible for monitoring the implementation of the sector program based on the M&E Framework. Joint monitoring and support visits by stakeholders to provide technical support to Agencies to improve performance in areas where performance is not optimal shall be undertaken at least twice a year.

Review

- Ministry of Health and its partners shall commission an annual review process to assess the performance of the sector against the objectives and targets of the PAF and the sector program. An independent review of the sector's performance shall be conducted every other year using the holistic assessment tool.
- The MOH will conduct a holistic assessment every year
- The sector review will be part of a wider process of annual assessment of progress in the health sector, and will be preceded by BMC performance reviews,
district and regional performance hearings, and
Agency, development partner and technical reviews;

- The report of the annual sector review will be presented and discussed at the April Health Summit.

**Responsibilities for Monitoring and Evaluation**
All key sector partners, whether specifically identified or not, are expected to comply with the relevant procedures for performance monitoring as defined by the Ministry of Health. All sector agencies and partners will submit quarterly, midyear and annual reports to the Ministry of Health in accordance with stipulated guidelines and timelines.

**5. Disbursement and Financial Management**

**Government of Ghana Funds**
The main issues to be addressed are:

- Under-funding of approved budget
- Delayed budget releases from MOFEP to MOH, and the subsequent ripple effect of delays in disbursements through the various levels to the service provider facilities, which are impacting quality of services.
The key sector partners agree:

1. To strengthen the policy dialogue between MOH and its agencies, MOFEP and DPs to ensure sufficient GOG budgetary allocations for the health sector in general, and for primary health and prevention activities in particular.

2. To promote the participation of the private sector and civil society in health sector financial management and oversight, by increasing the level of their engagement through mechanisms such as the CCM, Business Meetings, etc.

3. To strengthen internal collaboration within MOH and to build capacity to obtain full and timely releases of funds from MOFEP.

4. To provide funding support for the full and immediate implementation of the Sector PFM Strengthening Plan. Priorities shall include;

   a. Synchronisation formats for the Annual Budgets and Financial Statements within the framework defined by GOG’s broader PFM reforms,

   b. Validation and consolidation of financial information in different computerised systems.
5. To improve the quality and completeness of the present quarterly Financial Statements, and to improve compliance with requirements for monthly financial reporting and feedback under the Financial Administration Regulations.

6. To maximize compliance with the agreed rules and procedures by the use of dialogue through the existing structures, beginning with cautionary reminders and graduating to dialogue at the Heads of Cooperation and Heads of Mission levels, and moving up to the Government to Government level if necessary.

7. To review the agreed rules and procedures for financial management from time to time to reflect changes in the external environment, with particular reference to new laws; new GOG policies on decentralization and other issues; new international agreements; changes in DPs' governments and/or policies; Changes in sector structures or systems; And emergence of new types of sector partners.

**Sector Budget Support Funds**

Sector Budget Support is the MOH's preferred modality for external support to its SMTDP. The SBS Framework Memorandum for the next four years shall set out the key principles underlying the provision and utilisation of SBS.
Under this CMA, key sector partners shall adhere to signed SBS framework memorandum.

**Health Fund/Donor Pooled Fund**
In spite of the reduced level of its utilisation, it is agreed that there is value in retaining the Health Fund as a mechanism for new partners who may find merit in using a disbursement mechanism that enables them to disburse directly to the health sector, rather than through MOFEP as is the case with SBS. The objectives stated above for SBS also apply to the Health Fund, with the proviso that in the case of Health Fund DPs, the role of MOFEP in disbursement and financial management is minimised. The scope of eligible expenditures from the Health Fund may need to be reviewed, to bring it into line with the scope of SBS eligible expenditures.

**Earmarked Funds**
The key sector partners state the following objectives for the disbursement and financial management of earmarked funds, both those channelled through MOH and its agencies, and those which are disbursed directly by the donor to pay for goods and services:

1. MOH will bring on board all new and emerging partners, to increase harmonisation and alignment in accordance with the Accra Agenda for Action and
also to improve information on earmarked fund flows for better capture in sector plans, budgets and financial reports.

2. All Partners shall communicate budget commitments for each year in accordance with the Budget preparation cycle of GOG (usually by June of the preceding year) in agreed format.

3. MOH in consultation with its agencies, MOFEP and DPs, will develop a mutual accountability system for monitoring performance of both GOG institutions and earmarked funding partners.

4. The following further guidelines are agreed upon, to facilitate the disbursement and financial management of earmarked funds:

   1. All expenditure on earmarked funds by partners shall be communicated to the Ministry of Health as per agreed format.

   2. MOH and its agencies undertake to ensure that all earmarked funding transactions are captured, consolidated and reported in its Financial Statements

   3. Disbursement of earmarked funds implemented by NGO/CSO's will be paid directly by the DP to the concerned implementing organization, and
will be reported on by the disbursing party as per the preceding section.

4. Items requiring donor direct expenditure (procurement of goods and services where the development partner can clearly obtain substantially greater Value for Money (VFM) as well as better quality assurances and guarantees than government) shall be identified as part of the annual consultation process with partners or form part of the multi-year Basic Cooperation Agreement (BCA) regarding the utilization of a DP’s earmarked funds.

**Internally Generated Funds (IGF)**

1. The mobilisation and utilisation of IGF shall be guided by the MOH IGF guidelines. The guidelines shall be reviewed as and when appropriate in consultation with relevant stakeholders.

2. Relevant activities under the PFM Strengthening plan, shall be implemented to increase overall IGF mobilisation.

3. Format, frequency and mechanisms for reporting, shall be clarified under the PFM strengthening plan.

4. Improve the capture of IGF received from non-insured clients.
National Health Insurance Fund

The national health insurance fund has become the major source for financing health care in Ghana thus its success is of paramount interest to stakeholders in the health sector. To ensure efficiency and sustainability of the scheme;

1. The MOH through the NHIA shall continue to provide updates on measures on and progress towards increasing the percentage of claims that are paid within 30 days.

2. MOH NHIA, and GHS and other service providers will collaborate to harmonise the Standard Treatment Guidelines, Essential Medicines List and the DRG, to improve cost containment and to ensure that facilities are not unjustly refused reimbursement for services and drugs. MOH will ensure effective coordination of this process.

6. Procurement and Logistics
The objective of the CMA is to intensify collaboration between DPs and the MOH and its agencies in order to ensure the use of national systems under the Public Procurement Act (Act 663) for procurement activities wherever possible.

The key sector partners therefore agree that:
• As part of the annual budget preparation process, all funding signatories will provide details of their procurement plans by November 1st of each preceding year, to enable MOH to prepare a consolidated annual procurement plan, based on the agreed Sector Medium Term Development Plan and including inputs from agencies for approval by all stakeholders by an agreed timeline.

• For SBS, MOH and its Agencies will perform all procurement in accordance with national procurement rules, guidelines and procedures and report accordingly.

• MOH and its agencies will collaborate with the Public Procurement Authority (PPA) in training different cadres of staff in the use of the PPA Manual, and in monitoring the implementation of the national procurement rules, guidelines and procedures.

• Where capital investments are centrally procured, MOH headquarters shall in consultation with relevant agencies develop policies, options appraisal of capital programmes, resource mobilization, approval of the capital plans and procurement.
• Procurement at the decentralized level will follow the provisions of Public Procurement Act (Act 663).

• Where the development partner’s rules do not permit the use of Ghana’s national systems, a second option is the use of the “Partnership outsourcing” scheme, under which MOH and an appointed Procurement Agent will jointly manage procurement under the agreed Health Sector Medium Term Development Plan. This supports article 96 of the National Procurement Act which states “Notwithstanding, the extent of application of this Act to procurement with international obligations arising from any grant or concessionary loan to the government shall be in accordance with the terms of the grant or loan”. As a third and least preferred option, items requiring Partner direct expenditure will be identified as part of the annual consultation process with partners or form part of the multi-year Basic Cooperation Agreement (BCA) regarding the utilization of a DP’s earmarked funds. This will apply to procurement of works, goods and services where the development partner can clearly obtain substantially greater Value for Money (VFM) as well as better quality assurances and guarantees than Government, or where the funding partner’s
rules prohibit the use of national systems or Partnership outsourcing schemes.

7. Audit
In line with the overall sector objective of improved transparency and accountability at all levels through the continued promotion of use of a common audit system for all sources of funds, it is agreed that:

- External audit will continue to be carried annually under the overall direction and guidance of the Auditor General. The scope and coverage of the
audit will be reviewed annually, in order to ensure that all sources of funds continue to be covered.

- Quality standards and sample sizes will continue to be determined by the MOH, and a formal audit opinion will be given on the financial statements and internal controls by both the Auditor General and the independent audit team.

- Responses to audit recommendations shall be through the Audit Recommendation Implementation Committees, and reported on at the Business Meetings, and all partners shall ensure that appropriate sanctions for non-compliance are agreed and implemented.

- No singular partner may undertake separate audit for purposes other than those necessary for clarification of direct fund use. This may only be done as supplementary where the existing audit report had not captured this adequately.

- The existing auditing system will continue to include the control on allocation, requisitioning, disbursement and reporting of earmarked funds channeled through the central accounts of the MOH/GHS.
• Co-sourcing arrangements for internal audit will be encouraged wherever feasible, to improve audit coverage and enhance value from audit.