

# **THE KPMG REPORT ON SML MUST BE PUBLISHED AND LAID IN PARLIAMENT**

## PRESS STATEMENT

For Immediate Release:

April 26, 2024

The Nana Addo/Bawumia Government, led by Dr Bawumia with a questionable makeshift digitalization agenda, has finally come to the trite realization that the people of Ghana, led by Civil Society Organizations and the Minority, will not accept anything short of an instantaneous and complete annulment of this criminal SML agreement. Typical of NADAA/Bawumia, they have sought to obscure and obfuscate the facts by downplaying and adopting a lenient approach on the matter regarding criminal culpability whilst creating a possible route for resuscitating this criminal enterprise. Such actions will not be overlooked, tolerated, or absolved.

### **Background**

You may recall that back in 2017, the Public Procurement Authority took a discerning decision and made a meritorious move to refuse the Ghana Revenue Authority's (GRA) request for sole source procurement of SML to undertake, amongst others, downstream petroleum activities. The recent allegations against the Ghana Revenue Authority (GRA) made by the media are alarming. Reports indicate that the GRA entered into a contractual agreement with SML for revenue assurance services without adhering to the Public Procurement Act or undergoing a value-for-money audit. This could result in state agencies such as the National Petroleum Authority (NPA) having already fulfilled the contractual obligations, leading to unnecessary duplication of efforts. Additionally, the contract's annual cost of **\$100 million** for many years raises concerns about its value for money.

Given these circumstances, it is crucial that the Ghana Revenue Authority conducts a meticulous investigation and review of its procurement processes to ensure compliance with the Public Procurement Act. This will enable us to operate in strict accordance with all applicable laws and regulations while maintaining the highest standards of efficiency and cost-effectiveness. Our steady obligation to transparency and accountability demands that any

variations and divergences from these values must be addressed with the utmost urgency to maintain the trust and confidence of all our stakeholders.

At the budget hearing concerning the governmental obligations of the GRA, it was brought to the attention of the Finance Committee that the agreement in question had been procured through illegitimate means, without the requisite sanction of Parliament, and in flagrant violation of **section 33 of the Public Financial Management Act. It is worth highlighting that this particular section dictates that Parliament must duly authorize all agreements involving multi-year commitments with the state and that any deviation from this requirement is a serious matter that ought to be addressed with the utmost gravity.**

The Finance Committee subsequently recommended to the House that the GRA, through the Ministry of Finance, suspend the agreement and payments on the SML contract pending the outcome of the investigation. Parliament then approved this recommendation, effectively directing the suspension of the agreement and payments as advised by the Finance Committee.

It is very characteristic of Nana Addo and Dr Bawumia that they shamefully jumped the gun to suspend the already suspended agreement and proceeded to procure the services of KPMG to audit the agreement even before Parliament could start its investigations.

### **Matters Arising**

It is essential to emphasize that the procurement of KPMG had a specific objective: to distort the allegations' substance, conceal facts, and facilitate a seamless transition to the renewed agreement. The procurement of KPMG raises severe and valid concerns regarding transparency, the scope of KPMG's mandate, and whether it was intended and designed to preclude investigations into legal compliance. What were the terms of reference of KPMG, and whether the terms of reference include:

1. Establishment of compliance with the Public Procurement Act.
2. Establishment of compliance with the Public Financial Management Act.
3. Whether there was value for money and whether monies paid was justified.
4. The gaps in the systems operated by state agencies such as NPA and whether there was any need beyond assisting state agencies to improve their systems and avoid paying such unconscionable sums to SML

Greater technical and evidentiary credibility and support are needed to bolster the argument for preserving the PPA and assigning any rise in oil usage to the Small and Marginalized Licensees deal. The Government's allocation of funds towards non-agreement-related variables is a controvertible and unjustifiable expenditure, particularly given the typical upward trend in fuel consumption and the exorbitant spike in fuel prices.

Furthermore, if the contract failed to deliver total value for money and resulted from significant procurement and legal breaches, those accountable, including SML and its beneficial owners, must be held liable. They must be arraigned and made to refund a substantial amount, if not all, of the fees they received for this non-compliant and illegally procured agreement. Such a breach of public trust must not go unchecked. We must ensure that no one gets public funds for work(s) not performed.

At this moment, I respectfully request that Parliament be furnished with a copy of the KPMG report to aid the Finance Committee's investigation. It strikes me as unusual that the report only contains mild suggestions and recommendations despite the abundance of information available to the public regarding the SML arrangement. Consequently, we must scrutinize the comprehensiveness of their mandate, including their TOR, methodology, and approach. Our primary objective is to expose the beneficial owners of this group and utilize Parliament's authority to recover the funds that have been paid due to this illegality. I trust that the President understands that my Parliamentary scrutiny request is founded on section 33 of the PFM Act, which mandates that Parliament authorize contracts with multi-year obligations in the first instance.

For the unsuspecting public, this recent development further reinforces the belief amongst many discerning people of Ghana, that Bawumia and his associates are simply spearheading a corruption-infested digitalization strategy steeped in delusions and shrewdness. Without equivocation, this government's touted mantra of digitalization is merely a scheme, a political propaganda of chicanery deployed to hoodwink and exploit the people of Ghana for their self-serving benefit. In due course, we will share details of the many corruption-laden digitalization schemes with the people of Ghana.

**Let's unite to protect the Public Purse,**

**And take a positive step to safeguard what is rightfully ours,**

**All is not lost; though it may appear lost and deemed adverse to many,  
A united stance is the approach and power we need to protect the purse,  
Before the purse itself gets lost!**

Signed

Hon Isaac Adongo

**Ranking Member, Finance Committee of Parliament.**