



February 5, 2019

**MR. FREDERICK W. BLAY
CHAIRMAN
GNPC BOARD OF DIRECTORS**

Dear Mr. Blay,

RE: RECRUITMENT OF PROCUREMENT MANAGER AT GNPC

I am in receipt of a copy of your memo dated 30th January 2019, (which incidentally bears a despatched stamp dated 5th February 2019 and received in my office today 5th February 2019), to the Chief Finance Officer in respect of the above subject. It is curious to note that the copy addressees in the memo under reference are the same copy addressees in my memo to the Chief Finance Officer dated 4th February 2019, announcing placement of the procurement function directly under the office of the Chief Executive.

It has come to my notice that some rather hurriedly arranged "emergency" Board meetings were held on 29th and 30th January 2019 while I was away on official duty abroad. It would have, at least been considerate on your part, if you had indicated to me that a Board meeting was going to take place even if the subject matter would or would not concern me.

From the account I have received, the Board did not take a decision to direct the Chief Finance Officer to headhunt a Procurement Manager. Even if the Board did, that would constitute an anomaly given that the Chief Executive has the responsibility for hiring all employees and not the Chief Finance Officer, Chairman of the Board nor the Minister for Energy. It is also important to underscore the fact that the wish of the Chairman is NOT the wish of the entire Board if consensus is not reached.

I have, in a letter dated 4th February 2019 to the Honourable Minister for Energy, and copied to your good self offered justification for using competitive selection interview rather than headhunting for a Procurement Manager. I have also indicated in that correspondence that the process for recruiting a Procurement Manager through competitive selection has already begun even before your memo of 30th January, 2019, and that arrangements have been put in place for interviews to commence on Wednesday, 6th February 2019.

You stated in your memo under reference that I have on several occasions indicated to the Board and to other stakeholders that the role of the Chief Finance Officer puts her in charge of the procurement function. The above statement, whether attributable to me or not, would require review by any astute manager in response to changing conditions

in the business environment. One such condition is the negative observations on the performance of the Corporation's procurement function by the Central Tender Review Committee, Public Procurement Authority, and internal and external auditors of GNPC which yourself and the Minister for Energy have alluded to. I have also seen only recently some inefficiencies in the delivery of the procurement function.

The Chief Finance Officer, Mrs. Comfort Aniagyei who I have placed in charge of procurement is the one I hold responsible for the reported dismal performance. I would be extremely surprised if the Chairman of the Board would seek to obstruct the Chief Executive's decision to reorganize the procurement function to give him effective control over it to ensure improved delivery. I wish to draw your attention to the fact that as the head of the procurement entity, the Chief Executive has ultimate responsibility under the Public Procurement Act Act, 2003 (Act 663) and its amendments for infractions thereof.

GNPC's operative organogram gives direct supervision of the procurement function to the General Manager (Administration) who reports, however, to the Chief Finance Officer. Having oversight of the procurement function does not make the Chief Finance Officer the appointing authority under the rules and regulations of GNPC. I wish to reiterate that the responsibility for hiring personnel lies within the purview of the Chief Executive and not the Chief Finance Officer. I have already advised Mrs. Comfort Aniagyei, Chief Finance Officer that she has no mandate to recruit personnel, notwithstanding your directive unless I expressly instruct her to do so. I wish to state emphatically that any appointment of a Procurement Manager by the Chief Finance Officer which has not been sanctioned by me will be nullified, your directive notwithstanding.

In line with good corporate governance practices, ordinarily, a Board Chairman's contact with an organization is through the Chief Executive, the Board Secretary and the Internal Auditor. It is irregular for a Board Chairman to be dealing directly with subordinates of a Chief Executive other than those mentioned above on official matters. By such conduct, the Chairman festers parallel authority in the organisation making governance and management extremely difficult. This is exactly the situation you have created in GNPC. It is clear to me that you are using your position as Chairman of the ruling Party to force your way through on matters which must be handled professionally. I will humbly advise that you desist from issuing out instructions to my subordinates and rather deal with me as Chief Executive on matters relating to the Corporation.

Some of your directives to my immediate subordinates pertaining to award of contracts and engagement of personnel as in the instant case, have been a source of concern to me especially to the extent that laid down procedures are circumvented. These also go to undermine my legitimate authority as Chief Executive. Unfortunately, these

subordinates are unable to advise you on the need to comply with our rules and regulations for reasons best known to themselves. What surprises me further is that you choose to give these directives mostly when I am out of the country on official business for reasons that I cannot phantom. The results of some of your directives are challenges that I have had to grapple with in working with our auditors in their validation of the resultant transactions. I must say your conduct is putting undue stress on my administration and affecting morale of hardworking staff of this Corporation. I wish to emphasize that your role as Chairman of the Board **does not extend to executive functions** including the recruitment of employees.

You can always count on my cooperation to accede to your requests once they are in line with GNPC's rules, procedures and acceptable practices. I am prepared to work harmoniously with you and the entire Board for the good of our Corporation and our dear country, Ghana.

Yours sincerely,



K.K. SARPONG (DR.)
CHIEF EXECUTIVE

cc: Chief of Staff, Office of the President, Jubilee House
Honourable Minister, Ministry of Energy
Executive Chairman, State Enterprises Commission
Members, Board of Directors, GNPC
Chief Finance Officer, GNPC
General Manager, Legal & Human Resource, GNPC
General Manager, Administration, GNPC
Internal Auditor, GNPC