

**UNIVERSITY OF ENERGY AND  
NATURAL RESOURCES (UENR)**

**REGIONAL CENTER FOR ENERGY AND  
ENVIRONMENTAL SUSTAINABILITY  
(RCEES)  
REPORTING PACKAGE**

**MANAGEMENT REPORT FOR FINANCIAL AUDIT**

FOR THE YEAR ENDED

**31<sup>ST</sup> DECEMBER, 2020**

***asamoah bonsu & co.***  
(Chartered Accountants)



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ACCRA.

The Centre Leader  
Regional Centre for Energy and Environmental Sustainability (RCEES)  
University of Energy and Natural Resources  
P.O. Box 214  
Sunyani, Ghana.

Dear Sir,

**MANAGEMENT LETTER**

**REGIONAL CENTRE FOR ENERGY AND ENVIRONMENTAL SUSTAINABILITY (RCEES) ON  
THE FINANCIAL AUDIT OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup>  
DECEMBER, 2020.**

We have completed the audit of the Financial Statements of Regional Centre for Energy and Environmental Sustainability (RCEES), for the year ended 31<sup>st</sup> December, 2020.

We draw your attention in this report to certain matters which we identified during the audit of the Financial Statements and which, we consider, require your attention.

Our report is designed to include recommendations that may help minimise errors and avoid weaknesses that could lead to material losses or misstatements. The Steering Committee and the Management is encouraged to consider these recommendations and to take the actions needed to remedy these weaknesses.

This report was generated from information and records provided by the Centre's Management. The audit was conducted for the Donors, represented by the Steering Committee and as requirement of the Africa Centre of Excellence (ACE) Development Impact Project funded by the World Bank through the Government of Ghana (GoG) and the report is issued for World Bank and the Government of Ghana (GoG) purpose only and should not be quoted or referred to, in whole or in part, without our prior written consent or by the operation of acceptable law or authority. We accept no responsibility to any third party in relation to the report except as provided in the immediately preceding sentence.

Yours faithfully,

  
asamo a bon su & co. ICAG/F/2021/155)

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### **1.0 Introduction and Agreement**

The University of Energy and Natural Resources (UENR), is one of the universities which won a grant under the auspices of the Africa Centre of Excellence (ACE) Development Impact Project from the World Bank through the Government of Ghana. The Financing Agreement was signed on 18<sup>th</sup> October, 2019 by the Minister of Finance representing the Government of Ghana and Pierrie Laporte, the Country Director of Africa Region on behalf of the World Bank.

The University then signed the Performance and Funding Contract with the Ministry of Finance and the Ministry of Education on the same date.

### **2.0 Period Covered by Project**

The Project was to cover a period of five (5) years, from 1<sup>st</sup> January 2019 – 31<sup>st</sup> December 2023. The total amount budgeted for the entire Project is SDR 4,608,000.00 (US\$6.4 Million Equivalent, SDR 0.71 = US\$1) for the University. The support is to come from World Bank through Ministry of Finance of the Government of Ghana.

### **3.0 Summary of Project Finances and Utilization**

The Project received a total grant for the year under review of \$1,447,537.24. Additionally, Externally Generated Funds (EGF) of \$204,256.70 was received bringing the total receipts to US\$1,651,793.94. Total expenditure incurred amounted to \$1,274,020.61 leaving a surplus balance of \$377,773.33 carried forward to the year 2021.

### **4.0 Project Details**

The Project details were as follows:

| <b>Heading</b>           | <b>Details</b>   |
|--------------------------|--|
| Project Name             | Africa Centre of Excellence (ACE) Development Impact Project |
| Participating University | University of Energy and Natural Resources                   |
| Credit No.               | 6389-GH  |

### **5.0 Management**

The Project was managed by the Centre Management engaged by the University and they are:

| <b>Name</b>                | <b>Position</b>   | <b>Institution</b> |
|----------------------------|---|--------------------|
| Dr. Eric Antwi Ofori       | Centre Leader   | UENR STAFF         |
| Dr. Samuel Gyamfi          | Deputy Centre Leader                                    | UENR STAFF         |
| Mr Albert Banan Abdulai    | Director of Finance                                     | UENR STAFF         |
| Mr. Stephen Yaw Ntiamoah   | Financial Management Specialist                         | UENR STAFF         |
| Mr John-Baptist Siddick    | Procurement Specialist                                  | UENR STAFF         |
| Mr. Samuel Akowuah Okyereh | Project Coordinator and Monitoring & Evaluation Officer | RCEES STAFF        |
| Dr. Komlavi Akpoti         | Project Research Officer                                | RCEES STAFF        |

|                    |                          |             |
|--------------------|--------------------------|-------------|
| Dr. Komlavi Akpoti | Project Research Officer | RCEES STAFF |
|--------------------|--------------------------|-------------|

### **5.1 Exception**

No appointment letter was cited for Mr. Stephen Yaw Ntiamoah, the Project Financial Management Specialist.

### **5.2 Issue**

There was no clear line of responsibility in respect of the Financial Management Specialist.

### **5.3 Recommendation**

Management should ensure that the Financial Management Specialist is provided with an appointment letter with retrospective effect.

### **5.4 Management Response**

There is a clear line of responsibility for the Financial Management Specialist as indicated in the Organogram of the Centre in the Project Financial Operations Policies and Procedures Manual. The specific duties of the Financial Management Specialist are spelt out in the Manual.

The Centre Management accepts the recommendation and will write to the Project Financial Management Specialist outlining his responsibilities as shown in the Manual.

### **5.5 Auditor's Comment**

Noted for subsequent review.

## **1.0 Review of Financial, Administrative and Internal Controls**

### **1.1 Finding**

The Financial, Administrative and Internal Controls of the Project were situated within the Centre's Financial Operations Policies and Procedures Manual, the Public Financial Management Act, 2016 (Act 921), the Public Procurement Act, 2003, (Act 663), as amended by the Public Procurement Act 2016, (Act, 914). To this extent, the Financial and Administrative authorities of UENR had an oversight control over the activities and funds of the Project. There were no deviations in the Financial, Administrative and Internal Controls. The Vice-Chancellor, Director of Finance, Director of Internal Audit and the Director of Procurement of the University were part of the controls in banking, procurement and payments transactions.

### **1.2 Exception**

None.

### **1.3 Issue**

None.

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**1.4 Recommendation**

None.

**2.0 Project Deliverables**

**2.1 Finding**

The University, per the agreement, was to achieve some set targets (deliverables) within certain time periods, after which subsequent funds would be released. Each target came with specific amounts of funds to be released to the University.

| <b>DELIVERABLE</b>            | <b>RESULT EXPECTED</b>                            | <b>YEAR</b>                         | <b>AMOUNT TO RECEIVE</b>  |
|-------------------------------|---|-------------------------------------|---|
| Institutional Readiness       | Basic & Full                                      | 2019                                | US\$425,000 (SDR305580). Each   |
| Development Impact            | Progress to Impact & Development Impact           | 2021/2022                           | US\$30,000 (SDR21,570) per point in the score   |
| Quantity of Students          | PhD,<br>Masters,<br>Short term<br>and Bachelor    | 2019-2023                           | PhD students: USD\$0,000 per male national student, US\$12,500 per female national student, US\$12,500 per male regional student, and US\$15,600 per female regional student.<br>Master Students: US\$2,000 per national student, US\$ 2,500 per female student, US\$4,000 per regional student and US\$5,000 per regional female student.<br>Short-course professional students: US\$400 per national male student, US\$500 per female national student, US\$800 per regional male student, and US\$1000 per female regional student.<br>Bachelor Students: US\$1,000 per national male student, US\$1,500 per national female student |
| Quality of Education/Research | Accreditation Steps, Publications, Infrastructure | 2020-2022<br>2019-2023<br>2021-2022 | For accreditation <i>Not</i> scalable per accreditation step. Amount per step: US\$300,000 (SDR 215,705) per program internationally accredited by a pre-approved accreditation agency; US\$100,000 (SDR71.900) per program nationally/regionally accredited; US\$100,000 (SDR71,900) per   |

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|                          |  |  |  |
|--------------------------|--|--|--|
|                          |  |  | <p>gap-assessment/self-evaluation undertaken; US\$50,000 (SDR35,950) for new/revamped courses meeting international standards and approved by the Sector Advisory Board.</p> <p>For research publication: Scalable per article. Amounts: US\$10,000 (SDR7,190) per article co-authored by ACE Impact student/faculty and national partners; US\$15,000 (SDR10,785) per article co-authored with regional partners.</p> <p>For teaching and research infrastructure, the result is not scalable within each milestone. US\$300,000 (SDR215,705) per milestone</p> |
| Timeliness/quality of FM | Timely fiduciary report<br>Functional oversight<br>Web transparency<br>Quality of Procurement  | 2019-2023<br>2019-2023<br>2019-2023<br>2019-2023 | <p>Amounts: US\$22,000 (SDR15,820) for timely fiduciary reporting</p> <p>Amount US\$22,000 (SDR15820) for Functional institutional oversight of fiduciary management</p> <p>Amount US\$22,000 (SDR15,820) for Web transparency of ACE expenditures</p> <p>Amount US\$22,000 (SDR15,820) for Quality of procurement planning</p>  |
| Institutional Impact     | Uni Regional Strategy<br>Competitive Selection<br>Institutional accreditation<br>PASET Benchmarking<br>Milestones for Institutional Impact | 2020<br>2022<br>2020/2022<br>2020/2022<br>2023   | <p>University-wide regional strategy: US\$100,000</p> <p>Open, merit-based competitive selection of the head of institution: US\$200,000 and US\$50,000 for an open and merit-based competitive selection of a dean;</p>   |

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|  |  |  |  |
|--|--|--|--|
|  |  |  | <p>US\$200,000 for Institutional international accreditation; US \$75,000 each for gap assessment/self-evaluation.</p> <p>US\$50,000 for each year the university participates (up to 2 years)</p> <p>US\$100,000 per institutional impact milestone</p> |
|--|--|--|--|

**2.2 Exception**

Some of the following results had not been achieved as required by year ended 31<sup>st</sup> December 2020:

| <b>Result</b>           | <b>Expected</b> | <b>Results Verified &amp; Paid</b> | <b>Audit Verification</b>   |
|-------------------------|-----------------|------------------------------------|---|
| Accreditation           | 2 Courses       | None                               | None  |
| Publications            | 15 Publications | 3                                  | 3   |
| PhD Students            | 10 Students     | 42                                 | 42  |
| Masters Students        | 30 Students     | 40                                 | 40  |
| Short term students     | 80 Students     | 4                                  | 4   |
| External Revenue        | US\$235,211.27  | 0                                  | US\$204,256.70  |
| Internships             | 40 Internships  | 0                                  | 0   |
| Timely fiduciary report |                 |                                    | Submitted 2 IUFRs and 2 EEPs  |
| Functional oversight    |                 |                                    | Audit Committee, established, inaugurated and functional. Functional Internal Audit Unit in place conducting audit of the University including the Centre |
| Web transparency        |                 |                                    | IUFRs, EEPs, Work plan are on Centre's Website  |
| Quality of Procurement  |                 |                                    | Profile of Procurement Specialist submitted, Procurement audit carried out  |

### **2.3 Issue**

Some results were not achieved by the end of the year as indicated in the Centre's Implementation Plan.

### **2.4 Recommendation**

The Centre Management should ensure the results are achieved and submitted on time.

### **2.5 Management Response**

The Centre has:

- a) Submitted four (1) programmes to the Ghana Tertiary Education Commission (GTEC) for accreditation and is waiting for the certification of the programmes.
- b) Submitted 72 short courses participants for 2020 which has been verified by the Association of African Universities (AAU), the Regional Facilitation Unit (RFU) for the World Bank
- c) Achieved 80 internship results which will be submitted to the AAU in November, 2021 when the window for submission will be opened.

### **2.6 Auditor's Comment**

Noted for subsequent review.

## **3.0 Bank Accounts**

### **3.1 Finding**

The Project opened four (4) current bank accounts and these were:

| <b><u>Bank Account</u></b> | <b><u>Bank</u></b> | <b><u>Branch</u></b> | <b><u>Currency</u></b> | <b><u>Account Number</u></b> |
|----------------------------|--------------------|----------------------|------------------------|------------------------------|
| Foreign Currency           | Ecobank            | Sunyani              | US Dollar              | 3441002201802                |
| Foreign Currency           | Fidelity           | Sunyani              | US Dollar              | 1951321051116                |
| Local Currency             | Ecobank            | Sunyani              | Ghana Cedi             | 1441001392315                |
| Local Currency             | Fidelity           | Sunyani              | Ghana Cedi             | 1050321051121                |

No evidence existed for any other bank account on this Project.

### **3.2 Exception**

None.

### **3.3 Issues**

None.



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**3.4 Recommendation**

None.

**4.0 REMITTANCE**

**4.1 Finding**

The Project received two grants from the World Bank through the then National Council for Tertiary Education (NCTE) for the year under review.

| DATE         | RECEIVED FROM | AMOUNT US\$                |
|--------------|---------------|----------------------------|
| 02-JUNE-2020 | NCTE          | 1,406,744.35               |
| 13- AUG-2020 | NCTE          | 40,792.89                  |
| <b>Total</b> |               | <b><u>1,447,537.24</u></b> |

**4.2 Exception**

None

**4.3 Issue**

None

**4.4 Recommendation**

None

**5.0 PAYMENT VOUCHERS**

**5.1 Findings**

Section 13.47 of the Financial Operations Policies and Procedure Manual of the Centre states that "When cheques are submitted for signature, a voucher along with supporting documents should be presented. Invoices and payment vouchers should be marked 'PAID' and the cheque number, and date should be posted to the invoice and payment voucher to prevent their resubmission."

**5.2 Exception**

All the payment vouchers examined for payments were not so marked "PAID."

**5.3 Issue**

The Financial Operations Policies and Procedure Manual were not fully adhered to.

**5.4 Recommendations**

It is recommended that all payment vouchers should be stamped "PAID" after completing payment to discharge the payment voucher.

**10.5 Management Response**

All paid vouchers and supporting documents are crossed out by the Internal Audit Directorate after payment has been made and therefore, the same vouchers cannot be

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re-submitted for payment. Management accepts the recommendation and will ensure all payments are marked as "PAID".

**5.5 Auditor's Comment**

Noted for subsequent review.

**6.0 FIXED ASSET REGISTER**

**6.1 Findings**

Section 15.1 of the Centre Financial Operations Policies and Procedures Manual states that "the Centre shall keep an up-to-date register of all its assets acquired under the Project. The purpose is to meet donor requirements by way of submitting timely capital equipment reports. Additionally, it will ensure accountability for all the Centre's assets as it will facilitate the monitoring of the status of each asset."

Section 15.2 of the Centre Financial Operations Policies and Procedures Manual states that "all the assets of the Centre shall be coded in a logical manner having regard to the nature of the asset. When designing a coding system, the following principles should be adhered to;

- "a) Simplicity - to ensure the code is easy to use and also to minimize likelihood of errors.
- "b) Unambiguity - each code should only refer to one asset.
- "c) Flexibility - the code should be possible to add further categories
- "d) Brevity - code should be kept short for ease of use and to reduce the chance of errors.

Section 15.3 states that "an alphanumeric code with references to the Centre, the University and the unique asset number shall be adopted."

The following assets were acquired.

| DESCRIPTION           | QTY | TYPE      | SUPPLIER        | DATE OF DELIVERY | AMOUNT   | HOLDER               |
|-----------------------|-----|-----------|-----------------|------------------|----------|----------------------|
| Executive Desk        | 2   | Furniture | Manjigo Co. Ltd | 7/29/2019        | 1,151.83 | Dr. Eric Ofosu Antwi |
| Executive Chair       | 2   | Furniture | Manjigo Co. Ltd | 7/29/2019        | 1,047.12 | Dr. Eric Ofosu Antwi |
| Standard Swivel Chair | 7   | Furniture | Manjigo Co. Ltd | 7/29/2019        | 1,832.46 | Dr. Eric Ofosu Antwi |
| Visitors Chair        | 9   | Furniture | Manjigo Co. Ltd | 7/29/2019        | 1,256.54 | Dr. Eric Ofosu Antwi |
| Sofa Visitors Chairs  | 3   | Furniture | Manjigo Co. Ltd | 7/29/2020        | 1,544.50 | Dr. Eric Ofosu Antwi |
| Reception Desk        | 1   | Furniture | Manjigo Co. Ltd | 7/29/2019        | 331.59   | Dr. Eric Ofosu Antwi |
| Conference Table      | 2   | Furniture | Manjigo Co. Ltd | 7/29/2019        | 610.82   | Dr. Eric Ofosu Antwi |
| Conference Chair      | 8   | Furniture | Manjigo Co. Ltd | 7/29/2019        | 1,116.93 | Dr. Eric Ofosu Antwi |

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|                         |    |                          |                         |            |          |                      |
|-------------------------|----|--------------------------|-------------------------|------------|----------|----------------------|
| Workstation (4 in 1)    | 1  | Furniture                | Manjigo Co. Ltd         | 7/29/2019  | 1,169.28 | Dr. Eric Ofosu Antwi |
| Standard Table          | 3  | Furniture                | Manjigo Co. Ltd         | 7/29/2019  | 439.79   | Dr. Eric Ofosu Antwi |
| Wooden Cabinet (3 in-1) | 3  | Furniture                | Manjigo Co. Ltd         | 7/29/2019  | 1,570.68 | Dr. Eric Ofosu Antwi |
| HP Pro 200 Printer      | 2  | Computer and Accessories | Manjigo Company Ltd     | 7/29/2029  | 1,326.35 | Dr. Eric Ofosu Antwi |
| HP 290 Desktop Computer | 2  | Computer and Accessories | Manjigo Company Ltd     | 7/29/2019  | 1,465.97 | Dr. Eric Ofosu Antwi |
| Canon Photocopier       | 1  | Office Equipment         | Manjigo Company Ltd     | 7/29/2019  | 942.41   | Dr. Eric Ofosu Antwi |
| Table Top Fridge        | 3  | Office Equipment         | Manjigo Company Ltd     | 7/29/2019  | 450.26   | Dr. Eric Ofosu Antwi |
| Water Dispenser         | 1  | Office Equipment         | Manjigo Company Ltd     | 7/29/2019  | 137.87   | Dr. Eric Ofosu Antwi |
| Classroom Chairs        | 35 | Furniture                | DS Innovate Ghana Ltd   | 8/30/2019  | 1,803.83 | Dr. Eric Ofosu Antwi |
| Classroom Tables        | 15 | Furniture                | DS Innovate Ghana Ltd   | 8/30/2019  | 1,855.37 | Dr. Eric Ofosu Antwi |
| White Boards s/s        | 2  | Furniture                | DS Innovate Ghana Ltd   | 8/30/2019  | 82.46    | Dr. Eric Ofosu Antwi |
| White Boards b/s        | 1  | Furniture                | DS Innovate Ghana Ltd   | 8/30/2019  | 61.85    | Dr. Eric Ofosu Antwi |
| HP Printer              | 1  | Computer and Accessories | Sam K Boakye Enterprise | 11/21/2019 | 506.11   | Dr. Eric Ofosu Antwi |
| Epson Projector         | 2  | Computer and Accessories | Sam K Boakye Enterprise | 11/21/2019 | 907.50   | Dr. Eric Ofosu Antwi |
| Visitors Chair          | 16 | Furniture                | Sam K Boakye Enterprise | 11/27/2019 | 1,619.55 | Dr. Eric Ofosu Antwi |

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|                       |   |                          |                                  |            |            |  |
|-----------------------|---|--------------------------|----------------------------------|------------|------------|--|
| Standard Swivel Chair | 1 | Furniture                | Sam K Boakye Enterprise          | 11/27/2019 | 200.70     | Dr. Eric Ofosu Antwi   |
| Dell Laptop           | 5 | Computer and Accessories | Elim-Dag Co Ltd                  | 4/8/2020   | 9,977.75   | Dr. Samuel Gyamfi, Stephen Yaw Ntiamoah, Emmanuel Asuamah, Fiifi Ofori, John Baptist Siddick |
| Surface Pro Laptop    | 2 | Computer and Accessories | Elim-Dag Co Ltd                  | 4/8/2020   | 2,968.59   | Dr. Eric Ofosu Antwi, Samuel Okyere Akowuah  |
| Camera                | 1 | Computer and Accessories | Elim-Dag Co Ltd                  | 4/8/2020   | 1,515.22   | Fiifi Ofori  |
| Comb Binding Machine  | 1 | Office Equipment         | Modern Info. & Business Solution | 8/25/2020  | 116.84     | Dr. Eric Ofosu Antwi   |
| Centre Building       |   | Work -In-Progress        | Antartic Limited                 |            | 463,256.87 | Dr. Eric Ofosu Antwi   |

**6.2 Exception**

The Fixed Assets of the Centre were not coded in the manner stipulated in the Financial Operations Policies and Procedures Manual.

**6.3 Issue**

The internal control with regards to the maintenance and safeguarding the fixed assets of the Centre was not fully adhered to.

**6.4 Recommendation**

Management should ensure that all fixed assets kept by the Centre are coded as required.

**6.5 Management Response**

Management will ensure coding of the Centre's fixed assets are according to the stipulation of the Financial Operations Policies and Procedures Manual.

**6.6 Auditor's Comment**

Noted for subsequent review.

## **7.0 Donated Vehicle**

### **7.1 Findings**

A Toyota Hilux Pick-Up vehicle, with DVLA registration number GR 9954-15 was donated to the Centre by the Ministry of Energy in respect of which an amount US\$2,684.35 was paid by the Centre as duty or clearing expenses and US\$3,051.83 as payment for comprehensive insurance premium for the vehicle.

### **7.2 Exception**

It was noted that the value of the donated vehicle did not reflect in the books and the Financial Statements of the Centre.

### **7.3 Issue**

The existence of the vehicle could not be confirmed to belong to the Centre.

### **7.4 Recommendation**

It is recommended that the vehicle should be valued and incorporated in the Financial Statements of the Centre.

### **7.5 Management Response**

The Vice Chancellor wrote to the Ministry of Energy requesting for the vehicle to be donated to the Centre. It was subsequently donated and is in use by the Centre. However, ownership of the vehicle has not yet been transferred to the Centre. The Centre Management is following up on the process for the change of ownership with the Ministry. When ownership is transferred to the Centre the value of the vehicle will be brought into its Financial Statements.

### **7.6 Auditor's Comment**

Noted for subsequent review.