



REGIONAL CENTER FOR ENERGY AND ENVIRONMENTAL SUSTAINABILITY

(RCEES)

PROJECT ID: 6389-GH

MANAGEMENT LETTER

FOR THE YEAR ENDED 31st DECEMBER, 2021

UNIVERSITY OF ENERGY AND NATURAL RESOURCES

MINISTRY OF FINANCE (MoF)

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (IBRD)

WORLD BANK

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(Chartered Accountants)



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8th June , 2022

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 CENTER FOR ENERGY AND ENVIRONMENTAL SUSTAINABILITY
(RCEES) ON THE FINANCIAL AUDIT OF THE FINANCIAL STATEMENT FOR THE
YEAR ENDED 31ST DECEMBER, 2021.

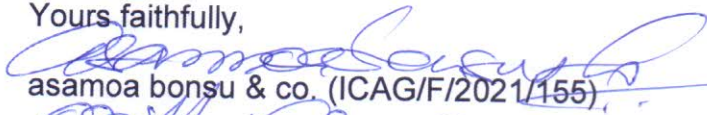
We have completed the audit of the Financial Statements of Regional Centre for Energy and Environmental Sustainability (RCEES), for the year ended 31st December, 2021.

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.

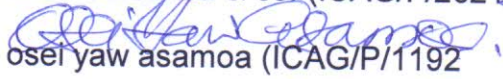
Our report is designed to include recommendations that may help minimise errors and avoid weaknesses that could lead to material losses or misstatements. The Steering Committee and the Management is encouraged to consider these recommendations and to take the actions needed to remedy these weaknesses.

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,



asamoah bonsu & co. (ICAG/F/2021/155)



osei yaw asamoah (ICAG/P/1192)

ASAMOA BONSU & CO.
(CHARTERED ACCOUNTANTS)
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1.0 INTRODUCTION AND AGREEMENT

The University of Energy and Natural Resources (UENR), the University, as one of the African universities through the Government of Ghana under the auspices Africa Centre of Excellence (ACE) Development Impact Project won a grant from the World Bank, the Project Agreement was signed on 18th 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 PROJECT DETAILS

The Project details were as follows:

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

3.0 PERIOD COVERED BY PROJECT

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

4.0 SUMMARY OF PROJECT FINANCES AND UTILIZATION

The Project received a total grant for the year under review of US\$340,296.00. Additionally, Externally Generated Funds (EGF) of US\$482,784.94 was received bringing the total receipts to US\$823,080.94. Total expenditure incurred amounted to US\$1,113,634.82 leaving deficit balance of US\$290,553.89 which was funded by a previous surplus balance of US\$377,773.33.

5.0 MANAGEMENT

The Project was managed by the Centre Management appointed by the University. The members are:

Name	Position	Institution
Prof. Eric Antwi Ofori	Director	UENR STAFF
Prof. Samuel Gyamfi	Deputy Director	UENR STAFF
Mr. Albert Banan Abdulai	Director of Finance	UENR STAFF
Mr. Stephen Yaw Ntiamoah	Project Financial Management Specialist	UENR STAFF
Mr. Siddick John-Baptist	Procurement Officer	UENR STAFF
Mr. Samuel Akowua Okyereh	Project Coordinator	UENR STAFF
Dr. Komlavi Akpoti	Project Research Officer	RCEES STAFF

5.1 Exception

None.

5.2 Issue

None.

5.3 Recommendation

None.

6.0 REVIEW OF FINANCIAL, ADMINISTRATIVE AND INTERNAL CONTROLS

6.1 Finding

The Financial and Operation manual and the Procurement manual for the Centre were the operational documents used by the University alongside the Financial, Administrative and Internal Controls of the Project which were situated within the UENR's Financial, Administrative and Internal Controls with the related 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. The Vice-Chancellor, Director of Finance and the Director of Procurement of the University had oversight responsibilities in banking, procurement and payments transactions

6.2 Exception

None.

6.3 Issue

None.

6.4 Recommendation

None.

7.0 PROJECT DELIVERABLES

7.1 Finding

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

DELIVERABLE	RESULT EXPECTED	YEAR	AMOUNT TO RECEIVE
Institutional Readiness		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
Number of Students	PhD, Masters, Short term and Bachelor	2019-2023	PhD students: USD\$0,000 per male national student, US\$12,500 per female national student, US\$12,500

			<p>per male regional student, and US\$15,600 per female regional student.</p> <p>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.</p> <p>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.</p> <p>Bachelor Students: US\$1,000 per national male student, US\$1,500 per national female student</p>
Quality of Education/Research	Accreditation Steps, Publications, Infrastructure	2020-2022 2019-2023 2021-2022	<p>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 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-</p>

			<p>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	<p>Timely fiduciary report</p> <p>Functional oversight</p> <p>Web transparency</p> <p>Quality of Procurement</p>	<p>2019-2023</p> <p>2019-2023</p> <p>2019-2023</p> <p>2019-2023</p>	<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	<p>University-wide Regional Strategy</p> <p>Competitive Selection</p> <p>Institutional accreditation</p> <p>PASET Benchmarking</p> <p>Milestones for Institutional Impact</p>	<p>2020</p> <p>2022</p> <p>2020/2022</p> <p>2020/2022</p> <p>2023</p>	<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> <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>

			US\$100,000 per institutional impact milestone
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7.2 Exception

The following results had not been achieved as required by year ended 31st December 2021:

Result	Expected	Results Verified & Paid	Audit Verification
Development Impact	Progress to Impact & Development Impact	N/A	N/A
Institutional Impact	University-wide Regional Strategy	N/A	N/A
	Institutional accreditation	N/A	N/A
	PASET Benchmarking	N/A	N/A
	Milestones for Institutional Impact	N/A	N/A

7.3 Issue

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

This could delay the progress of the Project and its impacts as expected.

7.4 Recommendation

The Centre Management should ensure the results are achieved and submitted on time. Management should endeavour to provide these records for verification and if available keep proper records for them for future reference.

7.5 Management Response

Management Responses are shown in Column 4 on the table below.

Result	Expected	Results Verified & Paid	Management Response
Development Impact	Progress to Impact & Development Impact	N/A	According to the ACE Impact Project Appraisal Document and the Operation Manuals, this DLI will be accessed in years 4 and 5 (2022 and 2023). The World Bank is currently finalizing the modalities for verification and assessment of the assessment. Consequently, the centre is yet to submit results for this DLI.
Institutional Impact	University-wide Regional Strategy	N/A	The verification criteria having been clarified by the AAU/WB, the International Relations Office has been tasked to undertake the development of the University-wide regional strategy by the end of the year 2022 for submission.
	Institutional accreditation	N/A	The accrediting agency ASIIN, based in Germany has been contracted to undertake the Institutional Accreditation. Part payment has been made to ASIIN. Plans are underway for the accreditation to be completed by the middle of next year.
	PASET Benchmarking	N/A	The call to participate in the PASET Benchmarking was made in December 2021. The Centre and University have concluded the

			benchmarking and the report subsequently evaluated. An intervention plan is to be submitted by end of June 2022 for verification.
	Milestones for Institutional Impact	N/A	The milestones for institutional impact have been completed and submitted to the AAU and World Bank for verification.

8.0 BANK ACCOUNTS

8.1 Finding

The Project has four current bank accounts as at 31st December, 2020 but an additional bank account; a Euro account with accounts number 2441002200083 Ecobank Sunyani branch was opened in 2021 and these were:

<u>Bank Account</u>	<u>Bank</u>	<u>Branch</u>	<u>Currency</u>	<u>Account Number</u>
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
Foreign Currency	Ecobank	Sunyani	Euro	2441002200083

No evidence was provided for any other bank account on this Project.
Bank reconciliation statements were prepared for the various bank accounts.

8.2 Exception

None.

8.3 Issues

None.

8.4 Recommendation

None.

9.0 USE OF ACCOUNTING SOFTWARE

9.1 Findings

Section 11.2 of the Financial Operations Policies and Procedure Manual states that; "The Centre may use the University software system, Ebizframe for its financial transaction processing or procure an accounting software through competitive tender. The software

shall meet the World Bank requirements with regard to modules and requisite Chart of Accounts, integration, data capture, reports and timely reporting.”

9.2 Exception

The Centre did not use University software system as it had encounter a challenge and was not available for use for the year under review, Microsoft Excel was rather use by the Centre.

9.3 Issue

- a) Timely financial reporting could be delayed.
- b) The Financial Operations Policies and Procedure Manual was not adhered to.

9.4 Recommendation

It is recommended that an accounting software is procured for data capturing purposely for the Centre rather than depending on the University's software system.

9.5 Management Response

Acquisition of software has been captured in the 2022 Procurement Plan. The Centre Management will ensure the acquisition of a software by the end of 2022.

9.6 Auditor's Comment

Noted for verification in the next audit.

10.0 REMITTANCE

10.1 Finding

The Project received one grant from the International Bank for Reconstruction and Development. (IBRD) International Development Association (IDA) during the year under review.

DATE	RECEIVED FROM	AMOUNT US\$
12- AUG-2021	NCTE	340,296.00
Total		340,296.00

10.2 Exception

None.

10.3 Issue

None

10.4 Recommendation

None.

11.0 PAYMENT VOUCHERS

11.1 Findings

Payment vouchers were prepared for payments made. These were to be supported by required documents and properly accounted for.

11.2 Exception

The Centre procured the services of a hotel in Kumasi for the selection of students. The invoices issued by the supplier was not supported by a VAT invoice.

Date	Supplier	Description	Amount
24-Nov-2021	PRECEVID LTD	Payment for the use of facility for Bootcamp	30,297.76

11.3 Issue

The Centre might be held liable to pay taxes as well as penalties by the Ghana Revenue Authority. The Centre has breached the tax laws of the Country.

11.4 Recommendations

Management must ensure that suppliers issue VAT invoices to the accounts department before payment(s) are made.

11.5 Management Response

The Centre has requested for the VAT Invoice from the supplier.

11.6 Auditor's Comment

Noted for verification in the next audit.