



**UENR** University of Energy  
and Natural Resources

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

**PROJECT ID: 6389-GH**

**MANAGEMENT LETTER**

**FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER, 2022**

**UNIVERSITY OF ENERGY AND NATURAL RESOURCES**

**MINISTRY OF FINANCE (MoF)**

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (IBRD)**

**WORLD BANK**

***asamoia bonsu & co.***

**(Chartered Accountants)**



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# asamoah bonsu & co.

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ACCRA.

14<sup>th</sup> June, 2023

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 31<sup>ST</sup> DECEMBER, 2022.**

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, 2022.

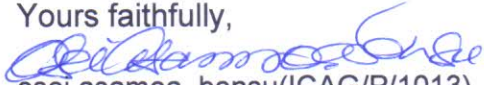
We draw your attention in this report to certain matters which we identified during the audit of the Financial Statements and which, we consider, require your attention in line with International Standards of Auditing 265 which requires communicate appropriately to those charged with governance and management deficiencies in internal control that has been identified during the audit and that, in our professional judgment, are of sufficient importance to merit your attentions.

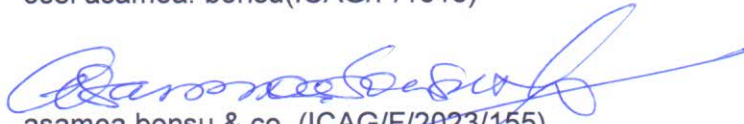
Our report is designed to include recommendations that may help minimise errors and avoid weaknesses that could lead to material losses or misstatements. The Steering Committee and the Management is encouraged to consider these recommendations and to take the actions needed to remedy these weaknesses.

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,

  
osei asamoah. bonsu(ICAG/P/1013)

  
asamoah bonsu & co. (ICAG/F/2023/155)

Accra

14<sup>th</sup> June, 2023

**ASAMOA BONSU & CO.**  
**<CHARTERED ACCOUNTANTS>**  
**P. O. BOX KS.7909.KUMASI**  
**T. L./FAX. 032202491-3**

## 1.0 INTRODUCTION AND AGREEMENT

The University of Energy and Natural Resources (UENR), as one of the African universities won a grant through the Government of Ghana under the auspices Africa Centre of Excellence (ACE) Development Impact Project from the World Bank, the Project 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 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\$2,146,021.76. Additionally, Externally Generated Funds (EGF) of US\$383,953.93 was received bringing the total funds available to US\$2,529,975.69. Total expenditure incurred amounted to US\$2,215,965.58 leaving surplus balance of US\$314,010.11 to be carried forward to 2023 for the continuation of the Project.

## 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
Albert Banan Abdulai	Director of Finance	UENR STAFF
Stephen Yaw Ntiamoah	Finance Management Specialist	UENR STAFF
Siddick John-Baptist	Procurement Specialist	UENR STAFF
Samuel Akowua Okyereh	Project Coordinator	UENR 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	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
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 per male regional student, and US\$15,600 per female regional student.

			<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-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 Functional oversight Web transparency Quality of Procurement	2019-2023 2019-2023 2019-2023 2019-2023	Amounts: US\$22,000 (SDR15,820) for timely fiduciary reporting  Amount US\$22,000 (SDR15820) for Functional institutional oversight of fiduciary management  Amount US\$22,000 (SDR15,820) for Web transparency of ACE expenditures  Amount US\$22,000 (SDR15,820) for Quality of procurement planning
Institutional Impact	Uni Regional Strategy Competitive Selection Institutional accreditation PASET Benchmarking Milestones for Institutional Impact	2020 2022 2020/2022 2020/2022 2023	University-wide regional strategy: US\$100,000  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;  US\$200,000 for Institutional international accreditation; US \$75,000 each for gap assessment/self-evaluation.  US\$50,000 for each year the university participates (up to 2 years)  US\$100,000 per institutional impact milestone

## 7.2 Exception

The following results had not been achieved as required by year ended 31<sup>st</sup> December 2022:

Result	Expected	Results Verified & Paid	Audit Verification
Development Impact	4	0	0

Accreditation	1 Courses	0	0
Progress to Impact	4	4	4
PhD Students	13 Students	13	13
Masters Students	25 Students	73	21
Short term students	70 Students	87	87
Infrastructure	1	0	0
External Revenue	SDR 310,000.00	SDR270,589.39	270,589.39
Internships	45 Internships	0	0
Timely fiduciary report	1 Reports	0.50	1
Functional oversight	1 Reports	0	0
Web transparency	1 Reports	1	1
Quality of Procurement	1 Reports	0	0
Competitive Selection	1	1	1
Institutional accreditation	1	0	0
PASET Benchmarking	1	1	1

### 7.3 Issue

Some results were not achieved by the end of the year as indicated in the Centre's Implementation Plan, especially Infrastructure of which all necessary funds had been provided.

### 7.4 Recommendation

The Centre Management should ensure the results are achieved and submitted on time as required by donors.

### 7.5 Management Response

"The DLI on Programme Accreditation and Institutional Accreditation are ongoing. The assessors are expected in August 2023.

"The DLI on procurement has been removed from 2022 and centres are no longer required to report on that.

"The completion of the centre infrastructure has been fast-tracked for completion by the Third Quarter of 2023".

### 7.6 Auditor's Response to Management Response

Noted for subsequent review, however Management should ensure that the implementation plan is well followed to ensure the smooth running of the Centre.

## 8.0 BANK ACCOUNTS

### 8.1 Finding

The Project has five current bank accounts as at 31<sup>st</sup> December, 2021 but an additional bank account; a Forex Dollar account with accounts number 3441002216299 Ecobank Sunyani branch was opened in 2022 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
Forex	Ecobank	Sunyani	Dollar	3441002216299

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

“The Centre took a decision to procure its own software in 2022 which it did not implement. The procurement of the software has been included in the procurement plan for 2023. The software will be procured by December 2023”.

## 9.6 Auditor’s Response to Management Response

Management should endeavor to implement plans set for the year. The Procurement of the software scheduled for December 2023 will be reviewed during subsequent audit.

## 10.0 REMITTANCE

### 10.1 Finding

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

DATE	RECEIVED FROM	AMOUNT US\$
07- FEB-2022	GTEC	1,481,140.06
13- JUL-2022	GTEC	<u>664,881.70</u>
<b>Total</b>		<b><u>2,146,021.76</u></b>

### 10.2 Exception

None.

### 10.3 Issue

None.

### 10.4 Recommendation

None.

## 11.0 PAYMENT VOUCHERS

### 11.1 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.”

### 11.2 Exception

None.

### 11.3 Issue

None.

### 11.4 Recommendations

None.

## 12.0 FIXED ASSET REGISTER

### 12.1 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.

ASSET	SUPPLIER	DATE OF DELIVERY	AMOUNT\$
Furniture	Mat-Bans Company Limited	14-Dec-22	54,514.85
Equipment	AAU	19-Oct-22	32,000.00

### 12.2 Exception

The Fixed Asset register was yet to be updated to capture these assets.

Payment Mat- Bans Company for furniture was yet to be received by the Centre.

Payment to AAU for equipment was yet to be made available to the Centre and did not go through the agreed procurement process of the Centre and the University

### 12.3 Issue

1. The internal control with regards to the maintenance and safeguarding the assets of the Centre was not being adhered to.
2. Physical verification of existence of the assets was difficult.

### 12.4 Recommendation

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

### 12.5 Management Response

“The payment for furniture to Mat-Bans Company was a mobilization payment. Delivery has not been made to the Centre because it has not completed its building for the installation of the furniture.

“The equipment for which payment has been made to AAU is for the procurement of Digital Education Studios Equipment. However, the procurement has not been completed by AAU and for that matter delivery has not been made”.

**12.6 Auditor’s Response to Management Response**

Management should have ensured that before procurement of the furniture the Infrastructure was ready to avoid this situation, however noted for subsequent audit.

An official report should be provided to us by AAU on the progress of this procurement.