



UENR | University of Energy
and Natural Resources

REGIONAL CENTER FOR ENERGY AND ENVIRONMENTAL SUSTAINABILITY

(RCEES)

PROJECT ID: 6389-GH

PROCUREMENT REPORT

FOR THE YEAR ENDED 31st DECEMBER, 2022

UNIVERSITY OF ENERGY AND NATURAL RESOURCES

MINISTRY OF FINANCE (MoF)

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (IBRD)

WORLD BANK

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14th 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 PROCUREMENT AUDIT OF THE FINANCIAL STATEMENT FOR
THE YEAR ENDED 31ST DECEMBER, 2022.

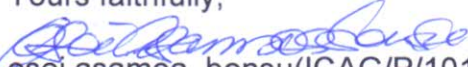
We have completed the Procurement audit of the Financial Statements of Regional Centre for Energy and Environmental Sustainability (RCEES), for the year ended 31st December, 2022.

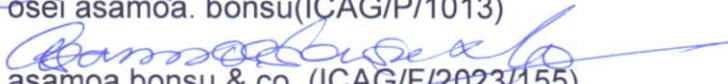
We draw your attention in this report to certain matters which we identified during the audit of the Financial Statements and which, we consider, require your attention in line with International Standards of Auditing 265 which requires we communicate appropriately to those charged with governance and 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 University Procurement Unit relating to the Centre's procurements. 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/E/2023/155)

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\$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.

Out of which the following expenses were incurred on Procurement and methods used listed below:

CONTRACT	AWARDEE	DATE OF DELIVERY	METHOD	AMOUNT\$
Work done Construction of Building	Messrs Antatartic Limited	08-Feb-22	National Competitive Tendering	327,316.68
Consultancy Supervision of Construction	Flexmond Services Limited	10-Mar-22	Entity Tender	14,400.34
Supply of Computer Accessories	Modern Information & Business Solution	03-Mar-22	Request for price quotations	3,173.08

Work done Construction of Building	Messrs Antatartic Limited	25-May-22	National Competitive Tendering	171,243.56
Supply of Tonners	Klik Internet & Business Service	31-May-22	Request for price quotations	279.70
Work done Construction of Building	Messrs Antatartic Limited	05-July-22	National Competitive Tendering	148,588.41
Supply of Laptops	Modern Information & Business Solution	10-Aug-22	Request for price quotations	5,934.02
Supply of Tonners	Modern Information & Business Solution	10-Aug-22	Request for price quotations	757.21
Supply of Tonner	Modern Information & Business Solution	10-Aug-22	Request for price quotations	454.33
Supply of Laptops	Modern Information & Business Solution	30-Aug-22	Request for price quotations	3,183.35
Supply of Laptops	Modern Information & Business Solution	30-Aug-22	Request for price quotations	3,183.35
Supply of Electrical Appliance	Diving Faith Enterprise	30-Aug-22	Request for price quotations	160.71
Supply of Tonner	Modern Information & Business Solution	07-Nov-22	Request for price quotations	927.19
Supply of Laptop	Modern Information & Business Solution	08-Nov-22	Request for price quotations	432.70

Consultancy Supervision of Construction	Flexmond Services Limited	05-Dec-22	Entity Tender	7,154.89
Supply of Furniture	Mat-Bans Company Limited	14-Dec-22	National Competitive Tendering	54,514.85
Supply of Equipment	AAU	19-Oct-22	NOT PROVIDED	32,000.00

5.0 Aim of Procurement Audit

To review and comment on the processes, procedures and records engaged by the Centre in the implementation of Procurement activities and functions.

6.0 Sampling of Contracts for Audits

The following procurement were obtained as procurement made for the year and we considered all in the audit.

CONTRACT	AWARDEE	DATE OF DELIVERY	METHOD	AMOUNT US\$
Supply of Computer Accessories	Modern Information & Business Solution	03-Mar-22	Request for price quotations	3,173.08
Supply of Safety Equipment	Kwabert 86 Plus Enterprise	11-Mar-22	Request for price quotations	2,967.01
Supply of Tonners	Klik Internet & Business Service	31-May-22	Request for price quotations	279.70
Supply of Laptops	Modern Information & Business Solution	10-Aug-22	Request for price quotations	5,934.02
Supply of Tonners	Modern Information & Business Solution	10-Aug-22	Request for price quotations	757.21
Supply of Tonner	Modern Information & Business Solution	10-Aug-22	Request for price quotations	454.33

Supply of Laptops	Modern Information & Business Solution	30-Aug-22	Request for price quotations	3,183.35
Supply of Laptops	Modern Information & Business Solution	30-Aug-22	Request for price quotations	3,183.35
Supply of Electrical Appliance	Diving Faith Enterprise	30-Aug-22	Request for price quotations	160.71
Supply of Laptops	Apple Arena Phones Enterprise	30-Sept-22	Request for price quotations	5,099.55
Supply of Tonner	Modern Information & Business Solution	07-Nov-22	Request for price quotations	927.19
Supply of Laptop	Modern Information & Business Solution	08-Nov-22	Request for price quotations	432.70
Supply of Furniture	Mat-Bans Company Limited	14-Dec-22	National Competitive Tendering	121,664.19
Supply of C-CODE Equipment	AAU	19-Oct-22	NOT PROVIDED	32,000.00

Data was collected by using documentary evidence. Documents (Tender documents, Award of Contracts, Payment Vouchers, etc.) were examined both the University Procurement Office, Finance office and the Centre.

7.0 DOCUMENTATION PROVIDED

The following documentations were provided by the Centre or examined for review

General documents provided included

- a. Approved Procurement Plans for the procurement year.
- b. Implementation Plan
- c. Contract Agreement

Specific documents provided included

1. Tender documents.
2. Award of Contract Letters
3. Procurement contract files
4. Stores Records
5. Payment Vouchers.
6. Accounting Records/Books

Clarifications and further documentations and information were requested from the Centre and designated officers and staff during the audit.

8.0 PROCUREMENT PROCESS

8.1 Finding

Due to the fact that the Centre is attached to the University and is run by the University it operated using the procedures outlined in the procurement manual approved by the World Bank and the University's established structures and as required by the Public Procurement Act 2003, Act 663 as amended.

These required that the entity had the following structures available:

- a) The Head of Entity
- b) Functional Procurement Unit
- c) Tender Opening Panel (Ad-hoc)
- d) Tender Evaluation Panel (Ad-hoc)

All the required structures were in place to support the procurement activities of the Centre.

8.2 Exception

All payments for procurement went through the procurement process with the exception of an amount of \$32,000 paid to AAU on the 19th of October, 2022 for C-CODE equipment. There was no evidence of it going through procurement.

8.3 Issue

Management has not only breached its own procurement process but that of the nation.

8.4 Recommendation

Management should ensure that the right procurement process is used in acquiring all assets and be surcharged for failure to do so.

8.5 Management Response

The amount of US\$32,000 paid by the Centre to Association of African Universities (AAU) was done in response to a decision taken that AAU should take the lead in facilitating the procurement of Digital Education Studios Equipment for six (6) Centres (including RCEES) participating in the Competence in Digital Education (C-Code)

Project. The decision was taken at a meeting of the World Bank, the AAU, the EPEL Consultant and the six (6) Centres in June 2022 in Benin.

Subsequent to this, the Director of ICT Services at AAU requested for the transfer of the estimated amount of US\$32,000 per letter dated 11 October 2022 from the Centre.

The procurement of the said equipment is facilitated by AAU which requested for the funds to be pooled to show that funds are committed before the execution of the contract in line with Section 9(1)c of the Public Procurement Regulations 2022, L.I. 2466.

Thus, the procurement process is not under the control of RCEES. The equipment will be delivered to RCEES when the procurement process is completed by AAU.

8.6 Auditor's Response to Management Response

Noted for subsequent review, however an official report should be provided to us by AAU on the progress of this procurement and file these relevant documentations to avoid future queries.

9.0 PROCUREMENT PLAN

9.1 Finding

Section 21 of the Public Procurement Act 2003, Act 663 amended states that

1) "a procurement entity shall prepare a procurement plan to support its approved programme.

(2) The plan shall indicate

(a) contract packages description or lots,

(b) estimated cost for each package,

(c) the procurement method approvals needed, and

(d) processing steps and times.

(3) A procurement entity shall submit to its entity tender committee not later than one month to the end of the financial year the procurement plan for the following year for approval and shall post the procurement plan on the website of the Authority.

A procurement plan was made available during the audit.

Contract Package	Package No.	Estimated US \$
Printed Materials (Flyers, brochures) and St	BA/UENR/RCEES/GD/001/22	25,260.03
Teaching and Learning	BA/UENR/RCEES/GD/002/22	7,429.42
I.C.T Equipment and Accessories(Server etc	BA/UENR/RCEES/GD/003/22	59,435.36
Office Equipment and	BA/UENR/RCEES/GD/004/22	29,717.68

Accounting Software	BA/UENR/RCEES/GD/005/22	14,858.84
Desktop Computers &	BA/UENR/RCEES/GD/006/22	17,830.61
Supply of Office Furniture	BA/UENR/RCEES/GD/007/22	148,588.41
Maintenance and Sundry Items	BA/UENR/RCEES/GD/008/22	14,858.84
Supply and Installation of Laboratory Equipment	BA/UENR/RCEES/GD/009/22	1,463,595.84
Vehicles(Station Wagon etc.)	BA/UENR/RCEES/GD/010/22	142,644.87
Tonners and Cartridges	BA/UENR/RCEES/GD/011/22	4,457.65
Provision of Resource Mobilization Services for RCEES	BA/UENR/RCEES/CS/008/22	7,429.42

9.2 Exception

Management was yet to undertake comparative analysis of the plan with actuals for the year under review to determine variances and provided reasons for deviations.

9.3 Issue

Difficulty in analysing reasons for deviations from the procurement plan for the year under 2022.

Management could not access deviations and make proper adjustments where necessary as no evidence of reviews was done.

9.4 Recommendation

Management should ensure that mid-year and annual review of Procurement plan is done to ensure that deviations are factored and necessary actions are taken.

9.5 Management Response

“It is not a requirement of the Public Procurement Act 2003 (Act 663) as amended to make comparative analysis of procurement plan with actuals for variance analysis. Therefore, it is not mandatory to make the comparative analysis of actuals with the procurement plan.”

9.6 Auditor’s Response to Management Response

The plan provided by the Procurement office provided columns for comparative analysis, though it was not mandatory an analysis of the plan with actuals will help facilitate future decisions and plan.

10.0 PROCUREMENT METHODS

10.1 Finding

Section 34 of the Public Procurement Act 2003. Act 663 as amended states that “the procurement entity may conduct procurement by means of the following methods and as from time to time determined by Regulations:

(a) competitive tendering that includes; (i) international competitive tendering, (ii) national competitive tendering, (iii) request for quotations, and (iv) restricted tendering;

(b) single source procurement; (c) selection of consultants determined by (i) quality and cost based selection, (ii) quality based selection,

Ciii) selection based on consultant's qualification, (iv) least cost selection, (v) fixed budget selection, and (vi) single source selection; and

(d) framework contracting where

(i) the Board in consultation with the Minister, may introduce framework contracting agreements and other methods for any specific entity where the context permits until it is possible to do so nationally; and (ii) a procurement entity may engage in a framework agreement procedure in accordance with regulations or guidelines issued by the Board.

(2) These methods shall be used subject to and in accordance with the thresholds specified in the Fifth Schedule.

Assessments were made on the tender processes with aim of ensuring whether the tender process complied with Public Procurement Act 2003, Act 663 and its Regulations.

In addition, examination of whether the procurement contract was properly administered by assessing time, scope, quality, risk, communication and cost management.

Issues such as extension of time, delays, variation orders, claims analysis, price fluctuations, payment procedures, dispute resolutions, contract terminations.

A table below of this is found below:

DELIVERABLES TABLE, 2022

CONTRACT	AWARDEE	DATE OF DELIVERY	METHOD	AMOUNT \$	STATUS
Supply of Computer Accessories	Modern Information & Business Solution	03-Mar-22	Request for price quotations	3,173.08	Delivered

Supply of Safety Equipment	Kwabert 86 Plus Enterprise	11-Mar-22	Request price quotations for	2,967.01	Delivered
Supply of Tonners	Klik Internet & Business Service	31-May-22	Request price quotations for	279.70	Delivered
Supply of Laptops	Modern Information & Business Solution	10-Aug-22	Request price quotations for	5,934.02	Delivered
Supply of Tonners	Modern Information & Business Solution	10-Aug-22	Request price quotations for	757.21	Delivered
Supply of Tonner	Modern Information & Business Solution	10-Aug-22	Request price quotations for	454.33	Delivered
Supply of Laptops	Modern Information & Business Solution	30-Aug-22	Request price quotations for	3,183.35	Delivered
Supply of Laptops	Modern Information & Business Solution	30-Aug-22	Request price quotations for	3,183.35	Delivered
Supply of Electrical Appliance	Diving Faith Enterprise	30-Aug-22	Request price quotations for	160.71	Delivered
Supply of Tonner	Modern Information & Business Solution	07-Nov-22	Request price quotations for	927.19	Delivered
Supply of Laptop	Modern Information & Business Solution	08-Nov-22	Request price quotations for	432.70	Delivered

10.2 Exception

The following procurement were yet to be delivered

CONTRACT	AWARDEE	DATE OF DELIVERY	METHOD	AMOUNT\$	STATUS
Supply of Furniture	Mat-Bans Company Limited	14-Dec-22	National Competitive Tendering	121,664.19	Not Delivered
Supply of C-CODE Equipment	AAU	19-Oct-22	NOT PROVIDED	32,000.00	Not Delivered

10.3 Issue

Delay in receipts of these items could affect the smooth running of the Centre.

10.4 Recommendation

Management should ensure delivery of procured goods and services before payment.

10.5 Management Response

“The Furniture to be supplied by Mat-Bans Company Limited are ready for supply. However, they have not been delivered because the Centre’s building is not yet completed for the supplier to install the furniture. It is expected that the building will be completed by the third quarter of 2023 for the company to deliver and install the furniture.

“With regard to the supply of the C-Code equipment, AAU is not the supplier but is only facilitating the procurement process as indicated in 8.5 above.

“The Centre Management has been following up on the progress of the procurement with AAU and will continue to do so to ensure the supply of the equipment”.

10.6 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.

11.0 SOURCING FOR SUPPLIERS

11.1 Finding

The selection of suppliers for Price Quotation was done by using the supplier database of the Public Procurement Authority.

11.2 Exception

None.

11.3 Issue

None.

11.4 Recommendation

None.

12.0 RECORD KEEPING

12.1 Finding

Section 28 of the Public Procurement Act 2003, (Act 663) as amended states that a procurement entity shall maintain a record of the procurement proceedings containing also the Section 1.10.3 Procurement Manual requires Procurement Unit of the University to keep records of

All documents regarding a particular procurement shall be kept for future reference and monitoring and control purposes. The recommended filing structure for a record of procurement shall include the following documentation:

Original Request from Originating Officer, Correspondence with Originating Officer

Correspondence with Suppliers, Contractors and Consultants/ (pre-order only) Internal Correspondence within Procurement Unit, Requests for Expressions of Interest, Shortlist or Advertisement, Tender documents and Specifications/Terms of Reference, Correspondence with suppliers relating to Tender, Tenders, Quotations or Pro-forma invoices received, Tender opening records, Record of Tender Securities and release, Evaluation Report, Submission to the relevant authority & Minutes of proceeding Notice of Contract Award and publication, Contract/Purchase Order & Acknowledgement of receipt, Delivery/Executions Documentation, Inspection and Acceptance Reports, After sales warranty and performance claims, Copy of Record of Commitment of Funds (A&EI Form), Copy of Invoices or Certificates, Copy of Payment Vouchers Manuals.

12.2 Exception

Copies of the procurement process for acquiring furniture from Mat-Bans Company Limited was not on file as at the time of the audit.

Copies of the following payment voucher were also not on file as at the time of audit.

CONTRACT	AWARDEE	DATE OF DELIVERY	METHOD	AMOUNT US \$
Supply of Computer Accessories	Modern Information & Business Solution	03-Mar-22	Request for price quotations	3,173.08
Supply of Tonners	Klik Internet & Business Service	31-May-22	Request for price quotations	279.70
Supply of Laptops	Modern Information & Business Solution	10-Aug-22	Request for price quotations	5,934.02
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Supply of Tonner	Modern Information & Business Solution	07-Nov-22	Request for price quotations	927.19
Supply of Laptop	Modern Information & Business Solution	08-Nov-22	Request for price quotations	432.70

12.3 Issue

The Procurement Unit did not fully adhere to the records keeping requirement stated in the manual.

Reconciliation of payments made by the finance department and the procurement unit could be affected.

12.4 Recommendation

Management should keep the attendance sheet for all Procurement process on file and made available on request. The Procurement Unit should liaise with the finance department of the University and obtain copies of all payment vouchers and keep them on file.

12.5 Management Response

Recommendation is accepted. The Procurement Directorate shall take copies of the payment vouchers and keep on file.

12.6 Auditor's Response to Management Response

Noted for subsequent review.

13.0 Conclusion

In Conclusion the general performance of the Centre for all the audited contracts was assessed quite satisfactory signifying that, the procurement performance of the Centre is to be good but to be strengthen.