



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 31st DECEMBER, 2024

UNIVERSITY OF ENERGY AND NATURAL RESOURCES

MINISTRY OF FINANCE (MoF)

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (IBRD)

WORLD BANK

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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, 2024.

We have completed the audit of the Financial Statements of Regional Centre for Energy and Environmental Sustainability (RCEES), for the year ended 31st December, 2024.

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 that we communicate appropriately to those charged with governance and management of the deficiencies in the internal controls that has been identified during the audit and that, in our professional judgment, are of sufficient importance to merit 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,

Osei Asamoah Bonsu
osei asamoah bonsu (ICAG/P/1013)

ASAMOAH BONSU & CO.
(CHARTERED ACCOUNTANTS)

P. O. BOX 18, 7909 KUMASI

Asamoah Bonsu
asamoah bonsu & co. (ICAG/F/2025/155)

Accra

25th June, 2025

1.0 INTRODUCTION AND AGREEMENT

The University of Energy and Natural Resources (UENR), is one of the African Universities that won a grant from the World Bank, through the Government of Ghana under the auspices of the Africa Centres of Excellence (ACE) Development Impact Project. The Project Agreement was signed on 18th October, 2019 by the Minister of Finance Mr. Kenneth Ofori-Attah 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.

However, an amendment to this agreement was signed on 27th of November, 2023 by the Minister of Finance Mr. Kenneth Ofori-Attah representing the Government of Ghana and Bouthenia Guemazi the Director of Regional Integration Africa, Middle East and North Africa Region on behalf of the World Bank.

The Africa Higher Education Centres of Excellence (ACE) Project is a World Bank initiative in collaboration with governments of participating countries to support Higher Education institutions in specializing in Science, Technology, Engineering and Mathematics (STEM), Environment, Agriculture, applied Social Science / Education and Health.

The objective of the Project is to improve quality, quantity and development impact of post graduate education in selected Universities through regional specialization and collaboration.

As part of the performance monitoring process of the funds made available to the Centre, the procurement procedures and processes under the project shall be audited in accordance with adequate procurement audit standards.

2.0 AIM OF FINANCIAL AUDIT

The aim of the Audit, amongst others, was to review and comment on:

- a. The processes, procedures and records engaged by the Centre in the implementation of activities and functions followed the contract;
- b. Compliance with the Public Financial Management Act, 2016(Act 921), Public Procurement Act 2003, Act 663 as amended by Public Procurement Act 2016, Act 914, Public Financial Management Regulations, 2019 (LI 2378), and the Financial Manual presented for the management of the Centre and World Bank Guidelines with attention to economy and efficiency, equal opportunity, transparency and quality.
- c. Review UENR' own Internal Control over the Centre and UENR' Internal Audit Reports on the Centre and that the proper records were kept.

3.0 SCOPE OF AUDIT

Our audit covered the period 1st January 2024 to 31st December 2024 and was undertaken to review control procedures and transactions relating to revenue and cash management, expenditure control, and asset management. We also followed up on the previous Management Letter.

4.0 METHODOLOGY

Our audit approach was on the International Standards on Audit (ISA). These Standards require that we plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatement. The audit included examining on test basis evidence supporting the amounts and disclosures in the financial statements. The audit also

included assessing the accounting principles used and the significant estimates made by Management as well as evaluating the overall presentation of the financial statements. We communicated our audit results to Management through a Management Letter.

5.0 FINANCIAL AUDIT REGULATORY FRAMEWORK

As required by the performance and funding Contract Agreement the audit will be carried out in accordance with the Ghana's Public Financial Management Act, 2016 (Act 921), Public Financial Management Regulations, 2019 (LI 2378) and the Financial and Operation Manual of the Centre.

6.0 INTERNAL AUDIT UNIT

The Internal Audit Unit plays an oversight role on all payments.

All payments are pre-audited by the Internal Audit Unit of the University before payments are made. This allows adequate check on payments and other transactions of the RCESS. The Internal Audit Unit also carries out quarterly post audit of all transactions of the Centre.

6.1 Exception

No evidence of work plan or reports were seen for the year under review.

6.2 Issue

- a) Timely reporting could be delayed.
- b) The purpose for the report from the Internal Audit Unit could not be fully utilized
- c) No work done by the Internal Audit Department to be relied on.
- d) Management had not adhered to its own Manual
- e) Issues arising from internal control weakness for the said period could not be made available for consideration and correction.
- f) The Financial Operations Policies and Procedure Manual was not adhered to.

6.3 Recommendation

The Internal audit department should ensure that reports and plan are carried out as required by the Project policies and procedures to avoid sanctions.

6.4 Management Response

"Work plan and 4th Quarter report is now available."

6.5 Auditor's Comment to Management Response

Noted for review.

7.0 GOVERNANCE STRUCTURES

The Financial Operations Policies and Procedures Manual of the Centre Section 2.2 states the organogram and the Steering Committee as highest decision body of the Centre.

The Steering Committee of the Centre shall •

Provide policy direction and strategic guidance to the Centre;

- Have a responsibility of helping grow the Centre to achieve its vision of becoming a Global Centre of Excellence in its area of specialization;
- Assist in linking the Centre to key organizations and networks;
- Ensure the Centre Management complies with the operational guidelines outlined in this Manual.

8.0 PROJECT DETAILS

The Project details were as follows:

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

9.0 PERIOD COVERED BY PROJECT

The Project was to cover a period of five (5) years, from 1st January 2019 – 31st December 2023 but has received a no-cost extension to 30th June, 2025 after an amendment of the agreement was signed on the 27th November, 2023. The total budgeted amount for the entire Project was SDR 4,796,925 (US\$6,650,000 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

10.0 SUMMARY OF PROJECT FINANCES AND UTILIZATION

The Project received a total grant for the year under review of US\$1,108,181.00 from financiers through GTEC. Additionally, Externally Generated Funds (EGF) of US\$429,278.45 was received bringing the total funds available to US\$1,537,459 Total expenditure incurred amounted to US\$1,577,525 leaving deficit a balance of US\$ (40,066) which was funded by the accumulated fund of US\$122,514. Leaving an accumulated fund balance of US\$82,448 to be carried forward to 2025 for the continuation of the Project

11.0 MANAGEMENT

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

Name	Position	Institution
Prof. Eric Antwi Ofori	Centre Director	UENR STAFF
Prof. Samuel Gyamfi	Deputy Centre Director	UENR STAFF
Paul Nana Nketiah	Director of Finance	UENR STAFF
Stephen Yaw Ntiamoah	Financial Management Specialist	UENR STAFF
Siddick John-Baptist	Procurement Specialist	UENR STAFF
Samuel Akowua Okyereh	Project Coordinator	UENR STAFF

12.0 REVIEW OF FINANCIAL, ADMINISTRATIVE AND INTERNAL CONTROLS

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

PREVIOUS ISSUE

13.0 USE OF ACCOUNTING SOFTWARE

13.1 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.”

13.2 Exception

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

13.3 Issue

Timely financial reporting could be delayed.

The Financial Operations Policies and Procedure Manual was not adhered to.

13.4 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.

13.5 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”.

13.6 Auditor's Comment 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.

13.7 Follow Up

Management though included the purchase of the software in their report failed to procure a software for the Centre.

13.8 Management Response

“Management started the process but because of lack of funds, the process was halted. Management has started the process again and by end of July 2024, the software shall be delivered”.

13.9 Auditor's Comment to Management Response

Management should ensure that the Software is obtained as soon as possible.

13.10 Follow Up

Situation still pertains.

13.11 Management Response

“The bids were rejected during the evaluation stage. The University has initiated the process to procure a software to be used by the Finance Directorate.”

13.12 Auditor's Comment to Management Response

This is long overdue; Management should resolve this immediately.

CURRENT ISSUES

14.0 SUSTAINABILITY OF THE CENTRE

14.1 Finding

The Project was to cover a period of five (5) years, from 1st January 2019 – 31st December 2023 but has received a no-cost extension to 30th June, 2025. As part of the Contract agreement signed on the 27th November, 2023 to extend the Project, the Financiers would no longer finance the operations of the Centre after the end of the Project on the 30th June, 2025.

14.2 Exception

The Centre Management was yet to assess the “going concern” of the Centre and to provide a succession plan to that effect.

14.3 Issue

Inability to Confirm the Centres ability to continue into the foreseeable future after the end of the Project as expected in the Contract agreement.

14.4 Recommendation

1. Management should assess the “going concern” of the Centre and put in place short-term, medium and long-term programmes to sustain the Centre
2. Management should also provide a succession plan for the Centre.

14.5 Management Response

“Document awaiting council approval”.

14.6 Auditor’s Comment to Management Response

Documents received; however, Management should ensure that is approved as soon as possible.

15.0 PROJECT DELIVERABLES

15.1 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. 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. Short-course professional students: US\$400 per national male student, US\$500 per female

			<p>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	<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>

			Amount US\$22,000 (SDR15,820) for Quality of procurement planning
Institutional Impact	University 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

15.2 Exception

The following results had not been achieved as required by year ended 31st December 2023:

Result	Planned Results for 6 Years Implementation (2019 – 2024)	% Total Earned as at 2024
Institutional Readiness	2	100
Development Impact	4	50
Accreditation	4 Courses	100
PhD Students	47 Students	100
Masters Students	95 Students	100
Short term students	290 Student	100
Publications	50	100
Infrastructure	2	100
Entrepreneurship	1	20
External Revenue	SDR 957,000	100
Internships	160 Internships	98
Timely fiduciary report	5 Reports	100
Functioning Internal Audit Unit & Committee	5 Reports	100
Financial Online Transparency	5 Reports	100
University Regional Strategy	1	100
Competitive Selection	1	100
Institutional accreditation	2	100
PASET Benchmarking	2	50
Milestones on Institutional Impact	1	100

15.3 Issue

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

15.4 Recommendation

The Centre Management should ensure the results are achieved and submitted on time as required by donors as the project ended on 30th of June, 2025.

15.5 Auditor's Comment to Management Response

"All results have been achieved and duly verified awaiting payment".

15.6 Auditor's Response to Management Response

Noted for subsequent review.

16.0 BANK ACCOUNTS

The Project had six current bank accounts as at 31st December 2024:

<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.

16.1 Exception

None.

16.2 Issues

None.

16.3 Recommendation

None.

17.0 REMITTANCE

17.1 Finding

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

<u>DATE</u>	<u>RECEIVED FROM</u>	<u>AMOUNT US\$</u>
27- FEB-2024	GTEC	987,260.41
28- AUG-2024	GTEC	120,920.59
Total		1,108,181.00

17.2 Exception

None.

17.3 Issue

None.

17.4 Recommendation

None.

18.0 FIXED ASSET REGISTER

18.1 Findings

The Center's Financial Operations Policies and Procedures Manual section 15.1 on controls over non-current assets states, "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."

18.2 Exception

Some assets were yet to be embossed as required by the Manual.

18.3 Issue

There has been a breach of the Centre's own policy of asset.

Assets could go missing and be unnoticed.

18.4 Recommendation

Management should ensure that an up-to-date register is kept for assets and make it available for inspection and ensure that these assets are properly coded.

18.5 Management Response

"Recommendation accepted and the process to emboss all new assets have begun".

18.6 Auditor's Comment to Management Response

Noted for subsequent review.

19.0 RETIREMENTS

19.1 Finding

Special Accountable Imprest were made. The Centre requires these advances be retired as stated in the policy as follows:

Section 13.33 of the Centres' policy states that: "Special Accountable imprest may be issued to staff to purchase specific goods/services. As a general rule, Special Accountable Imprest will be granted for field trips and other travel related expenditure. However, Special Accountable Imprest may be advanced to the Procurement Specialist to undertake

procurement for the Centre as indicated in Section 13.7 above. Approved Special Accountable Imprest shall only be used for the purpose for which it was requested”.

Again, its states in Section 3.36 that, “Special Accountable Imprest shall be retired within a maximum period of 21 days of collecting the imprest. Special Accountable Imprest for field trips which are normally of a long duration may be retired at the end of three months”.

Furthermore, Section 13.35 states that, “Imprest advanced to staff will be charged to the staff member’s account until retired”.

19.2 Exception

The following Special Accountable imprest for research work had not been retired as at the time of audit:

Date	Payee	Narration	P.V. Number	Amount USD \$
03-10-2024	Benjamin Dekongmen	Payment of Research Support Funds	PV327/24	773.13
18-11-2024	Wendell Komla Agbo	Payment of Research support funds to the centre	PV410/24	606.02
18-11-2024	Emmanuel Yeboah Asuamah	Special Advance to prepare three acre of land for the operation of the Centre's farm	PV411/24	378.76
29-11-2024	Emmanuel Kwesi Nyantakyi	Special Advance for fuel to attend a two-week internship at Tamale	PV426/24	113.63
09-12-2024	Romeo Djimasbe	Payment for research support funds	PV442/24	1,779.66
29-02-2024	Kwarteng Genevieve Donkor	For First Tranche of Research Support Funds	PV019/24	1,518.86
29-02-2024	Amprofi Ampah Amproche	Excess expenses on research grant	PV020/24	93.11
20-03-2024	Thomas Tawiah-Boadi	First tranche of Research Support Funds	PV054/24	378.94
02-05-2024	Therdius Boateng	Payment of First Tranche of Research Support Funds	PV108/24	378.79

A payment was made without evidence of retirement of previous advance taken.

Date	Payee	Details	P. V. Number	Amount US\$
02-05-2024	Daniel Gyabaah	Payment of Third Tranche of Research Support Funds	PV107/24	386.36

19.3 Issue

There has been a breach of Centre’s Policy on retirement

Payments for research activities could not be verified

Funds might not be used for the purpose for which they were taken.

Funds might not be properly accounted for.

The expenditure items concerned could have been overstated by the amount of Special Advance not retired.

19.4 Recommendation.

Management should ensure that all special advances are retired at the time stipulated and necessary sanctions taken for not retiring.

19.5 Management Response

"Recommendation accepted. Student's research takes more time and as a result, we will amend the regulation to cater for the life span of the research".

19.6 Auditor's Comment to Management Response

Noted.

20.0 GOODS RECEIVED NOTE

20.1 Criteria

Section 13.9 of the Centre's Manual states; Payment for goods/services shall be made on submission of the following documents: Contract Award Letter, Service Delivery Report, Goods Received Voucher (GRV) and a VAT invoice where applicable.

20.2 Finding

Goods Received Vouchers were raised for goods received from suppliers and attached to Payment Vouchers before payments were made.

20.3 Exception

No Goods Received Note (GRN) was attached to the following Payment Voucher:

Date	Supplier	Details	PV Number	Amount US\$
03-05-2024	Klik Internet and Business Solution	Payment for the Supply of 4 Boxes of A4 Sheet to the Centre	PV111/24	163.74

20.4 Issues

The Centre has breached its policy on payment and receipt of goods. There is a risk of payment for unreceived or unauthorized items.

20.5 Recommendation

Management should ensure that section 13.9 of the Centre's Operational Manual is being adhered to.

20.6 Management Response

This was noted and oversight and corrective measure taken.

20.7 Auditor's Comment to Management Response

Noted for subsequent review.

21.0 INSPECTION DOCUMENTATION NOT ATTACHED TO PVS

21.1 Finding

Good Inspection Documents are crucial for verifying the quality, quantity and condition of goods received or shipped. These documents help ensure compliance with standards, regulations, and contractual agreements.

21.2 Exception

Payment Vouchers for procured goods lacked the required inspection documents to confirm receipt and quality. Examples are listed below;

Date	Supplier	Details	PV Number	Amount US\$
28-02-2024	Modwork Enterprise	Payment for supply of UPS and KVM switch to the Centre	PV013/24	3,013.94
28-02-2024	Delta Unic Limited	Payment for the supply of Desktop Computers	PV014/24	53,847.54
27-03-2024	Kwabert 86Plus Enterprise	Payment for the supply of curtains and its Accessories	PV064/24	7,102.14
21-06-2024	Apisco Enterprise	Payment for the supply and Installation of core and accessories for the three phase LV Extension	PV194 A-B/24	35,828.79
24-06-2024	Migblank Enterprise	Final Payment for the supply and installation of laboratory benches to the Centre.	PV200 A-C/24	18,555.48

21.3 Issues

There was no evidence specification for product received were checked.
There is the risk of payment for substandard or undelivered goods
Difficulty confirming value for money.

21.4 Recommendation

Management should ensure that all inspection reports are done and copies filed before payments are made.

21.5 Management Response

"Recommendation is duly accepted".

21.6 Auditor's Comment to Management Response

Noted for subsequent review.