

3.0 Management Letter

The following were some of the matters raised by the auditors and the management responses thereto:

3.1 Unrecovered Staff Loans

The auditors noted, as in the previous year, that no recoveries had been made from 27 officers for staff loans/advances amounting to P270 268, which had been outstanding since 2016. Eleven of the employees were on the payroll while others had left the College, either during the year or in the previous year(s).

In response management stated that most of the staff debtors were due to travel advances and advances for work and residence permits, rather than advance against salary. They further stated that most of the staff had indicated that they had returned the receipts. However, records were not found. Financial clearance was now performed before employees were paid terminal benefits and management would engage all existing staff members with long outstanding balances to put in place payment plans. Management had also introduced a measure to curb the risk of issuing new advances to already owing employees by checking accounts receivables and payroll for any amounts that the staff owed.

3.2 Long Outstanding Debtors

The auditors noted, as in the previous year, a number of government and corporate debtors that remained outstanding for a significant period of time. They also noted that the amounts outstanding from self-sponsored students for more than 90 days had increased significantly in 2018, compared to the prior year, which was indicative of inadequate monitoring over debtors. Below is an analysis of debtors that were outstanding for more than 90 days as at 31 March 2018:

<u>Category:</u>	<u>2018</u>		<u>2017</u>	
	<u>P' Million</u>	<u>%</u>	<u>P' Million</u>	<u>%</u>
Government	2.70	11	8.54	34
Corporate	1.27	5	1.66	7
MSc Programmes	8.18	32	2.93	12
Self-sponsored	13.15	52	11.68	47