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**11th Extraordinary Administrative Council
19th November, 2025, Arusha, Tanzania**

PRESENTATION AND CONSIDERATION OF THE MANAGEMENT LETTER

1. Subject <ul style="list-style-type: none">• Presentation and Consideration of the Management Letter	References/Paragraphs Article 5, paragraph 5 of the Detailed Regulations of the Convention.
2. Decisions Expected <ul style="list-style-type: none">• Examine the management letter and the responses• Avail comments if deemed necessary;• Adopt the annual management report contained in the 2023/2024 financial statements	Regulation 54 of the Financial Regulations of the Pan African Postal Union.

1. Executive Summary

The External Auditor's Report to Management, which is prepared on behalf of the Administrative Council by the General Secretariat, is a formal document that highlights the Auditor's findings and recommendations on the Union's financial statements, internal controls, and compliance with statutory rules and regulations. Some of these issues contain previous observations that have not been addressed to the Auditor's satisfaction. Additionally, the unqualified opinion expressed by the External Auditor on the 2023/2024 financial statements of the Union requires the adoption of the report in accordance with Financial Regulation 54 of the Union to enable circulation to all Member States and Associate Members.

2. Objectives

The key objectives of the Management Letter are as follows:

- 2.1 to report the Auditors' findings, identify material weaknesses observed in the internal controls' system, highlight the degree of risk associated with the shortcomings, report on compliance with the statutes of the Union, and provide recommendations for improvement.

2.2 The Report also assists the Administrative Council to identify key issues that require improvement and take corrective action to address the identified issues in the areas of financial reporting, internal controls, compliance with statutes, operational efficiency, governance issues, Information Technology security concerns, and other related matters.

2.3 Obtain Management's comments on the findings, planned corrective actions, possible timelines for implementation of the recommendations, and the responsible authority in charge of taking the necessary remedial actions.

The Management Letter provides the Administrative Council with the necessary roadmap for addressing identified issues and improving the Union's overall performance.

3. Previous Observations Already Implemented

S/N	PREVIOUS OBSERVATION	COMMENTS	STATUS
1	Allocation of Costs for Components, Capitalization, and Accounting Records in the PAPU House Joint Venture Project	Capitalization of PAPU Tower assets was completed, and assets were duly allocated to PAPU, TCRA, and the Joint Venture Investment Property.	Implemented and dropped by the Auditor
2	Existence of fully depreciated assets and a budget for furnishing the new PAPU Office upon completion of the building	All three floors occupied by PAPU are now equipped with new and modern furniture, courtesy of funding provided by an Associate member, the United States Postal Service.	Implemented and dropped by the Auditor

4. Consideration of the Management Letter

The Council is requested to consider and adopt the External Auditor's Management Report, acknowledging the findings, observations, and recommendations presented in Annex 3.1.