

UNIVERSITY OF GHANA



INTERNAL AUDIT DIRECTORATE

Final Report

COMPLIANCE AUDIT REVIEW ON THE OPERATIONS OF WEST AFRICAN CENTRE FOR CROP IMPROVEMENT (WACCI) ACE PROJECT FOR THE YEAR ENDED 31ST DECEMBER 2017

Report No. UG/AUD/22/18

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Date of Issue:	September 19, 2018		

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1.5 Strategic Position

The audit supports the priority one (1) of the Strategic Plan of the University with the objective of providing stronger institutional support across the University in the administration and development of research grants.

1.6 Audit Procedures

The audit was conducted in accordance with the International Professional Practice Framework (IPPF) of the Institute of Internal Auditors (IIA) and subjected to quality assurance review. Audit performed sufficient and appropriate procedures and gathered adequate evidence in order to provide the requisite assurances required by Senior Management and the World Bank. Our evidence was adduced through the following methods:

- i. Conducted interviews with key officers at the Centre
- ii. Evaluated the accounting activities within the period under review and testing the controls therein; and
- iii. Reviewed key process flowcharts and test the controls

1.7 Acknowledgment

We would like to thank the following whom we contacted during the audit for their help and courtesies:

Prof. Eric Danquah - Director

Mr. Kwadwo O. Afrifa - Finance Officer

1.8 Summary of Key Issues:

Level	Number of Areas
Effective	7
Some Improvement Needed	0
Major Improvement Needed	0
Unsatisfactory	0

Overall Opinion: Effective

Effective	<p>Asset Management</p> <p>The Centre keeps an asset register, updated regularly and assets are embossed with the Centre's serial codes as required.</p>	<p>Mr. Kwadwo Owusu Afrifa</p> <p>(Team Lead, Grants Management)</p>	
Effective	<p>Capability and Accuracy of Accounting software's</p> <p>The Centre uses both the Integrated Tertiary Software (ITS) system and Sage (ERP) to prepare its accounting and financial reports for the period under review. Internal controls surrounding the accounting software and information systems were found to be robust and effective.</p>	<p>Mr. Kwadwo Owusu Afrifa</p> <p>(Team Lead, Grants Management)</p>	
Effective	<p>Annual Procurement Plan</p> <p>The Centre prepares a procurement plan in accordance with the provisions of the Public Procurement Act, 2003 as amended by the Public Procurement (Amendment) Act, 2016 (Act 914) to support its operations at the Centre for the period under review.</p>	<p>Mr. Kwadwo Owusu Afrifa</p> <p>(Team Lead, Grants Management)</p>	
Effective	<p>Budget Preparation and Management</p> <p>Available records revealed that the Centre prepared its annual budget based on work plan for the 2017 financial year which was forwarded to the World Bank for approval. Additionally, audit realized that all operational activities were within the approved budget.</p>	<p>Mr. Kwadwo Owusu Afrifa</p> <p>(Team Lead, Grants Management)</p>	

Issue Title		Issue Rating	
2.2 Procurement/Funds Utilizations		Effective	
<p>The Financial Regulations and Governance of the University Policy no. 1604 (1) states that, “the University's purchasing and payments procedures are in place to enable the majority of goods and services to be procured through the creditor payments system without employees having to incur any personal expense. However, on some occasions, employees may incur expenses, most often in relation to travel, and are entitled to reimbursement”.</p> <p>The cumulative expenditures by the WACCI/ACE for the period reviewed stood at US\$1,611,796.00. Audit review confirmed that:</p> <ul style="list-style-type: none">i. Rules and procedures contained in the University of Ghana Financial Regulations and Governance policy no. 1604 were applied consistentlyii. Expenses incurred were fully supported by documentation retained in files, authorized by the Director of the Centre, used for Centre’s activities and properly accounted.			
Risk-based consequences of the Issue for the University			Risk Rating
Audit did not see any risk associated with the utilizations of grant.			Insignificant
Management Response	Action Taken	Action Owner	Completion Date
The Management will work with all stakeholders for compliance and greater transparency.		Mr. Kwadwo Owusu Afrifa (Team Lead, Grants Management)	

Issue Title	Issue Rating
2.4 Asset Management	Effective

The Financial Regulations and Governance of the University Policy no. 1701 (6) states that, **“Provosts, Deans and Directors are responsible for the care, custody and security of the buildings, stores, furniture, cash etc. under their control”**.

The Financial Regulations and Governance of the University Policy no. 1701 (5b) states that **“Provosts Deans and Directors shall provide Director of Finance with any information he/she may need to maintain the asset register”**.

Audit findings revealed that assets are properly kept, secure from theft and the Centre has policy on the access to the assets. In addition, an asset register is maintained and updated regularly and assets are coded.

For the period under review non-current asset acquired and captured in their Asset Register include the following:

Items	Quantity	Amount
Seed Science Equipment	Set	US \$ 96,005.05
Epson Projectors	6	GH ¢ 21,714.00
Dell Desktop Computers	19	GH ¢ 127,500.00
Mac Desktop Computer	5	GH ¢ 44,500.00
Conference chairs	200	GH ¢ 99,000.00
Shaking Incubator	1	GH ¢ 39,944.30
Electroporator	1	GH ¢ 72,459.00
Plant Growth Chamber	2	GH ¢ 190,677.82
Freezer Dryer	1	GH ¢ 100,958.35
Hotplate Stirrer	2	
Stainless Sterilizer	1	GH ¢ 204,919.03
HPCs	21	
Servers Server Rack	1	GH ¢ 496,749.69

Issue Title		Issue Rating	
2.5 Capability and Accuracy of Accounting software's		Effective	
The Centre uses both the Integrated Tertiary Software (ITS) system and Sage (ERP) to prepare its accounting and financial reports for the period under review. Our observations indicated that the internal controls surrounding the accounting software and information systems were found to be robust and effective.			
Risk-based consequences of the Issue for the University			Risk Rating
There is no risk associated with the accounting software and its subsequent financial reporting.			Insignificant
Management Response	Action Taken	Action Owner	Completion Date
Stricter controls will be enforced.		Mr. Kwadwo Owusu Afrifa (Team Lead, Grants Management)	

Issue Title	Issue Rating
2.7 Budget Preparation and Management	Effective

The Financial Regulations and Governance of the University Policy number 1001 section 7 and 8 states that, **“Each year, in advance of the financial year to which they refer the Provosts, Deans and Directors will propose income and expenditure and capital budgets”**.

Available records revealed that the Centre prepared its annual budget based on work plan for the 2017 financial year which was forwarded to the World Bank for approval. In addition, audit realized that all their activities were within the approved budget.

Below is the budget analysis for the period ending 31st December, 2017.

Budget Analysis			
Expenditure	Plan (\$)	Actual (\$)	Variance (\$)
Set Up Institutional Framework	85,500.00	74,792.47	10,707.53
Strengthen Education Capacity	1,068,268.00	566,199.51	502,068.49
Strengthen Education Capacity &Dev Impact	683,410.00	309,963.97	373,446.03
Strengthen Research Capacity	2,496,605.00	1,658,531.98	838,073.02
Strengthen Education &Research Capacity	46,620.69	2,222.34	44,398.35
Adhere to Best Financial Management Practice	19,000.00	20,163.80	(1,163.80)
Contingency	75,000.00	8,198.94	66,801.06

According to Mr. Kwadwo Owusu Afrifa, the above analysis were as a result of planned activities for the year which was partly financed from other Internally Generated Funds of the Centre.

3.0 Overall Audit Opinion: Effective

Based on the audit evidence from our own tests carried out, audit offers a substantial assurance in respect of the audit review of the WACCI-ACE Project with low audit risk for the period ending 31st December, 2017.

Audit Opinion Key

Effective	Controls evaluated are adequate, appropriate, and effective to provide substantial assurance that risks and governance issues are being managed and objectives should be met.
Some Improvement Needed	A few specific control weaknesses were noted; generally however, controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks and governance issues are being managed and objectives should be met.
Major Improvement Needed	Numerous specific control weaknesses were noted. Controls evaluated provide only limited assurance that risks and governance issues are being managed and objectives may not be met.
Unsatisfactory	Controls evaluated are not adequate, appropriate, or effective and provide no assurance that risks and governance issues are being managed and objectives will not be met.

Engagement lead: Dr. Ibrahim Bedi

Signature.....

Audit Lead: Mr. Benjamin Adjete

Signature.....