



UNIVERSITY OF GHANA

INTERNAL AUDIT DIRECTORATE

Final Report

AUDIT ON THE OPERATIONS OF WEST AFRICAN CENTRE FOR CROP IMPROVEMENT (WCCI), ACE PROJECT IN THE UNIVERSITY OF GHANA

Report No. UG/AUD/26/20

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WACCI.

1.5 Audit Methodology

The audit was carried out in line with the International Professional Practices Framework (IPPF) of the Institute of Internal Auditors (IIA). We analyzed and evaluated the existing internal control regimes regarding funds disbursement, procurement and assets management.

1.6 Acknowledgment

We are grateful to the following officers of the Centre for their assistance and co-operation during the period of the audit:

- Mr. Kwadwo O. Afrifa - Team Lead, Grants Management (WACCI)
- Ms. Abigail Bedzrah - National Service Person (WACCI)

1.7 Summary Rating

1.7.1 Summary of Control Effectiveness

LEVEL	NUMBER OF ISSUES
Highly Effective	7
Reasonable	0
Ineffective	0

Overall Audit Opinion: Highly Effective

1.7.2 Risk Rating

LEVEL	NUMBER OF ISSUES
Low	7
Medium	0
High	0

Overall Risk Rating: Low

1.8 Outline of Key Issues

The table below summarises the key issues:

Issue Ranking	Main Findings	Action Owner	Resolution Date
Highly Effective	<p>Cash In-Flows</p> <p>Funds are wired directly into the Centre’s dollar bank account. For the six months reviewed, an aggregate of USD360,880.18 was received by the Centre.</p>	Prof. Eric Danquah, (Project Director)	Not applicable
Highly Effective	<p>Funds Disbursement</p> <ol style="list-style-type: none"> 1. The Centre consistently follows the University’s established funds disbursement policies and regulations. 2. Payment documentations are pre-audited before payments are made. 	Prof. Eric Danquah, (Project Director)	Not applicable
Highly Effective	<p>Project Reporting Protocols</p> <p>WACCI prepares and submits monthly and bi-annual operational reports to the Project Funders.</p> <p>We have reviewed all accounting records including monthly operational project reports covering the period under review.</p>	Prof. Eric Danquah, (Project Director)	Not applicable
Highly Effective	<p>Bank Reconciliation Statements</p> <p>The Project Cashbook has been properly adjusted and cashbook balance reconciled with the bank balance. Reconciled bank balance as at 31/12/2019 stood at USD217, 876.26.</p>	Prof. Eric Danquah, (Project Director)	Not applicable
Highly Effective	<p>Procurement</p> <ol style="list-style-type: none"> 1. The Centre Engages the procurement focal person through the UG Logistics Directorate for all procurements. 	Prof. Eric Danquah, (Project Director)	Not applicable

1.9 Key Audit Matter

The key audit matter is an issue emerging from our findings and observations that in our professional judgement is very significant and therefore need to be brought to the attention of Senior Management of the University.

Training Procurement Officers at the Centre

In every segment of a corporate institution, procurement of goods and services poses a lot of challenges. It is worthy to note therefore that, Management of the Centre engages the procurement focal person through the Logistics Directorate for all procurement. As a result, proper and adequate procurement documentations are maintained at the Centre; and value for money achieved in all procurement activities undertaken.

The Audit team therefore commends the Project Director and his Management team for Engaging the Logistics Directorate in all matters of procurement.

Issue Title		Issue/Control Effectiveness Rating	
2.2 Funds Disbursement		Highly Effective	
<p>The Project Financing Agreement enjoins the WACCI Project Director to disburse all project funds in accordance with the established guidelines formulated by the World Bank and the University's Regulations.</p> <p>The processes and procedures put in place for project funds utilization or disbursement are adequate, effective and efficient. All funds disbursed always receive prior approval from the Project Director. At all material times, the Project Accountant and his Director are always cognizant of the Project Financing Agreement when expending the project funds.</p> <p>In line with the University's Financial Regulations, all project payments are pre-audited before payments are effected. All payments are accompanied by relevant supporting documents; and payment documentations properly maintained at the Centre.</p>			
			Risk Category
We did not observe any control failure in this instance.			
Risk-based consequences of the Issue for the University			Risk Rating
There is no risk exposure to the funders.			Insignificant
Recommendation			Concept
There is no control failure issue that calls for a resolution/recommendation			
Management Response	Action Taken	Action Owner	Action Date
Management will employ continuous systems improvement in all aspects of its operation.		Prof. Eric Danquah (Project Director)	No deadline is required here

Issue Title		Control Effectiveness Rating	
2.4 Bank Reconciliation Statements		Highly Effective	
<p>The University of Ghana Financial Regulations and Governance Policy No. 1303 (section 6) requires that, ‘the custodian of the fund is responsible for (a) the fund’s safeguarding and security, and (b) performance of reconciliations as frequently as possible (the frequency should not exceed one month) which must be submitted to Finance Directorate for review and approval’.</p> <p>The Centre has maintained adequate records on all project funds received and disbursed. The Centre’s Project Cashbook has been properly adjusted and declared cashbook balance properly reconciled with the bank balance.</p> <p>In line with the above cited criterion, monthly bank reconciliation statements have been prepared to cover the six months reviewed. Reconciled bank balance as at 31/12/2019 stood at USD217,876.26.</p>			
			Risk Category
Nothing negative was observed under the control category.			
Risk-based consequences of the Issue for the University			Risk Rating
No risk was sighted in this instance.			Insignificant
Recommendation			Concept
Control failure resolution is not necessary in this instance.			
Management Response	Action Taken	Action Owner	Action Date
Management will employ continuous systems improvement in all aspects of its operation.		Prof. Eric Danquah (Project Director)	No deadline is needed

Issue Title		Control Effectiveness Rating	
2.6 Budget		Highly Effective	
<p>According to Policy No. 1001 clauses 9 & 10 of the University's Financial Regulations and Governance Policy, "the budget of the University shall be approved by the University Council upon the recommendations of the Finance and General Purposes Committee. The Director of Finance must ensure that the approved budgets are communicated to Provosts, Deans and Directors as soon as possible following their approval by the Council".</p> <p>The Centre operates with an approved budget. The Project Accounts Lead ensures that all virements and supplementary budgets equally go through the laid down budgetary approving regimes.</p> <p>The Centre religiously expends project funds within the remits of the approved budget.</p>			
			Risk Category
No control failure risk was identified in this instance.			
Risk-based consequences of the Issue for the University			Risk Rating
The University is not faced with any risk consequence here.			Insignificant
Recommendation			Concept
No control failure resolution is recommended.			
Management Response	Action Taken	Action Owner	Action Date
Management will employ continuous systems improvement in all aspects of its operation.		Prof. Eric Danquah (Project Director)	No deadline is needed

3.0 Overall Audit Opinion: Highly Effective

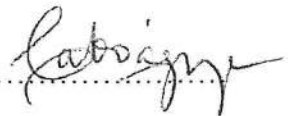
All in all, the Centre has operated within the remits of the Project Financing Agreement and the established National Laws as well as the University's Regulations. There is a robust governance arrangement and there exists a properly trained procurement team responsible for all procurement activities at the Centre. Adequate financial records are maintained; and WACCI students are receiving quality tuition.

Audit Opinion Key:

Highly Effective	Addition/improvement of internal control measures is not necessary at the moment and are strong.
Reasonable	Internal control measures exist at the moment, but they need to be reviewed and strengthened.
Ineffective	Addition/improvement of internal control measures is necessary at the moment because the existing controls are not strong.

Engagement Lead: Dr. Francis Aboagye-Otchere

Signature:



Team Lead: Mr. Amenya Jonathan

Signature:

