



UNIVERSITY OF GHANA

INTERNAL AUDIT DIRECTORATE

Final Report

AUDIT OF THE WORLD BANK AFRICA CENTRE OF EXCELLENCE (ACE) - IMPACT PROJECT AT THE WEST AFRICA CENTRE FOR CELL BIOLOGY OF INFECTIOUS PATHOGENS (WACCBIP), UNIVERSITY OF GHANA

Report No. UG/AUD/10/23

Distribution: Prof. Nana A. Appiah Amfo	-	Vice Chancellor
Prof. Gordon A. Awandare	-	Pro-Vice Chancellor, ASA
Prof. Felix Ankomah Asante	-	Pro-Vice-Chancellor, ORID
Dr. Lydia N. Mosi	-	Deputy Director, Administration
Dr. Peter Quarshie	-	Deputy Director, Research
Mrs. Emelia Agyei-Mensah	-	Registrar
Mrs. Bernice B. Agudu	-	Director of Finance
Dr. Abdul B. A. Bamba	-	Legal Counsel
Mr. Anthony H. Hofe	-	Senior Accountant, ORID
Dr. Eric Oduro Osae	-	Chairman, Audit Committee
Submitted by: Mr. Thomas Kwegyir-Abaidoo	-	Ag. Director, Internal Audit
Audit Team: Mrs. Dzifa Sackey	-	Team Lead
Mr. Godwill Ashiatey	-	Member
Ms. Martha Baidoo	-	Member

Date Issued: 14th April 2023

Table of Contents

1. Executive Summary.....	2
2. Outline of Key Issues.....	7
3. Key Audit Matter.....	9
4. Detailed Findings and Recommendations.....	10
5. Audit Opinion.....	16

Appendices

Appendix 1: Details of Expenditure.....	19
Appendix 2: Schedule of Goods, Works and Services Procured.....	20
Appendix 3: Schedule of Non-Pre-Audited Payment Vouchers.....	21

1.0 EXECUTIVE SUMMARY

1.1. Introduction

The audit was conducted by the Internal Audit Directorate (IAD) in response to a request by the Director of WACCBIP. The audit covered the period July 01, 2022 to December 31, 2022. The audit fieldwork commenced on February 14, 2023 and ended on February 28, 2023.

1.2. Audit Objectives

The objectives of the audit were to:

- i. Determine whether funds committed to the ACE-Impact Project at the WACCBIP have properly been disbursed in line with the project agreement and the financial controls of the University.
- ii. Ascertain the adequacy of records maintained on the ACE-Impact project at the WACCBIP.
- iii. Validate the accuracy and completeness of the financial information and reports.
- iv. Ascertain whether all project activities have been performed within the remit of the Project Agreement.

1.3. Scope of the Audit

The audit focused on the following areas:

- i. Management and Governance Arrangements
- ii. Risk Management
- iii. Grants and Funds Disbursement
- iv. Bank Reconciliation Statement
- v. Adherence to Reporting Requirements
- vi. Asset Management

1.4. Audit Approach

We adopted the risk-based approach in carrying out the audit.

1.5. Audit Methodology

The audit was conducted in accordance with generally accepted International Standards for Professional Practice of Internal Auditing issued by the Institute of Internal Auditors. The Standards require that we plan and perform the audit to obtain enough, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives.

Key officers of the project were interviewed and files for the audit period were reviewed.

The University of Ghana Statutes, Financial Regulations and Governance Policy, Grant Agreement, and other relevant publications were also considered during the audit.

1.6. Acknowledgement

We are grateful to the following officers for their support during the audit:

- Prof. Gordon A. Awandare - Director, ACE Impact Project
- Dr. Lydia N. Mosi - Deputy Director, Administration
- Dr. Peter Quarshie - Deputy Director, Research
- Ms. Sika Menka - Grant Manager, WACCBIP
- Ms. Emefa Adzadu - Senior Accounts Officer, WACCBIP
- Ms. Marian N. Nanor - Accounts Officer, WACCBIP
- Mr. Anthony H. Hofe - Senior Accountant, ORID

1.7. Summary Rating

1.7.1. Summary of Risk Assurance / Control Effectiveness

Level	Audit Opinion	Number f Issues
Effective	Addition/improvement of internal control measures is not necessary now and are strong.	6
Reasonable	Internal control measures exist now, but they need to be reviewed and strengthened.	1
Ineffective	Internal control measures are weak and need urgent attention for improvement	0

Overall Audit Opinion: Effective

1.7.2. Risk Rating

Level	Description	Number of Issues
Low	Management may consider reducing the cost of control. Management should constantly monitor the risk exposure and related control effectiveness	6
Medium	The residual risk exposure is acceptable. Management should implement more controls or increase the effectiveness of	1

		current controls to reduce the residual risk to a more acceptable level.	
	High	Management should take immediate action to reduce residual risk exposure to an acceptable level	0

Overall Risk Rating: Low

1.7.3. Control Failure Risk Rating

Control Code	Type of Control Category	Control Failure Resolution Rating	Number of Issues
1	CATEGORY # 1: Lack of Adequate Management Oversight and Accountability	Responsible for Promoting High Ethical and Integrity Standards	1

Overall Risk Category: Lack of Adequate Management Oversight and Accountability

Overall Control Resolution: Personal and Non-Delegation of Responsibility for Implementing Strategies Approved

1.8. Outline of Key Issues

The table below summarises the key issues:

Issue Rating	Main Findings	Action Owner	Resolution Date
Effective	<p>Adequate Composition of Management Committee and Meetings</p> <p>The Centre leadership was composed in accordance with the grant agreement and the Centre Management Committee met twice during the reviewed period.</p>	N/A	N/A
Effective	<p>Approvals and Fund Disbursement</p> <p>A total expenditure of \$536,379.52 was made which represented 78% of the budgeted expenditure.</p> <p>All payments were approved by the Centre Director.</p>	N/A	N/A
Effective	<p>Compliance with Procurement Processes</p> <p>The procurement methods and processes adopted were in accordance with the University of Ghana Financial Regulations and Governance Policy, 2020 and the Public Procurement Act, 2003 (Act 663).</p>	N/A	N/A
Effective	<p>Regular Bank Reconciliation Conducted</p>	N/A	N/A

	Monthly bank reconciliation statements were prepared by the Accounts Officer and submitted to the Deputy Director, Finance.		
Effective	<p>Compliance with Financial Reporting Agreement</p> <p>The Centre prepared financial reports semi-annually and annually and uploaded same to its website for access by all relevant stakeholders.</p>	N/A	N/A
Effective	<p>Regular Up-date of Asset Register and Labelling of Assets</p> <p>The Centre had an up-to-date asset register and all newly acquired assets were marked with the approved identification mark of the University.</p>	N/A	N/A
Reasonable	<p>Failure to Submit all Payment Requests for Pre-Auditing</p> <p>Audit observed that payments totaling GH¢241,821.93 and \$10,120.00 were made in the period under review without submitting the payment vouchers for pre-auditing.</p>	Mr. Anthony H. Hofe (Senior Accountant, ORID)	June 30, 2023

1.9. Key Audit Matter

The key audit matter is an issue arising from our observations that in our professional judgment is most significant in this audit, and therefore calls for some attention.

Disbursement of Funds without the pre-auditing of payment requisitions.

A review of payment vouchers disclosed that a total amount of **GH¢241,821.93** and **\$10,120.00** were paid without the pre-auditing of payment requests.

2.0 Detailed Findings and Recommendations

Issue Title	Risk/Issue/Control Effectiveness Rating
2.1 Adequate Composition of Management Committee and Meetings	Effective
Criteria	
<p>Section 2.5 of the Performance and Funding Contract states that “the participating University will appoint a Center Leader, Deputy Center Leader and a supporting implementation team of appropriately qualified academic, technical and administrative personnel. Changes to the designated Center Leader should be avoided during implementation except in cases of low performance. Changes in the Center Leader should be communicated to the National Review Committee, Ministry focal point for the project, the Regional Facilitation Unit, and the Association along with a justification for the change, and the proposed new Center Leader along with her/his qualifications for the Center Leader position.”</p> <p>Amendments to the Statutes of the University of Ghana, Schedule J, Section 11.1 states that “There shall be a Management Committee for every School, Institute and Centre of the College.” Section 11.5 states that “A Management Committee shall meet at least twice in each semester.”</p>	
Condition	
<p>The Centre leadership was composed in accordance with the above criteria. Besides the Center Leader and his deputy, key staff members included persons specializing in procurement, financial management, monitoring and evaluation, and communications. The Centre Leader did not change in the period under review.</p> <p>Also, the Centre Management Committee met twice; in September and December 2022, to discuss the operations, performance, and challenges of the Centre.</p>	
Cause	Control Category
Dedication to the attainment of the project objectives by the Centre Leadership.	N/A
Effects / Consequences of the Issue for the University	Risk Rating

No risk consequences to the University were identified.	Low
Commendation	Control Resolution
We commend the Centre's Management Committee for compliance with the above criteria	N/A

No risk consequences to the University were identified.	Low
Commendation	Control Resolution
We commend the Centre's Management Committee for compliance with the above criteria	N/A

Issue Title	Risk/Issue/Control Effectiveness Rating
2.2 Grant Receipts and Fund Disbursements	Effective
Criteria	
<p>Section 3.2 of the Performance and Funding Contract states that “The amount of funding released to the Participating University for the implementation of the project will be contingent to the satisfactory agreement of the agreed Disbursement-Linked Indicators (DLIs), listed in Annex 4. There are seven DLIs which each consist of Disbursement-Linked Results which have unit disbursement prices.”</p>	
Condition	
<p>Audit examination of financial records for the period revealed that, WACCBIP bank account received a total amount of \$425,515.68 as grant from its donors.</p> <p>Review of transactions for the audit period also showed that the Project expended a total amount of \$536,379.52 for the purchase of goods and services and non-financial assets.</p> <p>All payments were made with prior approval by the Centre Director. Details of expenditure are outlined in Appendix 1.</p>	
Cause	Control Category
Dedication of the Centre Leadership to complying with disbursement rules.	N/A
Effects / Consequences of the Issue for the University	Risk Rating
No risk consequences to the University were identified.	Low
Commendation	Control Resolution
We commend the Finance Officer for good work.	N/A

Issue Title	Risk/Issue/Control Effectiveness Rating
2.3 Compliance with Procurement Processes	Effective
Criteria	
<p>Policy 1502 (1) and 1601 (2) of the University's Financial Regulations and Governance Policy, 2020 state that "All orders must comply with the University policies on purchasing and tendering and in addition to Public Procurement Regulations." And "The Provost, Dean, and Director is ultimately responsible for purchases within his / her Unit in accordance with the procurement process and subject to the approval of the Vice-Chancellor. Disbursement authority may be delegated to named individuals within the Unit."</p>	
Condition	
<p>Audit scrutiny of the Centre's payment records revealed that goods and services worth GH¢329,342.63 and \$41,292.68 were procured over the period. The procurement methods and processes adopted were in accordance with the rules on procurement as outlined in the University of Ghana Financial Regulations and Governance Policy, 2020, and the Public Procurement Act, 2003 (Act 663).</p> <p>See Appendix 2 for the list of procurements made over the audit period.</p>	
Cause	Control Category
Implementation of the procurement rules by the Center's Accounts Officer.	N/A
Effects / Consequences of the Issue for the University	Risk Rating
No risk consequences to the University were identified.	Low
Commendation	Control Resolution
We commend the Centre's Director and Accounts Officers for their adherence to the procurement policy.	N/A

Issue Title	Risk/Issue/Control Effectiveness Rating
2.4 Regular Bank Reconciliation Conducted	Effective
Criteria	
<p>The University of Ghana Financial Regulation and Governance Policy, 2020, Policy No. 1301 (10) and 1303 (6) state that “the Director of Finance is responsible for ensuring that the University Bank Accounts are regularly reconciled (at least a month), and there are adequate procedures to ensure security over cheques and any other means of transferring funds.” and “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 the Deputy Director of Finance (FATM) for review and approval.”</p>	
Condition	
<p>For the period reviewed, we noted that monthly bank reconciliation statements were accordingly prepared by the Accounts Officer and submitted for review and approval by the Deputy Finance Director.</p> <p>The Centre received a total of \$425,515.68 from its donors in August 2022. This amount when added to the opening balance of \$262,562.89 equalled the approved budget total for the period of \$688,078.57. A total amount of \$536,379.52 was however expended on the project leaving a balance of \$151,699.05.</p>	
Cause	Control Category
The commitment of the Accounts Officer to comply with the above rules.	N/A
Effects / Consequences of the Issue for the University	Risk Rating
No risk consequences to the University were identified.	Low
Commendation	Control Resolution

We commend the Accounts Officer and the Finance Officer for adhering to the regulation to prevent errors and omissions in recording the banking transactions.

N/A

Issue Title	Risk/Issue/Control Effectiveness Rating
2.5 Compliance with Financial Reporting Agreement	Effective
Criteria	
<p>Section II of the Project Financing Agreement states that “The Recipient shall furnish to the Association each Project Report not later than forty-five (45) days after the end of each six calendar months, covering the six calendar months.”</p>	
<p>University of Ghana Financial Regulation and Governance Policy, 2020, Policy No. 1801 (9)(iii) states that “The Head of the Financial Accounting Unit shall ensure that a Statement of financial performance with supporting schedules are prepared.”</p>	
Condition	
<p>We observed that the Centre prepared financial statements semi-annually and annually and uploaded same to its website for access by all relevant stakeholders in accordance with the project agreement and policy stated above.</p>	
Cause	Control Category
The commitment of the Accounts Officer to comply with the above rules.	N/A
Effects / Consequences of the Issue for the University	Risk Rating
No risk consequences to the University were identified.	Low
Commendation	Control Resolution
We commend the Accounts Officers for adhering to the Project Financing Agreement	N/A

Issue Title	Risk/ Issue/Control Effectiveness Rating
2.6 Regular Up-date of Asset Register and Labelling of Assets	Effective
Criteria	
<p>The University of Ghana Financial Regulations and Governance Policy No.1701 (5) and (7) stipulate that "The Director of Finance is responsible for maintaining the University's register of capital assets. Provosts, Dean, and Directors shall provide the Director of Finance with any information he or she may need to maintain the register." and "Assets owned by the University shall, so far as is practical, be effectively marked to identify them as University property."</p>	
Condition	
<p>An examination of the Centre's assets register for the period revealed that the Centre kept an updated register for the record of all its non-current assets.</p>	
Cause	Control Category
Dedication of the Accounts Officer to ensuring the safe custody of assets.	N/A
Effects / Consequences of the Issue for the University	Risk Rating
No risk consequences to the University were identified.	Low
Commendation	Control Resolution
<p>We commend the Senior Accounts Officer for taking action to ensure that all assets were properly labelled before the end of the audit. However, we advise liaison with the Fixed Assets Unit of the Finance Directorate to emboss the assets with UG bar codes.</p>	N/A


Issue Title		Risk/ Issue/Control Effectiveness Rating	
2.7	Failure to Submit All Payment Requests for Pre-Auditing	Reasonable	
Criteria			
According to Section 14 (3b) of the University of Ghana Statutes, "The Director of Internal Audit shall vet all proposed expenditures to ensure compliance with laid-down internal control systems and other statutory requirements"			
Condition			
Our review of payment vouchers revealed that payments totaling GH¢241,821.93 and \$10,120.00 were made without submitting the requests to the Internal Audit Directorate for pre-auditing. These amounts translate to about 6% of the total payment effected during the period under review. See Appendix 3 for details.			
Cause		Control Category	
The lapse was due to the failure of the responsible Officer to present the documents of the proposed payment to the Internal Audit Directorate for review before payments were made.		C 1	
Effects / Consequences of the Issue for the University		Risk Rating	
Failure to submit payment requests for pre-auditing denies the University the opportunity to receive additional checks and assurance on payments.		Medium	
Recommendation		Control Resolution	
We recommend that the Finance Officer should ensure that all payment requests and their supporting documents are subjected to pre-audit before payments are made.		CR 1	
Management Response	Action Taken	Action Owner	Action Date
The recommendations have been duly noted.		Mr. Anthony H. Hofe (Senior Accountant, ORID)	June 30, 2023

3.0 Audit Opinion: Effective


The areas considered in this audit were generally effective except for some payment requests that were not pre-audited. Action should therefore be taken to strengthen the current controls in relation to this activity in the payment process.

Based on evidence gathered from the audit, we provide reasonable assurance on the areas reviewed.

Team Lead: Mrs. Dzifa Sackey

Signature


Ag. Director, IAD: Mr. Thomas Kwegyir-Abaidoo

Signature


APPENDICES

APPENDIX 1: DETAILS OF EXPENDITURE

ID	Disbursement-Linked Indicators (DLIs)	Receipts (USD)	Budgeted Expenditure (USD)	Actual Expenditure (USD)
DLI 1	Achieving Excellence in Training	158,000.00	278,881.67	173,594.69
DLI 2	Improving the Learning Experience	150,000.00	118,819.88	65,778.23
DLI 3	Promote Applied Research	15,000.00	78,145.85	72,069.28
DLI 4	Management and Governance establishment	65,000.00	138,497.36	158,758.74
DLI 5	Financial Sustainability	-	3,500.00	-
DLI 6	Private Sector Engagement	3,000.00	7,472.46	136.90
DLI 7	Financial & Performance Oversight	9,000.00	6,632.29	357.29
DLI 8	Programme Management	25,515.68	48,710.48	65,157.14
DLI 9	Contingency / Bank Charges		7,418.57	527.24
	Sub-Total	425,515.68	688,078.57	536,379.52
	Add: Add Opening Balance	262,562.89		
	Total	688,078.57	688,078.57	536,379.52

APPENDIX 2: SCHEDULE OF GOODS, WORKS, AND SERVICES PROCURED

Item	Payee	Amount (GHS)	Amount (USD)
Laptop	Compu Ghana	20,012.38	
Mixed Gas Supplied	Sure Gas Ent.	28,370.90	
Laboratory Reagents	Carramore Int. Ltd		31,868.40
Branded Souvenirs	Kasasa High Ltd	37,900.25	
Toner Cartridges	GDS Africa Ltd	16,029.71	
Laboratory Reagents	Inquaba Biotec	11,858.99	
Laboratory Reagents	Inquaba Biotec		9,424.28
Laptop	Compu Ghana	22,579.00	
Spare Parts	Arcoa Ghana Ltd	30,646.53	
Lab Reagents	Inquaba Biotec	1,523.48	
Lab Reagents	Inquaba Biotec	2,931.96	
Air Conditioners	UG Stores	17,148.95	
Spare Parts	Toyota Ghana	14,631.39	
Branded Lanyards	Kasasa Hign Co. Ltd	5,200.00	
C -Peptide Kit	Lynch Medical Services	18,000.00	
3 Laptop Computers	Get4less Ghana	61,500.00	
Tyres For Car	Gen-Automobile Ltd	9,800.00	
Laboratory Reagents	Biotec West Africa	16,058.44	
Laboratory Reagents	Carramore Int. Ltd	1,988.88	
Laboratory Reagents	Carramore Int. Ltd	13,161.77	
Total		329,342.63	41,292.68

Source: 2022 Payment Vouchers of the ACE – Impact Project at WACCBIP

APPENDIX 3: SCHEDULE OF NON-PRE-AUDITED PAYMENT VOUCHERS

Date	Details	Payee	Requisition No. (RY)	Amount (GHS)	Amount (USD)
19/7/2022	Payment for catering service	The Gold Coast restaurant ltd	417779	38,850.00	
26/08/2022	Funds for short course	Sarah Ofori Ntim	1761522	1,600.00	
26/08/2022	Responsibility Allowance for August	Rev. Dr. W. S. K Gbewonyo	1761523	4,457.26	
5/12/2022	Travel	Woranyo Tashie	430507	91,370.15	
9/9/2022	Vehicle Servicing	Toyota Gh Ltd	RY422995	6,997.75	
9/9/2022	Per Diem for Trip to UK	Dr Kwabena Amofa Nketia Sarpong	RY422988	6,125.72	
3/10/2022	Imprest For Nufu Festival	Dr Lily Paemka	1779351	15,000.00	
10/10/2022	Conference Support	Benjamin Owusu & Global Wings Travel & Tour	426153	22,762.73	
11/10/2022	Refund For Conference	Benjamin Owusu	426362	3,680.48	
2/11/2022	Funds For Field Activities	Edwin Sakyi Kyei-Baffour	428054	2,400.00	
2/11/2022	Stipend For Trip to UK	Jerseley Chirawurah	428053	19,926.65	
10/11/2022	Funds For Travel	Emefa Adzadu & Adwoa Owusu Abrokwa	428707	20,881.64	
5/12/2022	Travel Expenses Refund	Felix Ansah	Bank Transfer	1,217.00	
30/11/2022	Per Diem for Travel to Germany	Felix Ansah	430309	6,552.55	
24/11/2022	Laboratory Equipment	Becton Dickinson (Bd) International	1789576		10,120.00
	TOTAL			241,821.93	10,120.00

Source: 2022 Payment Vouchers of the ACE - Impact Project at WACCBIP