



UNIVERSITY OF GHANA

INTERNAL AUDIT DIRECTORATE

Final Report

**A COMPLIANCE AUDIT ON THE OPERATIONS ON WEST AFRICAN CENTRE
FOR CELL BIOLOGY OF INFECTIONS AND NON-COMMUNICABLE DISEASES
(WACCBIP +NCDS) UNDER THE AUSPICES OF OFFICE OF RESEARCH,
INNOVATION AND DEVELOPMENT(ORID) - UNIVERSITY OF GHANA**

Report No. UG/AUD/28/21

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1.0 EXECUTIVE SUMMARY

1.1 Introduction

This audit report represents the results of our findings and recommendations on the operations of the West African Centre for Cell Biology of Infections and Non-Communicable Diseases (WACCBIP+NCDS) under the auspices of Office of Research, Innovation and Development (ORID) of University of Ghana. The West African Centre for Cell Biology of Infectious Pathogens (WACCBIP) was established in November, 2013 in response to the World Bank's African Centre of Excellence (ACE) initiative. The World Bank committed \$8 million to support the WACCBIP through Financing Agreement with the Government of Ghana.

This project came to a close in March, 2020 and a new project called West African Centre for Cell Biology of Infections and Non-Communicable Diseases (WACCBIP+NCDS) was granted in January 2020 prior to the end of WACCBIP Project. This new project has three (3) years duration, and it will end on December 31, 2023. The period of the audit is from January 1, 2020, to March 2021 and fieldwork commenced on May 11, 2021 and ended on May 20, 2021.

1.2 Audit Objective

This audit seeks to provide the University of Ghana Senior Management Team, Audit Committee and other key stakeholders with an independent assurance that, the project handlers operated within the project financing agreements.

1.3 Scope of Audit

The following areas were reviewed:

- Cash in-Flows
- Externally Generated Funds (EGF)
- Fund Disbursements
- Assets Management
- Governance and Management Arrangements

- Admission of WACCBIP+NCD Students
- Risk Management

1.4 Audit Approach

We adopted a risk-based audit approach in carrying out this review. The audit strategies were designed to evaluate and test compliance with the established guidelines, policies and procedures as contained in the project financing agreements and other policy of the University.

1.5 Audit Methodology

The audit was carried out using questionnaire, inquiry, and verification of project records. Discussions were held with key officers handling the project to have better understanding of the project deliveries.

1.6 Acknowledgment

We would like to express our appreciation to the Director of the project and his team for the cooperation and courtesies extended to us during the audit.

1.7 Summary Rating

1.7.1 Summary of Control Effectiveness

LEVEL	NUMBER OF ISSUES
Highly Effective	3
Reasonable	4
Ineffective	0

Overall Audit Opinion: Reasonable

1.7.2 Risk Rating

LEVEL	NUMBER OF ISSUES
Low	3
Medium	4
High	0

Overall Risk Rating: Medium

1.7.3 Control Failure Risk Rating

Type of Risk Category	Number of Issues
CONTROL FAILURE RISK CATEGORY # 1: LACK OF ADEQUATE MANAGEMENT OVERSIGHT AND ACCOUNTABILITY	1
CONTROL FAILURE RISK CATEGORY # 2: INADEQUATE ASSESSMENT OF RISK	0
CONTROL FAILURE RISK CATEGORY # 3: ABSENCE OR FAILURE OF CONTROL ACTIVITIES	3
CONTROL FAILURE RISK CATEGORY # 4: INADEQUATE COMMUNICATION OF INFORMATION	0
CONTROL FAILURE RISK CATEGORY # 5: INADEQUATE OR INEFFECTIVE AUDIT/MONITORING	0

Overall Risk Category: Absence or Failure of Control Activities

1.7.4 Control Failure Resolution Rating

Code	Concept	Number of Issues
1	Responsible for Promoting High Ethical and Integrity Standards	0
2	Personal and Non-Delegation of Responsibility for Approving Strategies and Policies	0
3	Personal and Non-Delegation of Responsibility for Implementing Strategies Approved	0
4	Internal and External Risk Factors Identified and Evaluated	0
5	Risks Continually Evaluated	0
6	Control Activities are an Integral Part of Daily Operations	2
7	Ensure Appropriate Segregation of Duties	0
8	Adequate and Comprehensive and Up-To-Date Data Available	0
9	Establish Effective Channels of Communication	2
10	Appropriate Information Systems in Place	0
11	Continually Monitor the Overall Effectiveness of Internal Controls	0
12	Effective and Comprehensive Internal Audit	0
13	Identified Internal Control Deficiencies Actioned Promptly	0
14	An Effective System of Internal Controls	0

Overall Recommended Concept: Control Activities are an Integral Part of Daily Operations

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>A total amount of \$ 2,219,180.07 was released by the funders to support the activities of the project. This was done in line with the project financing agreement.</p>	<p>Prof. Gordon Awandare (Project Director)</p>	Not applicable
Highly Effective	<p>Externally Generated Funds (EGF)</p> <p>Apart from the financing agreement, individuals, organizations and institutions are permitted to support the Centre with grants. The Centre also generate income from renting of facilities. For the period under review, a total amount of \$2,603,771.59 was provided to the Centre, as grants, while GH¢33,900.00 was generated through the activities of the Centre.</p>	<p>Prof. Gordon Awandare (Project Director)</p>	Not applicable
Highly Effective	<p>Funds Disbursement</p> <p>The project funds were disbursed in line with the World Bank established policy guidelines.</p>	<p>Prof. Gordon Awandare (Project Director)</p>	Not applicable
Reasonable	<p>Asset Management</p> <p>The Centre had procured assets mostly science equipment and computers to assist the project in their research and academic</p>	<p>Prof. Gordon Awandare (Project Director)</p>	September 30, 2021

	work. We noticed however that some air conditioners procured are yet to be marked with the Centre's inscription.		
Reasonable	<p>Governance and Management Arrangement</p> <p>The Centre has constituted Management and Advisory Board to provide scientific, technical and academic support to the project. At the time of writing this audit report, Issues discussed at Advisory Board meeting is waiting to be reviewed and adopted in July, 2021.</p>	<p>Prof. Gordon Awandare (Project Director)</p>	<p>September 30, 2021</p>
Reasonable	<p>Admission of WACCBIP +NCD Students</p> <p>Students were admitted onto the program in line with University of Ghana admission requirements. The international students admitted for the 2020/2021 academic year did not register for the program as a result of the outbreak of Covid -19 global pandemic.</p>	<p>Prof. Gordon Awandare (Project Director)</p>	<p>September 30, 2021</p>
Reasonable	<p>Risk Management</p> <p>The Centre has developed a comprehensive risk register for the former WACCBIP project, which was used to manage emerging risks. The Director of the project and his team are yet to update/review this risk register to include risks that may negatively affect the new project.</p>	<p>Prof. Gordon Awandare (Project Director)</p>	<p>September 30, 2021</p>

1.9 Key Audit Matter

The key audit matter is an issue emerging from our findings and observations that in our judgement is most significant and therefore need to be brought to the attention of Senior Management of the University. The issue of international students' admission for the 2020/2021 academic year is the one that Audit deem highly important and worth communicating as the key Audit matter.

Admission of International Students

The financing agreement asserted that the Centre should admit Ghanaian and international students as to meet the regional admission requirements. Even though the Centre had admitted the international students onto program for the 2020/2021 academic year, they did not register for the courses of their choice. The failure to register was attributable to the outbreak of Covid-19 global pandemic. We are therefore urging the Project Leader and his Team to inform the project funders and explain the setback to them.

2.0 Detailed Findings and Observations

Issue Title	Control Effectiveness Rating												
2.1 Cash In-Flows	Effective												
<p>According to section 1.5 of the performance and funding contract agreement between the World Bank and the Government of Ghana, the donor was to release funds for the implementation of the WACCBIP +NCDS project.</p> <p>From the project financing agreement records examined, the funders had approved an amount of \$5.5 million for the WACCBIP+NCDS project. Out of that amount, \$2,219,180.07 was released for the project and the amount paid into the project bank account at Standard Chartered bank, Legon Branch as follows:</p>													
<table border="1" data-bbox="92 869 858 1169"> <thead> <tr> <th data-bbox="92 869 411 922">Date</th> <th data-bbox="411 869 858 922">Amount -\$</th> </tr> </thead> <tbody> <tr> <td data-bbox="92 922 411 976">3/6/ 2020</td> <td data-bbox="411 922 858 976">334,695.41</td> </tr> <tr> <td data-bbox="92 976 411 1030">3/6/2020</td> <td data-bbox="411 976 858 1030">353,370.59</td> </tr> <tr> <td data-bbox="92 1030 411 1084">5/3/2021</td> <td data-bbox="411 1030 858 1084">1,531,114.07</td> </tr> <tr> <td data-bbox="92 1084 411 1169">Total</td> <td data-bbox="411 1084 858 1169">2,219,180.07</td> </tr> </tbody> </table>				Date	Amount -\$	3/6/ 2020	334,695.41	3/6/2020	353,370.59	5/3/2021	1,531,114.07	Total	2,219,180.07
Date	Amount -\$												
3/6/ 2020	334,695.41												
3/6/2020	353,370.59												
5/3/2021	1,531,114.07												
Total	2,219,180.07												
			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 University			Insignificant										
Recommendation			Concept										
There is no control failure issue that calls for a resolution/recommendation.													
Management Response	Action Taken	Action Owner	Action Date										
We will continue to comply with the project financing agreement as		Prof. Gordon Awandare	No deadline is required here										

stated in the agreement.

(Project Director)

Issue Title	Control Effectiveness Rating
2.2 Externally Generated Funds (EGF)	Highly Effective

Section 2.8 of the Performance and Financing Contract between the World Bank and Government of Ghana states that “the Centre will retain the entirety of the external revenue it generates”.

The project documents reviewed indicated that total amount of US\$2,613,613.01 was provided to the Centre as grants mostly from international academic institutions across the world. This amount was to be used to support research into sciences and to train students enrolled on the program. The detailed is as follows:

Date	Amount-\$
January,2020 -December,2020	2,148,243.36
January,2021 -March,2021	465,369.65
Total	2,613,613.01

Additionally, GH¢33,700 was generated from the rental of facilities like hiring of conference hall and vehicle rental.

	Risk Category
No control failure was identified.	
Risk-based consequences of the Issue for the University	Risk Rating
There is no risk consequence for the University.	Insignificant
Recommendation	Concept
We do not recommend any control failure resolution here.	

Management Response	Action Taken	Action Owner	Action Date
Investors and funders have confidence in the project and as a result they support the project with grants.		Prof: Gordon Awandare (Project Director)	No deadline is required.

Issue Title		Control Effectiveness Rating	
2.3 Funds Disbursement		Highly Effective	
<p>The Project Financing Agreement enjoins the WACCBIP+NCD Project Director to disburse all project funds in accordance with the established guidelines formulated by the World Bank and in line with the University's policy regulations on disbursement.</p> <p>A review of the payment vouchers indicated that the Director of the Project approved all payments before funds were disbursed. Additionally, payments were pre-audited by the Internal Audit Directorate before payments were affected. All payments were accompanied by relevant verifiable supporting documents; and all appropriate taxes on goods and services were deducted and paid to the revenue authorities.</p>			
Cause		Risk Category	
Risk-based consequences of the Issue for the University		Risk Rating	
		Insignificant	
Recommendation		Concept	
Management Response	Action Taken	Action Owner	Action Date
The methods and processes of disbursements of the project funds are stated in the project agreement, therefore we will follow those lay-down regulations.		Prof. Gordon Awandare (Project Director)	No deadline is required here

Issue Title		Control Effectiveness Rating	
2.4 Management of Non- Current Asset		Reasonable	
<p>Section 3.2.8 (sub-section 7) of the University's Financial Regulations and Governance Policy States that, " Assets owned by the University or under the custody of the University shall, as far as practicable be effectively marked to identify them as University's property. The University approved marking shall be applied.</p> <p>From the payment records examined, the project handlers procured assets to enhance the academic and research work at the Centre. The Centre Leader and his team followed the procurement guidelines in procuring these assets. An inspection of the non-current assets by the audit team at their locations showed that all the assets had been marked, except four (4) air conditioners located in the ICT office which are yet to be marked with the Centre's inscription.</p>			
Cause		Risk Category	
The delay in marking the air conditioners was due to the inability of PDMSD to attend to the request made to them to have them marked.		RC 3	
Risk-based consequences of the Issue for the University		Risk Rating	
The assets can be stolen from their locations without being noticed.		Medium	
Recommendation		Concept	
We entreat the centre management to ensure that PDMSD mark the asset as enshrine in the University's policy guide lines.		C 9	
Management Response	Action Taken	Action Owner	Action Date
We will ensure that the PDMSD have the assets marked.		Prof. Gordon Awandare (Project Director)	September 30, 2021

Issue Title		Control Effectiveness Rating	
2.5 Governance and Management Arrangement		Reasonable	
<p>Section 2.5 of the Performance and Funding Agreement between University of Ghana and the World Bank states that, The participating University will appoint a center leader, deputy leader and supporting implementation team of appropriately qualified academic, technical and administrative personnel.</p> <p>The Centre has put in place the relevant governance and management framework to oversee the development and progress of the project. For instance, the Centre had constituted Management and Advisory Board to support the project on academic, technical and scientific matters so as to attain the strategic goals and operational objectives as outlined in the financing agreement. The issues discussed and recorded in the minutes of the Advisory Board is yet to be reviewed and adopted.</p>			
Cause		Risk Category	
This was due to time line agreed to attend the Advisory Board meeting.		RC 3	
Risk-based consequences of the Issue for the University		Risk Rating	
The Centre may be denied the important advice from the Advisory Board that could propel the Centre to a higher height.		Medium	
Recommendation		Concept	
We urge the Centre's Management to take steps to review and adopt issues discussed at the Advisory Board meeting.		C 6	
Management Response	Action Taken	Action Owner	Action Date
Minutes of the Advisory Board meeting is waiting to be confirmed by the Advisory Board in July, 2021.		Prof. Gordon Awandare (Project Director)	September 30, 2021

Issue Title	Control Effectiveness Rating		
2.6 Admission of WACCBIP +NCD Students	Reasonable		
<p>Section 15.1 (sub-section 3) of the University of Ghana Basic Laws mentioned that the admission of students is exclusive responsibility of the Admission Board whose membership shall include the Deans of Faculties and Faculties representatives elected by Academic Board.</p> <p>The Centre followed the University's lay-down requirements in admitting students onto the program and the courses run at the Centre are MPhil, MSc and PhD. Currently, total number of Ghanaian students admitted onto the program for the 2020/2021 academic year is twenty -six (26). This includes sixteen (16) Masters and ten (10) PhD students. The information gathered indicated that international students numbering twelve (12) were not able to register for the courses offered them for the 2020/2021 academic year.</p>			
Cause			Risk Category
This was due to the Covid -19 global pandemic.			RC 3
Risk-based consequences of the Issue for the University			Risk Rating
The project funder may hold-back funds, as the Centre did not meet the regional admission requirements.			Medium
Recommendation			Concept
We entreat the project handlers to re-admit the affected students for the 2021/2022 academic year so as to meet the requirement of regional enrolment of students.			C 9
Management Response	Action Taken	Action Owner	Action Date
We have accepted the recommendations. However, we have been reporting the effect of covid-19 pandemic to the funders in our bi-annual reports.		Prof. Gordon Awandare (Project Director)	September 30, 2021

Issue Title		Control Effectiveness Rating	
2.7 Risk Management		Reasonable	
<p>Clause 2.4.2 (III) of the University of Ghana Financial Regulations and Governance Policy states that “the Director of Internal Audit shall have the responsibility to ensure that Risk management policies are compiled with and to ensure that regular review of the processes are maintained by management”.</p> <p>The Centre has developed a comprehensive Risk Management Register which was used to manage risks in the former WACCBIP project. We noticed however, that project handlers are yet to review or update the risk register to include risks that may negatively affect the new project.</p>			
Cause		Risk Category	
This was due to the inability of the Project Managers to review the risk register.		RC 1	
Risk-based consequences of the Issue for the University		Risk Rating	
Emerging risks may not be properly managed by the Centre.		Medium	
Recommendation		Concept	
We urge the project handlers to constantly review or update the risk register to ensure that the strategic aims and priorities of the project is achieved.		C 6	
Management Response	Action Taken	Action Owner	Action Date
We will take steps to update the risk register.		Prof. Gordon Awandare (Project Director)	September 30, 2021

3.0 Audit Opinion: Reasonable

Even though the Project Director and his Team had followed the lay-down financing agreements, we identified some operational lapses as indicated in the audit report. This was arrived at based on the project records examined and tests performed after auditing the operations on West African Centre for Cell Biology of Infections and Non- Communicable Diseases (WACCBIP+NCDS) of the University of Ghana.

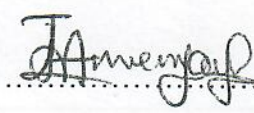
Audit Opinion Key:

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 and are not strong.

Engagement Lead: Ms. Sena Dake

Signature:  17/9/2021

Team Lead: Jonathan Amenya

Signature:  17/9/2021