



**WEST AFRICA CENTRE FOR WATER, IRRIGATION AND SUSTAINABLE
AGRICULTURE (WACWISA)**

PROJECT ID: 6389-GH

MANAGEMENT LETTER

FOR THE YEAR ENDED 31st DECEMBER, 2022

UNIVERSITY FOR DEVELOPMENT STUDIES

MINISTRY OF FINANCE (MoF)

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (IBRD)

WORLD BANK

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ACCRA.
22nd June, 2023

The Centre Director,
West Africa Centre for Water, Irrigation and Sustainable Agriculture (WACWISA)
University for Development Studies
P.O. Box 1350
Tamale, Ghana.

Dear Sir,

MANAGEMENT LETTER

WEST AFRICA CENTRE FOR WATER, IRRIGATION AND SUSTAINABLE AGRICULTURE (WACWISA) ON THE FINANCIAL AUDIT OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2022.

We have completed the audit of the Financial Statements of West Africa Centre for Water, Irrigation and Sustainable Agriculture (WACWISA), for the year ended 31st December, 2022.

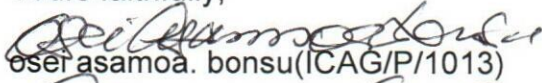
We draw your attention in this report to certain matters which we identified during the audit of the Financial Statements and which, we consider, require your attention in line with International Standards of Auditing 265 which requires we communicate appropriately to those charged with governance and management deficiencies in internal control that has been identified during the audit and that, in our professional judgment, are of sufficient importance to merit your attentions.

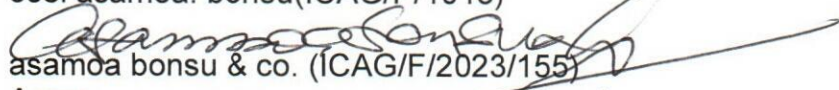
Our report is designed to include recommendations that may help minimise errors and avoid weaknesses that could lead to material losses or misstatements. The Steering Committee and the Management is encouraged to consider these recommendations and to take the actions needed to remedy these weaknesses.

This report was generated from information and records provided by the Centre's Management. The audit was conducted for the Donors, represented by the Centre's Advisory Board and as requirement of the Africa Centre of Excellence (ACE) Development Impact Project funded by the World Bank through the Government of Ghana (GoG) and the report is issued for World Bank and the Government of Ghana

(GoG) purpose only and should not be quoted or referred to, in whole or in part, without our prior written consent or by the operation of acceptable law or authority. We accept no responsibility to any third party in relation to the report except as provided in the immediately preceding sentence.

Yours faithfully,


Asamoah Bonsu (ICAG/P/1013)


Asamoah Bonsu & Co. (ICAG/F/2023/155)

Accra

22nd June, 2023

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1.0 INTRODUCTION AND AGREEMENT

The University for Development Studies as one of the African universities through the Government of Ghana under the auspices of Africa Centre of Excellence (ACE) Development Impact Project won a grant from the World Bank, the Project Agreement was signed on 18th October, 2019 by the Minister of Finance representing the Government of Ghana and Pierrie Laporte the Country Director of Africa Region on behalf of the World Bank.

The University then signed the Performance and Funding Contract with the Ministry of Finance and the Ministry of Education on the same date.

2.0 PROJECT DETAILS

The Project details were as follows:

Heading	Details
Project Name	Africa Centre of Excellence (ACE) Development Impact Project
Participating University	University for Development Studies
Credit No.	6389-GH

3.0 PERIOD COVERED BY PROJECT

The Project was to cover a period of five (5) years, from 1st January 2019 – 31st December 2023. The total amount budgeted for the entire Project was SDR 4,796,925 (US\$6,650,000 Equivalent, SDR 0.71 = US\$1) for the University. The support was to come from World Bank through Ministry of Finance of the Government of Ghana.

4.0 SUMMARY OF PROJECT FINANCES AND UTILIZATION

The Project received a total grant for the year under review of US\$1,377,262.23. Additionally, Externally Generated Funds (EGF) of US\$459,753.72 was received bringing the total funds available to US\$1,837,015.95. Total expenditure incurred amounted to US\$1,387,764.93 leaving surplus balance of US\$449,251.02 to be carried forward to 2023 for the continuation of the Project.

5.0 MANAGEMENT

The Project was managed by the Centre Management appointed by the University. The members are:

Name	Position	Institution
Prof. Felix K. Abagale	Director	UDS STAFF
Prof. Gordana Kranjac-Berisaljevic'	Deputy Director	UDS STAFF
Dr. Mohammed Hardi Shaibu	Director of Finance	UDS STAFF
Mr. Duke Agyeman	Procurement Officer	UDS STAFF
Prof. Mamudu Abunga Akudugu	Monitoring and Evaluation	UDS STAFF
Prof. Shaibu Abdul-Ganiyu	Academic Programmes Coordinator	UDS STAFF
Dr. Sylvester N. Ayambila	Applied Research Coordinator	UDS STAFF
Prof. Cobbina Jerry Samuel	Industrial Laison Officer	UDS STAFF
Mr. Muftawu Iddrisu	Accountant	UDS STAFF

6.0 AIM OF FINANCIAL AUDIT

The aim of the Audit, amongst others, was to review and comment on:

- a. The processes, procedures and records engaged by the Centre in the implementation of activities and functions followed for the contract;
- b. compliance with the Public Financial Management Act, 2016(Act 921), Public Procurement Act 2003, Act 663 as amended by Public Procurement Act 2016, Act 914, Public Financial Management Regulations, 2019 (LI 2378), and the Financial Manual presented for the management of the Centre and World Bank Guidelines with attention to economy and efficiency, equal opportunity, transparency and quality.
- c. Review UDS' own Internal Control over the Centre and UDS' Internal Audit Reports on the Centre and that proper records were kept.

7.0 REVIEW OF FINANCIAL, ADMINISTRATIVE AND INTERNAL CONTROLS

7.1 Finding

The Financial Management Manual for the Centre was the operational documents used by the University alongside the Financial, Administrative and Internal Controls of the Project which were situated within the UDS's Financial, Administrative and Internal Controls with the related Public Financial Management Act, 2016(Act 921), Public Financial Management Regulations, 2019 (LI 2378), the Public Procurement Act, 2003, Act 663, as amended by the Public Procurement Act 2016, Act, 914. To this extent, the Financial and Administrative authorities of UDS had an oversight control over the activities and funds of the Project. The Vice-Chancellor, Director of Finance and the Director of Procurement of the University had oversight responsibilities in banking, procurement and payments transactions

7.2 Exception

None.

7.3 Issue

None.

7.4 Recommendation

None.

8.0 GOVERNANCE STRUCTURES

8.1 Finding

Section 4.2 subsection 1 of the Implementation plan of the Centre states that “Centre Advisory Board (CAB): This will be the highest decision-making body of the Centre with the responsibility of considering recommendations from the ISAB, ARAB, SAB and MB. The CAB will meet annually and will have the composition as Chairpersons of ARAB, ISAB, SAB, Director, Representatives of MB, Representatives of National partners, Representative of regional partners and the Administrative Coordinator as Secretary. It will meet bi-annually and consider and discuss reports of the ISAB, ARAB, SAB and MB. It reports directly to the Vice-Chancellor through the Director”.

In view of the fact that the Centre’s Advisory Board was established in 2022, there are no exceptions.

9.0 PROJECT DELIVERABLES

9.1 Finding

The University, per the agreement, was to achieve some set targets (deliverable) within specific time periods, after which subsequent funds would be released. Each target came with specific amounts of funds to be released to the University.

DELIVERABLE	RESULT EXPECTED	YEAR	AMOUNT TO RECEIVE
Institutional Readiness	Basic & Full	2019	US\$425,000 (SDR305,580) Each
Development Impact	Progress Impact & Development Impact	2021/2022	US\$30,000 (SDR21,570) per point in the score
Number of Students	PhD, Masters, Short term and Bachelor	2019-2023	PhD students: USD\$10,000 per male national student, US\$12,500 per female national student US\$12,500 per male regional student, and US\$15,600 per female regional student. Master Students: US\$2,000 per national student, US\$ 2,500 per female student, US\$4,000 per regional student and US\$5,000 per regional female student. Short-course professional students: US\$400 per national male student, US\$500 per female national student, US\$800 per regional male student, and US\$1,000 per female regional student. Bachelor Students: US\$1,000 per national male student, US\$1,500 per national female student

Quality of Education/Research	Accreditation Steps, Publications, Infrastructure	2020-2022 2019-2023 2021-2022	<p>For accreditation <i>Not</i> scalable per accreditation step. Amount per step: US\$300,000 (SDR 215,705) per program internationally accredited by a pre-approved accreditation agency US\$100,000 (SDR71.900) per program nationally/regionally accredited; US\$100,000 (SDR71,900) per gap-assessment/self-evaluation undertaken; US\$50,000 (SDR35,950) for new/revamped courses meeting international standards and approved by the Sector Advisory Board.</p> <p>For research publication: Scalable per article. Amounts: US\$10,000 (SDR7,190) per article co-authored by ACE Impact student/faculty and national partners; US\$15,000 (SDR10,785) per article co-authored with regional partners.</p> <p>For teaching and research infrastructure, the result is not scalable within each milestone US\$300,000 (SDR215,705) per milestone</p>
Timeliness/quality of FM	Timely fiduciary report Functional oversight Web transparency Quality of Procurement	2019-2023 2019-2023 2019-2023 2019-2023	<p>Amounts: US\$22,000 (SDR15,820) for timely fiduciary reporting</p> <p>Amount US\$22,000 (SDR15820) for Functional institutional oversight of fiduciary management</p> <p>Amount US\$22,000 (SDR15,820) for Web transparency of ACE expenditures</p>

			Amount US\$22,000 (SDR15,820) for Quality of procurement planning
Institutional Impact	Uni Regional Strategy Competitive Selection Institutional accreditation PASET Benchmarking Milestones for Institutional Impact	2020 2022 2020/2022 2020/2022 2023	University-wide regional strategy US\$100,000 Open, merit-based competitive selection of the head of institution US\$200,000 and US\$50,000 for an open and merit-based competitive selection of a dean; US\$200,000 for Institutional international accreditation; US\$75,000 each for gap assessment/self-evaluation. US\$50,000 for each year the university participates (up to 2 years) US\$100,000 per institutional impact milestone

9.2 Exception

Some results were not achieved by the end of the year as indicated in the Centre's Implementation Plan below:

Result	Planned Results for 5 Year Implementation (2019 – 2023)	Expected by 2022	Expected in 2022	Results Verified & Paid in 2022(Round 1&2)	% Total Earned as at 2022
Institutional Readiness	2	2	0	0	100
Development Impact	4	4	4	0	0
Progress Impact	4	4	0	4	50
Accreditation	4 Courses	4 Courses	1	0	33
PhD Students	47 Students	34 Students	13	13	81
Masters Students	95 Students	75 Students	20	36	77
Short term students	290 Student	220 Students	70	219	98
Publications	47	40	15	12	69
Infrastructure	2	2	1	1	50
Entrepreneurship	1	1	0	0	0
External Revenue	SDR 954,631	SDR 954,631	SDR425,000	SDR506,506	100

Internships	160 Internships	120 Internships	45	34	23
Timely fiduciary report	5 Reports	4 Reports	1	0.50	20
Functioning Internal Audit Unit & Committee	5 Reports	4 Reports	1	0	10
Financial Online Transparency	5 Reports	4 Reports	1	1	40
Quality of Procurement	5 Reports	4 Reports	1	0	0
University Regional Strategy	1	1	0	0	0
Competitive Selection	1	1	1	0	25
Institutional accreditation	2	2	1	0	0
PASET Benchmarking	2	2	1	1	50
Milestones on Institutional Impact	1	1	0	0	0

9.3 Issue

The Centre was not able to receive the full benefit of achieving the various DLI expected. This could affect the smooth running of the Centre and the entire Project.

9.4 Recommendation

The Centre Management should ensure the results are achieved and submitted on time as required by donors.

10.0 BANK ACCOUNTS

10.1 Finding

Section 2.0 of the Financial and Management Manual of the Centre states that "A designated University account in United States Dollars is maintained at the Bank of Ghana, Tamale Branch, into which funds are received directly from the Ministry of Finance through the Ghana Tertiary Education Commission (GTEC)".

The Project had two current bank accounts as at 31st December, 2022 with Ecobank Tamale branch. Details listed below

<u>Bank Account</u>	<u>Bank</u>	<u>Branch</u>	<u>Currency</u>	<u>Account Number</u>
Foreign Currency	Ecobank	Tamale	US Dollar	3441002201436
Local Currency	Ecobank	Tamale	Ghana Cedi	1441002238711

No evidence was provided for any other bank account on this Project.

10.2 Exception

The Project did not open an account with Bank of Ghana for funds received through GTEC as stated in the Manual

10.3 Issues

The Project did not adhere to its own policy on tracking of grant.

10.4 Recommendation

Management should endeavour to adhere to its policies or seek the necessary ratification in the Manual to reflect the current situation.

11.0 BANK RECONCILIATION STATEMENT

11.1 Findings

Section 11 subsection (iv) of the Financial Management Manual states that; "Bank reconciliation of the funds will also be prepared by the Financial Management Coordinator and endorsed by the Director of Finance and Director of the Center.

11.2 Exception

None.

11.3 Issue

None.

11.4 Recommendation

None.

12.0 REMITTANCE

12.1 Finding

The Project received two grants from the International Bank for Reconstruction and Development. (IBRD) International Development Association (IDA) during the year under review.

DATE	RECEIVED FROM	AMOUNT US\$
04-Feb-2022	GTEC	762,477.20
3- Jul-2022	GTEC	614,785.03
Total		<u>1,377,262.23</u>

12.2 Exception

None.

12.3 Issue

None.

12.4 Recommendation

None.

13.0 PAYMENT OF GOODS AND SERVICES

13.1 Findings

Section 5 of the Financial and Management Manual of the Centre states that:

- i. All payments are backed by approved and authorized requests and supporting documents.
- ii. Payment Voucher (PV) is prepared for each approved and authorized payment request and endorsed by the Financial Management Coordinator.
- iii. A Letter requesting direct transfer by the bank to payee is prepared and endorsed by signatories to the account.
- iv. The letter is sent to the Bank for the transfer to be effected and a stamped copy is returned and filed together with the request for payment and other supporting documents.

- v. The procedure stated above is the same for processing payments for goods and services as well as advances.

13.2 Exception

None.

13.3 Issue

None.

13.4 Recommendations

None.

14.0 FIXED ASSET REGISTER

Section 9 of the Centre Financial Management Manual states that "An asset register is maintained for all equipment procured in the name of WACWISA". In view of the fact that a Fixed Asset Register has been kept in the required manner, there are no exceptions.