

**UNIVERSITY FOR DEVELOPMENT STUDIES (UDS)
MINUTES OF THE 9TH AUDIT COMMITTEE (AC) MEETING
HELD IN THE COUNCIL CHAMBER & VIA ZOOM
ON TUESDAY, APRIL 27, 2021**

ATTENDANCE

Members Present

- | | | |
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| 1. Mr. Richard Ntim | - | Chairman |
| 2. Prof. Gabriel A. Teye | - | Member/Rep. Mgt. |
| 3. Dr. A. B. T. Zakariah | - | Member/Rep. Mgt. |
| 4. Mrs. Paulina A. Akolgo-Ayugane | - | Member/Rep. ICAG |
| 5. Mr. Ransford Agyei | - | Member/Rep. IAA |
| 6. Mrs. Joyce Agyeman Attafuah | - | Member/Rep. UDS Council |
| 7. Prof. Terry Ansah | - | Member/Rep. UDS Council |

In Attendance

- | | | |
|---------------------------|---|----------------------------|
| 1. Mr. Mohammed H. Shaibu | - | Director of Finance |
| 2. Mr. John A. Azure | - | Director of Internal Audit |
| 3. Mr. Rashid Yakubu | - | Secretary |

NO	DISCUSSIONS	ACTION
1.0	<p>OPENING</p> <p>The meeting started at 10.02 am and was held via the physical presence of members and through zoom video conference.</p>	
2.0	<p>CONFIRMATION OF THE MINUTES OF THE MEETING THAT WAS HELD ON FRIDAY, DECEMBER 18, 2020</p> <p>The minutes of the meeting that was held on Friday, December 18, 2020, were read and the motion for its acceptance was moved by Mr. Ransford Agyei and seconded by Ms. Joyce Agyeman Attafuah, subject to the following corrections.</p>	

1. Page 2, item 3.1.0, paragraph 2, line 3...fiscal...was corrected to...financial. Also, paragraph 2, line 2, was corrected to...an amount of GHS2,000.00 relating to a deceased staff in the 2018 External Audit report. Again, line 4...was corrected to...the staff account.
2. Page 9, item 6.0, paragraph 1, line 1...that all pending administrative issues...was corrected to...that all pending audit findings on administrative issues.
3. Page 10, item 7.0, paragraph 1, line 2...was corrected to...new requirement guidelines for the preparation of the 2021 Audit Plan. Also, item 7.1.0, paragraph 2, line 2...was corrected to...review of COVID-19 related activities in the University. Also line 4...was corrected to...should review taking into consideration the guidelines from the UDS 2021 Audit Plan. Again, paragraph 5, line 1...was corrected to...that Management's response to the External Auditor's Report.

3.0 MATTERS ARISING

3.1.0 DIRECTOR OF INTERNAL AUDIT

3.1.1 Template on Withholding Taxes

The Director of Internal Audit reported that, the Director of Finance had created the template on the payment of withholding taxes. He however indicated that, the payments on the taxes were still pending.

3.1.2 Submission of 2019 Audit Plan

According to the Director of Internal Audit, the 2019 Audit Plan was submitted to the Internal Audit Agency (IAA) as required.

Dir. Int. Audit

3.1.3 Impact of COVID-19 Pandemic

The Director of Internal Audit informed the Committee that, the assessment on the impact of COVID-19 on the activities of the University was included in the UDS Audit Plan for 2021.

3.1.4 Quarterly Reconciliation

The Director of Internal Audit reported that, reconciliation of accounts was carried out quarterly but issues still existed with the process at the Central and Nyankpala Campuses.

3.1.5 Outstanding Payments Records

According to the Director of Internal Audit, the list of outstanding payments records was updated and that, the implementation was still in progress.

3.1.6 Assessment of Internal Audit Directorate

The Director of Internal Audit informed the meeting that, a team was put together to evaluate the activities of the Internal Audit Directorate which had since submitted its report. He however stated that, the Directorate was yet to implement the recommendations.

3.1.7 Quarterly Reports to Audit Committee

According to the Director of Internal Audit, preparations were made for the quarterly audit reports of the University to be submitted to the Audit Committee. He explained that, the first quarter report was on hand for discussions.

3.1.8 Management's Response to Auditor General

The Director of Internal Audit reported that Management's responses on audit recommendations were submitted to the Auditor General as required.

He stated that, the fourth quarter report for instance was submitted to the Auditor General on February 15, 2021.

3.2.0 REPORT BY MANAGEMENT

3.2.1 Recovery of Funds

Management reported that, it had sufficiently responded to the External Auditor's observation on the recovery of the two thousand cedis (GHS2,000.00) payments to a deceased staff. According to Management, advice was sought from the Legal Department on the recovery of the amount but the decision was that, once a person was deceased, and available options were pursued without success, the case was concluded as bad debts.

The Chairman noted the appropriateness of responding to audit observations and recommended that, such responses must in future be prompt. He recommended that, responses to the External Auditor's observations must similarly be forwarded to the Auditor General to clear the University of non-response to audit observations.

In view of that, Management was advised to ensure that copies of its responses on the External Auditor's observations were sent to the Auditor General. This, according to the Chairman, would clear the University of any breaches for non-compliance, besides being invited to appear before the Public Accounts Committee (PAC).

3.2.2 Bonded Staff

Management informed the Committee that, an agreement was reached with the bonded staff for refund on payments on study leave to the University. According to Management, the staff had so far refunded to the University, eighteen thousand cedis (GHS18,000.00) out of seventy-eight thousand cedis (78,000.00). Management was however of the view that, the payment schedule was not suitable and therefore decided to write to the staff for a review of the payment schedule.

	<p>3.2.3 Scholarship for Sports Students</p> <p>Management reported that, the University was considering a centralized scholarship policy of which the sports scholarship would be subsumed. Management added that the processes for the establishment of the centralized scholarship policy were at the advanced stage.</p>	Management
	<p>3.2.4 Nyankpala Campus Roads</p> <p>Management reported that work on the Nyankpala Campus roads were ongoing but at a slow pace.</p>	Management
4.0	<p>BUSINESS OF DAY</p> <p>4.1.0 Fourth Quarter Audit Report on Systems of Budgeting and Budgetary Controls - 2020</p> <p>The Audit Committee, consequent to the presentation of the fourth quarter of 2020 audit report on the Systems of Budgeting and Budgetary Controls for 2020 for the Nyankpala and Tamale Campuses, came out with the following observations.</p> <p>The Report reviewed the systems designed by the University for budgeting and budgetary controls and highlighted the activities of the budget as was approved by the Governing Council with relevance to planning, and the monitoring of income and expenditure for prudent utilization of the financial resources of the University.</p> <p>The Report also sought to extract from the strategic objectives, whether the various components (budgeting circle, budget committee, budget manual, budget guidelines, budget ceiling to include computerization of budgetary controls, and the management of accounts etc) of the budgeting system were in place and working.</p>	

<p>The Audit Report observed the absence of a budget manual to guide budget holders on budget preparations, implementation and reviews at the Nyankpala Campus. That notwithstanding, the Audit Committee upon review of the report detected that, the conclusions of the Audit Report on the absence of a budget manual did not reflect the facts on the ground.</p> <p>The observation of the Audit Committee was affirmed by the Director of Finance who stated that, copies of the budget manual were actually available for use at the Tamale and Nyankpala Campuses.</p> <p>The Director of Finance further explained that, an annual budget guideline was equally submitted to the University by the Ghana Tertiary Education Commission (GTEC) to serve as basis for the preparation of a budget manual. Hence, the budget guideline was made available to the Cost Centres for the preparation of budgets.</p> <p>In affirming the existence of an annual budget guideline, the Audit Committee, referred to Section 20 (1) and (2) of the Public Financial Management Act, as well as the letter of notification on the budget guidelines to the Cost Centres to authenticate the existence of a budget manual to guide budget preparations in the University.</p> <p>In view of that, the Committee recommended that, the Director of Internal Audit should review the Fourth Quarter Audit Report on the Systems of Budgeting and Budgetary Controls for 2020 to reflect the issues on the ground.</p> <p>The Audit Committee, verily, put the responsibility of ensuring factual reportage of the Audit Report on the Director of Internal Audit and not, the Directorate's Officers or Representatives at the Campuses. In view of that, the Directors of Internal Audit, and Finance were instructed by the Audit Committee to find out from their Officers the prevailing situation on budget preparations on the ground. They were equally tasked to issue timelines for the implementation of future recommendations.</p>	<p>Dir. Int Audit</p> <p>Dirs. Int. Audit/Finance</p>
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Comments	
<p>The Chairman of the Audit Committee explained that, it was within the mandate of the Committee to issue a template to form the basis for the audit report. According to the Chairman, a glance of the status of the report should confirm that it was put together by the Head of entity and the Audit Committee. He however indicated that the appendixes of the report was the responsibility of Management as required by the Act. He added that it was the responsibility of the Audit Committee to review the Audit Report before it was submitted.</p>	
<p>The Chairman again stated that, the Committee was also to ensure that quarterly reports were issued in the quarters of the year. He therefore tasked the Director of Internal Audit to ensure that, quarterly reports were forwarded to the Auditor General.</p>	Dir. Int. Audit
<p>In the same vein, the Committee directed that, Management was responsible for the preparation of the status of implementation of the External Audit Report with the support of the Director of Internal Audit for submission to the sector minister.</p>	Dir. Int. Audit
<p>4.2.0 Non-Submission of Quarterly Report</p>	
<p>The Chairman reminded Management about the citing of the University in the Auditor General’s report for 2020 for the non-submission of quarterly audited report to the Internal Audit Agency (IAA). In view of that, the Committee noted that, the first quarter of 2021 had ended and that, the report should be ready by April 30, 2021. In view of that, the Committee tasked the Director of Internal Audit to get the report ready for submission to the IAA.</p>	Dir. Int. Audit
<p>4.3.0 Review of Reports</p>	
<p>The Audit Committee noted that, Management did have the chance to review the status of implementation of recommendations made in the Internal Auditor’s report for 2018 for the Tamale Campus and Central Administration, and the status of implementation of external audit reports for 2019.</p>	

In response to its inability to review the report, Management explained that, it needed time go through the reports to adequately address the observations before the Audit Committee could review the reports but that could not happen.

The Audit Committee following on the explanation by Management decided that, Management should take two weeks to look at the reports before it was reviewed by the Committee for submission in June, 2021.

4.4.0 First Quarter Audit Report on COVID-19 Response Strategy and Business Continuity Plan of UDS - 2021

The Audit Committee reviewed the First Quarter Audit Report for 2021 on the COVID-19 response strategy and business continuity plan of the University as was presented by the Director of Internal Audit.

According to the Director of Internal Audit, Section 7, (2) of the Public Financial Management Act (PMC), stipulates that “A principal spending officer shall, in the exercise of duties under this Act, establish an effective system of risk management, internal control and internal audit in respect of the resources and transactions of a covered entity.” The Report on the Covid-19 response strategy and business continuity plan by the University was therefore meant to evaluate the impact of COVID-19 on the academic activities of the University, and the strategies and plans put in place by the University to absorb the impact of such unforeseen occurrences.

The Director of Internal Audit explained that, the COVID-19 pandemic had impacted negatively on global economic and social activities which had resulted in the promulgation and enforcement of restrictions by Governments and Institutions. He therefore suggested that, austerity measures were required to avert and control the effects of COVID-19.

The Director of Internal Audit again reported that, the Internal Audit Directorate conducted the audit to establish whether the University had a Business Continuity Plan (BCP) and its manifestation.

He explained that, the report was also to find out if the University had developed a COVID-19 response strategy to cope with post-COVID-19 issues. In addition, it was to determine if COVID-19 protocols, as were issued by the Government and the University were being adhered to.

Comments

The Audit Committee after going through the report detected that, it failed to mention the efforts made by University Management in the supply of various items (Veronica buckets, sanitizers, hand washing detergents, thermometer guns etc.), as well as the expenditure incurred in the prevention of COVID-19.

According to the Committee, the absence of a Business Continuity Plans (BCP) in the Campuses notwithstanding, Management of the Campuses had set up Campus COVID-19 Management Committees to handle all COVID-19 related issues which the audit failed to recognize.

The Audit Committee noted that, the University, through the Academic Board had constituted a COVID-19 Response Team to ensure that staff, students and visitors to the University adhered to the Covid-19 protocols.

In spite of the observations made, the Committee acknowledged the recommendation that, the University should establish a Business Continuity Plan as part of the risk management strategy and agreed that it should be part of the University's Strategic Plan.

The Audit Committee also suggested that, timelines and regular reports on the activities of the COVID-19 Team should be submitted to Management. The Committee added that the COVID-19 Team should provide education and regularly information on all COVID-19 related issues.

Comments

Management in response to measures adopted to control the COVID-19 pandemic stated that, it had, as part of the awareness drive by the COVID-19 Committee Team, printed and distributed leaflets on COVID-19 all over the Campuses.

In line with the awareness creation, the Audit Committee suggested that the COVID-19 Committee should report regularly to Management on existing and emerging developments on the situation at the Campuses. By so doing, it was noted that, Management would be able to constantly monitor various events on the COVID-19 pandemic.

Management in respect of observing the social distance protocols, adopted the online lectures and virtual congregation sessions. This was explained to be aimed at reducing physical contact amongst students and lecturers, in respect of adhering to the COVID-19 protocols. The Committee commended Management for the decision and suggested that, the University in future could explore how the online system could be enhanced to promoting effective teaching and learning in the University.

The Audit Committee also recognized the efforts made by Management against the threat posed by COVID-19, particularly, the procurement of items and the arrangements put in place to prevent and control the effects of the pandemic across the Campuses.

The meeting again acknowledged the support of Government to the University by disinfecting the Campuses and supplying liquid soaps, sanitizers, veronica buckets and facemasks.

The Committee recommended that the COVID-19 audit report should be made available to the University's COVID-19 Committee Team. In view of that, the Director of Internal Audit was tasked to forward copies of the report to the COVID-19 Committee.

Dir. Int. Audit

<p>The meeting further suggested that, funds should be readily available to support COVID-19 related supplies and that, a budget on all the expenditure of COVID-19 should be created.</p>	<p>Dir. Int. Audit</p>
<p>Aside, the Audit Committee recommended that, measures should be put in place for the University to have a Business Continuity Plan.</p>	<p>Dir. Int. Audit</p>
<p>The Audit Committee also advised Management to ensure that all COVID-19 related procurement expenditure reflected in the COVID-19 report. The Committee therefore advised that, the COVID-19 report should be reviewed to include the cost of all activities carried out by Management and the COVID-19 Committee Team.</p>	<p>Dir. Int. Audit</p>
<p>4.5.0 AUDIT COMMITTEE REPORT – 2020</p>	
<p>The Director of Internal Audit reported that, the Annual report on the activities of the Audit Committee of the University for the year, 2020 was submitted to the Offices of; the President of the Republic of Ghana, the Speaker of Parliament, the Hon. Minister of Finance, the Director General, Internal Audit Agency, the Auditor General and the Governing Board of the University Council.</p>	
<p>According to the Director of Internal Audit, the Audit Committee during the year reviewed twenty-nine (29) audit findings and recommendations. He indicated that, twelve (12) were in respect of the Internal Audits and seventeen (17) related to external audits.</p>	
<p>He also stated that, Management had implemented twenty-two of the recommendations and that seven were at varied stages of implementation. In terms of the breakdown, he indicated that 10 recommendations from the Internal Audit report were implemented with two outstanding, while the External Audit report had twelve recommendations implemented with five outstanding.</p>	

4.6.0 UDS ACCRA GUEST HOUSE AUDIT 2019

The Director of Internal Audit reported that, the Board of the UDS Guest House in Accra (UDSAGH), commissioned the Internal Audit Directorate to conduct an audit into the financial and operational activities of the Guest House. The audit is to determine whether funds and other assets provided by the University, including internally generated funds were properly utilized and adequately accounted for. He however stated that, he was yet to receive a response from the Board even though the report was submitted to the Chairman of the Board of UDSAGH.

He explained that, the assessment was also to provide reasonable assurance, determine whether the operations of UDSAGH followed the appropriate laws and regulations, whether the decisions and directives of the Board were applied, and to also ascertain whether the control procedures were adequate and effective.

The Director of Internal Audit again reported that, the audit detected the; improper treatment of transactions in bank accounts, double entries on accounts receivable and payable balances with credit and debts balances respectively, tender evaluations and quotation issues, procurement as well as withholding tax certifications, including inappropriate use of the accounting software. He subsequently concluded that, recommendations were made in respect of the findings for the observations to be addressed.

Comments

The Audit Committee after going through the report on the UDSAGH audit requested to know what actions were taken on the recommendations before proposing the following:

- That an action plan on the responses from the findings should be issued by requesting for timelines on the responses.

- That a determination should be made on whether the financial problems of the Guest House were ensuing from the lack of adequate and competent staff, supervision or a problem with the accounting software of the Guest House.
- That the reporting lines must be clearly defined as whether it was emanating from the Governing Council, Management (Vice-Chancellor), the Board of the Guest House to the very last person in the line command.
- That the internal control measures should be improved.
- That an assessment of the profitability of the Guest House should be looked into.
- That a management audit with a different scope should be commissioned to carryout evaluation of the Guest House.
- That the situation on the debtors list since the previous year, 2018 should be looked into.
- Proposed a tenure for the appointment of the Board members in the form of a corporate management structure.

The Audit Committee expressed concern about issues relating to the accounting system and the entry procedures in financial operations at the Guest House.

The Committee therefore recommended that action should be taken on the status and performance of the UDSAGH and related facilities.

The Director of Internal Audit however notified the Committee that, the UDSAGH audit report for 2019 was yet to be submitted to the Board of the UDSAGH before it was presented to the Committee.

The Committee, following on the information by the Director of Internal Audit to the effect that, the report was yet to be submitted to the Board of the Guest House decided to halt discussions on the report. The meeting subsequently instructed the Director of Audit to submit the Report to the Board of UDSAGH for their comments before it was presented to the Committee. The Committee therefore deferred discussions and recommendations on the report.

5.0 ANY OTHER BUSINESS (A. O. B.)

The Audit Committee was informed about the enskinment of the Registrar, Dr. A. B. T. Zakariah as the Chief of Yapei, in the Savannah Region. The meeting following on the information congratulated the Registrar on his enskinment and wished him a productive reign. The Registrar intern thanked members for their support during his inauguration and called for their prayers and support as he chartered a new course.

6.0 CHAIRMAN'S CLOSING REMARKS

The Chairman thanked the members for their participation and advised that all actions should be carried out before the next meeting.

7.0 CLOSING

The motion for the adjournment of the meeting was moved and seconded by Mrs. Joyce Agyeman Attafuah and Mrs. Paulina A. Akolgo-Ayugane respectively.

The closing prayer was said by Mrs. Paulina A. Akolgo-Ayugane.

The meeting closed at 1:30 pm.



Mr. Richard Ntim
(Audit Committee Chairman)



Mr. Rashid Yakubu
(Audit Committee Secretary)