



# **Internal Audit Report**

## For RWESCK

December 2018

**KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY**

INTERNAL AUDIT DEPARTMENT

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Our Ref: .....

April 30, 2019

Your Ref: .....

Date .....

**THE CENTER LEADER  
ACE RWESCK  
KNUST**

**Internal Audit Report on KNUST/RWESCK Project**

We have conducted the audit review on the Regional Water and Environmental Sanitation Center, Kumasi (RWESCK) for the period ending December 2018. Set out in the following pages are our observations and recommendations.

Our audit work took into account the review and testing of accounting procedures and internal controls. We also performed substantive procedures on transactions.

We would be pleased to discuss further the matters raised or to supply any additional information that you may require.

Yours faithfully

  
**Daniel Bart-Plange  
(Internal Auditor)**

cc  
Vice Chancellor

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## 1.0 Executive Summary

We have completed the review of activities of the Regional Water and Environmental Sanitation Centre, Kumasi (RWESCK) for the year ended December 31, 2018, and submit for your consideration the following:

1. The Centre is on course with the training of students, four years into the programme:
  - ✓ 56 students have been enrolled on the PhD exceeding the target of 40 students.
  - ✓ 165 students have been enrolled in the Master's Programme exceeding the target of 140
  - ✓ 384 out of 800 targeted students have benefited from Short courses
2. A total amount of GH¢670,771.92 was paid on behalf of students in respect to tuition fees and other costs such as stipends.
3. The Centre is also putting up its building. In the year under review, US\$1,423,126.48 (GH¢6,788,313.29) was spent on the building.

The table below shows the receipts and payments for the year:

DETAILS	AMOUNT (US\$)
Opening Balance	3,324,514.69
Receipts**	110,265.58
Interest Earned on Accounts	34.21
<b>Total Amount Available</b>	<b>3,434,814.48</b>
<b>Payments</b>	
Transfer to Cedi Accounts	2,850,000.00
Dollar Payment	318,810.30
Bank Charges	2,255.00
<b>Total Payments</b>	<b>3,171,065.30</b>
<b>Cash Book Balance as at December 31, 2018</b>	<b>263,749.18</b>

\*\* Note, the receipts were from different sources as shown below:



	US\$
✓ UCAD	12,203.32
✓ IHE DELFT	8,242.00
✓ WSUP	19,977.30
✓ KISUMU	17,561.10
✓ DEPOSIT FROM EMORY UNIVERSITY	9,070.00
✓ DEPOSIT FROM INT'L DEV'T RESEARCH	<u>42,389.67</u>
	<b><u>110,265.58</u></b>

1. Refer to the **appendix 1** for expenditures of amount transferred to the Cedi Accounts
2. Unpresented cheques as at the end of the year was US\$11,000.00 and this was subsequently cleared in 2019. The resulting bank statement balance showed an amount of US\$263,749.18 as at the year end December 31, 2018.

Audit issues identified were not risky to warrant any major action. The Procurement rules were followed in the purchase of goods and services. Approval processes for payment were also followed.

It was evident during the audit that the Centre Building has been completed but equipment to install in the building were still in their boxes. Students may not have the benefit of using the equipment which was purchased for the laboratory.

## 2.0 Introduction

This is our forth review of the Regional Water and Environmental Sanitation Centre, Kumasi (RWESCK). Our understanding is that the project was set up as a Center of Excellence in Water and Environmental Sanitation to train PhD and MSc students.

We observed that all procedures pertaining to spending and receipts were in line with the policies and procedures of the University as stipulated in the University's Accounting Manual. All the necessary supporting documentations for the payment vouchers were found to be reasonable and were also on file.

There were five (5) staff working on the Project, namely, the Centre Manager, Accountant, a driver and two (2) cleaners.

The audit was conducted with the following objectives in mind:

- ✓ Identification of the project document and the budget lines therein
- ✓ Confirmation that procedures were followed for the operation of the various accounts; foreign and local currency accounts.
- ✓ Confirmation of the total amount received via the bank statements
- ✓ Confirmation of the procedures for withdrawals from the bank accounts
- ✓ Review of whether expenditures made were in accordance with the project budget lines and were properly authorised and approved by the Spending Officers.
- ✓ Confirmation of the balances in the bank accounts as at the time of audit especially that of the year end balances.
- ✓ Where assets have been purchased, confirmation of their existence and condition. We also checked whether the assets were labelled with unique identification number.

We also confirmed whether structures have been put in place to run the project. For example, human resource, office accommodation and other resources.

**Relevant Information**

The following are relevant information which came up during the audit.

- ✓ The construction of an ultra-modern Regional Water and Sanitation Centre to serve as permanent offices for the Centre was in progress. The project was in phases and the cost of the phase 1 building was estimated at GH¢11,944,651.70. As at the time of the audit, the phase one is completed as the cost of GH¢11,450,436.58. The last instalment payment to the contractor in 2018 was GH¢6,788,313.29. Phase 2 is ongoing and hope to be completed on schedule.
- ✓ Various equipment which will be used in the new building has already been procured some awaiting installation. The cost of assets including other equipment acquired for the year under review was GH¢2,975,586.94. The items have been recorded in the asset register. Refer to **Appendix 1** for the details.
- ✓ The following table below depict the progression of PhD and MSc since inception of the programme.
- ❖ The PhD Enrolment – **Target was 40**

Year	Courses	Enrolments
2015	PhD	20
2016	PhD	10
2017	PhD	15
2018	PhD	10
<b>Total to Date</b>		<b>56</b>

- ❖ MSc Enrolments – **Target 140**

Year	Courses	Enrolments
2015	MSc	28
2016	MSc	51
2017	MSc	43
2018	MSc	43
<b>Total to Date</b>		<b>165</b>



800 people are supposed to be sponsored on short courses. 192 students were sponsored in 2016, 363 students were sponsored in 2017 and in 2018 the student's numbers increased to 484.

The National and Local Advisory Board are expected to meet twice and quarterly respectively every year to provide guidance for the running of the centre. There was evidence of minutes from such meetings of the respective Boards. This complied with the requirements.

### **The Only Concern**

From the audit work done we can confirm that the Centre has followed all the policies and procedure. Our only challenge was the fact that some of the equipment purchased for the new block were still kept in boxes and not installed.

Further discussion with staff suggests that the new building should have provided laboratory benches so that the equipment could be installed on them. This has not been done. We were made aware that plans are far advance to get the laboratory benches constructed so that the equipment would be mounted.

We hope management of the Centre would do what it takes to facilitate the action so that students would benefits from the use of the equipment in the next academic year.



#### 4.0 Conclusion

The activities of the Centre were well managed especially when it comes to the deliverables. Exceeding the PhD enrolment and MSc Programme target by 40% and 17% respectively four (4) years into the programme, is a significant achievement.

We have no doubt in our minds that the target for the Short courses would also be achieved before the end of the project.

Appendix

# Appendix

## APPENDIX 1

### Regional Water and Environmental Sanitation Center Kumasi (RWESCK) Cedi Transactions for the Year Ending December 31, 2018

DETAILS		2018 AMOUNT
		GH¢
<b>Receipts</b>		
Opening Balance		259,213.51
Transfers from Dollar Accounts (\$2,850,000.00)		12,860,500.00
<b>Total Amount Available</b>		<b>13,119,713.51</b>
<b>Payments</b>		
Regional Capacity Training		1,738,961.46
Learning & Teaching Environment		9,859,417.26
Regional Research Capacity Training		487,476.14
Academic Partnership		183,930.93
Industrial Partnership		258,481.31
Governance Administration		508,327.43
Centre Visibility		83,342.64
<b>TOTAL PAYMENTS</b>		<b>13,119,937.17</b>
<b>CLOSING BALANCE (CASH BOOK)</b>		<b>(223.66)</b>

#### Note

1. The Closing balance in the cash book agreed with the Bank Statement

2. The following assets were part of the Learning & Teaching Environment Cost

	GH¢
Building Construction	6,788,313.29
Laboratory Equipment	890,519.12
GC-MS Equipment	863,120.43
AAS Equipment	437,644.47
Field Equipment	109,650.93

**9,089,248.24**



## APPENDIX 2

### Regional Water and Environmental Sanitation Center Kumasi (RWESCK) Cedi Transactions for the Year Ending, December 31, 2018

Asset No.	Description of Asset	Supplier	Date of Delivery	Cost of asset GHC	Asset Keeper
RWESCK 027	LABORATORY EQUIPMENT	WAGTECH GHANA LTD	1/5/2018	203,964.23	PROF. R. A BUAMAH
RWESCK 029	LABORATORY EQUIPMENT	WAGTECH GHANA LTD	6/12/2018	131,258.40	PROF. S. N. ODAI
RWESCK 030	LABORATORY EQUIPMENT	LAB AID	6/27/2018	403,229.36	PROF. S. N. ODAI
RWESCK 032	LABORATORY EQUIPMENT	WAGTECH GHANA LTD	6/28/2018	152,067.13	PROF. R. A BUAMAH
RWESCK 034	WORKSTATION	MAT-BANS	8/27/2018	47,999.81	PROF. S. N. ODAI
RWESCK 035	PHOTOCOPY MACHINE	A4 TECH	8/28/2018	49,440.00	PROF. S. N. ODAI
RWESCK 036	FRIDGE	AVROS	8/27/2018	13,485.00	PROF. S. N. ODAI
RWESCK 037	PRINTER	AVROS	8/28/2018	39,861.00	PROF. S. N. ODAI
RWESCK 038	SWIVEL CHAIR	LIFE MATE	10/4/2018	22,680.41	PROF. S. N. ODAI
RWESCK 039	SOFA	MAT-BANS	10/11/2018	87,500.56	PROF. S. N. ODAI
RWESCK 041	40 NO. EXECUTIVE L-SHAPED TABLES	ANDYSARP LTD	11/16/2018	61,800.00	PROF. S. N. ODAI
RWESCK 042	70 NO. FILLING CABINETS	MULTI HOMES	11/23/2018	53,354.00	PROF. S. N. ODAI
RWESCK 043	310 NO. VISITORS CHAIR	MAT-BANS	12/10/2018	117,800.00	PROF. S. N. ODAI
RWESCK 044	15 NO. CAFÉ TABLES & 60 CAFÉ TABLES	ANDYSARP LTD	12/17/2018	25,956.00	PROF. S. N. ODAI
RWESCK 045	1 NO. ADV FLOWTRACKER	HUGE LTD	12/17/2018	82,711.27	MR. KOFI AKODWAA-BOADI
RWESCK 046	35 NO. SMART UPS	SYNBIZ LTD	12/17/2018	72,063.95	PROF. S. N. ODAI
RWESCK 047	FIELD EQUIPMENT	WAGTECH GHANA LTD	12/20/2018	109,650.93	PROF. R. A BUAMAH
RWESCK 048	1. NO. GC-MS EQUIPMENT	WAGTECH GHANA LTD	12/20/2018	863,120.43	PROF. R. A BUAMAH
RWESCK 049	1 NO. AAS	WAGTECH GHANA LTD	12/20/2018	437,644.47	PROF. R. A BUAMAH
				<b><u>2,975,586.94</u></b>	