

Africa Rice Center
(WARDA)

27th Meeting of the Board of Trustees
18 – 23 March 2007
Cotonou, Benin

Draft Minutes of the Audit Committee Meeting of 22 March 2006

Present: Remi Pochat, Chair
Bamba Gué, Member
Gaston Grenier, ex officio

Invited: Kanayo F. Nwanze, Director General
Long T. Nguyen, Assistant Director General – Corporate Services
George M. Maina, Head of Finance
Abdou Mouhidiny, Internal Auditor
John Mwangi, Associate Director, CGIAR Internal Audit Unit
Jean-François Albrecht, Ernst and Young
Dramane Gon Coulibaly, Ernst and Young

Secretary: Samuel Bruce-Oliver

Summary and Conclusions

The Action Items from the previous meeting of the Audit Committee were taken into consideration for the most part and those, which could not be implemented, were noted in the following recommendations.

The consolidated account for the special expenditures due to the crisis was closed as of December 2005. Adjustments to the account would no doubt be necessary.

- The Audit Committee wishes to be presented with a balance of receipts against expenditures for the whole period of the crisis.

- The Audit Committee recommended to the Board the approval of the Accounts for 2005 as well as the external audit report. It recommended that the audit firm of Ernst and Young be retained for the 2006 Audit.
- The Management Letter was provided during the open session but was discussed in greater detail during the closed session.
- A call for bids should be launched to choose the External Auditor for 2007. This call should go out as of June 2006 so that the EFC could make a pronouncement during the meeting of August.
- The Audit Committee recognizes the work done by the Internal Auditor and a number of improvements have been noted from the previous year. Nevertheless, it appears from the CGIAR and the internal audit that:
 - A study to effect structural changes in Corporate Services is necessary and a reorganization of the services, activities and competencies will be proposed by management at the next meeting of the Executive and Finance Committee.
- The work program proposed by the Internal Auditor for 2006 is without doubt too elaborate and ambitious. Issues of high risk will be proposed as priority areas for treatment, especially the key sites and out stations that are far away from headquarters.
- In the same breath, the Audit Committee welcomes the recent hiring of an Assistant for the Internal Auditor and the good collaboration ongoing with the Audit Unit of the CGIAR.
- Approval of the 2006 work plan – The Audit Committee regrets that the documents for the follow up on the expenditures within the framework of the Medium Term Plan are not provided monthly.
- Weaknesses were observed in budgetary and financial controls as a result of the lack of personnel.
- AC requested that the ADG-CS ensure that MTP-based report of expenditures should be produced monthly.

- The issue of WARDA using the same auditors as IITA was discussed as a move in the right direction with respect to alignment in Corporate Services. It was decided to discard the idea of using the same auditors as IITA because the two institutions do not have the same system (Oracle vs Sun).
- As concerns the return to M'be, it is recommended that as soon as the situation is deemed favorable, that provisions be made to address the possible degradation of the facilities that may have resulted from long periods of disuse.