

MINUTES OF THE AUDIT MEETING HELD ON THE 10TH DAY OF MAY 2023 AT THE USET CONFERENCE ROOM

Attendees:

- 1) Mr. Samba Sowe – ACE Focal Point – MoHERST Representing the Chair
- 2) Mr. Edward C. Mansal - Centre Leader, USET (Member)
- 3) Mr. Julius Williams – Finance Director, USET (Member)
- 4) Mr. Omar O. Jobe – Project Manager, USET (Member)
- 5) Mr. Eudora Taylor-Thomas – Senior Financial Management Specialist PCU (Invited)
- 6) Mr. Ansumana Demba – Deputy Project Manager, PCU (Representing the Project Manager PCU)
- 7) Mr. Shiekh M.S Njie - Internal Auditor, USET (Invited)
- 8) Mr. Sering Mass Jallow – Director of Audit, National Audit Office (Member)

Absent with Apology:

1. Mr. Yusupha Touray – Permanent Secretary MoHERST, Chairman

The meeting started at 03:30 pm under the chairmanship of Mr. Samba Sowe, the ACE Focal Point and Director of Technology and Innovation at the Ministry of Higher Education, Research, Science and Technology (MoHERST). After inviting the members to observe a minute of silent prayers, he presented an overview of the ACE Impact Project and the achievements thus far, as a way of bringing all the members of the Committee up to speed with the project. He reminded members that the ACE project is implemented in the form of DLIs (Disbursement Linked Indicators) and as milestones are reached, the project earns monies to be deployed to different uses. In other words, it is an implement and earn model. As part of that process, the committee needs to ensure that the accounts are regularly audited. Mr. Sowe emphasized that as part of the basic readiness of the project, it was essential to put in place an Audit Committee.

Mr. Sowe recalled that at the start of the project (the readiness phase), the Committee comprised of the following institutions: PCU – MoBSE, USET/GTTI and MoHERST. He further observed that a letter was sent to the National Audit Office (NAO) inviting them to send a representative but did not receive any response. Subsequently, Mr. Baba Drammeh from the NAO was invited to join the Audit Committee but he has not been coming. Since the maiden meeting, the Committee has not been sitting as no other meeting of the Audit Committee was held. The Chair informed the members that another letter was written recently and thankfully, the National Audit Committee is now fully on board.

The ACE Focal Point indicated that publications are posted on the USET website and then put on STEP. Highlighting some of the queries in previous audit reports, the issue of timely retirement of imprest was perceived as one area where improvement was needed. He further indicated that the ACE project runs two accounts: a DLI Account and a Management Account and that the project endowment stood at 12 million US Dollars out of which 1.5 million US Dollars was free money, mainly for the readiness phase of the project.

After the preliminary remarks by the Chair, the Finance Director of PCU – MoBSE where the project funds are lodged informed the members that at the beginning of the project, an MoU was signed with the Internal Audit Department of the Ministry of Finance and Economic Affairs (MoFEA). But subsequently a number of key challenges emerged. According to the reporting requirements, there should be two (2) reports per year but that has not happened and consequently, the associated DLI has not been achieved. That is considered as a major challenge for the Committee. The audit report that has been submitted covers the period 1st of January, 2021 to the 30th September, 2022. It was decided that the relevant reports will be shared with each member of the Committee. The meeting further decided that the Committee will re-convene again the following week, even if it will be online.

The Senior Financial Management Specialist of the project, Mrs. Eudora Taylor-Thomas was later invited by the Chair to update the Committee on the Management and the DLI Accounts. She informed the meeting that expenditures were wrongly classified as a result of which it became an audit query. She further revealed that there are challenges in the management of the accounts when transactions are made depending on whether or not the transaction is in dollar or in dalasi. When monies are received in dalasi, it becomes a challenge to return the funds to the dollar account accruing from the imprests. Using the CBG rates often results in exchange rate losses. The question then becomes – what decision should the Committee take to tackle such challenges and what recommendations to minimize the audit queries.

The Senior Financial Management Specialist highlighted the following issues, including:

- A number of outstanding imprests
- Late retirement of imprests
- The overpayment of sitting allowances
- Withholding taxes that are not being deducted from service providers who are not subjected to any tax obligation.

The Committee agreed to convene a follow-up meeting to come up with recommendations to address the audit queries.

External Auditors:

The report of the external auditors was rejected owing to the audit opinion proffered.

Recommendations:

- To engage The Ministry of Finance to see how the audit committee should be constituted
- It was agreed that the report of the National Audit Office (NAO) should be shared
- The letter from the World Bank should be shared
- The Senior Financial Management Specialist should share the two (2) audit reports

The meeting adjourned at 5 pm.