



Africa Rice Center – (WARDA)

Centre du riz pour l'Afrique – (ADRAO)

**Summary and Recommendations of Audit Committee
Sunday, 8 March 2009**

The Audit Committee met on Sunday, 8 March 2009 and in attendance were the Chair, Gaston Grenier and members Momodou Ceesay, Barbara Becker, Henri Carsalade and Getachew Engida. The DG, Finance Staff, Internal Auditor and Ernst & Young also participated in the Audit Committee meeting.

Work Plan and Report of Internal Auditor

Recommendation 1:

The Audit Committee suggested improvements in the Tables presenting the Internal Auditor's findings and recommendations and recommended that the Internal Auditor should agree with management on a plan of action in responding to the audit recommendations.

Recommendation 2:

i) The Audit Committee was interested in knowing how the program of work of the Internal Auditor is established and to ensure that the Internal Auditor is considering the right level of risks.

ii) The Audit Committee suggested that some of the activities reported by the Internal Auditor were clearly in the domain of the DAF and seemed enormous. The Committee recommended that the Internal Auditor should devote his time to important issues such as a review of purchasing and stores, competitive bidding processes and the out reach stations, which need particular attention.

Report of External Auditors

Recommendation 3:

a) The external auditors in closed session suggested that efforts be made to ensure the improvement of the quality of the internal audit at WARD. Taking this into consideration, the Audit Committee recommended to the Director General to request the expert services of the CGIAR Secretariat to i) help streamline the Center's

internal audit activities, ii) review the internal audit function and interface with other management functions, iii) produce the Internal Auditor's plan of work and effective reporting to management and to the Audit Committee and iv) determine the adequacy of resources in order to maintain the highest quality in the provision of internal audit services to WARDA and the monitoring of risk management.

b) Building on the recommendations by the External Auditors to focus the activities of the Internal Auditor on the procurement activities of the Center and also on the systems of control of the outreach stations, the Audit Committee re-iterated the importance for management to implement recommendation 2 above soonest.

Recommendation 4:

i) The Audit Committee urged management for the next Board meeting to critically review and analyze the financial statement and attempt to explain if and why the figures are changing from the previous year.

ii) The Audit Committee recommended a revision of the Board Chair's statement and the Board statement on risk management.

2008 Closing

Recommendation 5:

i) The Audit Committee observed that short term solvency and liquidity ratios have been reported as the same and suggested to management to consult with the CGIAR Secretariat to ensure that the calculation formula has been used correctly.

ii) The Audit Committee adopted the 2008 results and noted the Center's high cashflow of US\$4.4 million.

2009 Proposed Working Budget

Recommendation 6:

The Audit Committee noted the doubling of the budget from \$11 million in 2008 to \$21 million in 2009 and the movement of resources (particularly staff) from the unrestricted to restricted budget. It recommended that against this backdrop, management needed to maintain "coherence scientifique".