



Africa Rice Center – (WARD A)

Centre du riz pour l'Afrique – (ADRAO)

**Summary and Recommendations of 28th Meeting of the Audit Committee
Tuesday, 11 March 2008**

The 28th meeting of the Audit Committee was chaired by Remi Pochat, his last as Chair since his tenure would come to an end at the conclusion of the Board meeting. He received the praise of his colleagues for the excellent manner in which he had guided the deliberations of the Audit Committee.

With the full Committee in attendance, they made the following recommendations at the end of the meeting:

Recommendation 1 - The Audit Committee would like to have information on the timing and follow up actions carried out on recommendations made by the Internal Auditor especially in the areas of human resources, risk management and inventories.

Recommendation 2 - The Audit Committee approved the work plan of the Internal Auditor for 2008 and would like to have updates of the results tables presented at Board Meetings.

Recommendation 3 - The Director General was urged by the Audit Committee to revive the risk management committee.

Recommendation 4 - The Audit Committee recommended that the activity report of the Internal Auditor should include a section on the implementation by Management of the recommendations in the Internal Auditor's report for the previous year.

Recommendation 5 - The Audit Committee recommended the approval by the Board of the audit report by the External Auditors for 2007.

Recommendation 6 - The Audit Committee welcomed the verbal replies given by the Director General to the Management Letter as the answers seemed satisfactory.

Recommendation 7 - The Audit Committee recommended the adoption of the 2007 financial results. The balance sheet is positive, and a surplus of US\$155,924 has been noted with performance indicators that are satisfactory.

Recommendation 8 - The Audit Committee recommended the approval of the 2008 budget amounting to US\$14 million revenue and expenditure of US\$12.6 million with a projected surplus of US\$1.4 million.

Recommendation 9 - The Audit Committee recommended to the Board that Ernst & Young Lagos be appointed as WARDA External Auditors for the three year period 2008-2010.

Closed Door Session

The Auditors blamed the delay in the submission of their report on a number of disruptions in WARDA Management activities due to the alignment with IITA and staff changes. They also said that they had problems retrieving accounting data because of the data processing system.

The External Auditors stressed the need to involve the Internal Auditor in the work of the risk management committee as well as the review of policy and procedure manuals.