

**AFRICA CENTER OF EXCELLENCE FOR NEGLECTED TROPICAL DISEASES AND
FORENSIC BIOTECHNOLOGY**

**AHMADU BELLO UNIVERSITY ZARIA
INTERNAL AUDIT REPORT JANUARY –
JUNE 2023**

Project Name and State	Africa Center of Excellence for Neglected Tropical Diseases and Forensic Biotechnology
Project ID	P126974
IDA/Grant No.	5414 NG
Implementing Agency	Ahmadu Bello University Zaria
Effectiveness Date	June 2023
Closing Date	31st -June-2023
Credit Grant Amount	4,000,000 US Dollars
Project Duration	5 years
Remaining Period to Closing	2 years
Disbursed Amount to Date & Percentage	318,623 U.S Dollars 8.0 %
Period Covered by Review	January 2023 – 30/6/2023
Internal Auditor	Muhammad Auwal Usman

EXECUTIVE SUMMARY

Pursuant to the requirement of the ACE Impact world Bank funded projects, it is mandated to produce bi-annual internal Audit reports each year in the life span of the project. This report spans between January to June 2023.

According to the University and financial regulations, the Internal Audit report for the period seeks to appraise review and provide a suitable system of internal controls which guarantees the attainment of the set goals and objectives.

In the same vein, the analysis also tries to endure the extent of the compliance with all the necessary institutional policies and bank procedures with other mode of operations.

In performing the audit review under the period, access was given to the basic account records which included implementation plan, cash book, bank statements, annual work plan and payment vouchers to ensure they all confirm to budget.

The general activities of the Africa Center of Excellence for Neglected Tropical Diseases and Forensic Biotechnology (ACENTDFB) for the period January to June 2023 have been applaudable in light of reviewing payment vouchers to ensure authorisation and approvals.

GENERAL OVERVIEW

At the beginning of this fiscal year, activities at the centre was a bit slow due to the fact that there was delay in the disbursement of funds from NUC .

Below is the summarized findings of internal audit review of ACENTDFB center for the review period. Note that particular emphasis was placed on the level of achievement and observed lapses from standard procedures.

FINDINGS

Budgeting

- The project budget planning and drafting process had relevant inputs from wider and most relevant project stakeholders.
- The budget/work-plan was prepared and submitted by the budget committee which was subsequently approved for implementation by the World Bank.
- The budget performance has been above average, only budget lines achieved more than 80% fund usage. Furthermore, some budget items have been duly executed (e.g. Recruitment of Admin. Manager). The budget for the center is usually aggregated in the NUC annual budget for all ACEs in Nigeria.

ACCOUNTING:

- The University's accounting information system is still in use by the center; though the flexible Accounting software has been effectively introduced but its complete usage has not been utilized as envisaged in the previous year.
- The center has maintained proper books of account and other relevant records.
- The project audited annual financial statement is usually submitted to the NUC. The report is aggregated as part of the country wide ACEs audit report.
 - At present, there is a comprehensive Project Financial Management Procedures Manual that is strictly used by the project which is in conformity with the World Bank standard.

WORK PLAN ACTIVITIES 2023

S/NO	WORK PLAN ACTIVITIES	PERCENTAGE Performance (%)
1	Improving Enrolment/DLI Action (Quantity of students)	50
2	Curriculum Development for Msc. BFS	60
3	National and Regional Short term training workshops	30
4	Enhancing Quality Education (Infrastructural and relevance of education and research)	75
5	Approval by ESMP WB Consultant and University Physical Planning Unit of University	40
6	Maintenance of Animal House	40
7	Faculty Motivation	40
8	Equipping Forensic Lab Facilities with Diagnostic Facilities	50
9	Upgrading of Bio-Bank and DNA Data Bank Facilities	30
10	Procurement of Core Laboratory Supplies	50
11	Data Resource Acquisition	50
12	Enhancing Fiduciary Management Audit and Accountability	95
13	Programme Administration and Enhancement	90
14	Advocacy and NTDS Fair	40
15	Sectoral Advisory Board Meetings	0
16	Promotion of collaboration and Partnership	50
17	Improving Revenue Generation	15

INTERNAL CONTROL:

The review of internal controls disclosed the following exceptions

- **Appointment letters:** Some members of the project management team are yet to receive their formal appointment letters clearly stating their definite responsibilities. This has been an issue that has been lingering since the commencement of the project. There is, thus, the possibility of potential disproportionate allocation of specific responsibilities and resources.
- **Center organogram:** The existing organogram has been instrumental in the renewed push for attaining operational excellence. However, some slight modification based on further consultation with relevant project stakeholders will greatly enhance the organogram's operational efficiency.
- **Regional and International Collaboration:** The intrinsic collaborative nature of the entire ACE project requires that all National, Regional and International collaborating partners should have their commitment substantiated and bonded by signed MOUs.
- **Unretired Advances:** The entire process of retiring cash advances is fair. Even though beneficiaries submit evidence of incurred expenses, a high percentage of documents are usually verified by audit.
- **Insufficient Supporting Documents:** The supporting documents in respect of all payments have been adequate for the review period. Virtually 75% has been achieved.
- **Ineligible Expenditures:** The review period did not witness any ineligible expenditure.
- **Excessive use of one project category e.g. operating costs:** Every project financial activity affecting each category have received its fair share of cost allocation based on approved budget.
- **Slow implementation progress on major project activities:** The level of implementation for the review period was optimal. Audit observed that project activities were at all time high with minimal complaints and constraint.
- **Segregation of duties:** The segregation of Individual duties was actual, and its practicability has been

fully implemented.

- **Stock controls:** The control of stock is satisfactory, but documentary evidence of proper and judicious usage by end user department needs to be very clear.
- **Physical Controls:** The center procured equipment and other relevant assets and has strict physical control especially in terms of access and usage.
- **Approval and authorization procedures:** The Center Leader is the only officer who is saddled with the responsibility of approving and authorizing all payments.
- **Cost control procedures:** The cost control procedures over projects assets in relation to fueling, repairs and maintenance for project vehicles were well within the approved work plan. Furthermore, asset register and insurance cover over assets are up to date with value for money.

Recommendation:

- Management should ensure that each member receives his appointment letter with defined responsibilities.
- The existing organogram should be re-modified to enhance efficiency.
- All signed MOUs should be archived in the Center management Office.
- The Center Management should ensure strict implementation of segregation of duties.
- The Center Management should ensure strict implementation of prepayment audit in respect of all payments.

EFFECTIVENESS OF MANAGEMENT OVERSIGHT INCLUDING AUDIT COMMITTEE:

- The ACENTDFB audit committee is now a fully-fledged committee at the University council.
- The composition of the audit committee includes a member of the University council, two (2) Academics and Administration staff of which one is from the Internal Audit and the other from the Bursary Unit.
- The available documented interaction between the audit committee and both internal and external auditors of the project needs to be more comprehensive and frequent.

FUND FLOW:

- The Center expended the sum of Nine Hundred and twenty eight Million, two hundred and seventy seven thousand, one hundred and four naira, sixty six kobo (N928,277,104.66). While receipts from World Bank for the review period amounted to One hundred and eighty one million, twenty four thousand, six hundred and forty two naira. (N181,024,640.00)
- No amount had been collected as tender fees outside the normal disbursement from NUC.
- The review of funds flow revealed no delay or weakness because there was no complaint from any supplier or project staff.
- The combination of both counterpart and government funding was absent during the review period. However, emanating from collaborations with national, regional and international partners are enormous potentialities for revenue generating activities.
- The entire process of accessing IDA funds was satisfactory especially with regards to timeliness of submissions for reimbursement.

Recommendation:

- The center management should fast-track activities with collaborators which have revenue generating potentials.

FINANCIAL REPORTING

- The requisite interim financial report for the period has been submitted by the Accountant.

EXTERNAL AUDIT:

- The External Audit Report for the period is ongoing and will be available soon.

DISBURSEMENT AND SUBMISSION OF WITHDRAWAL APPLICATION (WA):

- The Center's submission for withdrawal application are aggregated by the NUC and subsequently submitted to the World bank.

PAYMENT PROCEDURE:

- Payment procedure to suppliers and service providers for the period under review is sufficiently adequate. There was no complaint from any supplier or service provider.

ON-SITE VISITS FOR PHYSICAL VERIFICATION

- The physical verification of procured equipment and other consumables during the period was carried out. This was due to the availability of a comprehensive asset register with clear description of all assets in use.

PROCUREMENT ACTIVITIES:

- **Procurement Activities**

The procurement activities have been conducted based on the work plan and it was equally based on certain needs by the stakeholders and or units.

All procurements were carried out based on the approved budget for the year as can be seen in my monthly report to the centre.

The procurement used the National Competitive Bidding (NBC).

The centre has a procurement committee to which the Auditor is a member which is headed by the centre leader who in the same vein oversees all the procurement activities.

- The Centres procurement activities were conducted to ensure efficiency and value for money. Procurement was designed in lots and the monetary value of each lot was well within approved budget.
- The scheduling of procurement activities was quite effective. However, planned and actual dates of procurement delivery varied. These variations were at no cost to the center and did not affect items delivered.

Other matters:

- Apart from reorganization of the entire team the project has so far maintained relevant staff and just the addition of the Admin. Manager. More changes are envisaged in the near future.

Muhammad Auwal Usman
Project Internal Auditor