

AFRICA CENTER OF EXCELLENCE FOR NEGLECTED TROPICAL DISEASES AND FORENSIC BIOTECHNOLOGY, AHMADU BELLO UNIVERSITY ZARIA INTERNAL AUDIT REPORT JULY - DECEMBER 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	July 2023
Closing Date	31st -December-2023
Credit Grant Amount	4,000,000 Dollars
Project Duration	5 years
Remaining Period to Closing	1 Year 6 months
Disbursed Amount to Date & Percentage	334,288.88 U.S Dollars 8.36%
Period Covered by Review	July 2023 – 31/12/2023
Internal Auditor	Muhammad Auwal Usman

EXECUTIVE SUMMARY

As mandated by the ACE World Bank funded projects to produce a bi annual internal audit report which is expected to cover a twelve months' period.

According to the University and financial regulations, the internal audit report for the period seeks to appraise and offer assurances that the current existing operational activities and structure is best suited for the system of internal controls which makes the attainment of set project objectives.

Equally, the analysis also tries to ensure the extent of compliance with all the necessary institutional policies, and banks procedures and other mode of operations of the project.

Internal controls over management processes, financial reporting and procedures leads Auditors to write reports as it relates to the operations of the Center as enshrined in the Project Appraisal document as DLIs.

Access was given to the basic accounting records in the performance of our Audit function which included the implementation plan, annual work plan, annual procurement plan, payment vouchers for the review period, interim financial report, statement of expenditures, cash books, bank reconciliation statement, fixed asset register, cash advance ledgers and other relevant document.

The general activities of the Africa Center of Excellence for Neglected Tropical Diseases and Forensic Biotechnology (ACENTDFB) for the period July to December 2023 have been commendable in light of achieving its set objectives .

GENERAL OVERVIEW

Below are summarized findings of internal audit review of ACENTDFB center for the review period. Particular emphasis was placed on the level of achievement and observed infractions 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 85% fund usage. 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 effectively been introduced and is currently partially in usage.
- 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)	80
2	Curriculum Development for MSc. BFS	60
3	National and Regional Short term training workshops	20
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	85
6	Maintenance of Animal House	40
7	Faculty Motivation	40
8	Equipping Forensic Lab Facilities with Diagnostic Facilities	10
9	Upgrading of Bio-Bank and DNA Data Bank Facilities	30
10	Procurement of Core Laboratory Supplies	40
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	20

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. There ought to be a letter of appointment given to every member of the management team stating his or her function in the project thereby avoiding 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.

- **Un-retired Advances:** The entire process of retiring cash advances is sufficient.
- **Insufficient Supporting Documents:** The supporting documents in respect of all payments have been adequate for the review period. Virtually 90% 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 fuelling, 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.
- There should be an addition of both the account and procurement staff which will ensure segregation of duties.
- The accountant should focus more on cash advances to ensure prompt retirement of advances.
- Cash advances should be minimally used and in its place the National competitive bidding be used in major procurement activities.
- 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 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 Five Hundred and fifty two Million, eight hundred and sixty six thousand, Seven hundred and ninety five naira, one kobo (**N552, 866, 795.01**). While receipts from World Bank for the review period amounted to Two hundred and thirty two million, four hundred and seventy nine thousand, five hundred and thirty four naira N232,479,534.00
- No amount had been collected as tender fees outside the normal disbursement from the 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.
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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 has been submitted accordingly.

DISBURSEMENT AND SUBMISSION OF WITHDRAWAL APPLICATION (WA):

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

The procurement sometimes, 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 Center's 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 no changes are envisaged in the near future.

Muhammad Auwal Usman

Project Internal Auditor