

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

AHMADU BELLO UNIVERSITY ZARIA,

INTERNAL AUDIT REPORT FOR JANUARY TO JUNE

2024

Project Name and State	Africa Centre 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 2024
Closing Date	30th June 2024
Credit Grant Amount	4,000,000 Dollars
Project Duration	5 years
Remaining Period to Closing	1 Year
Disbursed Amount to Date & Percentage	769,580.00 U.S Dollars 19.24%
Period Covered by Review	1st January to 30th June, 2024
Internal Auditor	Muhammad Auwal Usman

EXECUTIVE SUMMARY

As mandated by the ACE World Bank (WB) funded projects are expected to produce a bi-annual Internal Audit Reports.

According to the University and (WB) 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 possible 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 allow Auditors to write reports as it relates to the operations of the Centre 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 documents.

The general activities of the Africa Centre of Excellence for Neglected Tropical Diseases and Forensic Biotechnology (ACENTDFB) for the period January to June 2024 is hereby presented .

GENERAL OVERVIEW

Below are summarized findings of internal audit review of ACENTDFB Centre 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 63%. The budget for the Centre 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 Centre; though the flexible Accounting software has effectively been introduced and is currently partially in use.
- 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 Procedure Manual that is strictly used by the project which is in conformity with the World Bank standard.

WORK PLAN ACTIVITIES 2024

S/No	WORK PLAN ACTIVITIES	PERCENTAGE Performance (%)
1	Improving Enrolment/DLI Action (Quantity of students)	90
2	Curriculum Development for MSc and Bachelor of Forensic Science	75
3	National and Regional Short term training workshops	80
4	Enhancing Quality Education (Infrastructural and relevance of education and research)	90
5	Approval of ESMP report by WB Consultant and University Physical Planning Unit of University	100
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	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	20
16	Promotion of collaboration and Partnership	50
17	Improving Revenue Generation	20

INTERNAL CONTROL:

The review of internal control disclosed the following exceptions

- **Centre 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 operational efficiency.
- **Regional and International Collaborations:** 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.

- **Retirement of Advances:** The entire process of retiring cash advances is adequate.
- **Payment 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.
- **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.
- **Implementation progress on major project activities:** The level of implementation for the review period was above average (63%) Audit observed that project activities were high with minimal complaints and constraints.
- **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, and documentary evidence of proper and judicious usage by end user Departments have improved significantly.
- **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.

Recommendations:

- Management should ensure that each member receives his appointment letter with defined responsibilities.
- The Centre needs an additional account and procurement staff to ensure segregation of duties.
- The accountant should focus more on the management of cash advances to ensure prompt retirement of The advances.
- Cash advances should be minimally used and in its place the National competitive bidding be used in major procurement activities.
- The employment of a project manager will significantly improve the efficiency of the project activities.
- 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 full-fledged Committee of the University Council.

The composition of the Audit Committee includes a member of the University Governing Council as Chairman, two (2) academic staff and two (2) administration staff one each from the Internal Audit and the the Bursary Units of the University.

Interaction between the Audit Committee and the internal and external auditors of the project had been reported in previous Audit Committee reports.

FUND FLOW:

The Center expended the sum of Three Hundred and eighteen million, four hundred and eighty five thousand, Seven hundred and forty four naira, seventy nine kobo (N318,485,744.79). While receipts from World Bank for the review period amounted to Three hundred and twenty eight million, one hundred and twenty seven thousand naira, thirty eight kobo (328,127,016.38).

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, collaborations with national, regional and international partners hold 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 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 physically by the Internal Auditor. 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 were conducted based on the approved work plan and the needs of stakeholders and or units. All procurements were carried out based on the approved budget for the year.

The Centre has a Procurement Committee to which the Auditor is a member which is headed by the Centre Leader who also oversee all the procurement activities. The Centre'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 the delivery of procured items.

Recommendation: As much as possible, all procurement should be conducted using the National Competitive Bidding in order to reduce the use of cash advances to the very minimal level.

Other matters:

Apart from the recent recruitment of an Administrative manager and a receptionist, the project has so far maintained relevant staff and no changes are envisaged in the near future.

Muhammad Auwal Usman

Project Internal Auditor