

1 AFRICA CENTRE OF EXCELLENCE FOR NEGLECTED TROPICAL DISEASES AND FORENSIC
 2 BIOTECHNOLOGY (ACENTDFB), DEPARTMENT OF BIOCHEMISTRY, AHMADU BELLO
 3 UNIVERSITY, ZARIA

4 (OFFICE OF THE CHAIRMAN, AUDIT COMMITTEE)

5 17TH AUGUST, 2015

MINUTE OF THE SECOND (2 ND) MEETING OF ACENTDFB, AUDIT COMMITTEE HELD ON 17 TH AUGUST, 2015 IN THE CHAIRMAN'S OFFICE, STOCK VERIFICATION UNIT, ABU, ZARIA BY 10:00AM	ACTION BY
<p>1.0 ATTENDANCE In attendance were the following members of the Committee: H. A. Mshelia (University Internal Audit Division) -----Chairman Aliu Nuhu Onimisi (Budget Office, Bursary Department)-----Member</p> <p>2.0 APOLOGY Dr. B.O. Olayinka (Dept. of Pharmaceutics & Pharmaceutical Microbiology)---Member Prof. T.O. Aken'ova (Dept. of Biological Sciences) ----- Member</p> <p>3.0 OPENING REMARK The meeting commenced with individual opening prayer by 10:30am. The chairman briefed the secretary on the status of his contact with the Leader of the Centre concerning the Committee's Terms of Reference (TOR) and other policy documents required to guide the activities of the Committee.</p> <p>3.0 AGENDA DRAFT TERMS OF REFERNCE: The Committee discussed on the draft Term of Reference developed by the Secretary (copy attached) for any omission or addition before it (TOR) presentation for deliberations at a larger house. OTHER POLICY DOCUMENT: The Chairman availed a copy of the financial document issued by the Accountant of the Centre for reproduction and distribution to members of the Committee for their perusal at the next meeting. REFRESHMENT: The chairman in response to observation on the absence of items for refreshment in the past meeting discussed on the efforts made to reach the Leader. However, the Chairman promised to forward a letter in this regard to the leader. After deliberations, the secretary advised that the draft copy of the documents</p>	

should be circulated to members for their careful study before the next meeting after student examinations where in, matters arising from the relevant documents distributed shall be addressed.

4.0 ADJOURNMENT

In the absence of any other matter the Chairman moved for adjournment and was seconded by the Secretary. The meeting was adjourned by 11:00am after individual closing prayers.

Secretary.....

20/8/15

Chairman.....
 20/8/15

**AHMADU BELLO UNIVERSITY, ZARIA AFRICAN CENTRE OF EXCELLENCE FOR
NEGLECTED TROPICAL DISEASES AND FORENSIC BIOTECHNOLOGY
(ACENTDFB)**

TERMS OF REFERENCE OF ITS AUDIT COMMITTEE

1.0 Constitution

The Board of **Centre of Excellence** hereby resolves to establish a Committee of the Board to be known as the Audit Committee.

2.0 Membership

The Committee has being appointed by the Board as External Members of the **ACENTDFB** and consists of the under listed members who are all independent to the Centre. A quorum shall be formed by the attendance of three members of the Committee.

H. A. Mshelia (University Internal Audit Division) -----Chairman
Dr. B.O. Olayinka (Dept. of Pharmaceutics & Pharmaceutical Microbiology)--- Member
Prof. T.O. Aken'ova (Dept. of Biological Sciences)..... Member
Aliu Nuhu Onimisi (Budget Office, Bursary Department) -----Member

2.1 Chairman-The Chairman of the Committee (Mr H. A. Mshelia) was appointed by the Centre as an independent member.

2.2 Secretary -The secretary of the audit Committee should be selected from the list of members of the Committee.

2.3 Attendance at meetings

The Accountant, the Internal Auditor, and a representative of the external auditors of **ACENTDFB** shall attend meetings at the instance of audit Committee. However, at least once a year the Committee shall meet with the external and internal auditors without executive Board members present.

2.4 Frequency of meetings

Meetings shall be held not less than four times a year. The external auditors may request a meeting with the Audit Committee if they consider that necessary.

A GUIDE FOR EFFECTIVE AUDIT COMMITTEES

Authority

The Committee is authorized by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.

The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

Duties

The duties of the Committee shall be:

- (a) to consider the appointment of the external auditor, the audit fee, and any questions of resignation or dismissal;
- (b) to discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
- (c) to review the interim and annual financial statements before submission to the Board, focusing particularly on:
 - (i) any changes in accounting policies and practices;
 - (ii) major judgmental areas;
 - (iii) significant adjustments resulting from the audit;
 - (iv) the going concern assumption;
 - (v) compliance with accounting standards; and
 - (vi) compliance with legal requirements.
- (d) to discuss problems and reservations arising from the interim and final audits, and any matters the auditor may wish to discuss (in the absence of management where necessary);
- (e) to review the external auditors management letter and management's response;
- (f) to review the Centre's statement on internal control systems (where one is included in the annual report) prior to endorsement by the Board;

(g) to review the internal audit programme, ensure co-ordination between the internal and external auditors, and ensure that the internal audit function is adequately resourced and has appropriate standing within the Centre;

(h) to consider the major findings of internal investigations and management's response;
and

(i) to consider other topics, as defined by the Board of the Centre.

Reporting procedures

The secretary shall circulate the minutes of meetings and reports of the Committee to all members of the Centre.

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3 UNIVERSITY, ZARIA

4 (OFFICE OF THE CHAIRMAN, AUDIT COMMITTEE)

5 31ST JULY, 2015

6 MINUTE OF THE FIRST (1ST) MEETING OF ACENTDFB, AUDIT COMMITTEE HELD ON 31ST
7 JULY, 2015 IN THE CHAIRMAN'S OFFICE, STOCK VERIFICATION UNIT, ABU, ZARIA BY
8 10:30AM

9 1.0 ATTENDANCE

10 In attendance were the following members of the Committee:

11 H. A. Mshelia (University Internal Audit Division) -----Chairman
12 Dr. B.O. Olayinka (Dept. of Pharmaceutics & Pharmaceutical Microbiology)--- Member
13 Prof. T.O. Aken'ova (Dept. of Biological Sciences)..... Member
14 Aliu Nuhu Onimisi (Budget Office, Bursary Department) -----Member

15
16 2.0 OPENING REMARK

17 The meeting commenced by 10:30am with individual opening prayer. This was
18 followed by the Chairman's introduction of the members of the Committee.

19 3.0 AGENDA

20 The Committee deliberated on the need for Terms of Reference (TOR) that will guide
21 the operation of the Committee. It was resolved that the Chairman should
22 communicate with the Centre leader on the need to provide the committee with
23 Term of Reference.

24 A member requested for policy documents on the activities of the Centre and the
25 Chairman promised to obtain a copy and Circulate to members for careful study at
26 the next meeting.

27 Members of the Committee agreed to allow Aliu Nuhu Onimisi assume the position of
28 Secretary of the Committee.

29 After deliberations, a member suggested that in the absence of the TOR and any
30 policy document, the meeting should be adjourned.

31 4.0 ADJOURNMENT

32 In the absence of any other matter Dr. B.O. Olayinka moved for adjournment and was
33 seconded by Prof. T.O. Aken'ova. The meeting was adjourned by 11:50am after
34 individual closing prayers.

35
36 Secretary.....
37

Chairman.....

AUDIT COMMITTEE REPORT

OF

AFRICA CENTRE OF EXCELLENCE FOR

NEGLECTED TROPICAL DISEASES AND FORENSIC BIOTECHNOLOGY

AHMADU BELLO UNIVERSITY, ZARIA

CREDIT NO. 5415 - NG

REPORT OF THE AUDIT COMMITTEE ON THE INTERNAL CONTROL SYSTEM AND FINANCIAL RECORDS OF AFRICA CENTRE OF EXCELLENCE FOR NEGLECTED TROPICAL DISEASES AND FORENSIC BIOTECHNOLOGY FOR THE YEAR ENDED 31ST DECEMBER, 2015

OVERVIEW OF THE RESPONSIBILITIES OF THE PROJECT MANAGEMENT AND AUDIT COMMITTEE

It is the principal responsibility of the Audit Committee to oversee the financial reporting process of the Centre's on behalf of the Management. Similarly, it is the primary responsibility of the management of the Centre for preparing financial statements, maintaining effective internal control and assessing the effectiveness of the internal control over financial reporting.

In fulfilling these oversight responsibilities, the Committee reviewed and discussed the audited financial statements and internal control system in the Annual Report with the management of the Centre, including a discussion of the quality and acceptability, of the accounting principles; the reasonableness of significant judgments; and the clarity of disclosures in the financial statements.

The activities of the Committee is guided by a deed issued in 2015 with no amendments since issued. The Committee held **4** meetings during 2016 fiscal year.

The composition of the Committee is comprised solely of independent members.

Below is the membership of the Audit Committee, dates of their appointments and attendance at meetings:

Members	Date of Appointment	Attendance at full meetings during 2016
Prof. T. O. Akenova	2016	Attended all the 4 meetings held
Dr. B. O. Olayinka	2016	Attended 3 out of the 4 meetings held
Mr Mitshelia (Chairman)	2016	Attended all the 4 meetings held
Aliu Nuhu Onimisi (Secretary)	2016	Attended all the 4 meetings held

The outcome of the Audit Committee meetings are planned at enhancing a smooth communication amongst the Committee, the management of the Centre, the Centre's internal audit functions and the Centre's Independent Auditor.

DISCUSSIONS WITH INTERNAL AUDITOR AND INDEPENDENT AUDITOR

The Committee discussed with the Centre's internal auditor and Independent Auditor on the overall scope and plans for their respective audits. The Committee met with the Internal Auditor and Independent Auditor without the presence of the management, to discuss the results of their examinations; evaluations of the internal control system of the Centre; and the overall quality of the Center's financial reporting. Consequently, in addressing their observations, the Audit Committee recommends in part as follows:

A. COMMENTS ON INTERNAL AUDITOR'S REPORT

BUDGETING:

It is imperative for the Management of the Centre to forward approve copies of Operational budget and other related documents to the internal auditor for assessment of compliance with budgetary allocations. This will enable the Centre obtain a comparative analysis of the actual and budgeted figures to ascertain the performance of the projects

INTERNAL CONTROL

- A comprehensive fixed asset register with insurance cover for relevant project should be maintained and regularly updated for proper record and reporting purposes.
- Cash advance ledger should be properly kept and ensure that staff with unretired advances should be made to retire the outstanding advances before any additional request is given an approval. Expected period of retirement of cash advances should be fixed.
- The management of the Centre is requested to develop a project risk profile for regular review.

B. COMMENTS ON EXTERBNAL AUDITOR'S REPORT

CASH ADVANCES

See recommendation above

STORES

For proper record and reporting purposes, stores received and issued should be recorded and regularly updated on Store Receipt Voucher (SRV) and Store Issue Voucher (SIV). Periodic stock taking exercises should be carried out and insurance cover for highly valuable stocks should be made.

PURCHASES

Due process should be followed in procurement of assets and stocks. Direct procurement may be carried out as required by Public Procurement Act (PPA) where:

- (a) the goods, works or services can only be procured from only one supplier or contractor who may have exclusive rights to the goods, works, or services and there are no alternatives or substitutes;
- (b) there is urgent need for the goods, works or services such that procuring them through the open competitive bidding may cause delay and the purpose for which they are required defeated; .
- (c) owing to a catastrophic event, there is the urgent need for the goods, works or services through direct procurement as other methods have been adjudged impracticable;
- (d) the contract is for research, experiment, study, or development and does not include procurement of goods in commercial quantity

APPRAISAL OF INDEPENDENT AUDITOR

The Audit Committee recognizes the significance of retaining the independence of the Centre's Independent Auditor. The Committee assessed the experiences, performance and independence of the Centre's present Independent Auditor and determines whether to re-engage their services.

In this regard, the Audit Committee considers the quality and efficiency of the services provided by the auditors, the auditors' (global) capabilities, technical expertise and familiarity with the Centre's operations and industry.

Based on this appraisal, the Audit Committee has retained the services of **Messrs Pannel Ker Foster** as the Centre's Independent Auditor for 2016. **Messrs Pannel Ker Foster** (the University's Independent Auditor) was appointed as the Centre's Independent Auditor in 2015 and audit the financial report of the Centre retrospectively from 2014.

The members of the Audit Committee and the Management believe that, due to **Messrs.' Pannel Ker Foster's** knowledge of the activities of the Centre and of the industries in which the Centre operates, it is in the best interests of the Centre and other stakeholders to retain the services of **Messrs Pannel Ker Foster** to continue to serve as the Centre's Independent Auditor.

Although the Audit Committee has the sole authority to appoint the Independent Auditors, the Audit Committee will continue to recommend to the Management at its Meeting, to ratify the appointment of the Independent Auditors.

The Committee reviewed with the Independent Auditor, which is responsible for expressing an opinion on the conformity of those audited financial statements and other related schedules with generally accepted accounting principles/standards, its judgments as to the quality and acceptability of the Centre's accounting principles and such other matters as are required to be discussed with the Committee on adopted accounting standards and other applicable regulations. In addition, the Committee has discussed with the Independent Auditor about the firm's independence from the management of the Centre and the Centre.

Similarly, the Committee reviewed and discussed together with management and the Independent Auditor about the Centre's audited financial statements for the year ended December 31, 2014 and December 31, 2015, and the outcome of management's assessment of the effectiveness of the Centre's internal control and the Independent Auditor's audit of internal control. The Committee discussed with the Management of the Centre and the Independent Auditor material weaknesses and significant deficiencies identified during the course of the assessment and management's plan to correct those operational errors identified.

In reliance on the reviews and discussions referred to above, the Committee recommended to the Management of the Centre and the Management has approved, that the audited financial statements and management's assessment of the effectiveness of the Centre's internal control over financial reporting be included in the Annual Report for the year ended December 31, 2016.

Mr. Mishelia,	Audit Committee Chair
Prof. T. O. Akenova	Audit Committee Member
Dr. B. O. Olayinka	Audit Committee Member
Aliu Nuhu Onimisi,	Audit Committee Secretary

November 25th, 2016