

UNIVERSITY OF LAGOS

FINAL REPORT OF THE UNIVERSITY OF LAGOS AUDIT COMMITTEE FROM THE MINUTES OF MEETINGS OF THE COMMITTEE

1.0 INTRODUCTION

The University of Lagos Audit Committee for the audit activities of the Research Centres and other externally funded units in the University was constituted in August 2022.

The Audit Committee was saddled with the responsibility of carrying out audit activities with respect to the finance/accounts, procurement systems and other related activities for all the Research Centres in the University which also included the ACEDHARS (African Centre of Excellence for Drug Research, Herbal Medicine Development and Regulatory Science), to ensure compliance with the laid down guidelines for the Centres.

2.0 MEMBERSHIP

Professor Olufemi Saibu	-	Chairman
Dr. Lekan Lawal	-	Member
Professor Muminu Adamu	-	Member
Mr. Abimbola Odufote	-	Member
Dr. Okwy Okpala	-	Member

Dr. Akeem Bello	-	Member
Mr. Kingsley O. Okhiria	-	Secretary

3.0 TERMS OF REFERENCE (TORs):

- (i) To ascertain whether the accounting and reporting policies of the University are in accordance with legal requirements and ethical practices.
- (ii) To review the scope and planning of audit requirements.
- (iii) To review the finding on management matters in conjunction with the external auditor and departmental responses thereon.
- (iv) To keep under review the University system of accounting and internal control.
- (v) To authorize the internal Auditor to carry out investigations into any activity of the University which may be of interest or concern to the Committee.
- (vi) To make appropriate recommendation to the University Management on appointment, removal and remuneration of the external auditors.
- (vii) To advice University Management on observations and recommendations of internal and external audit reports.

4.0 ACTIVITIES OF THE UNIVERSITY OF LAGOS AUDIT COMMITTEE

The University of Lagos Audit Committee, since its constitution, had held several meetings to review various documents submitted by some of the Research Centres in the University including the documents submitted by ACEDHARS.

The University Audit Committee at its recently held meeting reviewed the various documents submitted by ACEDHARS. The documents included the following: 15 Months Audited Financial Statements for Period to 31st December, 2022, including the Sustainability Statement of Income & Expenditure; Project Internal Audit (IA) Report – November 2021 – June

2022 and January 2022 - December 2022; Procurement Audit Report submitted by the Procurement team to the National Universities Commission (NUC).

The Audit Committee, after extensive review of the documents, **observed** as follows:

(A) 15 Months Audited Financial Statements for Period to 31st December, 2022, including the Sustainability Statement of Income & Expenditure

- (i) The preparations of the Financial Statements were in accordance with IPSAS. The Financial Statements met all the requirements indicated according to International Accounting Standard.
- (ii) The Accounting System used by ACEDHARS as recommended by the World Bank, had adequate provisions for Financial Record Keeping (i.e. the Centre followed the laid down procedure regarding its Record of Account – Book of Account).
- (iii) The Source and Application (Uses) of Fund template was provided in the audited Financial Statements for the period.
- (iv) The Balance Sheet components were provided and attached to the Report.
- (v) The issues raised in the Management Letter to ACEDHARS were addressed by the External Auditors (Olanmi Adedayo & Co.).
- (vi) The Sustainability Account components provided in the Financial Statements implied that the performance of the Centre was in good standing, indicating that the operations/activities of the Centre were sustainable.

(B) Project Internal Audit (IA) Report – November 2021 – June 2022 and January 2022 - December 2022

- (vii) The Project Internal Audit (IA) Report is considered to be appropriate and in line with the required laid down guidelines.

(C) Procurement Audit Report submitted by the Procurement team to the National Universities Commission (NUC)

- (viii) Based on the University Audit Committee's evaluation of the Report of the Procurement Team (Procurement Audit Report) submitted to the National Universities Commission (NUC) as applied to ACEDHARS, it was observed that the procedure for procurement activities/processes undertaken by the Centre for awards of contracts, was in line with the World Bank procedure/laid down guidelines on procurement.

Other observations:

- (ix) The External Auditors (Olanmi Adedayo & Co.) for the Centre was properly employed as due process/standard recommended procedure was followed with respect to the employment. In addition, the External Auditors are being paid reasonable fees.
- (x) The Centre had commenced the construction of its building located within the University.
- (xi) Budget for the Centre – There is no budget Committee in place.

The Committee also considered the activities at the Center from January 2022 as follows:

Orientation of New students	17 th January, 2022.
Inaugural Symposium and Launching	26 th January 2022
Sectorial Partner Meeting	27 th January 2022
3days workshop on Entrepreneurship	21 st to 23 rd June 2022.
Technology Management workshop held on the	7 th -11 th November,
2022.	

In addition, the List of Goods, Services procured since inception of the Centre till 2022 was also looked into by the Audit Committee as follows:

	GOODS
1	Supply and Installation of ICT Equipment
2	Procurement of Freeze Dryer
3	Procurement of Centrifuge 5425 RG Equipment
4	Procurement of Lab Water System
5	Procurement of Teaching / Research Equipment (Mindray BC -10 Auto Haematology Analyzer
6	Procurement of Teaching / Research Equipment
7	Procurement of Laboratory (Sample Equipment for ACEDHARS
8	Procurement of Kyan Integrated Computer Projector
9	Procurement of Shrinking Wrapping Machine
10	Procurement of Preparation Equipment for Herbal Tea Production
	CONSULTANCY / NON- CONSULTANCY SERVICE
11	Contract for Local Area Network/ ICT Personnel Audit
12	Consultancy Service as Project Manager for the Construction of ACEDHARS Building
13	Engagement of Consultant for the preparation of Environmental, Social and Management Plan for the Proposed Construction of ACEDHARS Centre
14	Wireless Distribution Network from Akoka to Idi-Araba Campus
	WORKS
15	Furnishing of Office of the Centre Director
16	Renovation Work at the Office of the Centre Leader
17	Renovation of ACEDHARS Laboratory in Departments of Pharmacology, Pharmacy and Botany

18	Construction of ACEDHARS Centre Building
19	Furnishing of Room 219 in Botany Department

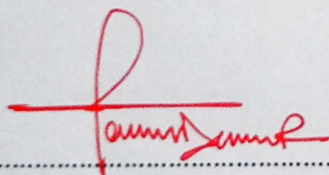
5.0 RECOMMENDATIONS

- (i) Efforts should be made to put in place, a properly prepared Fixed Assets Register, which should be regularly reconciled with the balance in the ledger
- (ii) A Budget Committee should be constituted to approve the Centre's budget

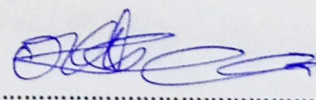
6.0 CONCLUSION

It is the University Audit Committee's opinion that:

- The Accounting and Reporting Policies of the University are in accordance with legal requirements and ethical practices.
- The External Audit and Internal Audit plan embraced key audit requirements which are satisfactory and in line with Standard Audit Practices.
- The Auditors' recommendations were accepted by Management and efforts are in place to implement them.
- The University system of accounting and internal control are in accordance with IPSAS and are found to be satisfactory.



Professor Olufemi Saibu
Chairman



Mr. Kingsley O. Okhiria
Secretary