

**SECOND AFRICA HIGHER EDUCATION CENTRES OF
EXCELLENCE FOR DEVELOPMENT PROJECT**

PROJECT INTERNAL AUDIT (IA) REPORT

Key Information on the project

Project Name and State	Africa Centre of Excellence for Drug Research, Herbal Medicine, Development and Regulatory Science Unilag, Lagos State. Nigeria
Project ID	P169064
IDA Credit/Grant No.	6510-NG
Implementing Agency	University of Lagos
Effective Date	July 2019
Closing Date	June 2024
Revised Closing Date	June 2025
Credit/Grant Amount	\$6 Million
Project Duration	5 years
Remaining Period to closing	1/2 year
Disbursed Amount to date & Percentage	\$3,207,562.85 (53.46 %)
Period Covered by Review	Jan 2023-December 2023
Internal Auditor	Alao-Williams A.O.

1.0 EXECUTIVE SUMMARY

One of the projects funded by the World Bank is the Africa Centre of Excellence Project domiciled in African Universities. The University of Lagos is one of the beneficiaries with a project on Drug Research, Herbal Medicine Development and Regulatory Science (ACEDHARS).

The audit work done include physical inspection of goods and services, review of accounting system in place and check of internal control system. Specifically, vouching payment vouchers, review of Bank account Statement, Statement of expenditure, Bank reconciliation Statements, Bank Mandate's file, Fixed Assets Register and compliance with internal controls in place. The aim is to ensure strict adherence to quality and specification.

Payment vouchers were reviewed to ensure authorization and approval. The statement of expenditure was reviewed to determine whether the expenditures carried out were within budget or not in order to compare the budgeted and actual expenditure to determine the variance and its causes.

Due audit procedure was carried out on items supplied, services provided and capital works. Compliance with approval limit was ensured. Prompt retirement of cash advances with relevant documents was strictly enforced. Due diligence was also observed on procurement for capital assets.

Disbursement of funds were processed after due approval from the Centre Leader or the Vice-Chancellor (according to approval limit). The Project Accountant and Finance Officer ensured that there was no overspending on any vote. In addition, each transaction was charged to the right vote and the Project Accountant has an oversight function to ensure thoroughness and accuracy in this regard.

Various meetings were held with the Centre Leader, Centre management and faculty members in order to map out strategies to be employed to achieve the center goals.

As a result of these meetings and for the progress and development of the center and the University, the center procured and installed laboratory chemicals and equipment, internet facilities and teaching aids. Also, the center established and equipped the University Data Management Unit.

Audit Committee has been established to ascertain whether the accounting and reporting policies of the University are in accordance with legal requirements and

ethical practices, to keep under review the university system of accounting and internal control and to advise University Management on observations and recommendation of internal and external audit reports.

With regards to the students, all materials and consumables were duly verified and their analyses were carried out under supervision of their supervisors.

The following were the major findings and action plan that requires immediate follow up:

- i) The Financial Management system is adequate to provide reasonable assurance that the project funds are being used for the intended purposes.
- ii) The center had acquired a bus and the construction of the Center building is in progress.
- iii) Asset register should be updated.
- iv) The Audit Committee has continued to provide oversight functions on the finances and audit reports in order to ensure transparency.

All these have been conducted in accordance with the World Bank's Financial Management and disbursement policies, procedures and guidelines and also applicable Government policies, laws, guidelines and regulations.

2.0. SOME ACTIVITES CARRIED OUT BY THE CENTER UNDER REVIEW

- Annual Symposium with the theme: Current and Emerging Diseases: Herbal Medicine Approach
- Site Handover and construction of ACEDHARS Building for continuity after the expiration of the project.
- Establishment of the University Data Management Unit with guiding policy, recruitment and training of staff for the Unit, equipping of the Unit with software and other facilities and the commissioning of the Unit.
- Provision of internet facilities in Main Campus and College of Medicine, Idi Araba.
- Supply of Air Condition and inverter for Biotechnologies Laboratories

- The Center had Procured its Toyota Hiace Sixteen Seater Medium Roof Bus for continuity after the expiration of the project.

See Appendix A

2.1 Accounting

It was observed that adequate computerized accounting system were maintained in line with Government accounting system. Accounting records and documents including bank reconciliation and cash book were up to date as at 31st December, 2023.

It was also observed that all payment were done via transfers using remita with the assistance of flexible software accounting.

Likewise, all payments as evidenced in the books presented passed through audit and were duly reviewed.

The payment vouchers were duly signed by Project Accountant and Finance Manager after the approval of the center leader.

Annual Audited financial Statement of the Center is yet to be completed as at the time of this report.

Recommendation

- a) The Finance officers (Project Accountant, Finance Officer and Project Auditor) had been working together to ensure center do not delay in payment, and this pattern should be continued in future.
- b) The Center should speed up its Annual Audited Financial Statement for reporting within stipulated period.

Management response

Recommendations are noted for necessary actions.

2.2 Internal Controls

Observations

- a. The project complied with financing agreement and financial procedures manual in respect of unretired advances and supporting documents are sufficient. The internal control put in place by the management were duly adhered to, all payments as evidence in the books presented passed through audit were duly reviewed and paid via remita.
- b) There was effective segregation of duties, controls and all laid down procedures were duly adhered to.

Recommendation

The fixed asset register should be updated to show the asset owned by the center.

Management response

Recommendation is noted for necessary action

2.3. Fund Flow

There was confirmation of disbursements to the Center within the period under review and no complaints from suppliers, project staff or beneficiaries regarding payment under review.

2.4 Financial Reporting

The project Accountant complied with the preparation and timely submission of IFRs and annual Financial Reports

2.5 External Audit

The external auditing is in progress and will be reported on as soon as possible when completed.

2.6 Disbursements and submission of Withdrawal applications

Disbursement and withdrawal are done by Center leader to NUC

2.7 Fraud and Corruption

Within the period under review there is no known or reported case of fraud and corruption.

2.8 Payment Procedure

All payments were paid through payment voucher after due diligence, authorization and approval given by Center leader or Vice Chancellor based on their approval limit. The payment procedure in place is effective and efficient to rely upon.

2.9 Physical verification by on-sites, third party/beneficiary confirmation

Fixed asset under the period reviewed were physically verified and ensured to be situated at their right location after confirmation of their letter of award and approval; Internal Auditor also ensure that all these assets were inscribed and coded.

2.10 Procurement Activities

The procurement officer and the center Leader followed the procedure with respect to Assessment, Procurement Plan, approval from appropriate Authority and also ensured that contract is awarded before implementation and payment.

Thank you.



Alao-Williams Abosede (ACA)

Project Auditor

ACTION PLAN

Follow up of the status of implementation of the Findings of Previous Review

Status of Previous Internal Audit Action Plan

Agreed Action	By Whom	By when	Status
Update of the Asset Register	Finance Manager/Project Manager	Before next Internal Audit Report	In progress
Formation of budget Committee	Centre Leader/Project Accountant/Finance Manager	Before next Internal Audit report.	In progress

Status of External Audit findings

Agreed Action	By Whom	By when	Status
Not Applicable			

Status of Bank FM Supervision Findings

Agreed Action	By Whom	By when	Status
Not Applicable			

Status of Procurement finding

Agreed Action	By Whom	By when	Status
Not Applicable			

APPENDIX A

ACEDHARS PROJECTS AWARDED IN 2023

S/N	PROJECT DESCRIPTION	DATE	CONTRACTOR	CONTRACT SUM
1	Construction of ACEDHARS Centre Building	14/2/2023	Integrated Engineering Project Limited	355,365,335.97
2	Procurement of Laboratory (Sample Preparation) Equipment for ACEDHARS	14/2/2023	Afrilab Investment Limited	98,931,028.85
3	Procurement of Database Management Software for ACEDHARS	14/2/2023	Primetouch Technologies Ventures	17,500,000.00
4	Supply of Laboratory Equipment for ACEDHARS		Equilab Business Solutions	13,912,607.00
5	Procurement of HIACE Bus for ACEDHARS	28/8/2023	RT Briscoe (Nigeria) Limited	40,850,000.00
6	Deployment of Database Analytics Software	6/8/2023	Primetouch Technologies Ventures	15,700,000.00
7	Procurement of Laptops for ACEDHARS	1/11/2023	Primetouch Technologies Ventures	19,351,750.00
8	Procurement of 2 nos Laptop	15/12/2023	Primetouch Technologies Ventures	3.647,020
9	Construction of Suspended Walkways	18/10/2023	Tee Tee &B Enterprises	4,986,750.00
10	Voice over IP	23/10/2023	Primetouch Technologies Ventures	4,817,760.00
11	Supply & Deployment of LAN		Primetouch Technologies Ventures	9,693,744.00
12	Rehab of Botany Biotech	17/10/2023	Blessedmot Ventures	4,275,350.00
13	Supply of AC & Inverter for Biotech Lab	20/10/2023	TEE Tee &B Enterprises	4,360,000.00
14	Rehab of Sci lab at Botany Dept	20/10/2023	7272 Ventures	3,987,320.00
15	Rehab & Furnishing of 13 Rooms @ Ali Akilu Hostel		Tee Tee &B Enterprises	4,387,720.00
16	Remodeling of IT Rooms office in Academic Plg		7272 Ventures	4,151,404.90
17	Deployment of Analytic Software @ Data Mgt Office	31/07/2023	Primetouch Technologies Ventures	3,140,000.00
18	Data Analyisiic Operation office		Primetouch Technologies Ventures	3,878,800.00
19	Supply of Computers and UPS	31/01/2023	Tee Tee &B Enterprises	1,884,555.00