



**African Centre of Excellence for Drug Research,
Herbal Medicine Development and Regulatory
Science
(ACEDHARS)**

**UNIVERSITY OF LAGOS
LAGOS, NIGERIA**

FINANCIAL REGULATIONS

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Adapted from the University of Lagos Financial
Regulation 2016 Edition for ACEDHARS

CHAPTER ONE

FINANCIAL AUTHORITIES

1.0 Financial Authorities in the Centre are the legal instruments that empower and guide all Centre officers in carrying out financial transactions in the Centre. Such financial transactions include the receipt, custody of and accounting for ACE IMPACT revenue, the procurement, custody and utilisation of UNILAG stores and assets, and the disbursement of ACE IMPACT funds.

1.1 Organs and Officers of the Centre with Financial Authorities

Those empowered to carry out the financial authorities within the Centre are:

i. The Vice Chancellor

The Vice Chancellor shall be charged with the general control and superintendence of policies, finances and property of the University. The Vice Chancellor shall ensure that proper accounts of the Centre are audited annually by an independent firm of Auditors.

ii. Center Leader

The Center Leader shall be responsible for the overall management and control of the funds of the Centre

iii. The Project Accountant

The Project Accountant shall be the Chief Financial Officer of the Centre and shall be responsible to the Center Leader for the day-to-day administration and control of financial affairs of the Centre which include but not limited to the following:

- (a) To ensure that the funds of the Centre are spent in accordance with the Regulations laid down by the Centre Management Committee as contained in this document and that no monies of the Centre are spent without appropriate authority.
- (b) To ensure adequate supervision of the disbursements of Centre funds and proper monitoring, and accounting for revenue.
- (c) To receive on behalf of the Centre fees, assets and revenue payable to the Centre and his official receipts shall be sufficiently discharged for the same.
- (d) To maintain proper accounting records of income and expenditure, assets and liabilities.
- (e) To ensure compliance with financial regulations and the accounting code by all staff under his control and supervision.
- (f) To maintain proper accounting records such as books of accounts, main and subsidiary ledger accounts.

(iv) Deputy Center Leader

The Deputy Center shall assist the Director in the day to day running of the centre and act on behalf of the Director in her absence.

1.2 Centre Auditor

The Centre Auditor Unit shall be responsible to the Vice Chancellor and shall have responsibility for the performance of the following assigned duties:

- (a) General prepayment audit of Vouchers.
- (b) Assets verification and price monitoring.
- (c) Systems auditing and investigation.
- (d) Monitoring and reviewing of controls.
- (e) Expression of opinions on observations noted.

1.3 The financial authority limits is as approved by the Vice Chancellor:

The following shall be the Financial Authority for the Centre:

Vice Chancellor	Above N2 million
Director	up to N2 million

1.4 The legal and regulatory framework within the Centre include the following as applied by the University:

- i. The Constitution of the Federal Republic of Nigeria 1999(as amended)
- ii. Finance (Control & Management) Act 1958 (as amended)
- iii. Audit Act 1958
- iv. Public Procurement Act 2007
- v. Fiscal Responsibility Act 2007
- vi. Financial Regulations of the Federal Republic of Nigeria 2009
- vii. Treasury Circulars
- viii. Pension Reforms Act 2014 (as amended)
- ix. Tax Acts (Various)
- x. Annual Appropriation Acts
- xi. Other directives on financial matters by donors specific to fund awarded.

The Centre shall at all times, adopt government financial reforms as handed down from time to time and not in conflict with borrower's Project Agreement Document.

CHAPTER TWO

FINANCIAL REPORTING

2.0. The Statement of Accounts for each financial year shall be prepared in accordance with the International Public Sector Accounting Standards (IPSAS) provisions and submitted to the External Auditor within three months after the end of the financial year.

The Centre shall engage the services of the External Auditor appointed by the University who shall audit and report on the affairs of the Centre to the Council.

The External Auditor shall submit the Audited Accounts and Management Report to the Centre Council within the stipulated time in the Engagement Letter.

2.1 Components of Financial Statements

Components of financial statements include:

- (a). Statement of financial position (SFP) formerly “Balance sheet”.
- (b). Statement of comprehensive income formerly “Income & expenditure statement”.
- (c). Statement of cash flows formerly “Cash flow statement”.
- (d). Statement of changes in equity.
- (e). Notes comprising a summary of significant accounting policies and other explanatory information.

2.2 Reporting

The following reports will be submitted to the Bank and other supervising agencies as at when due

- | | |
|---------------------------------|---|
| 1. Financial Report | 6months after the financial year end |
| 2. Interim Financial Report | Due per semester (February 15 for period July to
December and August 15 for period January to
June) |
| 3. Statement of Expenditure | |
| 4. Eligible Expenditure Program | |

The withdrawal application should be submitted on the appropriate channel (client connection) on or before the date in agreed schedule along with the following documents.

- i. Sources and uses of fund
- ii. Uses of fund as per project management
- iii. Eligible Expenditure Program

iv. Disbursement linked indicator statement

Client connection is the online banking platform in use by World Bank for preparing withdrawal application, obtaining information on the loan status and submitting procurement documents for the bank's review. Liaisons are empowered on the system to create other users on Client Connection. Access should be restricted as much as possible. Two signatories will be required to sign the withdrawal application apart from the officer that submits the application.

For this purpose, the Center leader or Deputy Center Leader and the Project Accountant will sign the withdrawal application.

CHAPTER THREE

RECEIPTS

3.0 All payments to the Centre account shall be made online via the Centre website (www.acedhars.unilag.edu.ng) into the Centre's Treasury Single Account. Online receipts shall be issued through the same payment platform. However, official receipts of the Centre will be issued to cover all payments made. Such receipts will be serially numbered. The project Auditor shall witness and verify the delivery of such receipts.

Transfers from the borrower/Federal Ministry of finance will be made directly into the ACE Project account and receipts of such funds issued accordingly.

3.1 The Project Accountant shall keep the receipt booklets and its stock registers and ensure they are kept under lock and key.

3.2 Where a receipt is cancelled and a fresh one issued, the book copies of the cancelled receipts shall be retained in the receipt booklet. The Accountant must give notice of loss of any receipt booklet to the Director, who should notify the Vice Chancellor.

3.3 No officer of the Centre is allowed to collect cash on behalf of the Centre. All payments must be made directly into the Centre's account by client.

3.4 Sources of Centre Receipts

The sources of receipt of fund into the Centre is divided into two;

- i. RECEIPT OF FUND FROM THE BORROWER – This is paid into the Centre's project account (US Dollar or Naira as the case maybe).
- ii. INTERNALLY GENERATED REVENUE – This is paid into the Centre's account. Sources are;
 - Receipts from students (short courses)
 - Receipts from staff (refunds from unspent monies received from Centre)
 - Sundry Receipts (Sale of Application forms, Hire of Centre properties, Hire of Buses)
 - Sale of consultancies
 - Gifts, Donations, Grants & Endowment
 - Income from Bench fees (external students)
 - Receipts from Income Generating Equipments
 - Proceeds from Commercialised research products

- Income from Investments (Fixed Deposit Accounts and Treasury bills and other financial instruments found suitable).

CHAPTER FOUR

GRANTS

4.0 All grants awarded to the Centre from any source shall be paid directly into the Centre's Treasury Single Account as allocated by the Central Bank of Nigeria.

4.1 The grant shall be used only for the purpose of the award.

4.2. Disbursement shall be based on a budget approved by the Centre Management Committee except where the Centre has a contrary understanding with the awarding body.

4.3 Disbursement of Research Grant

The Centre's Research Committee shall have the responsibility to recommend the approval of the budget presented by Principal Researcher after the research proposal has been duly defended by the latter. However, all procurements shall be done by the Centre's Procurement Committee and all payments to vendors shall be done with approval from approved authorities as contained in Section 1.3 of this document.

The Project Accountant shall have the responsibility to ensure that the Budget of the proposed research is not in conflict with the Centre's financial guidelines.

Each research grant shall be supported by a budget, and accounting records according to its own terms and conditions.

Should there be any need to vary any item in the budget; the Director shall seek the permission of the grantor for such variation. The Director shall be responsible for the implementation of the Budget following Centre guidelines on procurement.

CHAPTER FIVE

BANKING OPERATIONS

5.0 The Centre shall operate Bank Account with Central Bank of Nigeria or any other bank as may be approved by the Accountant General of the Federation. The Bank account is maintained according to the guideline laid down by the Accountant General of the Federation. The current Bank Account is operated by E-Payment through Treasury Single Account (TSA) which resides with Central Bank of Nigeria.

Federal Government of Nigeria E-Collections scheme is a comprehensive electronic solution for the remittance, management and reporting of all Federal Government receipts (revenues, donations, transfers, refunds, grants, fees, taxes, duties, tariffs, etc.) into the Treasury Single Account (TSA) and sub-accounts maintained and operated at the CBN.

Treasury Single Account is a bank account or set of linked accounts through which the government transacts all its receipts and payments.

5.1 Benefits of TSA/e-collection.

- (i) Ensures availability of funds for the execution of government policies, programmes and projects.
- (ii) Controls aggregate cash flows within fiscal and monetary limits.
- (iii) Improves management of domestic borrowing programme.
- (iv) Investment of idle funds.
- (v) Improves transparency and accountability of all Federal Government of Nigeria (FGN) receipts.
- (vi) Consolidated view of government cash position.

The TSA/e-collection is applicable to all Ministries, Departments, and Agencies (MDA) and for all receipts, whether revenue or not. The only exception is Federal Government equity funded enterprises from which dividends are expected.

The University Bursar shall provide the identity and the signatures of the officers authorised to operate the E-Payment to the Accountant General of the Federation. The Bursar shall advise the Accountant General of the Federation of any subsequent changes in the operation of the Bank Account. Prompt notification shall be given when an officer's authority to operate is cancelled.

However, for the purpose of ACE, the officers authorized to operate the Bank accounts have been specified in the ACE Operational Manual.

In order for E-Payment transactions drawn against the account to be valid, it shall be operated by Initiator, Reviewer and Approver for the naira denominated accounts.

5.2 Operators of E-Payment

The following officers shall be the operators of E-Payment for the Centre **Naira Accounts**.

Initiators 2 Finance officers appointed by the Bursar

Reviewers Bursar and the Project Accountant

Approvers Deputy Vice-Chancellor
Director/Deputy Director

While the following officers shall be the operators of E-Payment for the Centre **Dollar Accounts**.

PANEL A

1. Deputy Vice Chancellor
2. Director/Deputy Director

PANEL B

1. Bursar
2. Project Accountant

Other Controls:

- The Vice Chancellor will approve all payments from this account (USD).
- For any E-Payment transaction to be valid, an officer from each group must perform an operation on each transaction.
- The Centre Accounts shall not be overdrawn.

- All the expenditures from the account shall be processed by the Finance team and vetted by the Project Auditor.

CHAPTER SIX

EXPENDITURE

6.0 The Centre expenditure is broadly divided into Recurrent and Capital expenditures.

Recurrent expenditures comprise Allowances for day to the day running of Centre, General & Capital (from recurrent) expenditure (scholarships, student stipends, research consumables).

The Capital expenditures are used in the provision of Buildings, Roads and purchase and installation of capital equipment.

6.1 Allowances:

Allowances to members of staff shall be disbursed upon approval by center leader or Vice Chancellor. Allowances for members of staff shall only cover return travel ticket, estacode for travel out of Nigeria and duty tour allowance for trips within the country.

The Centre like all other Centres in the World Bank ACE IMPACT Project in Nigeria as approved by the National overseeing body, the National University Commission (NUC), shall follow the Federal Government Approved rates as follows:

ESTACODE RATES (International Trips)

OFFICERS	RATE
Vice- Chancellor	\$ 600
CONTISS 14 - 15/CONUASS 6-7	\$ 425
CONTISS 6 - 13/CONUASS 2-5	\$ 381
CONTISS 1 -5	\$ 206

NEW DUTY TOUR ALLOWANCE (National Trips)

OFFICERS	RATE	LOCAL TRANSPORT
Vice- Chancellor	₦ 35,000	
CONTISS 14 - 15/CONUASS 6-7	₦ 16,000	₦ 4,800
CONTISS 6 - 13/CONUASS 2-5	₦ 12,000	₦ 3,600
CONTISS 1 -5	₦ 6,000	₦ 1,500

Payment shall change only in accordance with prevailing Federal Government regulations.

See Chapter 9 for financial relationship with student

Payments on consumables shall be as directed by relevant authorities and approved by the Center leader.

6.2 General and Capital (From Recurrent) Expenditure(Overhead Costs)

These are items of expenditure for goods and services. Such expenditure may be incurred through direct payment, reimbursement, advances and through the issuance of Local Purchase Order (LPO).

6.3 LPOs and OPOs

Issuance of LPOs is done only by Finance Officer after obtaining quotations from the suppliers and approval from the Director. The Finance Officer shall also ensure that there is sufficient fund for the order and that the order is appropriate to the expenditure head indicated on the LPO. In a nutshell, due process as prescribed by the Public Procurement Act 2007 shall be followed.

6.4 Action by the Project Accountant and Finance Officer

All approved request shall be submitted to the Project Accountant by the Centre Administrative Unit The Accountant will confirm the Vote balance and pass to the finance officer to raise the LPO.

The finance officer will raise the LPO and note the Liability on the expenditure control sheet. The original LPO is issued to the Contractor after the Director have signed the LPO.

6.5 Reimbursements

A letter of request for reimbursement will be written to the Director for approval where expenditure has been made from out-of-pocket. The receipts and ticket stub (in Case of travels) along with any other relevant document will be attached to the letter. Once approved, it will be endorsed to the Project Accountant for processing.

Please note that for travels the Federal Government approved rates will be used.

6.6 Cash Advances

Cash Advances will only be utilised for the purpose for which it was sought and approved. It will only be processed if no cash advance previously taken is outstanding. Cash Advance must be settled within 30days of obtaining the advance.

A cash advance must be retired (attaching all necessary receipts and documentary evidence) before another one can be obtained. Failure to retire advances within 30 days will result in deduction of the amount from the person's salary.

Any unspent cash balance must be paid back into the ACE Project Account and the receipt attached to the retirement papers.

The retirement paper is submitted to the Project Accountant with a covering memo analysing the expenditure made and forwarded to the project Auditor.

6.7 Direct Payment

Payment is made directly to the contractor after the Goods/services have been supplied, an approval must have been given by the Director for the contractor to make the supply.

Upon supply, the Contractor will submit necessary documents relating to the supply to the administrative unit. The Administrative unit will call on the project Auditor to verify and certify the items supplied.

The Director will approve the payment and send to Project Accountant for processing.

6.8 Records in the Centre

The Centre's Finance Officer shall maintain vote /expenditure control books on recurrent expenditure in the Centre.

All Requests in the Centre shall be processed by the Centre Finance Officer. The Centre Finance Officer shall keep a record of the estimated cost of LPO issued. This estimated cost should be adjusted to actual on the receipt of invoices.

In this way, the Accountant will be able to keep the Centre administrative Unit abreast at any given time with the appropriate amount left on each budget head. Orders shall be based on agreed quotations, where obtainable from suppliers.

6.6 Periodic Statement of Account

The Project Accountant shall present periodic account statement to guide the Centre Administrative Unit about the state of the vote balances in order to compare the balances appearing in the statements with Centre records and if there is any discrepancy, necessary reconciliation shall be effected.

6.7 Price Monitoring Unit

There shall be a price-monitoring unit under the Office of the Vice Chancellor whose main functions are to:

- (a) ascertain price situation in the market and keep adequate records for the use of the Centre.
- (b) ascertain places where various items could be procured and pass such information to the Centre.

CHAPTER SEVEN

IMPRESTS

7.0 Imprest is an advance payment made to an officer for expenditure in which Voucher cannot be immediately presented.

7.0 IMPREST

Imprest is an advance payment made to an officer for expenditure in which Voucher cannot be immediately presented.

The Director shall assign any officer in the Centre to maintain an imprest of not more than N100, 000.00 for running of the project office. This will be utilised in line with the approved budget and reimbursed accordingly.

The authority to operate imprest is approved by the Director.

7.1 Procedures for Payment of Imprest:

The procedures for Imprests are as follows:

- (a) Every Imprest holder shall keep a petty cash book and shall record therein all expenditures.
- (b) All Imprest payments shall be supported by petty cash vouchers in the prescribed forms which shall be correctly raised, approved and duly receipted when payments are made.
- (c) Petty cash Vouchers shall carry the vote of Charge and the Imprest holder will retain a copy of each voucher.
- (d) The cash book shall be balanced regularly, ruled off, and the cash on hand regularly checked by a senior officer, who shall certify the cash book accordingly.
- e) Imprest cash shall be kept separately from other monies at all times.
- (f) The imprest holder shall be the Centre's Project Management Officer who must be conversant with simple book-keeping procedures for posting and balancing the Petty Cash Book.

7.2 Reimbursement of Imprests

To obtain reimbursement of amounts paid from an imprest, Centre's Project Management Officer shall submit the properly completed and receipted payment vouchers for the amount expended to the Project Accountant who issued the imprest. The vouchers shall be classified directly to the votes of charge concerned and not "imprest".

7.3 Retirement of Imprests

All standing imprest shall be retired on or before 31st December of the financial year in which they are issued. Retirement shall be effected by the production of vouchers and/or cash for the full amount of Imprest.

Should the imprest holder fail to respond to a query issued to him/her within 21 days for non-retirement of imprest shall be surcharged and the total amount involved recovered.

The imprest holder shall ensure that all Imprests are retired in accordance with the Financial Regulations. Suitable arrangements shall be made to ensure that all vouchers submitted for reimbursement are passed before the end of the financial year.

Should repayment not be made in full, any shortage shall be charged to an advance account in the name of the Imprest Holder who shall be personally responsible for a refund.

7.5 Uses of Imprest

- (a) Newspapers and Magazine
- (b) Postages
- (c) Local transportation
- (d) Photocopying of Office documents
- (e) Fueling of Official vehicles
- (f) Office entertainment and Hospitality
- (g) Cleaning materials
- (h) Purchase of Office stationery

Note: Any of these shall not be above ₦10, 000.00 on a single payment.

Imprest shall **not** be used for the following:

- (a) Acquisition of fixed Assets.
- (b) General servicing of motor vehicle.
- (c) Purchasing of motor vehicle tyres and tubes (excluding vulcanizing of tyres).
- (d) Purchase of stationery of significant value.

- (e) Purchase and/or maintenance of air conditioner, office equipment, plant & machinery.
- (f) Payment of wages of casual employees.
- (g) Statutory claims and allowances such as travelling allowance, subsistence allowance and hotel bookings.
- (h) Entertainment/Refreshment at meeting above ₦10,000.00
- (i) Payment of personal expenses.

CHAPTER EIGHT

STAFF MATTERS

8.0 Salaries and Allowances

Salary is the personal emolument paid to an employee of an Organisation usually monthly for services rendered at a predetermine rate of pay.

All officers at the Centre will be staff of the University.

However, the Centre can engage the services of other personnel (Consultants, Technicians/operators, drivers, Administrative assistants) as it deems fit and pay salaries to them accordingly.

The Centre does not pay salary, allowance or honorarium to any member to the Centre.

8.1 Training Advances/Duty Tour

Training and Duty Tour allowances or advances are given to staff that are travelling to cover lodging and feeding expenses in accordance with the public service rules.

Though these are considered as grant but where it concerns training, the fees collected for such training must be accounted for in the way of clearance. This is to ensure that such conference is attended and actually paid for.

The Centre shall follow the Federal Government Financial Regulation 2009 duty tour allowance and esta code rates for travels as extracted.

8.2 Retirement of Advance

Retirement of any advance collected must be made 7 days after return from such trip. All relevant documents along with travel ticket stub must attached and forwarded to the Project Accountant.

Any personnel who fails to respond to a query issued to him within 21 days for non-retirement of advances shall be surcharged and the total amount involved recovered from salary.

CHAPTER NINE

FINANCIAL RELATIONSHIP WITH STUDENTS

There are two categories of students in the Centre, postgraduate students and part-time students (those who come for short-courses, trainings and workshops). All fees for postgraduate programmes will be in line with University Schedule of fees while the Centre Management determines the fee for short courses, trainings and workshops. All fees due to the Centre shall be paid into the accounts of the Centre – Naira account for National participants and Dollar account for Regional and International participants.

The Centre also awards scholarship to students at the discretion of the Centre Management. All student bills to be taken up by the Centre would be paid directly into the vendor's account.

The Deputy Director would recommend the approval of student bills based on the Centre Management regulation for the academic session and the Director will approve all payments before the Accountant can process same.

Allowances for subsistence or living cost either for local, regional or international stay of students as approved by the Centre Management shall be paid directly into student account.

At no point, would cash be handed over to any vendor or student.

CHAPTER TEN

PROCUREMENT PROCEDURE

10.0 The procurement procedure for the Centre involves **Supply of Goods, Works and Provision of Services**

The contract award for the procurement of goods, works and services for the Centre shall be conducted by open competitive bidding, where every interested bidder is given equal simultaneous information and opportunity to offer the goods and works needed.

The process shall follow due process as provided for under the Public Procurement Act, 2007. The due process is aimed at achieving value for money and fitness for purpose.

The principal hallmark of the Centre's procurement of Goods, Works and Services shall be Economy, Effectiveness, Efficiency, Fairness, Reliability, Transparency, Accountability and Ethical Standards.

10.1 Procurement Policies:

(a) Procurement Policies of the Centre as a Public Entity are as follows:

- (i) To ensure that Goods, Works and Services needed are procured with due attention to economy and efficiency.
- (ii) To ensure that public fund is used to procure only those Goods, Works and Services needed for Centre purposes.
- (iii) To give all qualified bidders an equal opportunity to compete for all procurements.
- (iv) To encourage development of local contractors and manufacturers including the Centre's IGUs.
Priority patronage shall be given to the Centre IGUs in propriety cases.
- (v) To ensure that the procurement process is transparent.

(b) Conduct of Procurement All procurement in the Centre shall be conducted:

- i. Based on the Procurement plans supported by prior budgetary appropriations or legally accessible internally generated revenue. Proceedings shall not be formalised until the Centre has ensured that funds are available to meet the obligations and has obtained a “Certificate of No Objection” to contract Award from the Bureau where applicable.
- ii. By Open Competitive bidding, except as otherwise exempted.
- iii. In a manner which is transparent, timely, and equitable for ensuring accountability and conformity with the Public Procurement Act, 2007.
- iv. With the aim of achieving value for money and fitness for purpose.
- v. In a manner which promotes competition, economy and efficiency and in accordance with the laid down procedures and timelines.
- vi. That all procurements must be done through open competitive bidding except in special or restricted cases as provided for in Sections 39 -43 of Public Procurement Act, 2007

10.2 Approval Thresholds

For contract award within the Centre, all necessary approvals shall be obtained based on thresholds set by the Bureau of Public Procurement (BPP) or Secretary to the Government of the Federation (SGF) Circular Ref. No SGF/OP/I/S.3/XI/849 dated 14th January, 2016. Approval Threshold is as shown in Table 14.3.1

Table 10.2.1: Approval Thresholds for Service Wide - Application

Approving Authority/'No Objection" to award	Goods(₦)	Works (₦)	Non-Consultant/ Consultant Services (₦)
BPP issues "No Objection" to award/FEC approves	₦100 million and above	₦500 Million and above	₦100 million and above
Ministerial Tenders Board	₦5 million and above but less than ₦100 million	₦10 million and above but less than	₦5 million and above but less than ₦100 million
Parastatal Tenders Board	₦2.5Million and above but less than ₦50 million.	₦5 million and above but less than	₦2.5Million and above but less than ₦50 million.
Accounting Officer: Vice	Less than ₦5Million	Less than ₦10 Million	Less than ₦5Million

Source: Circular Ref No. Ref. No. SGF/OP/I/S.3/XI/849 dated 14th January, 2016

The Vice Chancellor shall abide by the approval threshold in Table 10.2.1. However, the Financial Policy of the Centre allows the Director and Deputy Director to approve procurement of projects based on set approval limits as approved by the Centre Management Committee and as set below:

Table 10.2.2: Approval Limits of Officers of the Centre

S/N	Approving Authority	Approval Limit
1.	Vice Chancellor	Above N2,000,000.00
2.	Center leader	Less than N2,000,000.00

10.3 Eligibility Criteria of Bidders

Criteria for Pre-Qualification of Bidders expected from Centre contractors and service providers as stated in the Public Procurement Act, 2007 and which shall be complied with are as follows:

All bidders in addition to requirements contained in any solicitation documents shall possess the necessary:

- i. Professional and technical qualifications to carry out particular procurements;
- ii. financial capability;
- iii. equipment and other relevant infrastructure;
- iv. shall have adequate personnel to perform the obligations of the procurement contracts;
- v. possess the legal capacity to enter into the procurement contract by providing Certificate of Incorporation/ Registration issued by the Corporate Affairs Commission;
- vii. not be in receivership, the subject of any form of insolvency or bankruptcy proceedings or the subject of any form of winding up petition or proceedings;
- viii. have fulfilled all its obligations to pay taxes, pensions and social security contributions by providing current Tax Clearance Certificate, Pension Clearance Certificate, Industrial Training Fund Certificate, evidence of contribution to Nigeria Social Insurance Trust Fund (NSITF);
- x. not have any director who has been convicted in any country for any criminal offence relating to fraud or financial impropriety or criminal misrepresentation or falsification of facts relating to any matter;
- xi. accompany every bid with an affidavit disclosing whether or not any officer of the relevant committees of the procurement entity or Bureau is a former or present director, shareholder or has

any pecuniary interest in the bidder and confirm that all information presented in its bid are true and correct in all particulars.

10.4 Procurement of Less than ₦2.5million

Goods, Works or Services within this threshold shall be initiated by Director.

Comparable quotations shall be obtained from at least three (3) unrelated contractors or suppliers.

The quotations shall be evaluated and award is made to the qualified contractor or supplier with the lowest evaluated responsive quotation with the Vice Chancellor's approval.

The approval shall be within the threshold of the relevant financial authority. In exercising this procurement, the processing of contract document for Vice Chancellor's approval shall be supported with input of the Centre procurement Committee.

10.5 Principles of Request for Quotation

Section 41 of the Public Procurement Act, 2007 (PPA, 2007) makes provision for Request for Quotation Circular with Ref. No. SGF/OP/I/S.3/VIII/57 dated 11th March, 2009 and issued by the Secretary to the Government of Federation lays down the monetary threshold for adopting this method which is procurement of goods, works and non-consultant services that is less than ₦2.5 million. The Vice-Chancellor is the approving authority for such procurements in the Centre.

10.6 Eligibility Criteria

As a precondition for participation in this process, all bidders are required to comply with **Section 16(6) (a-f) of the Public Procurement Act, 2007 as well as the Memo of the Registrar dated February 29, 2016** directing all contractors/suppliers to submit mandatory documents which shall determine their eligibility to participate in the procurement process.

The documents include Evidence of:

- Professional and technical qualification to carry out particular procurement;
- Certificate of Incorporation/Registration with the Corporate Affairs Commission whichever is applicable;
- Current Tax Clearance Certificate/Personal Income Tax whichever is applicable;
- Current Pension Clearance Certificate issued by the National Pension Commission;
- Current Industrial Training Fund (ITF) Certificate in compliance with Section 6 of the Industrial Training Fund Amendment Act, 2011.
- Equipment to carry out the project.
- Sworn affidavit disclosing among others that all information presented in the bid are true and correct.

10.7 Quotation Documents

The Quotation shall contain the following documents:

- (A) Written Request for Quotation Letter, signed and dated;
- (B) Price Schedule and Quantities, dated and signed;
- (C) Draft Form of Contract Completed, dated and signed.

(A1) Sample of Written Request for Quotation Letter

Request for Quotation

[Letter Head of the Centre/Requesting Unit] Subject: Request for Quotations for (name the goods)

Ref.: (Project Name, if applicable, or other Reference)

To: Name and Address of Short Listed Supplier

The [name of the Requesting Unit] is seeking bids for the supply of [name the goods to be procured].

For this purpose, you will find enclosed a schedule for the goods to be supplied. You are requested to complete this schedule providing us your best offer and return this to us not later thanat hours, in a sealed envelope at the address indicated above, indicating on the envelope "National Shopping for [name supplies]". The outer envelope shall contain two sealed envelopes with the requested quotations, one marked "original" and one marked "copy". The opening date of Quotations will be:

.....200... athours at the following address:

The price of your quotation shall clearly indicate the total price, and the time and place of delivery of the goods. The goods shall be supplied and installed at the place of delivery [name time, for example, within two weeks] from the date of contract signing. Your quotation shall remain valid for 60 days and the supplies shall be accompanied by most favourable warranties available. Your quotation shall include the signed Form of Contract, which will become the contract in case your quotation is retained.

Please attach copies of your Certificate of Incorporation/ Registration, Current Tax Clearance Certificate/Personal Income Tax, Evidence of compliance with the Pension Reform Act, 2014 and Evidence of compliance with the Industrial Training Fund

(ITF) Amendment Act, 2011.

Clarifications can be asked beforehours200... at

[Name Requesting Unit] Tel:

Address: Attn:

Yours faithfully,

(A2) Sample of Quotation Letter from the Bidder

(To be filled by Supplier)

Date:

Request for Quotations No: (fill in name of requested supplies)

To: *(fill in name of Requesting Unit)*

Attn: *(name of responsible officer)*

Address:

Having examined the documents regarding the Request for Quotations, the receipt of which is hereby duly acknowledged, we, the undersigned, offer to supply and deliver the *(name the goods)* in conformity with the said Request for Quotations for the sum of *[total bid amount in words and figures]* or such other sums as may be ascertained in accordance with the Schedule of Prices attached herewith and made part of the Quotation.

We undertake, if our Quotation is accepted, to deliver the goods in accordance with the delivery schedule specified in the Schedule of Requirements.

We agree to abide by this Quotation for the period specified in the Request for Quotations as of the date of the opening of the Quotations and it shall remain binding upon us and may be accepted at any time before the expiration of that period.

Until a formal Contract is prepared and executed, this Quotation, together with your written acceptance thereof and your notification of award, shall constitute a binding Contract between us.

We understand that you are not bound to accept the lowest or any bid you may receive.

Dated this _____ day of _____ 20____.

[signature]

[in the capacity of]

Duly authorised to sign this Quotation for and on behalf of _____

(B) Sample of Price Schedule and Quantities

To: (Name of Requesting Unit)

Attn: (Name of responsible officer) Address:....

Quotation No \of200

Date of Price Quotation __/__/_____

(Text of description below is given as an example and should be replaced by specifics of the requested goods)

(Description and Quantities to be completed by the Requesting Unit, Unit Price to be completed by the Supplier, desired delivery period and site to be completed by the Requesting Unit)

No.	Detailed Description of Items	Quantities	Unit Price	Total Price	Delivery Period	Site
-----	-------------------------------	------------	------------	-------------	-----------------	------

(in figures and letters)

1. Conference table, Dark-Brown, oval, 1 conf. table rectangle or round with Conference, 8 chairs
2. Executive desk, Dark-Brown 2.4 m 1 desk with mobile pedestal and computer workstation
3. Executive desk, Dark-Brown 2.0 m desk with mobile pedestal and computer workstation 5
4. Executive chair – Dark-Brown 5

(The Requesting Unit prepares the list of goods to be acquired, completes the first three columns and the supplier completes the remaining columns. The Requesting Unit shall describe each item with precision, without reference to specific makes or brands.

Indicate also the list of spare parts and accessories. The supplier is free to complete the form by hand or to reproduce the form on computer, as long as the format is maintained).

Schedule of Requirements Detailed Technical Specifications of Goods – To be completed solely by the Requesting Unit

S/N	Detailed Description	Quantity	Delivery Period	Site
1.				
2.				
3.				

Signature of Bidder.....

Note: In case of discrepancy between unit price and total, the unit price shall prevail.

(C) Sample Draft Form of Contract

This Agreement made this ____ day of _____ 200.. between (Centre(hereinafter called “the Purchaser”) and [name of Supplier] of [city and country of Supplier] (hereinafter called “the Supplier”) :

Whereas the Purchaser invited quotations for the supply of certain goods [and ancillary services], (*name the goods, and ancillary services, if applicable*), and has accepted a quotation by the Supplier for the supply of those goods and services in the sum of [*contract price in words and figures*] (hereinafter called “the Contract Price”).

Now this agreement witness as follows:

1. The following documents shall be deemed to form and be read and construed as part of this Agreement, viz.:
 - (a) The Request for Quotations sent to the Supplier;
 - (b) The Price Schedule submitted by the Supplier [*and the delivery period*] ; and
 - (c) Schedule of Requirements (technical specifications).

In consideration of the payments to be made by the Purchaser to the Supplier as hereinafter mentioned, the Supplier hereby covenants with the Purchaser to provide the goods and services and to remedy defects therein in conformity with the provisions of the Contract.

The Purchaser hereby covenants to pay the Supplier in consideration of the provision of the goods and services and the remedying of defects therein, the Contract Price or such other sum as may become payable under the provisions of the contract at the times and in the manner prescribed by the contract: [*methods of payment: by bank transfer within 45 days on satisfactory installation and provision of warranties – subject to contract*].

In witness whereof the parties hereto have caused this Agreement to be executed in accordance with their respective laws the day and year first above written.

Signed, sealed, delivered by the..... (*for the Purchaser*)

Signed, sealed, delivered by the (*for the Supplier*)

*** Please note that these are sample documents that need to be adapted to different transactions.**

IMPLEMENTATION

(a). **Quotation**

- The supplier shall detail in the Quotation Letter the place of delivery and the nature of the price: taxes and duties listed separately. The supplier completes the price schedule and quantities furnished with the Request for Quotations, indicating the characteristics of the supplies in the required space, the unit, the total price for each item and the proposed delivery time to carry out the contract.
- The supplier completes and signs the draft Form of Contract. The prices are to be quoted in Naira.

(b). **Validity of the Quotations**

The quotations shall be valid for the period stipulated in the Request for Quotations. It is the responsibility of the Centre (College, Institutes, Schools, Faculties, Departments, Units, e.t.c. hereinafter referred to as the “**Requesting Unit**”) to indicate the validity period to be adopted by the supplier. Failure of the supplier to abide by the provision shall be subject to disqualification.

(c). **Requesting Unit shall:**

- Develop the price schedule and required quantity of goods.
- Develop the form of contract.
- Issue letter of Request for Quotation indicating the eligibility criteria, place of collection, deadline and place of submission and opening stating clearly the timelines.
- Collect the Quotations submitted before the stated deadline.
- Open the Quotations submitted.

(d). **Submission of Quotations**

(e). **Sealing and Marking of Quotations**

The suppliers shall place the original and one copy of their quotation in a sealed outer envelope containing two sealed envelopes, one marked “original” and one marked “copy”, as follows:

- i. addressed to the Requesting Unit as indicated in the Request for Quotations; and
- ii. bearing the Project name, the title and number of the goods as indicated in the Request for Quotations.

(f). **Closing Date for the Submission of Quotations**

Quotations must be received by the Requesting Unit at the given address at the latest time and date specified in the Request for Quotations. Any quotation received by the Requesting Unit after the deadline for the submission date shall be returned unopened to the supplier.

(g). **Opening and Evaluation of Quotations**

i. **Opening of Quotations by the Requesting Unit**

The Requesting Unit shall open all quotations received immediately following the deadline indicated in the Request for Quotations at the same time on the date specified in the Request for Quotations. The Requesting Unit shall prepare Minutes of the opening of the quotations.

ii. **Evaluation and Comparison of Quotations**

The Requesting Unit shall evaluate and compare the Quotations as follows:

- Examine if the quotation conforms to technical specifications and the delivery time;
- Verify any arithmetical errors. For example, if the quotation in figures is different from the quotation in words, the amount in words shall prevail. If there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price shall prevail and the total price shall be corrected;
- Tabulate the Quotations thus arrived at in line with Centre policy, the generated Report of the Request for Quotation will be forwarded to the appropriate Approving Authority for further directions as indicated in Table 10.2.

10.8 Procurement of ₦2.5million and above for Goods & Works and Services

The Procurement Planning Committee (PPC) of the Centre shall prepare a detailed needs assessment, identifying goods, works and services required by the Centre. The Procurement Unit set up by the Centre for the purpose of implementing all procurement plans executes the following:

- Advertises and solicits for bids in compliance with guidelines issued by the Public Procurement Bureau from time to time.
- Receives and maintains appropriate documentation for bids received, examine bids received and make submissions to the Centre Tenders Board for approval of the procurements that fall within Centre's Tenders Board
- Obtain a 'Certificate of No Objection' for contract award with threshold beyond the Ministerial Tenders Board approving capacity from the Bureau of Public Procurement.
- Debrief the bid losers on request.
- Resolve complaints and disputes, if any.
- Obtain and confirm the validity of any Performance Guarantee.
- Announce and publicise Contract awards.
- Execute all contract Agreements.

10.9 Procurement of Goods, Works and Services of Value Less Than ₦250,000

The procurement method that may be adopted in respect of such procurements is referred to as Direct Contracting or Single Source.

The Centre may invite a proposal or price quotation from a single supplier or contractor who has satisfied the eligibility criteria.

Where this is done, the requesting Department/Unit shall include in the record of proceedings a statement of the grounds for its decision and the circumstances in justification of this method of procurement. This is referred to as Direct Contracting or Single Source as clearly stated in the Secretary of the Government of the Federation Circular. **Ref. No. SGF/OP/I/S.3/VIII/57 dated 11th March, 2009 as shown in Table 10.9.1**

Table 10.9.1: Procurement Method and Thresholds of Application

Procurement Method	Goods	Works	Non-consultant	Consultant Services
Single Source/Direct Contracting (Minimum value)	Less than N0.25million	Less than N0.25million	Less than N0.25million	Less than N0.25million

Source: SGF Circular Ref. No. SGF/OP/I/S.3/VIII/57 dated 11th March, 2009

10.10 Code of Conduct for Tendering and Procurement for the Centre

In compliance with Section 57 (2) of the Public Procurement Act, 2007 The conduct of all persons involved with procurement processes of the Centre shall at all times be governed by principles of honesty, accountability, transparency, fairness and equity.

10.11 Principle of Responsibility and Accountability

The Vice-Chancellor and any Officer to whom responsibility is delegated shall bear responsibility and accountability for any actions taken or omitted to be taken either in compliance with or in the contravention of the Public Procurement Act, 2007.

(Section 16, Sub-section 21 of the Public Procurement Act, 2007.)

10.12 Offences Relating To Public Procurement

The following shall constitute an offence:

- Entering or attempting to enter into collusive agreement, whether enforceable or not, with a supplier, contractor or consultant where the prices quoted in their respective tenders, proposals or quotations are or would be higher than would have been the case had there not been collusion between the persons concerned;
- Conducting or attempting to conduct procurement fraud by means of fraudulent and corrupt acts, unlawful influence, undue interest, favour, agreement, bribery or corruption;
 - Directly or indirectly attempting to influence in any manner the procurement process to obtain an unfair advantage in the award of a procurement contract;
- Splitting of tenders to enable the evasion of monetary thresholds set;
- Bid-rigging;
 - Altering any procurement documents with intent to influence the outcome of a tender proceeding;
- Altering or using fake documents or encouraging their use; and
- Wilful refusal to allow the Bureau or its officers to have access to any procurement records.

This is as stated in the Public Procurement Act 2007, section 58, sub-section 4a-h and Financial Regulations of Federal Republic of Nigeria (as amended) 1999, section 3125 Part IV.

10.13 Sanctions.

Any officer who contravenes the provisions of the Public Procurement Act, 2007 shall be liable as follows:

A term of imprisonment of not less than 5 calendar years without any option of fines. Summary dismissal from government services.

Any company or firm that contravenes any provision of this Act commits an offence and is liable on conviction to a cumulative penalty of:

- A fine of 25% of the value of the procurement in issue.
- Debarment from all public procurements for a period not less than 5 calendar years.
- Where any company or firm shall be convicted pursuant to the offences listed in 14.12 of this chapter, every director of the company as listed on its records at the Corporate Affairs Commission shall be guilty of an offence and is liable on conviction to a term of imprisonment not less than 3 calendar years but not exceeding 5 calendar years without an option of fine.

This is as stated in the Public Procurement Act 2007, section 58, sub-section 5a-b & 6a-b and Section 3126 Part IV Financial Regulations of Federal Republic of Nigeria 1999.

CHAPTER ELEVEN

DISPOSAL OF CENTRE PROPERTIES

11.0 Sections 55 and 56 of the Public Procurement Act, 2007 makes provision for the procedure for disposal of Government properties.

Section 56 (4) of the Public Procurement Act, 2007 provides that *“All procuring entities shall distribute responsibilities for the disposal of public property between the Procurement Unit and the Tenders Board”*.

The Board of Survey for the University shall be responsible for issuance of notices, inspection and evaluation of Centre’s properties to be disposed off.

The Procurement Unit based on the evaluation of the Board of Survey shall subject to the approval of Tenders Board dispose the properties using appropriate means of disposal in line with Section 55(6) of the Public Procurement Act, 2007.

11.1 Planning of Disposals

Before slating any public property for disposal, the Vice- Chancellor whether acting in his own authority or at the direction of any superior or other authority in charge of any public property set for disposal shall authorise the preparation of a valuation report for such property by an independent Evaluator, or such professional with the appropriate competence to carry out the valuation.

Disposal of assets whether or not listed in the Assets register of the Centre shall be planned and integrated into the income and expenditure budget projection of the Centre.

Disposal of assets shall be timed to take place when the most advantageous returns can be obtained for the asset in order to maximise revenue accruing to the Centre.

11.2 Disposal Methods

Centre’s property, which is no longer needed, may be disposed of in accordance with the methods indicated below:

- ✓ Sale and Rental;
- ✓ Lease and Hire Purchase;
- ✓ Licenses and Tenancies;

- Franchise and Auction;
- Transfers from one governmental department to another with or without financial adjustments; and
- Offer to the public at an authorised variation.

11.3 Procedure for Disposal

- i. The Secretary to the University Board of Survey shall issue notices periodically to all Departments calling for the list of unserviceable items to be boarded;
- ii. Heads of Department shall notify the Centre of items purchased by the Centre, that the Department wishes to recommend for boarding. Such notification shall contain a comprehensive technical report of all items to be boarded, stating reasons for boarding and indicating their locations. The Centre shall present the requests to the Centre Management Committee and if approved, then forward the documents to the Board of Survey. On receipt of this information, the Secretary is to compile the list of the unserviceable items;
- iii. On the directive of the Chairman of the Board, the Secretary shall summon a meeting of the Board to consider the list of unserviceable items and decide after inspection whether to accept the request of the Heads of Department to board the items. If the report is acceptable, appropriate recommendation shall be made by the Board to the Vice- Chancellor for approval;
- iv. They shall authorise the preparation of a valuation report for such property by an independent evaluator or such professional with the appropriate competence to carry out the valuation;
- v. The Procurement Unit shall adopt appropriate means of the disposal in line with section 55 subsection 6 of the Public Procurement Act, 2007 or as may be amended.
- vi. The Board shall arrange removal of the items from the various locations and assemble them in a predetermined place;
- vii. Sales shall be open to the public including members of staff;
- viii. Tenders shall be opened publicly and offer shall be made to the highest bidder;
- ix. Any member of staff who wins the Tender on a fraudulent basis shall have such offers cancelled and shall be further recommended for appropriate disciplinary action;

- x. No Faculty, College, Department, Directorate, or Unit of the Centre shall undertake sale of unserviceable items without following the laid down procedure in this chapter;
- xi. Payment for all sales shall be made to the Centre and properly receipted for by the Project Accountant, payments made by cheques must be cleared before the properties (goods) are released.

CHAPTER TWELVE

LOSS OF CENTRE FUNDS & PROPERTIES

12.0 Loss or shortage of fund is a depletion of government fund at a given time. This can arise from any of (but not limited to) the following:

- (a) Misappropriation of funds
- (b) Falsification of records
- (c) Conversion of funds to personal use
- (d) False claims
- (e) Fraudulent payments
- (f) Theft
- (g) Negligence

12.1 Loss of Fund of ₦50, 000.00 and Below

Where a cash loss to the value of ₦50, 000.00 or below has occurred without fraud or theft being involved, the Vice Chancellor is empowered to surcharge the officers responsible up to the full amount of the loss. The University Bursar shall be responsible for ensuring that all surcharges authorised, are duly recovered.

Where a loss or shortage occurs, it shall be charged as a personal advance against the officer responsible.

A surcharge is not a disciplinary measure and it can be made at any time whether or not disciplinary proceedings are being taken in respect of the circumstance leading to the surcharge. A surcharge can be justified whenever there is a degree of culpability, even though the same degree of culpability would not support the disciplinary charge for negligence or inefficiency. A degree of negligence which thought proved, does not in fact contribute to a loss or to its non-detection cannot support a surcharge in respect of that loss. For a surcharge to be made, there should be some degree of negligence or culpability on the part of the officer concerned which contributes to the loss.

12.2 Loss of Over ₦50, 000.00

The Officer in charge of the Office in which the loss occurs shall take the following actions:

- (i) Report immediately to the Director.
- (ii) Report to the Vice Chancellor.
- (iii) Ensure that if a weakness in the system of internal control or inadequate security is established, measures have been taken to prevent a re-occurrence of the loss.
- (iv) Ensure that the accounting entries have been made.

12.3 Loss of Fund arising from the forgery of a Local Purchase Order shall be regarded as a loss against the Centre.

12.4 Loss arising from forged payment vouchers which bear the signature(s) of officer duly authorised to sign such vouchers shall be considered as losses against the Centre, unless it can be proved or established beyond reasonable doubt that fraud was done to the negligence of a person or persons who are officer(s) of the Centre. Recoveries made or surcharges imposed shall be credited to the accounts of the department of the Centre suffering, the loss.

12.5 Loss of Stores, Plant, Motor Vehicles and Equipment.

A Loss of stores, plant, equipment, etc. may be written-off under the personal authority of the Vice Chancellor, provided that:

- (a) The original cost or the estimated value of a unit of each item, whichever is applicable, does not but exceed ₦20,000.00 and the sum total of the value of the items does not exceed ₦100,000.00
- (b) There is no apparent weakness in the system of control.
- (c) There is no evidence of fraud or theft.
- (d) Where negligence is involved, the disciplinary action against the officer found negligent is within the delegated power of the Vice Chancellor.

12.6 In the event of any loss of stores, the officer in charge of the store in which the loss occurs shall;

- (i) Report immediately to the Head of Department or Unit but not later than three (3) days.
- (ii) Ensure that, if a weakness in the system of control or inadequate security is revealed, immediate measures are taken to prevent a re-occurrence of the loss.

12.7 On being informed of the Loss, the Head of Department or Unit shall:

- (a) Forward immediately, in writing, brief details of the loss to the Vice Chancellor.
- (b) Investigate the whole incident at the earliest possible time but not later than seven (7) days.
- (c) Recommend the convening of a Board of Enquiry to the Vice Chancellor if he considers that the circumstances warrant such an investigation.
- (d) Ensure that, if a weakness in the system of control or inadequate security is revealed, measures have been taken to prevent re-occurrence of the loss.

A Board of Enquiry shall be constituted under the following conditions:

- (a) If fraud is involved;
- (b) If the loss exceeds the amounts (specified in 12.7 (a) above);
- (c) If several officers are involved;

- (d) If there is any doubt as to degree of responsibility for the loss;
- (e) If the loss occurred over a period of time.

12.8 Unserviceable Stores, Buildings, Plant, Motor Vehicles and Equipment

Unserviceable stores, buildings, plant, motor vehicles and equipment may be written off and disposed of under the personal authority of the Vice Chancellor, provided that ; Negligence of an officer is involved and the disciplinary action (with or without surcharge) against the officer(s) is within the delegated powers of the Chief Accounting Officer (Vice Chancellor)

CHAPTER THIRTEEN

DEDUCTIONS FROM INVOICE FOR PAYMENT

13.0 Deductions are in form of taxes, which are compulsory contribution to government revenue, levied by the government on a person's income and business profits (in case of income tax), or added to the cost of some goods, services, and transactions (in case of expenditure VAT).

13.1 Tax Deductible by the Centre

The following types of taxes shall be deductible:

i. Withholding Tax (WHT)

This is an advance payment of tax liability payable by a payee to the Federal Inland Revenue Service - FIRS (in the case of limited liability companies) and State Board of Inland Revenue - SBIR (in the case of Ventures/Enterprises).

The tax shall be deducted at the applicable rate at source by the Centre on behalf of the government from the profits on contracts for the purpose of offsetting their tax liabilities.

Every registered contractor of the Centre shall have a Tax Identification Number (TIN) which is a pre-requisite and the means for the remittance of the deducted tax.

ii. Value Added Tax (VAT)

This type of tax is payable by a payee to the Federal Inland Revenue Service (FIRS) on the consumption of some goods and services made locally or imported into the country. From the buyers' perspective, it is a tax on the purchase price, while from the sellers view it is a tax only on the value added to a product material or service.

The tax shall be deducted at the applicable rate at source by the Centre on behalf of the government from the profits on contracts.

The Tax shall be applicable to construction, repairs, sales and services with the exception of the following goods; Medical & Pharmaceutical raw materials and products, Basic food items, Books, Newspapers & Magazines, Educational Materials and Commercial Vehicles & spare parts.

13.2 Collection Procedures for Withholding Tax and VAT By Ministries, Departments and other Agencies of Government

The following facts are emphasised about collection of VAT and Withholding tax from Ministries, Departments and other agencies of government and the Centre shall comply with the procedures as follows:

- Withholding tax is not a separate type of tax but a payment on account of income tax and it is available as set-off against tax assessment of relevant periods.
- Ministries, Departments and other agencies of government do not bear the burden of withholding tax but merely act as agents of collection of the tax.
- VAT is a tax on consumption of VATable goods and services.
- As consumers of goods and services, ministries, parastatals and other agencies of government pay VAT on their consumption in addition to the contract price of the item consumed by them and, for the contractor to render monthly returns, government agencies must obtain receipts from the FIRS for the VAT paid on behalf of the contractors. The FIRS will issue receipts along with photocopies of receipts received from the FIRS to the contractor.

CHAPTER FIFTEEN

INTERNAL AUDIT PROCEDURE

14.0 The Internal Auditor in consultation with the University Audit team on a yearly basis will audit the books of the Centre. The Team will carry out both compliance audit and the non-financial audit.

14.1 Compliance Audit: The Centre Auditor will review the process of payments to suppliers, service providers and other beneficiaries and report on any delays, inefficiencies and other practices. The Audit will ensure that the payment is duly authorized by the appropriate authorizing officer. The Project Internal Auditor will give the final approval payments.

14.2 Non-Financial Audit:

- (a). The Centre Auditor shall ensure detailed review of existence, location and effective use of project assets
- (b). List new assets in the period, location and any other issues.
- (c). Visit the project sites up to the district community and beneficiary level
- (d). Confirm the proper usage of funds. Obtain irrefutable evidence to the usage of funds. This will include photographic evidence of investments on-sites, written testimony from final beneficiaries, third party confirmation from suppliers, contractors and service providers (such as hotels for holding workshops), tangible evidence of actual project implementation by use of acceptable indicators

14.3 Work-Based Auditing Approach: The Internal Audit Team will do the constant and critical examination of the internal control systems with the view to ensuring that they are adequate. Procedures will also be checked for loopholes which can lead to errors/irregularities that can be exploited to perpetrate fraud and corruption.

14.4 Audit Committee

The Audit Committee shall be an independent team which would ensure transparency and accountability by providing oversight of management practices in key governance areas including;

- (i) Values and ethics
- (ii) Governance structure
- (iii) Risk Management
- (iv) Internal control framework

- (v) Audit activities
- (vi) External assurance providers (External Auditors)
- (vii) Management action plans
- (viii) Financial Statements and Public Accountability Reports

The Committee shall be constituted by three persons:

1. A member of University Management, preferably a Deputy Vice Chancellor, nominated by the Vice-Chancellor, not involved in other ways with the Centre.
2. A Professor in the University of Lagos, nominated by the Vice-Chancellor, who is also knowledgeable in matters concerning accounting and auditing procedures
3. A senior member of the Internal Audit Unit to provide professional guidance on the technicalities involved in the job

14.5 Dissemination of Internal Audit Report\Work:

- (a). Discuss with the Project Accountant on the current status of project implementation, and follow up on the issues identified during review.
- (b). Project and present a draft report with management comments to the Director, the Project Accountant and HPFMU.
- (c). Follow up on findings and ensure resolution of all issues.
- (d). Internal Auditor takes steps to effect implementation or correct finding.
- (e). The final reports with management comments will be forwarded to the implementing ministry and the World Bank not later than 60 days after the end of a quarter.
- (f). Assist External Auditors as required.

GENERAL NOTE

**BREACHES AND VIOLATION OF ANY OF THESE FINANCIAL REGULATIONS SHALL BE
REPORTED TO THE VICE CHANCELLOR FOR APPROPRIATE ACTION**