

**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
Initial Closing date	June 2024
Revised Closing Date	June 2025
Credit/Grant Amount	\$6 Million
Project Duration	5 years
Remaining Period to closing	$\frac{1}{2}$ year
Disbursed Amount to date & Percentage	\$4,083,011.07 (68.05%)
Period Covered by Review	Jan 2024-December 2024
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 review of accounting system in place, physical inspection of goods and services, check of internal control system, vouching payment vouchers to ensure authorization and approval.

The audit work done also include the 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 to ensure strict adherence to quality and specification.

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.

The establishment of Audit Committee helps 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 in 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:

- 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's building is completed and ready for use.
- iii) Asset register is now updated compared with what we have in year 2023.
- iv) Audit Committee provides 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 OF THE PROJECT AWARDED IN THE PERIOD UNDER REVIEW (SEE APPENDIX A FOR FULL COMPLEMENT)**

- Partitioning of Legacy Unit, School of Postgraduate studies
- Supply of Herbal Production consumables for ACEDHARS
- Supply of water treatment Equipment for ACEDHARS
- Remodelling of Unilag Library Studio
- Supply of Water Treatment Equipment for ACEDHARS
- Supply and Installation of CCTV Surveillance at ACEDHARS building

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, 2024.

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 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 create massive awareness and publicity both inside and outside University of Lagos of what the center can offers for sustainability since the project is closing soon.

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 as soon as assets are purchased 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 completed and will be reported before the dead line as requested.

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.

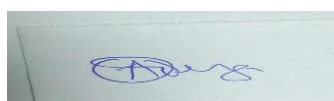
2.9 Physical verification by on-sites, third party/beneficiary confirmation

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.

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	2024 Reporting period	Done

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			

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Status of Procurement finding

Agreed Action	By Whom	By when	Status
Not Applicable			

APPENDIX A

ACEDHARS PROJECTS AWARDED IN 2024

S/N	PROJECT DESCRIPTION	AWARD DATE	CONTRACTOR	CONTRACT SUM
1	Partitioning of Legacy Unit School of Post graduate Studies	April 23,2024	Adonai Enterprises	₦1,967,000.00
2	Supply of Laptop Computers For Acedhars.	June 3,2024	Primetouch Technologies Ventures	₦ 9, 322,560.00
3	Supply Of Herbal Production Consumables For Acedhars.	June 26,2024	Jolajide Global Services	₦ 9,422, 375.00
4	Supply Of Water Treatment Equipment For Acedhars	July 15, 2024	Afrilab Investment Limited	₦ 19,676,800.00
5	Supply of Cosmetic Production Equipment	July 15, 2024	Equilab Business Solutions Ltd	₦19,579,711.38
6	Remodeling Of Unilag Library Studio	July 29, 2024	Boanerges Estate & Investments Limited	₦ 19,896,391.38
7	Procurement Of Research Chemicals And Reagents	August 20, 2024	Jolajide Global Services	₦ 3,937,832.50
8	Supply and installation of Automatic Tea bag packaging machine	August 22, 2024	Afrilab Investment Ltd	₦19,957,375.00
9	Supply Of Laboratory Glasswares And Apparatus For Acedhars.	Sept 16,2024	Niklab Supplies Enterprises	₦ 9, 998.455.68)
10	Supply And Installation Of CCTV Surveillance At Acedhars Building	Sept 25, 2024	Zenaclove IT Solutions	₦ 17,348,639.00
11	Supply Of Chemicals And Reagents For Research	Oct 14 , 2024	Jolajide Global Services	₦ 4,727,312.50
12	Procurement and Installation of Laboratory Equipment (Biomedical Toxicology) Equipment for ACEDHARS	Oct 15, 2024	<i>DCL Laboratory Limited</i>	N38,166,550.00

13	Partitioning And Soundproofing Of Open Space To Studios At Acedhars Building	Nov 20, 2024	Boanerges Estates & Investment Limited	₦ 18,993,315.00
14	Procurement of 3.5KVA Smart Inverter System	Nov 21	Tee Tee A& B Enterprises	N 2,583,252.00
15	Supply Of High Resolution 18Mp C-Mos Digital Camera	Nov 26, 2024	Niklab Supplies Enterprises	₦ 3,831,300.00
16	Rehabilitation Of Eighteen (18) No Room At Akilu Hostel Luth Idi-Araba .	Dec 11,2024	TEE TEE A& B Enterprises	₦ 9, 389,963.75
17	Supply And Installation Of 10Kva /48V Hybrid Inverter For Acedhars Centre Building	Dec 31, 2024	TEE & TEE A &B ENTERPRISES	₦ 7,944,250.00