



**AHMADU BELLO UNIVERSITY, ZARIA**  
**Africa Centre of Excellence on New Pedagogies**  
**in Engineering Education**  
**(ACENPEE)**



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**AUDIT COMMITTEE REPORT ON THE INTERNAL CONTROL SYSTEM AND  
FINANCIAL RECORDS OF ACENPEE, AHMADU BELLO UNIVERSITY, ZARIA  
FOR THE PERIOD 1ST JUL, 2022 – 31ST, DEC.,2022**

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PROJECT ID: 6510-NG

AUGUST 24, 2023

## **1. REPORT OF THE AUDIT COMMITTEE**

In line with the mandate of the Committee to ensure compliance of the operations of ACENPEE with both National and prescribed Financial laws, Project Operational Manual (POM), implementation arrangement structure and reports on inherent risks. The Committee is pleased to present her report for the month of 1<sup>st</sup> JUL, 2022 – 31<sup>st</sup> DEC, 2022 to the board of ACENPEE.

## **2. ABRIDGED RESPONSIBILITIES OF THE PROJECT**

The ACENPEE is one of the African Centres of Excellence (ACEs) sponsored by the World Bank specifically to strengthen the capacity of 12 participating countries namely: Republic of Benin, Burkina Faso, Cote d'Ivoire, Republic of Cameroon, Republic of Djibouti, Republic of Ghana, Republic of Guinea, Republic of Niger, Federal Republic of Nigeria, Republic of Senegal, Republic of The Gambia, and Republic of Togo.

The Objective of the project is to improve the quality, quantity and development impact of postgraduate education in selected universities through regional specialization and collaboration. The Centre is designed to fill the existing gap in the training of engineering professionals where there is over reliance on traditional teaching methods which hardly produce well-skilled engineers.

The centre plans to implement modern, engaging, student-centered pedagogies that include Cooperative, Hands-on, Active, Problem-based Learning (CHAPL) that are capable of producing high quality engineers.

The Internal audit periodic report provides the Board of the Centre with information on issues affecting the internal controls system of the project management for correction. The content of these reports will improve the governance arrangement of the Centre and sufficiently assures the attainment of the project defined objectives through compliance with local and international institutional policies, procedures and operations that affect the project.

### **3. THE AUDIT COMMITTEE**

The strategic fulcrum of the Audit Committee is to review the financial reporting processes, the Internal and External audit reports of the Centre's system of internal controls; compliance with relevant laws and regulations thereby assisting the board to fulfil its oversight responsibilities. The Management of the Centre is accountable for the design of internal control systems that will provide reasonable assurance towards achievement of operational goals. To achieve the targeted goals, the Audit Committee and the Centre Management review and deliberate on the quality of the financial statements and clarity of disclosures in the internal Audit Report of the Centre.

The Audit Committee has studied and discussed the quality and acceptability, of the accounting principles; the reasonableness of significant judgments; and the clarity of disclosures in the Financial Reports with the Management of the Centre.

The Committee was inaugurated on 2<sup>nd</sup> June, 2022 and the composition of the Committee comprises non-executive members as shown below.

<b>Members</b>	<b>Faculty/Unit</b>	<b>Status</b>
Prof. Mohammed Umaru Kawu	Faculty of Vet. Medicine	Internal Council member) - Chairman
Prof. Abdullahi Yunusa Idris	Faculty of Pharmaceutical Sciences	Member
Prof. Donatus Adie	Faculty of Engineering	Member
Aliu Nuhu Onimisi	Bursary Department	Member/Secretary
Maiyaki Hamisu Musa	Internal Audit Division	Member

#### **4.0 REVIEW OF THE INTERNAL AND EXTERNAL AUDITOR'S REPORT ON THE CENTRE'S ACTIVITIES**

The Committee has received the Audited Financial Statements and the Management Letter (Domestic Report) of the External Auditor for the period 1st November, 2021 to 31<sup>st</sup> December, 2022. The Committee has studied the reports of the External auditor and the management letter on myriads of issues raised and wish to advise as follows:

- i. ACENPEE Office Building:** The External Auditor questioned the absence of the value of building currently occupied by the Centre as a donation. Contrarily, the Committee was informed by the Centre Management that the building was a temporarily allocated to the Centre by the University at no cost for its operation pending the construction of its permanent building. The Audit Committee therefore advised that since the building is a temporary accommodation, the Value of the building and depreciation cost should be reported in the books of the University, while any material expenditure sufficient to be capitalized and

other maintenance costs incurred should be reported in the books of the Centre. At regular interval, this should be transmitted to the University for update of asset records. This measure will ensure that double counting/recording is avoided.

- ii. Retirement of Cash Advances:** All retirement documents should be attached to Payment Vouchers of cash advances for easy scrutiny and reference purposes. Unreceipted items that may cause a difference in retirement of cash advance should be provided with detailed contact information of the service provider and his endorsement.
- iii. Internal Auditor:** The Management of the Centre is advised to request the University's Chief Internal Auditor for deployment of a permanent Resident Auditor with an Assistant to facilitate seamless operations and avoidance of possible disruption of service delivery due to occasional lack of access to records.
- iv. Cash book:** Accrual basis accounting under the International Public Sector Accounting Standard 1 (IPSAS 1) requires Public Institutions to recognise revenue and matching expenses when they are generated and not when actual cash transaction takes place and as such, all transactions should be reported accordingly irrespective of when actual payment for services were made or funds were received. Any inappropriate classification could lead to misrepresentation of the accounts.
- v.** The management of the Centre should always carefully proof read all documents for typographical errors and grammatical expression before submission of any document to both internal and external stakeholders.

## **5.0 INTERNAL AUDITOR'S REPORT:**

The Audit Committee has reviewed the Internal Auditor's report and held discussions with the Key stake holders of the Centre to ensure the independence of the Internal Auditor in the discharge of his duties in an objective and effective manner. We have discussed the quality of the report and the risks pertinent to the operations of the Centre and are satisfied with the content and quality of the reports prepared and issued for the period under review.

In agreement with the observed shortcomings in the internal control system of the Project and operations of the Centre, the following recommendations are hereby made.

## **6.0 RECOMMENDATIONS**

### **i. Accounting system**

The Committee is pleased with the deployment of the ACE Impact Accounting system and wishes to advise the Centre to carefully study and upgrade the software to recognise the peculiarity, and harmonise it with the University's Financial Management Manual.

### **ii. Budget**

The performance of some DLIs was reported to be below average. The Management of the Centre is advised to deploy strategic measures of regular appraisal of performances with reports of factors hindering performances and ameliorative measures taken to overcome

such factors. The M&E Officer is advised to report progress made on each DLI in terms of percentage achievement, challenges and measures taken to overcome the challenges.

### **iii. Organogram**

For clarity and delineation of responsibilities, the role of all line staff should be properly reflected for separation of duties and to avoid clash of responsibilities. Staff without letters of appointment should be formalized with assigned responsibilities clearly stated.

### **iv. Unretired advances**

The management of ACENPEE should enforce compliance with the University's Standard Cash advance register which records cash advances issued and date of their retirement. Proper records of all contract documents, receipts of expenditures incurred or purchases should be verified by the Internal Auditor and received by the store for the purposes of retirements or claim. Cash advances should be timely retired and no staff should at any time be advanced additional payment while having two unretired advances. Maximum cooperation and timely response to request for supporting documents should be given to the Resident Auditor for effective service delivery.

### **v. Stores**

The Centre Management should ensure the Storekeeper takes proper records of Store Requisition Vouchers, Stores Receipt Vouchers, Store Issued Vouchers and bin cards for proper monitoring. The Internal Auditor should periodically conduct stock taking exercise to reconcile record of stores to the user department. In this regard,

the Centre Management should request for a resident Store Officer from the University.

**vi. Internal Audit Annual Work Plan**

The Audit Committee wish to reiterate the importance of the Internal Auditor's annual work plan to be submitted to the Audit Committee for approval and appraisal of their completeness in implementation at year end.

**vii. Creation of Service type on Treasury Single Account (TSA)**

The Management should expedite action to facilitate prompt creation of service type under TSA by the Office of the Accountant General to ease direct payment of funds/fees and other revenue into the TSA.

**viii. Asset Register**

The Management of the Centre should ensure regular update of its Asset Register and note depreciation. The assets should be conspicuously labelled in a sequential manner for both serviceable and unserviceable assets (pending disposal of the asset). This will prevent possible conversion of official properties for private use.

**ix. Withholding Tax and Value added Tax**

The Management of the Centre should keep records of tax remittances of all tax deductions and ensure that a separate record is maintained for both Withholding Tax and Value Added Tax.

**x. Appointment of an External Auditor**



The responsibility of appointment of External Auditor is vested on the Audit Committee in order to guarantee their independence from the Management of the Centre. However, the Centre had conducted the appointment of an External Auditor without the input of the Audit Committee in the selection process. This contravenes the responsibility of the duties of the Audit Committee and should be avoided in future.

## **7.0 MONITORING AND EVALUATION OFFICER'S REPORT**

The Audit Committee commends the Centre for collaborative efforts with African Digital Education Network in teaching and research and strides achieved on the number of enrollees for Masters and Doctorate degrees, Professional Short Courses organized, secured land for permanent building of the Centre, accreditation with HCERES, and other notable achievements. However, the Committee is concerned with the status of achievements of some DLIs.

Therefore, the Committee advise as follows:

- i. Measurable standards and timeline for deliverables of each DLI should be set with appropriate monitoring mechanism for assessment of performance;
- ii. Identify factors responsible for impeding targeted goals/percentages and adopt measures to overcome them.
- iii. Appraised DLIs should be followed up with relevant stakeholder(s) for their response and feed back in order to scale up performance/output.



**Prof. Mohammed U. Kawu**  
**Chairman, Audit Committee**



**Aliu Nuhu Onimisi**  
**Secretary, Audit Committee**