

**AFRICA CENTRE OF EXCELLENCE ON NEW PEDAGOGIES IN ENGINEERING
EDUCATION (ACENPEE), AHMADU BELLO UNIVERSITY, ZARIA**

**DOMESTIC REPORT ON THE AUDITED ACCOUNTS
FOR THE PERIOD 1ST NOVEMBER 2021 TO 31ST DECEMBER, 2022**

**OLUMUYIWA BASIRU & CO.
(CHARTERED ACCOUNTANTS)
ABUJA.**

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May 8, 2023.

**The Centre Director,
Africa Centre of Excellence on New Pedagogies in Engineering Education (ACENPEE),
Ahmadu Bello University,
Main Campus,
Samaru,
Zaria, Kaduna State.**

Dear Sir,

**DOMESTIC REPORT ON THE AUDITED ACCOUNTS OF AFRICA CENTRE OF EXCELLENCE
ON NEW PEDAGOGIES IN ENGINEERING EDUCATION (ACENPEE) FOR THE PERIOD 1ST
NOVEMBER 2021 TO 31ST DECEMBER, 2022.**

We wish to notify you that we have completed the audit of the accounts of Africa Centre of Excellence on New Pedagogies in Engineering Education (ACENPEE) for the period 1st November to 31st December, 2022. It is our pleasure to enclose for your consideration, three (3) copies of the audited accounts for the year ended on that day, together with Three (3) copies of the Domestic Report.

We carried out a review of the accounting systems and procedures operated by the Hospital, and examined the principal internal controls put in place by the Hospital to enable it ensure, as far as possible, the accuracy and reliability of its records and safeguard its assets.

Our Audit procedures are designed primarily to enable us express our opinion on the accounts, and may not necessarily be relied upon to disclose all defalcation and irregularities in the system, although such disclosures, if any, frequently result from Audit Test(s). Consequently, our comment(s) might not include all possible improvements in the Internal Control, which only special investigation might reveal.

Please find below certain matters which came to our notice in the course of the audit, and which we believe should be brought to the attention of the Board of Management.

OBSERVATIONS MADE DURING THE AUDIT OF AFRICA CENTRE OF EXCELLENCE ON NEW PEDAGOGIES IN ENGINEERING EDUCATION (ACENPEE), AHMADU BELLO UNIVERSITY, ZARIA

We have examined and evaluated the Centre's financial records, internal controls, corporate governance and accounting processes to ensure its accuracy and compliance with relevant laws and regulation. The observations highlighted below are the common shortfalls and mistakes of the Centre as discovered in its Accounting and Internal Control System.

1. Non-Presentation of the Value of Building in the Financial Statement

During the Audit, it was observed that the building where the Centre was operating from a rent-free building. Upon enquiry, the Audit team was informed that the building was donated to the Centre by Ahmadu Bello University. The building is yet to be valued and recorded in the books of the Centre.

Implication: *The Centre operates and carry out its activities using the donated building and not recognizing the value of the building goes against the reporting and disclosure requirements of IPSAS 17. Also, the non-recognition of the asset in the books of the Centre understates its assets.*

Management Response: *Management will take appropriate steps to value the building and report accordingly in subsequent periods.*

Recommendation: *The Centre is advised to engage the service of a professional valuer to value and determine the fair value of the building and have the values incorporated into the books of the Centre.*

2. Non-Attachment of Retirement Schedules to Payment Vouchers:

It was observed that the retirement schedules for Cash Advances and Imprest were not attached to the corresponding payment vouchers. On enquiry, the Centre's representative stated that a separate file was kept for retirements. Upon review of the retirement file, it was noticed that only retirements for Office Imprest was contained in the file, However, some retirements for cash advances were sighted and attached to the payment vouchers.

Also, it was observed that most of the Office Imprest advance said to be completely spent, upon vouching and recalculation, did not show the exact amount given out. For example:

- i. Office Imprest that was received on 19/07/2022 and retired on 24/08/2022 for the sum of ₦100,000 said to be entirely spent but upon findings, the sum of ₦87,100 was spent from the calculation of the receipts, the balance of ₦12,900 has no receipt or evidence to show how it was spent.
- ii. Cash advance for Office Imprest which was given on 20/05/2022 for the sum of ₦150,000 and retired on the 23/06/2022 was said to be completely spent but upon verification, it was discovered that the sum of ₦124,600 was spent and the balance of ₦25,400 has no receipt to verify how it was actually spent.
- iii. On 5/04/2022 cash advance for Office imprest was given and retired on the 25/04/2022, this was said to be completely spent but upon verification it was discovered that it was ₦148,300 that was spent of which the balance of ₦1,700 has no evidence of how it was spent.

Implication: Tracing cash advances may become difficult as retirements are meant to be compared with the initial amount disbursed. This can lead to theft and loss of public funds.

Management Response: The shortfall of attachment on the retirement of imprest was as a result of non-receipted items during retirement.

Recommendation: Copies of the retirement schedules should always be attached to the payment vouchers raised during disbursement. This way, advances can be easily tracked and balances can be easily recovered.

3. Absence of a Stand-by and Functional Internal Audit Unit

During the Audit, it was observed that some of the payment vouchers and other supporting document were not vetted by the Internal Auditor before final approvals are granted.

Implication: The Internal Audit Unit is a very critical unit of every entity and it being nonfunctional can be detrimental to the organization. Funds may be lost and records wrongly posted.

Management Response: There is a standby Internal Auditor that audit the process and procedures of the Centre and report thereon. But he conducts Post-Payment Audit of transactions (Risk Based Audit) to insulate him from normal operations.

Recommendation: More hands should be allocated to the unit to ensure that an Internal Auditor is present in the Centre at all times and the Centre should make provisions to ensure a Pre-Payment Audit is done before payments are processed.

4. Non-Reporting of Opening Balances

It was observed during the Audit that the Centre only presented records for the current year. This does not give a fair representation of the activities of the Centre as previous economic activities of the Centre are left out.

Implication: This may lead to misstatement of the Financial Statement as closing balances of the previous year might be wrongly carried into the current year.

Management Response: This has been noted and proper adjustments will be made to the records to accommodate opening balances.

Recommendation: The Centre should ensure the continuity of its record by putting in place adequate mechanisms and controls to prevent future omissions. The Centre can engage the service of a consultant for the deployment of an accounting software to ensure adequacy of internal control and improve the efficiency of the Accounts department.

5. **Payment Vouchers raised but not recorded in the Cashbook:** It was observed that some Payment vouchers were raised but not recorded in the cashbook. They are Tabulated below:

LIST OF PV RAISED BUT NOT RECORDED			
S/N	PV NO	DESCRIPTION	AMOUNT ₦
1	PV/2022/ABU.1/000000074	Withholding Tax	2,418,485.25
2	PV/2022/ABU.1/000000075	VAT	3,627,617.50
3	PV/2022/ABU.1/000000076	Stamp Duty	483,632.55
TOTAL			6,529,7345.30

Implication: This may lead to misrepresentation

Management Response: The payment vouchers in question were actually raised in a different period (March) and paid in a different period (July).

Recommendation: Those in charge of record keeping should be more careful in their analysis and records and ensure that all transactions are properly accounted for in the books of the Centre no matter when it is raised and paid.

6. **Cashbook Items Without Payment Voucher:** It was observed that some expenses were recorded in the Cashbook without payment voucher as evidence to back it. They are Tabulated below:

LIST OF CASHBOOK ITEMS RECORDED WITHOUT PV				
S/N	DATE	NAME/DEPARTMENT	DESCRIPTION	AMOUNT ₦
1	18/02/22	Aminu Aliyu	Day Trip to Kaduna for Procurement Activity	12,000
2	05/04/22	Suleiman Dallaitu	Match 2021 Salary	31,174.03
3	21/04/22	Prof. Fatai Anafi	NUC/AAU markup at Abuja	146,750
4	13/05/22	Ziddy Prime Pravel and Tour	Flight Ticket to Cotonou	2,582,860
5	01/06/22	Salihou Idi	Study Support	50,000
6	01.06/22	Prof. Abdulkarim Ahmed	Perdie & Local Running	109,000
7	01/06/22	Prof. Adrain	Perdie & Local Running	109,000
8	01/06/22	Prof. Raymond Bako	Perdie & Local Running	109,000
9	01/06/22	Prof. Anafi	Perdie & Local Running	109,000
10	23/06/22	Prof. Donfack Kana	Perdie & Local Running	130,000
11	23/06/22`	Rabiu Muis	Office Impress	100,000
12	20/07/22	FIRS	Stamp duty Registered company	483,632.55
13	20/07/22	FIRS Renew Acct.	Value Added Tax	3,627,187.50
14	27/07/22	SIM Access	Payment for 5% Retention	188,720
15	08/11/22	Balance of Logistic	Support to Contre sunyatas	400,000
TOTAL				8,188,324.08

Implication: This may lead to misrepresentation of the total amount of expenses recorded in the financial statement. Also, documentary evidences are core to substantiate that expenses were truly approved before being incurred.

Management Response: The Payment Vouchers at the time of the audit exercise were with the Internal Audit unit of the Centre, hence, could not be seen at the time.

Recommendation: Documents should be properly kept for appropriate evidence and clarity.

7. ADEN Project:

It was observed during the Audit that the balance in the USD Account of the Centre was not captured or reported in the Trial Balance for the period under review. Upon enquiry, the team was told it was for ADEN (African Digital Educational Network) project and this was to be used by ACENPEE and other Centre's.

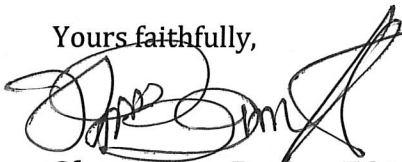
Implication: *Not reporting the balances in the Centre's USD account goes against the disclosure requirement which can lead to sanction by regulatory authorities. This would also lead to an understatement of the true position of the Cash & Cash Equivalent balances of Centre.*

Recommendation: *The balances and transactions in the dollar account should be converted using appropriate rate and consolidated into the Centre's Financial Statement for the year.*

CONCLUSION

Special thanks to the Centre Director and member of staff of the ACENPEE for the opportunity given to us to provide a seamless and exquisite service to the Centre. We also wish to express our gratitude to the Management and Staff of ACENPEE for their cooperation during the course of the audit.

Yours faithfully,



Olumuyiwa Basiru, FCA

Practice Chairman