

**AFRICA CENTRE OF EXCELLENCE ON NEW  
PEDAGOGIES IN ENGINEERING EDUCATION  
(ACENPEE)**

**AHMADU BELLO UNIVERSITY, ZARIA**

INTERNAL AUDIT REPORT

Project Internal Audit (IA) Report

Key Information on the Project

Project Name and the Project	African Centre of Excellence on New Pedagogies in Engineering Education
Project ID	P 169064
IDA Credit/Grand	6510-NG
Implementing Agency	Ahmadu Bello University, Zaria
Effectiveness Date	January 29 <sup>th</sup> ,2021
Closing Date	June 28 <sup>th</sup> 2025
Credit/Grand Amount	6,000,000 US Dollars
Project Duration	5 Years
Remaining Period to Closing	18 months
Disbursed Amount to date & Percentage	1,531,243.22 US Dollars 25.52%
Period Covered by Review	January through June,2023
Internal Auditor	Nuhu Ayuba

## **EXECUTIVE SUMMARY**

This Internal Audit report is meant to cover the first part of 2023 that is six (6) months period January to June 2023. According to the University and financial regulations, the internal audit report for the period seeks to appraise and offer assurances that the current existing operational activities and structure is best suited for the system of internal controls which makes the attainment of set project objectives.

Equally, the analysis also tries to ensure the extent of compliance with all the necessary institutional policies, and banks procedures and other mode of operations of the project.

Internal controls over management processes, financial reporting and procedures leads Auditors to write reports as it relates to the operations of the Center as enshrined in the Project Appraisal document as a DLIs.

Payment vouchers were examined as well as cash book, bank statements and bank reconciliation statements. The main reason being that all transactions that are cash in nature need to be posted as and when due as enshrined by the financial regulations.

Access was given to the basic accounting records in the performance of our Audit function which included the implementation plan, annual work plan, annual procurement plan, (to ensure that they conformed with the budget) as to whether they are budgeted when compared to actual. Interim financial report, statement of expenditures, cash advance ledgers and other relevant document were equally examined.

The general activities of the Africa Center of Excellence on new pedagogies in engineering education (ACENPEE) for the period January to June 2023 have been worthy in light of reviewing payment vouchers to ensure authorization and approvals.

## **GENERAL OVERVIEW**

Below are summarized findings of internal audit review of ACENPEE center for the review period. Particular emphasis was placed on the level of achievements and observed infractions from standard procedures.

## **FINDINGS**

### **Budgeting**

- The project budget planning and drafting process had relevant inputs from wider and most relevant project stakeholders.
- The budget/work-plan was prepared and submitted by the budget committee which was

subsequently approved for implementation by the World Bank. The budget performance has been good; budget lines achieved more than 30% fund usage. Moreover, some budget items have been duly executed (e.g. purchased of computers for Centre's Staff).

- The budget for the center is usually aggregated in the NUC annual budget for all ACEs in Nigeria.

#### **ACCOUNTING:**

- The flexible accounting software deployed for ACE impact project has been effectively in usage.
- The center has maintained proper books of account and other relevant records.
- The external auditors had audited the accounts of the Center as require by law up to 31<sup>st</sup> December, 2022.

\* At present, there is a comprehensive Project Financial Management Procedures Manual that is strictly used by the project which is in conformity with the World Bank standard.

#### **PROCUREMENT.**

- The procurement activities are conducted with yearly needs assessment/yearly work plan.
- The procurement was designed in lots within the approved budget.
- National Competitive Bidding (NCB) and National shopping were the procurement methods in used.
- The Centre has procurement committee headed by the Centre Leader that oversees all procurement activities.
- The Centre uses cash advances for some activities that are not definite in cost within the approved thresh-hold.

#### **INTERNAL CONTROL:**

The review of internal controls disclosed the following exceptions

- **Regional and International Collaboration:** The Centre is in collaborating with ACE impacts on Education thematic areas that resulted in the establishment of the African Digital Education Network (ADEN).
- **Un retired Advances:** The process of retiring cash advances is satisfactory to the large extend. Thus, some beneficiaries are yet to clear their ledger.
- **Ineligible Expenditures:** The review period did not have any ineligible expenditure.
- **Segregation of duties:** The segregation of Individual duties is in place and fully

implemented.

- **Stock controls:** The control of stock is satisfactory.

**Physical Control:** The center-procured equipment and other relevant assets have strict physical control especially in terms of access and usage.

- **Approval and authorization procedures:** The Center Director is the only officer who is saddled with the responsibility of approving and authorizing all payments except if the payment exceeds the approval limit. Then the payment would be referred to the Vice Chancellor for approval.
- **Cost control procedures:** The cost control procedures over projects assets in relation to fueling, repairs and maintenance for project vehicles were well within the approved work plan.
- **Bank Reconciliation:** The bank reconciliation is up to date. However, the issue of services type is yet to be resolve on our TSA account, this prevented services such as school fees, tender fees, consultancy fees and refunds on advances to be paid as Centre Internally Generated Revenue (IGR).
- **Account Staff:** Presently the issue of one additional staff to the Centre's account office is still pending.
- **Th sum of Twenty- eight thousand eight hundred and fourteen US Dollar (\$28,814.00) was paid as part of the loan collected from African Centre of Excellence on Neglected Tropical Diseases and Biotechnology, out of the \$45,393.00. there is the sum of Sixteen thousand five hundred and seventy-nine US Dollar outstanding (\$16,579.00).**

#### **RECOMMENDATION:**

- The management should identify ways to improve revenue generation.
- The cash advances should be retired as at when due.

#### **EFFECTIVENESS OF MANAGEMENT OVERSIGHT INCLUDEING COMMITTEES**

The management oversight of the Centre includes the following committees:

- **Audit committee** with the responsibility of oversight all the books of accounts of the Centre, internal audit observations and coordinating of external audit and also attending to management report.
- **Procurement committee** is responsible for the oversight on procurement activities of the Centre.

- Project Management committee with the responsibility of implementing the Academic activities of the Centre.

#### **FUNDS FLOW.**

- The Centre expended the sum of One hundred and fifty million, six hundred and seventy thousand four hundred and fifty naira and four kobo only, (₦150,670,450.04). The Centre received from CBN through NUC/CBN Naira account the sum of Ninety million three hundred and fifty-six thousand naira only (₦90,356,000.00), for the period under review.
- Also, the sum of eight million naira only (₦8,000,000.00) was generated as revenue for the period.

#### **FINANCIAL REPORTING:**

The requisite interim financial report for the period has been submitted to the world bank by the accountant and are collated and consolidated for onward submission to the World Bank by NUC.

#### **EXTERNAL AUDIT:**

The external auditors appointed by the Centre had already produced the Centre financial report up to 31<sup>st</sup> December, 2022.

#### **DISBURSEMENT AND SUBMISSION OF WITHDRAWAL APPLICATION (WA)**

The Centre's submission for the withdrawal application is submitted to NUC who would write to CBN for the disbursement of the required amount and the NUC aggregate it and sent to the Bank as a report.



Nuhu Ayuba

Project Internal Auditor.

