

AFRICA CENTRE OF EXCELLENCE ON NEW
PEDAGOGIES IN ENGINEERING EDUCATION

(ACENPEE)

AHMADU BELLO UNIVERSITY, ZARIA

INTERNAL AUDIT REPORT - JUNE, 2024

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 th , 2021
Closing Date	June 28 th , 2025
Credit/Grand Amount	6,000,000 US Dollars
Project Duration	5 Years
Remaining Period to Closing	12 months
Disbursed Amount to date & Percentage	3,092,857.24 US Dollar 51.55%
Period Covered by Review	January - June, 2024
Internal Auditor	Nuhu Ayuba

EXECUTIVE SUMMARY

This Internal Audit report is meant to cover the first part of 2024, that is, six (6) months period (January to June 2024). 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 to be realized.

Equally, the analysis also tries to ensure the extent of compliance with all the necessary institutional policies, and bank procedures and other modes of operation of the project.

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

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 Centre of Excellence on New Pedagogies in Engineering Education (ACENPEE) for the period January to June, 2024 have been satisfactory in light of reviewing payment vouchers to ensure authorization and approvals.

MANAGEMENT OVERSIGHT COMMITTEES

The management oversight of the Centre includes the following committees:

- Audit Committee – It is charged with the responsibility of oversight of 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 – Is responsible for policy formulation and management of the Centre.

GENERAL OVERVIEW

Below is a summary of internal audit review of ACENPEE for the 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 **45.20%** fund usage.
- The budget for the Centre 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 Centre has maintained proper books of account and other relevant records.
- The external auditors had audited the accounts of the Centre as required by law up to 31st December, 2023.

* 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 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 Director 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 Centres on Education thematic area that resulted in the establishment of the African Digital Education Network (ADEN).
- **Un-retired Advances:** The process of retiring cash advances is satisfactory to a large extent, although, some beneficiaries are yet to clear their ledgers.
- **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. The sum of Sixteen thousand five hundred and seventy-nine US Dollar outstanding (\$16,579.00) is an outstanding loan collected from African Centre of Excellence on Neglected Tropical Diseases and Biotechnology.

FUNDS FLOW

- The Centre expended the sum of nine hundred and sixty-one million one hundred and seventy-one thousand three hundred twelve naira, nine kobo only, (~~₦~~961,171,312.09). The Centre received from CBN through NUC/CBN Naira account the sum of five hundred and sixty-eight million six hundred and twenty-six thousand naira only (~~₦~~ 568,626,000.00), for the period under review.
- Also, the sum of twenty-three million five hundred and ninety thousand naira only (~~₦~~23,590,000.00) 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 31st December, 2023.

DISBURSEMENT AND SUBMISSION OF WITHDRAWAL APPLICATION (WA)

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

RECOMMENDATIONS

- The management should identify more ways of improving revenue generation even though there is an improvement against the previous year.
- The cash advances should be retired as at when due.



Nuhu Ayuba

Project Internal Auditor.