

REDEEMER'S UNIVERSITY EDE, OSUN STATE

FIRST TERM INTERNAL AUDIT REPORT ON THE AUDIT OF AFRICAN CENTRE OF EXCELLENCE FOR GENOMICS OF INFECTIOUS DISEASES (ACEGID)

PERIOD COVERED: JANUARY TO JUNE 2024

1.0 INTRODUCTION

ACEGID was established in September 2013 upon approval by the World Bank. The Centre specializes in building capacity and research on the genomics of infectious diseases with the aim of contributing to the control, management and elimination of infectious diseases in the African Continent.

The audit covered all the grants from various donors for research activities at the Centre and it was conducted in accordance with the World Bank's Financial Management guidelines and requirements of the International Financial Reporting Standards. During the period under review, the Internal Audit ensured compliance with the internal control measures put in place by the University in addition with other regulatory requirements by the Nigerian Government. Records available for checking during the period under review were cash books, bank statements, bank reconciliation statements, and payment vouchers. These were reviewed to eliminate the risks of non-compliance with the agreed financing agreements.

1.1 OBJECTIVES OF THE AUDIT:

To gain a reasonable assurance that:

- i. Funds are utilized for the intended purposes
- ii. Funds received and expenditures incurred are judiciously utilized
- iii. Proper accounting records are maintained
- iv. Internal control measures are instituted which, as far as is reasonably possible, safeguard the assets of the project.
- v. Actions are taken to prevent fraud and other irregularities.
- vi. Financial transactions conform with the financing agreements and only eligible expenditures are made.
- vii. Balances shown in the records are in existence and accurate.

2.0 INTERNAL AUDIT REVIEW:

2.1 ACCOUNTING

Suitable accounting policies were adopted and consistently applied.

2.2 INTERNAL CONTROLS

Adequate internal control measures are in place. The Project activities go through the normal University procedures for processing of transactions which include 100% prepayment auditing. It should be noted that internal auditing functions at the Centre is Risk-based, in line with best practice. This is to ensure data integrity of amounts that will eventually flow into the financial statements.

Test of controls were done routinely. These include segregation of duties, physical control, approval and authorization procedures, control over assets (including maintaining properly updated fixed assets register).

2.3 EFFECTIVENESS OF MANAGEMENT OVERSIGHT INCLUDING AUDIT COMMITTEES

The University Audit and Risk Management Committee, a Committee of Council performs oversight functions on the financials of the University and those of ACEGID. The minutes of meeting of the Committee is available on ACEGID website for reference purposes. Also, the Vice Chancellor, Bursar and Head of Internal Audit supervise financial activities of the Centre. Though the Centre is autonomous, university financial procedures and regulations are adopted for financial activities.

2.4 FUNDS FLOW

Apart from grant from the World Bank, the University also provide adequate support to the Centre to facilitate research activities. Some other grants received by the Centre are from Human, Heredity and Health in Africa (H3 Africa), Biotechnology and Biological Sciences Research Council (BBSRC), National Institutes of Health (NIH), Coalition for Epidemic Preparedness Innovations (CEPI), Wellcome Trust Grant, Joint West Africa Research Group (JWARG), Audacious Sentinel and Fast Grant.

2.5 FINANCIAL REPORTING

A 100% review of expenditure presented in the Financial Management Report was carried out. Expenses were checked to the relevant vouchers, Admon cash books, and bank reconciliation statements.

2.6 FRAUD AND CORRUPTION

There was no case of fraud and corruption. There are adequate controls in the Centre.

2.7 PAYMENT PROCEDURES

A 100% review of all expenditures was done. No ineligible expenditure was incurred as transactions undergo pre-audit procedures to ensure integrity and eligibility of transactions.

2.8 PHYSICAL VERIFICATION THROUGH ON-SITE VISITS

The Internal Audit inspects all items purchased to confirm delivery. All Fixed Assets are in their proper places and well secured.

2.9 PROCUREMENT ACTIVITIES

The Deputy Centre Leader, Project Manager and Procurement Officer are responsible for the preparation, presentation, and defense of the Procurement Work Plan subject to approval by the relevant donor agency. The Procurement officer handles all procurements. The procurement procedures in place were adequate to ensure that:

- i. Values were received in respect of funds released to suppliers and other service providers.
- ii. Items purchased meet the requirements of the Centre.

3.0 REVIEW OF PREVIOUS AUDIT OBSERVATIONS

Cash Retirement: The following staff have not yet retired their cash advances from various ACEGID projects (per Audit interface on Admon)

S/N	REF NO	AMOUNT =N=	TRANSACTION DATE	EXPECTED RETIREMENT DATE	REMARKS	AGE AN ALY SIS (DA YS)	AUDITEE'S RESPONSE	Further Comments by Audit
1	ADVG/02/22/23/AUG/0138	1,575,000.00	15/8/23	29/8/23	New phase of horticulture work @ ACEGID site	165	The staff who took advances relating to other ACEGID projects have been reminded .	Cleared
2	ADVG/02/22/23/MAR/0074	4,482,570.00	7/3/23	29/3/23	Procurement of plumbing material & installation of sprinklers on ACEGID site	318	The staff who took advances relating to other ACEGID projects have been reminded .	Unsatisfactory
3	ADVG/02/23/24/SEP/001	585,900.00	8/9/23	22/9/23	Connection of lab in Alex Ekwueme Federal University Teaching Hospital, Abakaliki to public power supply	141	The staff who took advances relating to other ACEGID projects have been reminded .	Unsatisfactory
4	ADVG/02/22/23/JUL/0021	128,400.00	5/7/23	19/7/23	Logistics and vehicle maintenance @ Owo for Sentinel project activities	206	The staff who took advances relating to other ACEGID projects have been reminded .	Unsatisfactory
5	ADVG/02/22/23/JUN/001	82,950.00	22/6/23	6/7/23	Consumables and	219	The staff who took	Unsatisfactory

	17				fixtures		advances relating to other ACEGID projects have been reminded .	
6	ADVG/02/22/23/APR/0088	116,000.00	27/4/23	11/5/23	Entrance gate construction in the generator house	275	The staff who took advances relating to other ACEGID projects have been reminded .	Cleared
7	ADVG/02/22/23/JUL/0129	292,510.00	18/7/23	1/8/23	Pick up of Luminex machine from University of Florida, USA	192	The staff who took advances relating to other ACEGID projects have been reminded .	Unsatisfactory
8	ADVG/02/22/23/FEB/0068	2,827,800.00	15/2/23	1/3/23	Idanre Bat Ecology-Human Sentinel Surveillance	345	The cash advance was not paid. It was declined by the Director and was reversed. Please find attached the evidence of reversal (GJV/02/22/23/MAR/000337	Noted
9	ADVG/02/22/23/MAR/0078	\$485.88	23/3/23	6/4/23	ACEGID & CAMRA Project website	310	The staff who took advances relating	Cleared

					hosting renewal		to other ACEGID projects have been reminded .	
10	ADVG/02/22/23/MAY/0107	120,000.00	31/5/23	14/6/23	SICA participant compensation and other general lab maintenance @ Ikorodu	241	The staff who took advances relating to other ACEGID projects have been reminded .	Unsatisfactory

4.0 CURRENT AUDIT OBSERVATIONS

A.) CASH RETIREMENT: The following cash advances have not yet been retired.

S / N	NAME	DETAILS	DATE OBTAINED	AMOUNT (N)	Age analysis	PROJECT	AUDITEE'S RESPONSE	FURTHER COMMENTS BY AUDIT
1	ADVG/02/22/23/MAR/074	Procurement of plumbing materials and installation of sprinklers on ACEGID site	7/3/2023	4,482,570.00	488 days	World bank	The retirement was delayed due to a delay in the installation of the sprinklers. The installation of the sprinklers is in progress	Unsatisfactory
2	ADVG/02/22/23/JUL/00129	Pick up of Luminex machine from University of Florida	18/7/2023	292,510.00	354 days	World bank	The staff complained inability to obtain receipt from the vendor	Unsatisfactory
3	ADVG/02/22/23/JUL/0121	Logistics and vehicle maintenance at Owo	5/7/2023	128,400.00	370 days	Audacious	The retirement document has been submitted to Finance for processing the cash advance retirement	What is causing the delay
4	ADVG/02/22/23/JUN	Consumables and fixtures	22/6/2023	82,950.00	383 days	Audacious	The	Unsatisfactory

	/0117						retirement document has been submitted to Finance for processing the cash advance retirement	
5	ADVG/02/23/24/DEC/0036	Repair of 6KVA UPS	21/12/2023	193,500.00	199 days	Audacious	This advance relates to another ACEGID project. Retirement is in process.	Noted but unsatisfactory because of the time lag of 199 days
6	ADVG/02/23/24/DEC/0035	Procurement of office furniture	21/12/2023	6,000,000.00	199 days	Audacious	This advance relates to another ACEGID project. Retirement is in process.	Noted but unsatisfactory because of the time lag of 199 days

Implications:

- i. Risk of misapplication and/or mis-appropriation of funds.
- ii. Tying down of funds meant for other useful purposes.

Recommendation:

Cash advances should be retired within the stipulated time slated on the cash advance forms; and sanctions duly implemented, to serve as deterrents.

B.) BANK RECONCILIATION STATEMENT: Discrepancy was noted on the figure posted into the journal voucher.

S / N	DATE	DETAILS	PER BURSA RY (\$)	PER AUDIT (\$)	REMARKS	AUDITEE'S RESPONSE	FURTHER COMMENTS BY AUDIT
1	June 2024	GJV/02/23/24/JUN/000626 WB- IGR (USD)	338.21	27.21	\$27.21 was posted in the cashbook	GJV/02/23/24/JUN/000626 was recorded in the cashbook and reconciled with the bank statement. The \$338.21 was the initial figure before bank reconciliation.	Not satisfactory. Due care should always be exercised while posting figures in the financials.

Implications: It can cause discrepancies when balancing the final accounts

Recommendation:

Proper checks and balances should be put in place.

C.) CASH BOOK: Discrepancies were noted in the figures per Bursary and per Audit Admon cash books.

S/N	DATE	DETAILS	PER BURSARY (=N=)	PER AUDIT (=N=)	REMARKS
1	19/4/2024 ACEGID Impact current	RCPTG/02/23/24/A PR/00132 Grant received	928,104,000 .00	928,104,00 0.00 928,104,00 0.00	Seen to be posted twice in the cash-book with the same admon reference number
2	27/2/2024 ACEGID Impact current	RCPTG/02/23/24/FE B/00109 reimburesent of expenses on bulk reagent- AAS project	nil	193,414,42 2.50	No such entry in bursary cash book
3	1/1/2024 ACEGID Impact current	Bank opening balance	28,866.95 DR	4.3 CR	Balances can not be the same
4	11/6/2024 ACEGID Impact current	GPV/02/23/24/0648 Refund on entertainment and curtains	nil	474,000.00	N/a in bursary cash book
5	1/1/2024 ACEGID Impact Dom	Bank opening balances	\$995.05	142,921.91	Reported in different denominations
6	1/1/2024 IGR Current account	Bank opening balance	1,723,285.9 8 DR	66,963,219. 49 CR	Different opening balances
7	11/6/2024 IGR Current account	GPV/02/23/24/JUN/ 0648	474,000.00	nil	Journals should be used to correct postings
8	1/1/2024 WB IGR dom	Bank opening balance	\$242,364.99	125,091,16 0.31	Reported in different denominations
9	29/2/2024 WB IGR dom	GJV/02/23/24/FEB/ 0412 Bank charges	N/a	38,910.82	Journals should be used to remove postings
10	1/1/2024 WB Dom (Escrow)	Bank opening balance	\$24,580.09	3,530,520.3 9	Reported in different denominations
11	1/1/2024	Bank opening balance	134,990.16	N/a	No opening balance in Audit Admon cash book

AUDITEE'S RESPONSE:

The confirmed Bursary figure matches the information found in both bank statement and bank reconciliation statement; as verified by the Internal Auditor on the bank reconciliation statement signing process. It is suggested that you share your generated report with us so we can review it together.

Recommendation:

The software provider should ensure that the same information is available on both Bursary and Audit interfaces

5.0 CONCLUSION:

Observations noted to be attended to. Project funds are used for the purposes meant for. The overall audit report rating is Satisfactory.

Adeyemi A. Banjo
Project Internal Auditor
12/07/2024