

REDEEMER'S UNIVERSITY EDE, OSUN STATE
INTERNAL AUDIT REPORT ON THE AUDIT OF AFRICAN CENTRE OF
EXCELLENCE ON THE GENOMICS OF INFECTIOUS DISEASES (ACEGID)
AUGUST TO DECEMBER 2020

1.0 Introduction

The African Centre of Excellence for the Genomics of Infectious Diseases (ACEGID) was established in September, 2013 upon approval by the World Bank. The Centre specializes in 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 checked include cash books, bank statements, bank reconciliation statements, receipts, payment vouchers, General Ledger and other relevant documents. These were reviewed in order to eliminate the risks of non-compliance with the agreed financing agreements.

1.1 Objectives of the Audit:

To ensure that:

- i. proper accounting records are maintained.
- ii. internal control measures are instituted which, as far as is reasonably possible safeguard the assets of the project.
- iii. actions are taken to prevent fraud and other irregularities.
- iv. applicable accounting standards are properly and consistently followed.
- v. financial transactions conform with the financing agreements and only eligible expenditures are made.
- vi. to confirm the existence and accuracy of the balances shown in the records.
- vii. evaluate the Internal Control system in operation to ensure effectiveness, efficiency and economy.

2.0 Internal Audit Review: Findings and Action Plan

2.1 Accounting

The Centre's accounting processes and procedures were carried out following applicable accounting standards. Suitable accounting policies were adopted and consistently applied. The going concern basis is used, as it has been presumed that the Centre will continue in operation in the foreseeable future.

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. This includes 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. 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 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 and other supporting documents. Implementation of an Accounting package (Admon) to facilitate prompt and qualitative financial reporting is in progress.

2.6 External Audit

The External Audit for the year ended 31st December, 2020 has been completed.

2.7 Fraud and Corruption

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

2.8 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.

2.9 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. The ACEGID laboratory is under construction, about 90% completed.

2.10 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. Approval for procurement is given at the management meeting held bi-weekly, before any procurement is made. 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 ACTION PLAN

3.1. New Internal Audit Action Plan

S/N	Audit Observation	Implication	Auditee's Response	Recommendation/Further Comments by Audit		
1	<p>Observations on Revenue: – (ACECID IGR Naira)</p> <p>Non/Wrong postings:</p> <p>The name on receipt number 1018 is Titilola Olakunjo and not Titilola Olakunle.</p>	<p><i>Basic and correct facts about transactions may be lost.</i></p>	<p><i>Corrected</i></p>	<p>Correction is noted.</p>		
a	<p>Receipt numbers 1380 – 1401 were not posted into the cash book.</p>				<p><i>The receipt numbers (1380 – 1401) were posted into the cash book. Please check row ‘‘538 to 559’’.</i></p>	<p>That the receipts have now been posted is noted.</p>
b.	<p>The amount on receipt number 1055 is ₦ 40,150.00 and not ₦ 40,450.00</p>				<p><i>Ademola Adeola paid ₦ 40,150.00 and Ademola Yetunde paid another ₦ 300.00, for a total of ₦ 40,450.00.</i></p>	<p>The amount on a bank teller should be the same amount per receipt issued.</p>
c.	<p>Amount in words in respect of receipt number 1186 for ₦ 40,550 is to be corrected.</p>				<p><i>The amount in figure ₦40,450.00 is the same with the amount in words.</i></p>	<p>Correction is noted.</p>
d.						

S/N	Audit Observation	Implication	<i>Auditee's Response</i>	Recommendation/Further Comments by Audit
2	<p>Observations on Expenses: – (ACE Impact Naira)</p> <p>Wrong posting:</p> <p>a. PV 13 for #51,191.00 in respect of internet subscription was posted into electricity & lighting.</p> <p>b. PV 19 for 1,048,316.60 was not captured in the relevant expense head.</p> <p>c. PV 19 for #2,225,000.00 was not captured in the relevant expense head.</p>	<p><i>Basic and correct facts about transactions may be lost.</i></p>	<p>Now corrected.</p> <p>Please check column "AW" for the expense head.</p> <p>Please check column "AZ" for the expense head</p>	<p>Noted</p>

3.2 Review and Status of Previous Internal Audit Action Plan at 31st July, 2020

S/N	Audit Observation	Agreed Actions Response	By Whom	Status
1	<p>Generator – i. N4,108,321.31 posted into a different project.</p> <p>ii. IT equipment for JWARG – Accumulated depreciation of N4,108,321.31 to be recognized.</p>	Corrected	Project Accountant	Cleared
2	The withholding taxes calculated for both limited liabilities and Individuals are posted in a single column in the cash book	Noted for Correction	Project Accountant	Yet to be cleared.
3	<p>These payment vouchers were posted into different account names in the cash book.</p> <p>i. Purchase of lab equipment (ACE): PV 13; N26,684,459.20 posted to laboratory consumables in cash book</p> <p>ii. Redeemer’s university ICAN deduction (ACE): PV 6; N3,000.00 posted to per diem in cash book.</p> <p>iii. Purchase of office equipment (ACE): PV 1; N470,000.00 posted to bank charges in cash book</p> <p>iv. RUN ICAN deduction (ACE): PN134; N3,000.00 posted to withholding tax in cash book</p>	Corrected	Project Accountant.	Cleared

Banjo Adeyemi A.
Project Internal Auditor
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