

REDEEMER'S UNIVERSITY EDE, OSUN STATE

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

PERIOD COVERED: JANUARY TO JULY 2023

1.0 INTRODUCTION

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 available for checking during the period under review were cash books, bank statements, bank reconciliation statements, receipts, 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 ensure that:

- i. proper accounting records are maintained.
- ii. applicable accounting standards are properly and consistently followed.
- iii. evaluate the internal control system in operation to ensure effectiveness, efficiency, and economy.
- 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. to confirm the existence and accuracy of the balances shown in the records.

2.0 INTERNAL AUDIT REVIEW:

2.1 ACCOUNTING

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. 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, bank reconciliation statements and other supporting documents.

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 AUDIT OBSERVATIONS

1. BANK RECONCILIATION

S/N	Date	Bank account		Remarks	Auditee's Response
1	April 2023	Impact Domiciliary a/c (\$)	Bal as per cash book and bank statement is \$991.72 and not \$991.31 as presented	\$0.41	The difference of 0.41 has been adjusted
2	May 2023	IGR Current a/c	Bank charges for May '23 per cash book is N1144.33, while per bank statement is N1144.41	N0.08	There is no issue with the IGR current a/c as raised. A closer look at the cash book shows that an additional bank charge was raised which sums up to the total amount of charges for May 2023
3	June 2023	IGR Current a/c	Bank charges per B/s N878.83 Bank charges per CB N878.23	Difference N0.60 Bank reconciliation statement: Per C/B N94,123,434.96; Per B/S N94,123,434.36	The difference of 0.60 has been adjusted

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Further comments by Audit: Noted

Implication: The balances may be overstated and mislead the decision makers

Recommendation

Bank and cash balances need to be well reconciled.

2. Admon Cash book balances: It was noted that the balance brought forward for the various accounts differ

S/N	Date	Cash book	Per Admon Bursary	Per Admon Audit	Difference =(N=)	Remarks
1a	1/1/23	ACEGID Impact current	N26,729,707.84	N26,311,114.37	418,593.47	All other debit and credit entries are the same
1b	30/6/23	ACEGID Impact current	N124,684.78	N(293,908.69)	418,593.47	
2a	1/1/23	ACEGID Impact domiciliary	\$990.09 (N444,105.00)	N24,995.18	419,109.82	
2b	30/6/23	ACEGID Impact domiciliary	\$992.55	N26,472.43		Cannot be compared
2c	28/2/23	ACEGID Impact domiciliary a/c Gjv/02/23/23/feb/00 0287	n/a	\$174.98		Bank interest as at 28/2/23
3a	1/1/23	WB-IGR Current a/c bal	N125,698,785.41	N114,991,103.52	10,707,681.89	
3b	30/6/23	WB-IGR Current a/c bal	N94,073,434.96	N83,365,753.07	10,707,681.89	
4a	1/1/23	WB-IGR Domiciliary a/c	\$57,717.12 (N25,889,014.00)	N(2,285,431.30)	28,174,445.30	
4b	30/6/23	WB-IGR Domiciliary a/c	\$223,564.14	N74,021,084.46		Cannot be compared

5a	1/1/23	WB Current a/c (Escrow)	N134,944.46	N50.00		Balance per Admon Audit is as at 1/5/23
5b	30/6/2 3	WB Current a/c (Escrow)	N134,990.16	N45.70		Balance per Admon Audit is as at 31/5/23
6a	1/1/23	WB- Domiciliary a/c (Esrow)	\$24,447.34 (N10,965,854. 00)	N612,894.82	10,352,959. 18	
6b	30/6/2 3	WB- Domiciliary a/c (Esrow)	\$24,518.24	N655,058.62	Cannot be compared	
6c	28/2/2 3	WB- Domiciliary a/c (Esrow) gjuv/02/22/23/feb/000 286	n/a	N4,319.21		Bank interest as at 28/2/23

Auditee's Response: The confirmed Bursary figure matches the information found in both the bank statement and the bank reconciliation statement, as verified by the Internal Auditor during the bank reconciliation statement signing process. It is recommended that you discuss these matters with the usual Software developer, BISM, to make any necessary adjustments.

Further comments by Audit:

Response is noted; however, information is expected to flow within the software to determine the final amounts in the financials.

Implication:

Data integrity may be in doubt especially on the software.

Recommendation

The Software developer should be well advised.

Conclusion:

Project funds are used for the purposes meant for. Observations noted to be attended to.

*Banjo Adeyemi A.
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