

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: JULY TO DECEMBER 2022

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

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. Unretired cash advances:

The following cash advance obtained by staff have not yet been retired:

S/N	Date	Reference No	Amount Collected (N)	Due Date of Retirement	Auditee's Response
1	19/5/22	adv/02/21/22/may/0106	406,000.00	9/6/22	<i>This payment, N406,000.00 was unsuccessful.</i>
2	25/11/22	adv/02/22/23/nov/040	2,370,000.00	16/12/22	<i>The cash advance retirement is under processing.</i>
3	25/10/22	adv/02/22/23/oct/018	\$6,720.00	15/11/22	<i>This payment was made from the CAMRA project account and not ACE-IMPACT project. But the receiver, Mr. Iguosadolo is still waiting for supporting document from an external collaborator to facilitate the retirement.</i>
4	31/10/22	adv/02/22/23/oct/025	50,000.00	21/11/22	<i>The cash advance retirement is under processing.</i>

Implication:

Risk of misapplication and misappropriation of fund.

Recommendation:

Cash advances should be retired within the approved duration of three weeks.

2. Trial Balance:

Discrepancies were noted in the trial balance:

S/N	Audit Observations	Remarks
1	Balance per trial balance at 31/8/22: Dr N6,735,115,062.45 Cr N4,234,626,917.52	There is a difference of N2,500,488,144.93 between the debit and credit side of the trial balance.

Auditee's Response:

These observations are not the same in the Bursary platform. This are software issues, please relate these issues with the Software developer, BISM for necessary adjustments as usual.

Implication:

Data integrity may be in doubt.

Recommendation

The Software developer should be well advised.

3. Cashbook:

The cashbook on Admon Bursary is quite different from the cashbook that is available on Admon Audit.

S/N	Date	Project	Admon Audit (N)	Admon Bursary	Remarks
1	1-31/12/22	Acegid Impact Dom a/c	43,526.13	\$989.88	Opening balances are not in the same currency
2	1-31/7/22	Acegid Impact Dom a/c	33,144.39	\$990.19	Not in the same currency. There is no bank interest entry on Audit interface.
3	1/7/22	Acegid Impact current a/c	406,963.34	N443,819.47	A difference of N36,856.13 was observed in the opening balances

4	1/12/22	Acegid Impact current a/c	170,841,594.58	N171,260,188.05	A difference of N418,593.47 was observed in the opening balances
5	1-31/7/22	WB-IGR Current a/c	CR 54,707,644.57 DR 67,774,711.21	DR 32,043,514.64 CR 18,976,448.10	Difference in the opening balances. Difference in the closing balance.
6	1-31/8/22	WB-IGR Current a/c	CR N67,774,711.21 DR N76,043,477.42	DR N18,976,448.10 CR N10,707,681.89	Difference in the opening balances. Difference in the closing balance.

Auditee's Response:

These observations are not the same in the Bursary platform. This is software issues, please relate these issues with the Software developer, BISM for necessary adjustments as usual.

Implication:

Data integrity may be in doubt.

Recommendation

The Software developer should be well advised.

Conclusion:

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



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