

**AFRICA CENTRE OF EXCELLENCE IN PHYTOMEDICINE RESEARCH AND
DEVELOPMENT**

UNIVERSITY OF JOS

DATE: 29TH JANUARY, 2016

KEY INFORMATION ON THE PROJECT

Project Internal Audit (IA) Report

Key Information on the Project

Project Name and State	ACE in Phytomedicine Research and Development/Plateau
Project ID	ACE 033
IDA Credit/Grant No.	
Implementing Agency	University of Jos
Effectiveness Date	July 2015
Closing Date	June 2018
Credit/Grant Amount	\$7,414,233.00
Project Duration	4 years
Remaining Period to Closing	3 ½ years
Disbursed Amount to date & Percentage	N147,172,326.55 (10%)
Period Covered by Review	July – December, 2015
Internal Auditor	Njin, Naansel Paul

EXECUTIVE SUMMARY

A regular audit of the activities of the centre was being carried out as activities were being performed. Records checked and examined in the course of the audit exercise include the following.

1. Budget, actual expenditure and variances

2. Financing Agreement
3. Implementation plan and work plan
4. Payment vouchers
5. Bank statements and reconciliation
6. Statement of uses of funds by project activities and variations thereof
7. Interim Financial Report, Eligible Expenditure Program; Disbursement Link Indicator report.

KEY FINDINGS

1. A large number of activities were not carried out during the period which accounts for the very significant variances between planned and actual expenditure
2. There was a significant negative variance on Action plan 5.5 (center management training) of N10,541,373=40 (Ten Million, Five Hundred and Forty One Thousand, Three Hundred and Seventy Three Naira, Forty Kobo). This was as a result of International travels not envisaged at the time of budget preparation.
3. There are commitments incurred but yet to be paid which will reduce some of the variances.
4. A number of cash advances are still unretired. The accountant has been advised to communicate the staff to immediately retire the advances.

The project funds are used for the purpose for which they are intended.

The audit was conducted in accordance with World Banks' Financial Management, disbursement policies, procedures and guidelines and in the line with University Financial rules and regulations.

IA REVIEW

BUDGETING

The computation of variances is attached.

VARIANCES EXPLANATION

1. Exchange Rate applied to arrive at Naira value of planned is N198.50/\$ as against the initial budget rate of N158/\$ when it was prepared in 2014.
2. Implementation of activities commenced after 31st July, 2015 when the 1st disbursement was received.
3. The treasury Single Account policy introduced by the Federal Government slowed down the implementation of project activities.
4. The variance in activity 5.5 is as a result of International ACE workshops organized by World Bank/AAU which were not envisaged during budget preparation.
 - The achievement of the work plan and the overall development objective is likely to be delayed as a result of the variances within the period under review.
 - Budget committee is yet to be fully constituted
 - The projects fund (IDA is not included in the university's budget.

RECOMMENDATIONS

- A budget committee should be constituted as a matter of urgency please with appropriate terms of reference.
- Budget should be properly and adequately prepared to reduce variances as much as possible.

MANAGEMENT RESPONSE

ACCOUNTING

- The accounting system is adequate and functioning well while arrangement have been made to integrate the ACE project with the new University financial system (sage ERP 1000). The consultant has been briefed and is being awaited to visit.
- Project books of accounts, accounting records were kept. Bank reconciliation is carried out monthly and is up to date. The account was erroneously debited with N230,073=50 in December, 2015 by the bank. The bank's attention has been drawn to that effect to immediately reverse the debit.

- Pre-payment audit was carried out during the period and vouchers had adequate supporting documents.
- The project account is yet to be audited for inclusion in the audited accounts of the University.

RECOMMENDATION

- Management should be encouraged on the need to hasten the integration of the project to the new University Financial system (Sage ERP 1000) and also engage the external auditors on the need to audit the activities of the centre.
- The project accountant should pressurize the bank to immediately reverse the erroneous debit.
- Efforts should be made to transfer the project account to the Central Bank in line with Federal Government Policy of Treasury Single Account. (Follow up with bursar)

MANAGEMENT RESPONSE

INTERNAL CONTROLS

- There was adequate segregation of duties, approval and authorization procedures.
- Fixed Assets register has been opened and updated.
- Project vehicles have been purchased and duly registered.
- Prepayment audit is still being carried on.
- Assets are yet to be insured.
- The audit committee has been constituted. The terms of reference is still being awaited.
- There were some unretired advances

UNRETIRED ADVANCES

DOA	NAME	AMOUNT	PURPOSE
04/09/05	Mark Kparmark	779,514.00	Project outreach in Lome
23/09/15	Prof. J. Aguiyi	413132.00	Association of Pharmacists in America
16/12/15	Lucy Peter Yayu	29,700.00	Re-installation of damage ceiling
21/12/15	Yakubu Gomos	50,000.00	Media && Comm. Advert
21/12/15	Annayi Kibaku Nimyel	267,160.00	Renewal of VISA for foreign students
22/12/15	Ayuba Anzaku G.	56,650.00	Const. of doors for P.G. classes
26/11/15	Yakuba Kankani	94,900.00	Register Project vehicles
26/11/15	Organiza Sattong	630,000.00	Air tickets to Lome.

RECOMMENDATION

- Efforts should be fast-tracked to get the assets duly insured by the University.
- Terms of reference should be drawn out for the Audit committee urgently.
- The staff should be communicated to immediately retire the advances.

FUNDS FLOW

IDA Funds were received July 31st 2015. This impacted negatively on the achievement of the DLIs.

Statement of expenditure is attached.

FINANCIAL REPORTING

- Reports are generated and sent to the relevant body using the template sent by the World Bank.

ASSETS

1. 2 No Toyota Hilux 2015 model ACEPRD centre
2. LAN Equipment and Accessories ACEPRD centre

3. Upgrade of E-learning Equipment ACEPRD centre
Smart Classroom
4. Office furniture ACEPRD centre

RECOMEMDNATION

1. Efforts should be made to insure all assets to avoid loss from unexpected disaster.

PROCUMENT ACTIVITIES

S/NO	NAME OF SUPPLIER	ITEM	UNIT	AMOUNT
1.	Kojo Motors Ltd.	Supply of 2 Nos Toyota Hilux 2015 nidek	ACEORD Centre	17,000,000.00
2.	Lvinson Computers & Stationary Ltd	Supply of LA?N Equipment & Accessories	ACEPRD Centre	4,857,829.35
3.	Retjilong Enterprise	Fencing of the Mushroom Farm	Mushroom Farm	2,032,695.00
4.	Edu Platform	Supply & Upgrade of E-Learning equipment-Smart Classroom	ACEPRD Centre	9,138,400.00
5.	Boch System Company Ltd	Supply & Installation of Video Conferencing Facility	ACEPRD Centre	4,255,209.00
6.	Dankel Integrated Services	Supply of Office Furniture	ACEPRD Centre	882,000.00
7.	Unijos Consultancy Ltd	Refurbishing Animal House	Animal House	3,515,247.75
	Total			41,681,381.10

Persons met in the course of review:

1. Centre Leader
2. Procurement officer
3. Project Accountant
4. Project Administrator

Sign: Njin, Naansel Paul

Internal Auditor