

CERHI Audit Report

Key Information on the Project

Project Name and State	Centre of Excellence in Reproductive Health Innovation, Edo State
Project ID	
IDA Credit/Grant No.	IDA 54150
Implementing Agency	University of Benin
Effectiveness Date	July 1 st 2015
Closing Date	December 31 st 2018
Credit/Grant Amount	US\$ 8m
Project Duration	4 years
Remaining Period to Closing	3 years
Disbursed Amount to date & Percentage	₦147,172,326.55 (10%)
Period Covered by Review	January - June 2016
Internal Auditor	Osifo I.U.O

EXECUTIVE SUMMARY.

WORK DONE:

For the purpose of the above Audit, we requested for the following documents/ information from the Project Accountant.

- i. Cash Books, Ledgers (Revenue, Administration & Staff Advance), Fund Flow Statements, etc.
- ii. Statement of Expenditures incurred.
- iii. Asset Register, E-Payment Mandates and Payment Vouchers.



FINDINGS

- (i) The Centre's Books of Account (Cash books, Ledgers, Fund flow statements, etc.) maintained electronically were presented for Audit examination. The Bank Statements were not available since the CERHI Account and University of Benin Account was merged on 30th October 2015 into TSA (Treasury Single Account).
- (ii) The Project Accountant provided the Payment Voucher of the refund of ₦ 9,193,536 (Nine Million, One Hundred and Ninety-Three Thousand, Five Hundred and Thirty-Six Naira Only) and the supporting documents giving rise to it, for Audit examination. This was to give details of how the total refund was arrived at thereby certified correct.
- (iii) Also examined were payment vouchers, E-payment Mandates, Assets register and Statement of Expenditure incurred.

Books of Account:

Revenue: The Revenue ledger as at 1st January, 2016 had a balance brought forward of ₦ 490,100 (Four Hundred and Ninety Thousand, One Hundred Naira only). This was mainly Tender fees for CERHI building bidding. The Revenue from School fees was ₦19,497,500 (Nineteen Million, Four Hundred and Ninety Seven Thousand, Five Hundred Naira Only), Application fees was ₦220,000 (Two Hundred and Twenty Thousand Naira Only) and Other (Refunds) was ₦3,774,580 (Three Million, Seven Hundred and Seventy Four Thousand, Five Hundred and Eighty Naira Only).

Assets:

The Centre acquired some assets ranging from Computer and Office equipment (Set of Computer Desktops, Laptops, Interactive boards, Projectors, Printers, Photocopiers, etc.), amounting to ₦8,734,050 (Eight Million, Seven Hundred and Thirty Four Thousand, Fifty Naira Only); Furniture & Fittings (Class room Chairs/Desk, Book shelf, Coco arm Chairs, Junior Table, etc.) amounting to ₦2,968,350 (Two Million, Nine Hundred and Sixty Eight Thousand, Three



Hundred and Fifty Naira Only); Electrical and Electronics equipment amounting to ₦367,200 (Three Hundred and Sixty Seven Thousand, Two Hundred Naira Only). These assets are now in the full custody of the Centre's departments; Community Health, Obstetrics and Gynaecology, Nursing Science and Health Economics. The Centre also procured a 30 Seater Coaster Bus amounting to ₦16,275,000 (Sixteen Million, Two Hundred and Seventy Five Thousand Naira Only).

STAFF ADVANCE:

The Staff Advance for the period under review amount to ₦317,300 (Three Hundred and Seventeen Thousand, Three Hundred Naira Only). All Staff Advance were retired.

Adequacy of the FM system in place.

Expenditures up to ₦2,500,000 (Two Million, Five Hundred Thousand Naira Only) are subjected to the Vice Chancellor's approval. While those above ₦2,500,000 (Two Million, Five Hundred Thousand Naira Only) are approved by University's Tenders board. Though NUC has proposed ₦1,000,000 (One Million Naira Only) as approved limit to the Centre team leader, this is yet to be approved by the University of Benin Management. Approved expenditures are subjected to both pre and post payment audit to ensure that the Project funds are being used for the intended purposes and gives the required value for money.

Project-specific Risk Profile.

The current practice of referring all expenditures to the Management of the University of Benin for approval, is no doubt slowing down the payment process and likely to affect the Centre's DLIs. The World Bank should encourage participating Universities in the ACEs programme to increase Centre leaders' approval limits and have quarterly briefing of the Centre's activities with Management of host University. In this wise, the University of Benin Management is advise to please give speedy approval to the NUC proposal of ₦1,000,000 (One Million Naira Only) expenditure limit for Centre team leader.

The Internal Audit is being conducted in accordance with the World Bank's FM making sure that:

- (i) Project funds are utilized efficiently, effectively, economically and only for the intended purposes;
- (ii) Financial reports generated by the accounting system are prepared on time, accurately and are reliable; and
- (iii) The assets acquired with project funds are safeguarded from misuse, defalcation, conversion and other forms of misappropriation.
- (iv) The Centre's disbursements complies with all extant laws, rules, guidelines, etc. of the Federal Republic of Nigeria as applicable to Federal Universities.

FINDINGS AND ACTION PLAN

Internal Audit observed that most CERHI programmes are executed on fire brigade approach. This normally lead to not getting approval out timely thereby delaying release of fund for such programmes. Also observed is the non-inclusion of the Centre's administrative staff in the utilization of the professional conferences/ workshop (local and overseas) vote.

Internal audit is of the opinion that payments should be processed early enough to enable beneficiaries receive such before date of intended purpose. Moreso, we advise that the professionals among the administrative staff should be sponsored to conferences and workshops that will enhance performance on the job.

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• Budgeting:

TABLE A

PROJECT ACTIVITY	EXPENDITURE	PLANNED (N)	ACTUAL(N) Jan – Jun 2016	VARIANCE(N)
100	ENHANCED CAPACITY TO DELIVER REGIONAL HIGH QUALITY TRAINING			
01-200-2002	Administrative Salaries	10,000,000	-	10,000,000
01-200-2003	Junior Staff Salaries	5,000,000	-	5,000,000
01-200-2004	Visiting Lecturer Salaries	9,500,000	-	9,500,000
01-300-3007	Vehicle	18,000,000	16,275,000	1,725,000
01-300-3009	Website Development	3,000,000	-	3,000,000
01-300-3010	Laboratory and Teaching Equipment	20,000,000	-	20,000,000
01-400-4001	Transport and Travelling	15,000,000	1,839,691.25	13,160,308.75
01-400-4003	Fuel Charges (Diesel, Petrol)	4,000,000	20,000	3,980,000
01-400-4005	Guest Feeding and other charges	6,000,000	269,918.50	5,730,081.50
01-400-4006	Communication and Postage Charges	2,700,000	-	2,700,000
01-400-4008	Professional Conferences/Workshop (Local)	20,000,000	9,116,297	10,883,703
01-400-4021	Vehicle License and Insurance	2,000,000	-	2,000,000
TOTAL		115,200,000	27,520,906.75	87,679,093.25
200	ENHANCED CAPACITY TO DELIVER APPLIED RESEARCH TO ADDRESS REGIONAL DEVELOPMENT CHALLENGES			
01-300-3001	Books, Journals, World Health Magazines, Etc.	22,500,000	-	22,500,000
01-300-3002	Computer and Office Equipment	15,320,500	8,734,050	6,586,450
01-300-3006	Generator (100 KVA)	5,000,000	-	5,000,000
01-300-3008	Civil Works (CERHI Building Complex)	95,000,000	19,159,298.75	75,840,701.25
01-400-4002	Stationeries and Consumables	10,000,000	445,159	9,554,841
01-400-4007	Professional Associations and Journal Subscription fees	6,500,000	-	6,500,000
01-400-4014	Internet Subscription and IT Maintenance/Support	4,000,000	138,000	3,862,000
01-400-4015	Laboratory Practice and Consumables	3,000,000	-	3,000,000
01-400-4016	Advert and Interviews Expenses	2,000,000	-	2,000,000
01-400-4009	Professional Conferences /Workshop (Overseas)	20,000,000	4,770,009.50	15,229,990.50
TOTAL		183,320,500	33,246,517.25	150,073,982.75

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**BUILD/USE INDUSTRY/SECTOR PARTNERSHIP TO IMPACT OF
ACE ON DEVELOPMENT AND INCREASED RELEVANCE OF CENTRE
EDUCATION AND RESEARCH**

01-400-4010	Facility and infrastructure maintenance	3,000,000	1,109,860	1,890,140
TOTAL		3,000,000	1,109,860	1,890,140

400

**BUILD AND STRENGTHEN REGIONAL AND INTERNATIONAL
ACADEMIC PARTNERSHIP**

01-300-3004	Furniture & Fittings	26,500,000	2,968,350	23,531,650
01-300-3005	Electrical Electronics Equipment	13,367,000	367,200	12,999,800
01-400-4011	Curriculum Workshop	8,000,000	-	8,000,000
01-400-4019	Electricity Bill	1,000,000	-	1,000,000
01-400-4020	Water Rate/Bill and maintenance	1,000,000	-	1,000,000

TOTAL		49,867,000	3,335,550	46,531,450
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500

**ENHANCE GOVERNANCE AND MANAGEMENT OF ACE AND THE
PARTICIPATING UNIVERSITY**

01-300-3003	Accounting Information System Software	6,500,000	-	6,500,000
01-400-4004	Staff Training	8,000,000	700,460	7,299,540
01-700-7001	Bank Charges	-	11,227.14	(11,227.14)

TOTAL		14,500,000	711,687.14	13,788,312.86
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GRAND TOTAL		365,887,500	65,924,521.14	299,962,978.86
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TABLE B

SOURCES AND USES OF FUNDS

STATEMENT OF RECEIPTS AND PAYMENTS FOR THE PERIOD ENDING 31ST
JUNE, 2016

CREDIT NO: 5415 NG
Cumulative to June
2016

Receipts:	Cumulative 2015 (July - Dec., 2015)	(Jan. - June, 2016)	
	₦	₦	₦
IDA	147,172,326.55	-	147,172,326.55
Application fees	-	220,000.00	220,000.00
Clearance fees	-	-	-
School fees	-	19,497,500.00	19,497,500.00

Tender Fees		545,100.00	-	545,100.00
Others		-	3,774,580.00	3,774,580.00
Total Receipts		147,717,426.55	23,492,080.00	171,209,506.55

Payments:

	Category			
ENHANCED CAPACITY TO DELIVER REGIONAL HIGH QUALITY TRAINING	100	5,323,634.25	27,520,906.75	32,844,541.00
ENHANCED CAPACITY TO DELIVER APPLIED RESEARCH TO ADDRESS REGIONAL DEVELOPMENT CHALLENGES	200	6,738,705.25	33,246,517.25	39,985,222.50
BUILD/USE INDUSTRY/SECTOR PARTNERSHIP TO IMPACT OF ACE ON DEVELOPMENT AND INCREASED RELEVANCE OF CENTRE EDUCATION AND RESEARCH	300	-	1,109,860.00	1,109,860.00
BUILD AND STRENGTHEN REGIONAL AND INTERNATIONAL ACADEMIC PARTNERSHIP	400	10,985,236.00	3,335,550.00	14,320,786.00
ENHANCE GOVERNANCE AND MANAGEMENT OF ACE AND THE PARTICIPATING UNIVERSITY	500	7,777.09	711,687.14	719,464.23
Total Payments		23,055,352.59	65,924,521.14	88,979,873.73

SUMMARY				
Receipts		147,717,426.55	23,492,080.00	171,209,506.55
Less Payments		23,055,352.59	65,924,521.14	88,979,873.73
Excess of Receipts Over Payments		124,662,073.96	(42,432,441.14)	82,229,632.82

TABLE C
BUDGET VARIANCE (JANUARY TO JUNE 2016)

CODE	SU-HEADS	BUDGET	REVENUE TO DATE	VARIANCE
01-001-1001	Application fees	3,680,000.00	220,000.00	(3,460,000.00)
01-001-1003	School Fees	28,750,000.00	19,497,500.00	(9,252,500.00)
01-001-1005	Others	200,000.00	3,774,580.00	3,574,580.00
		32,630,000.00	23,272,080.00	(9,357,920.00)

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CODE	SU-HEADS	BUDGET	EXPENDITURE TO DATE	VARIANCE
01-300-3002	Computer and Office Equipment	15,320,500.00	8,734,050.00	6,586,450.00
01-300-3004	Furniture & Fittings	26,500,000.00	2,968,350.00	23,531,650.00
01-300-3005	Electrical Electronics Equipment	13,367,000.00	367,200.00	12,999,800.00
01-300-3007	Vehicle	18,000,000.00	16,275,000.00	1,725,000.00
01-300-3008	Civil Works (CERHI Building Complex)	95,000,000.00	19,159,298.75	75,840,701.25
01-400-4001	Transport & Travelling	15,000,000.00	1,839,691.25	13,160,308.75
01-400-4002	Stationeries and Consumables	10,000,000.00	445,159.00	9,554,841.00
01-400-4003	Fuel Charges (Diesel, Petrol)	4,000,000.00	20,000.00	3,980,000.00
01-400-4004	Staff Training	8,000,000.00	700,460.00	7,299,540.00
01-400-4005	Guest Feeding and other charges	6,000,000.00	269,918.50	5,730,081.50
01-400-4008	Professional Conferences/Workshop(Local)	20,000,000.00	9,116,297.00	10,883,703.00
01-400-4009	Professional Conferences/Workshop(Overseas)	20,000,000.00	4,770,009.50	15,229,990.50
01-400-4010	Facility & Infrastructure Maintenance	3,000,000.00	1,109,860.00	1,890,140.00
01-400-4014	Internet Subscription and IT Maintenance/Support	4,000,000.00	138,000.00	3,862,000.00
01-700-7001	Bank Charges		11,227.14	(11,227.14)
		258,187,500.00	65,924,521.14	192,262,978.86

BUDGET ANALYSIS

- Administrative Salaries, Junior Staff Salaries, Visiting Lecturer Salaries, Website Development, Laboratory and Teaching Equipment, Communication and Postage Charges, Books, Journals, World Health Magazines, Generator (100 KVA), Professional Associations and Journal Subscription fees, Laboratory Practice and Consumables, Advert and Interviews Expenses, Curriculum Workshop, Electricity Bill, Water Rate/Bill and maintenance, Accounting Information System Software and every other expense budgeted for but wasn't used, seems favourable due to non-commitment of expenditure in those vote heads. It is expected that with the attainment of a permanent structure for the center, some of these expenditure heads would be active. See Table A above.

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2. Project Activity, Category 100 - Enhanced capacity to deliver regional high quality training with code 01-300-3007, 01-400-4001, 01-400-4003, 01-400-4005 and 01-400-4008, representing Vehicle, Transport and Travelling, Fuel Charges (Diesel, Petrol), Guest Feeding and other charges, and Professional Conferences/Workshop(Local) respectively did not fully utilize their budget. Vehicle had a Budget of ₦18,000,000 (Eighteen Million Naira Only) from which ₦16,275,000 (Sixteen Million, Two Hundred and Seventy Five Thousand Naira Only) was spent, giving a favourable variance of ₦1,725,000 (One Million, Seven Hundred and Twenty Five Thousand Naira Only; Transport and Travelling had a Budget of ₦15,000,000 (Fifteen Million Naira Only) from which ₦1,839,691.25 (One Million, Eight Hundred and Thirty Nine Thousand, Six Hundred and Ninety One Naira Twenty Five Kobo Only) was spent giving a favourable variance of ₦13,160,308.75 (Thirteen, One Hundred and Sixty Thousand, Three Hundred and Eight Naira Seventy Five Kobo Only); Fuel Charges (Diesel, Petrol) had a Budget of ₦4,000,000 (Four Million Naira Only) from which ₦20,000 (Twenty Thousand Naira Only) was spent giving a favourable variance of ₦3,980,000 (Three Million, Nine Hundred and Eighty Thousand Naira Only); Guest Feeding and other charges had a Budget of ₦6,000,000 (Six Million Naira Only) from which ₦269,918.50 (Two Hundred and Sixty Nine Thousand, Nine Hundred and Eighteen Naira Fifty Kobo Only) was spent giving a favourable variance of ₦5,730,081.50 (Five Million, Seven Hundred and Thirty Thousand, Eighty One Naira Fifty Kobo Only); and Professional Conferences/Workshop(Local) had a Budget of ₦20,000,000 (Twenty Million Naira Only) from which ₦9,116,297 (Nine Million, One Hundred and Sixteen Thousand, Two Hundred and Ninety Seven Naira Only) was spent giving a favourable variance of ₦10,883,703 (Ten Million, Eight Hundred and Eighty Three Thousand, Seven Hundred and Three Naira Only). See Table A and C above.
3. Project Activity, Category 200 - Enhanced capacity to deliver applied research to address regional development challenges with code 01-300-3002, 01-300-3008, 01-400-4002, 01-400-4014 and 01-400-4009, representing Computer and Office Equipment, Civil Works (CERHI Building Complex), Stationeries and Consumables,

Internet Subscription and IT Maintenance/Support, Professional Conferences/Workshop(Overseas) respectively did not fully utilize their budget. Computer and Office Equipment had a Budget of ₦15,320,500 (Fifteen Million, Three Hundred and Twenty Thousand, Five Hundred Naira Only) from which ₦8,734,050 (Eight Million, Seven Hundred and Thirty Four Thousand, Fifty Naira Only) was spent giving a favourable variance of ₦6,586,450 (Six Million, Five Hundred and Eighty Six Thousand, Four Hundred and Fifty Naira Only); Civil Works (CERHI Building Complex) had a Budget of ₦95,000,000 (Ninety Five Million Naira Only) from which ₦19,159,298.75 (Nineteen Million, One Hundred and Fifty Nine Thousand, Two Hundred and Ninety Eight Naira Seven Five Kobo Only) was spent giving a favourable variance of ₦75,840,701.25 (Seven Five Million, Eight Hundred and Forty Thousand, Seven Hundred and One Naira Twenty Five Kobo Only); Stationeries and Consumables) had a Budget of ₦10,000,000 (Ten Million Naira Only) from which ₦445,159 (Four Hundred and Forty Five Thousand, One Hundred and Fifty Nine Naira Only) was spent giving a favourable variance of ₦9,554,841 (Nine Million, Five Hundred and Fifty four Thousand, Eight Hundred and Forty One Naira Only); Internet Subscription and IT Maintenance/Support had a Budget of ₦4,000,000 (Four Million Naira Only) from which ₦138,000 (One Hundred and Thirty Eight Thousand Naira Only) was spent giving a favourable variance of ₦3,862,000 (Three Million, Eight Hundred and Sixty Two Thousand Naira Only); Professional Conferences/Workshop(Overseas) had a Budget of ₦20,000,000 (Twenty Million Naira Only) from which ₦4,770,009.50 (Four Million, Seven Hundred and Seventy Thousand, Nine Naira Fifty Kobo Only) was spent, giving a favourable variance of ₦15,229,990.50 (Fifteen Million, Two Hundred and Twenty Nine Thousand, Nine Hundred and Ninety Naira Fifty Kobo Only). See Table A and C above.

4. Project Activity, Category 300 - Build/use Industry/Sector partnership to impact of ACE on development and increased relevance of Centre Education and Research with code 01-400-4010 representing Facility & Infrastructure Maintenance did not fully utilize the budget. The sum of ₦3,000,000 (Three Million Naira Only) was budgeted from which

₦1,109,860 (One Million, One Hundred and Nine Thousand, Eight Hundred and Sixty Naira Only) was spent, giving a favourable variance of ₦1,890,140 (One Million, Eight Hundred and Ninety Thousand, One Hundred and Forty Naira Only). See Table A and C above.

5. Project Activity, Category 400 -Build and strengthen regional and international academic partnership with code 01-300-3004 and 01-300-3005 representing Furniture & Fittings and Electrical Electronics Equipment did not fully utilize their budget. Furniture & Fittings had a Budget of ₦26,500,000 (Twenty Six Million, Five Hundred Thousand Only) from which ₦2,968,350 (Two Million, Nine Hundred and Sixty Eight Thousand, Three Hundred and Fifty Naira Only) was spent, giving a favourable variance of ₦23,531,650 (Twenty Three Million, Five Hundred and Thirty One Thousand, Six Hundred and Fifty Naira Only) and Electrical Electronics Equipment had a Budget of ₦13,367,000 (Thirteen Million, Three Hundred and Sixty Seven Thousand Naira Only) from which ₦367,200 (Three Hundred and Sixty Seven Thousand, Two Hundred Naira Only) was spent, giving a favourable variance of ₦12,999,800 (Twelve Million, Nine Hundred and Ninety Nine Thousand, Eight Hundred Naira Only). See Table A and C above.

COMMENT

The various inactive vote heads need to be activated. Efforts should be intensified to engage a desk officer for the Centre that will be answerable, have total commitment to the Centre's activities as spelt out by the World Bank. It will equally not be out of place to say the Centre is long overdue to acquire the necessary softwares for its activities especially accounting and audit softwares.

The inclusion of the Centre's fund with that of the University's through Treasury Single Account (TSA) operations is likely to have impact in the running of the Centre's project. With TSA it is not possible to pin point the project's fund. A lot of reconciliation need to be carried out with the University main account to be able to sieve out the Centre's Account balance

and this can be made easier if the Centre have a compatible accounting and audit software with that used by TSA.

Recommendation

The project implementing team is advised to always prepare their budget timely for onward submission to the University's budget committee for prompt approval.

The importance of studying the various DLLs need not be overemphasized as meeting them entitles the centre to receive the necessary World Bank associated reward.

Management response

Noted.

Accounting: The Accounting system of CERHI is adequate, being that the books of Accounts are maintained electronically. The project books of accounts, accounting records and documents including bank reconciliation statements, ledgers and trial balances up to June 30, 2016 were audited and were in compliance with World Bank guidelines.

The Project Financial Management Procedures Manuals were reviewed and seen to be adequate.

Recommendation

In line with World Bank directive, Internal Audit advice that CERHI's Audited Annual Financial Statement be included in the University's published financial statement and also pasted in the CERHI's Website

Management response

Noted.

Internal Controls: CERHI is in compliance with the financing agreements, financial procedures manuals etc. There are no unretired advances, insufficient supporting documents, ineligible expenditures etc.



Though CERHI has admitted students into its various post graduate programmes, income (application fees) accruing to the Centre is yet to be separated from the University's fund.

Segregation of duties: duties are fully segregated among all team members.

Physical controls: Internal Audit carries out physical verification of assets periodically to be sure that the assets are safeguarded from misuse, defalcation, conversion and other forms of misappropriation.

Approval and authorization procedures: CERHI has adopted the University's mode of approval and authorization. This adhere to the Public Procurement Acts 2007. Before any payment is made, the expenditure item must have been approved by the Vice Chancellor, the CERHI Team Leader depending on the amount involved after which prepayment audit is carried out.

Controls over assets: The accounts department has an up to date fixed asset register that are classified by the various codes for easy identification.

Insurance cover over assets: The University of Benin has a comprehensive insurance cover on its assets including that of CERHI.

Cost control procedures over projects assets: To ensure that project's assets are acquired at the best ruling market price, the various procedures spelt out in the Bureau of Public Procurement are followed. Depending on the amount involved, bidding or call for quotation from reputable vendors is resorted to.

Weaknesses in internal controls and recommendations: Audit observed that the Approval process are not done on time. These are possible avenues that may bring friction between Audit, Management and the Suppliers/Vendors. Planned activities should be processed early enough to avoid panic execution.

Recommendation

CERHI management is hereby advised to seek necessary approvals for all payments timely to enable prompt processing of payment vouchers. It will equally be appreciated to get Audit input in all expenditures before commitments are entered into with suppliers/ vendors.



Management oversight procedures over the project

To ensure that the project funds are committed to the purposes meant for, all expenditures for the project have to be approved by the University of Benin Management before any release from the project fund.

The University's Tender board services is extended to the project execution procedures. Also in place is a project monitoring committee involving the University's Physical Planning Division that meets with the CERHI's building contractor regularly for necessary supervision.

The project equally enjoys Nigerian Universities Commission's (NUC) guidance. To this end series of seminars and workshops have been organized for CERHI's management team to be well guided. It is expected that the project's programmes will be given the needed accreditation soon.

Strengthening management oversight and Audit Committee

While the University's Management approval of project's expenditures are commendable, the project's team Management will be able to act more swiftly if their expenditure limit is enhanced.

Funds Flow

The period's withdrawal applications witnessed untold delays, that most withdrawals were effected after actual events that they were meant for have taken place. This practice led to some team members not participating in events that they would have ordinarily if the funds were made available promptly.

Recommendation

To ensure effectiveness and efficiency on the part of all concerned, it is recommended that processing of advances and other funds meant for seminars, workshops, and the likes should commence early enough to allow beneficiaries receive what is needed to participate/represent the Centre adequately.



Financial Reporting.

The project's (Centre) accounting unit currently have qualified human resource /personnel that can perform to latest best practice when given the needed material resources and the CENTRE's Financial report could be adjudged to be timely, and in compliance with the necessary regulatory requirements.

Sequel to the above, it could be inferred that the accounting unit of CERHI could do better in the future when the modern day accounting packages and office equipment such as computers, printers, the needed softwares, etc are provided

No ineligible expenditure has thus far been found in the FMR/IFR of CERHI.

Recommendation

Both Internal Audit and Accounting units of CERHI should be well equipped with modern accounting facilities and trained for their use.

External Audit.

The Centre has engaged external auditor who has gone through the books of accounts of the Centre. The report thereon has long been finalised. The Internal Audit unit of CERHI is in cordial working relationship with the project's external auditor.

Disbursements and submission of Withdrawal Applications.

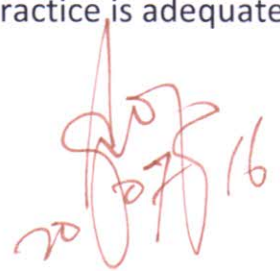
So far, the Centre has not witnessed any returned withdrawal application but have only benefited from the initial disbursements to the ACEs by the World Bank.

Fraud and Corruption.

There has been no known issue of fraud nor corruption associated with activities of CERHI.

Payment Procedures:

CERHI's current payment procedures complies with the University of Benin's payment procedure to suppliers, service providers and other beneficiaries which is in consonance with the relevant Financial Management practice of the Federal Republic of Nigeria as spelt out by the office of the Accountant General of the Federation. For now this practice is adequate.



Physical verification by on-site visits, third party/beneficiary confirmation:

Presently, the project's assets are located in five main locations; Temporary Secretariat housing all assets used for administrative purpose, Obstetrics and Gynecology, Nursing, Community Health and Health Economics housing assets for various departmental trainings.

It is worthy of note that this various assets were physically verified to their present locations by the Internal Audit unit of CERHI and have all been coded for identification.

Procurement activities

Internal Audit observed that procurement activities especially those involving bidding for the centre's building and vehicle purchase were done by the University of Benin tenders board representative.

Other matters.

It is observed that the Internal Auditor or the representative, is in most cases cut off from most seminars and workshops especially those outside the shores of Nigeria, where valuable decisions/positions are taken concerning Financial Management of ACEs. It is advisable that for ACEs internal auditors to be well abreast with World Bank requirements for financial management, they should be carried along and be made to attend all seminars and workshops organized for the purpose.

Action Plan

Follow up of the status of Implementation of the Findings of Previous Reviews

Status of Previous Internal Audit Action Plan

Agreed Actions	By Whom	When	Status
1 Codification of centre's Asset	Project Accountant	March 2016	Done
2 Provision of Desktop/ Laptop	Procurement Officer	June 2016	Done



Status of External Audit Findings

Agreed Actions	By Whom	When	Status
1. Procurement of Accounting and Audit software	Procurement Officer	June 2016	Pending
2.			
3.			

Status of Bank FM Supervision findings

Agreed Actions	By Whom	When	Status
1. Visit pending			
2.			
3.			

Status of Procurement findings

Agreed Actions	By Whom	When	Status
1.			
2.			
3.			

New/Updated Internal Audit Action Plan

Issues	Agreed Actions	By Whom	When
1.			
2.			
3.			

Handwritten signature in red ink, dated 07/16.

Persons met in the course of review

Sign:

Internal Auditor

Dissemination of Internal Audit Report/Work

There is need for all stakeholders to be involved in the ongoing projects, from the Centre's building ensuring standard outcome to the various Academic programmes receiving universal acceptability.

A handwritten signature in red ink, appearing to be 'W. S. 16', with a date '20' written below it.