

CERHI AUDIT REPORT (JANUARY – JUNE 2018)

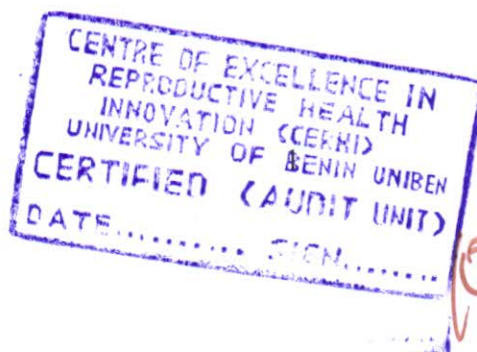
1. INTRODUCTION.

The Centre's Books of Accounts, Cash Books (including Petty Imprest Cash Book), Ledgers, Bank Statements, Payment Vouchers, Interim Financial Report (IFR), Fixed Asset Register etc.) were examined and analyzed for the period January to June 2018 to ensure the following:

- Compliance with Accounting principles, procedure and guideline.
- All payment procedure follows due process.
- Project's assets are acquired at the best ruling market price and quality.
- All Assets acquired by the Centre were physically verified to their designated locations.

2. KEY INFORMATION ON THE PROJECT

Project Name and State	Centre of Excellence in Reproductive Health Innovation, Edo State.
IDA Credit/Grant No.	IDA 54150
Implementing Agency	University of Benin
Effectiveness Date	July 1 st 2015
Closing Date	December 31 st 2018, extended to December, 2019.
Credit/Grant Amount	US\$8,000,000 (Eight Million US Dollars), less \$2,000,000.
Project Duration	4 years, but now 5 years
Remaining Period to Closing	18 Months
Disbursed Amount to date	₦ 750,833,692
Period Covered by Review	January – June 2018
Internal Auditor	Osifo I.U.O

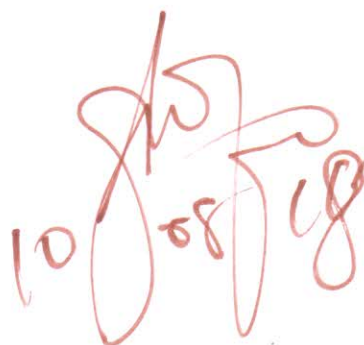


3. EXPENDITURE FOR THE PERIOD (JANUARY – JUNE 2018)

The Expenditure for the period January to June 2018 was Two Hundred and Thirty Nine Million, Four Hundred Thousand, Four Hundred and Fifty One Naira Sixty Three Kobo Only (N239,400,451.63). See Table A below.

TABLE A – EXPENDITURE FROM JANUARY TO JUNE 2018

CODE DESCRIPTION	ACCOUNT CODE	AMOUNT (N)
ADMINISTRATIVE SALARIES	01-200-2002	2,900,000.00
BOOKS, JOURNALS, WORLD HEALTH MAGAZINES, ETC.	01-300-3001	51,982,555.00
COMPUTER AND OFFICE EQUIPMENT	01-300-3002	3,190,599.61
FURNITURE AND FITTINGS	01-300-3004	13,672,990.38
ELECTRICAL AND ELECTRONICS EQUIPMENTS	01-300-3005	21,363,257.00
CIVIL WORKS (CERHI BUILDING COMPLEX)	01-300-3008	13,606,787.95
LABORATORY AND TEACHING EQUIPMENT	01-300-3010	18,933,815.86
TRANSPORT AND TRAVELLING	01-400-4001	6,023,394.52
PRINTING AND STATIONERIES	01-400-4002	624,300.00
CONSUMABLES	01-400-4003	2,138,520.00
FUEL CHARGES (DIESEL, PETROL)	01-400-4004	2,009,730.00
STAFF TRAINING	01-400-4005	1,319,000.00
ACCOMMODATION AND FEEDING	01-400-4006	3,011,255.00
COMMUNICATION AND POSTAGE CHARGES	01-400-4007	664,020.00



PROFESSIONAL ASSOCIATIONS AND JOURNAL SUBSCRIPTION FEES	01-400-4008	778,741.20
PROFESSIONAL CONFERENCES/WORKSHOP (LOCAL)	01-400-4009	10,800,740.00
PROFESSIONAL CONFERENCES /WORKSHOP (OVERSEAS)	01-400-4010	22,578,838.47
OFFICE EQUIPMENT REPAIRS AND MAINTENANCE	01-400-4011	45,000.00
FACILITY AND INFRASTRUCTURE MAINTENANCE	01-400-4012	6,665,383.55
CURRICULUM WORKSHOP AND SHORT COURSES	01-400-4013	26,098,160.00
AUDIT FEES AND EXPENSES	01-400-4015	800,000.00
INTERNET SUBSCRIPTION AND IT MAINTENANCE/SUPPORT	01-400-4016	4,535,600.00
ADVERT AND INTERVIEWS EXPENSES	01-400-4018	50,000.00
ENTERTAINMENT AND HOSPITALITY	01-400-4019	1,470,736.00
STUDENTS SCHOLARSHIP/ INTERNSHIP	01-400-4020	4,060,000.00
VEHICLE MAINTENANCE	01-400-4024	227,300.00
MISCELLANEOUS, SUNDRY EXPENSES & INCIDENTAL EXPENSES	01-400-4028	2,681,382.00
TEACHING AND EXAMINATION	01-400-4029	17,073,520.00
BANK CHARGES	01-700-7001	94,825.09
TOTAL EXPENDITURE		239,400,451.63

4. APPROVAL LIMIT.

All expenditures fell within approved expenditure limit.

Expenditures below ₦1,000,000 (One Million Naira Only) for Goods, Works, Non-Consultant/Consultant services were subjected to the Centre Leader's approval.

Expenditures below ₦2,500,000 (Two Million, Five Hundred Thousand Naira Only) were subjected to the Vice Chancellor's approval. While those above ₦2,500,000 (Two Million, Five Hundred Thousand Naira Only) were approved by University's Tenders board. Approved expenditures were subjected to both Pre and Post Payment Audit to ensure that the Project funds were being used for the intended purposes and give the required value for money.

5. PROJECT-SPECIFIC RISK PROFILE.

Internal Audit is being conducted in accordance with the World Bank's Financial Management guidelines ensuring 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 timely, accurately and are reliable;
- (iii) The assets acquired with project funds are safeguarded from misuse, defalcation, conversion and other forms of misappropriation; and
- (iv) The Centre's disbursements comply with all extant laws, rules and guidelines of the Federal Republic of Nigeria as applicable to Federal Universities.

FINDINGS AND ACTION PLAN

5.1 USES OF FUNDS

The Uses of Project Funds grouped under Activity sub-head 100 – 500 for the period January to June 2018 is as shown in Table B below



TABLE B - USES OF FUNDS AS PER PROJECT ACTIVITY

PROJECT ACTIVITY	EXPENDITURE	PLANNED (N)	ACTUAL (N)	VARIANCE (N)
100	ENHANCED CAPACITY TO DELIVER REGIONAL HIGH QUALITY TRAINING			
01-200-2002	ADMINISTRATIVE SALARIES	10,000,000.00	2,900,000.00	7,100,000.00
01-300-3010	LABORATORY AND TEACHING EQUIPMENT	40,000,000.00	18,933,815.86	21,066,184.14
01-400-4001	TRANSPORT AND TRAVELLING	7,000,000.00	6,023,394.52	976,605.48
01-400-4004	FUEL CHARGES (DIESEL, PETROL)	8,000,000.00	2,009,730.00	5,990,270.00
01-400-4006	ACCOMMODATION AND FEEDING	6,000,000.00	3,011,255.00	2,988,745.00
01-400-4007	COMMUNICATION AND POSTAGE CHARGES	2,700,000.00	664,020.00	2,035,980.00
01-400-4009	PROFESSIONAL CONFERENCES/ WORKSHOP (LOCAL)	15,000,000.00	10,800,740.00	4,199,260.00
01-400-4019	ENTERTAINMENT AND HOSPITALITY	3,000,000.00	1,470,736.00	1,529,264.00
01-400-4024	VEHICLE MAINTENANCE	2,000,000.00	227,300.00	1,772,700.00
	SUB TOTAL	93,700,000.00	46,040,991.38	47,659,008.62
200	ENHANCED CAPACITY TO DELIVER APPLIED RESEARCH TO ADDRESS REGIONAL DEVELOPMENT CHALLENGES			
01-300-3001	BOOKS, JOURNALS AND WORLD HEALTH MAGAZINE	40,000,000.00	51,982,555.00	(11,982,555.00)
01-300-3002	COMPUTER AND OFFICE EQUIPMENT	25,000,000.00	3,190,599.61	21,809,400.39
01-300-3008	CIVIL WORKS (CERHI BUILDING COMPLEX)	15,000,000.00	13,606,787.95	1,393,212.05
01-400-4002	PRINTING AND STATIONERIES	5,000,000.00	624,300.00	4,375,700.00
01-400-4003	CONSUMABLES	2,500,000.00	2,138,520.00	361,480.00

01-400-4008	PROFESSIONAL ASSOCIATION & JOURNAL SUBSCRIPTION FEES	6,500,000.00	778,741.20	5,721,258.80
01-400-4010	PROFESSIONAL CONFERENCES/ WORKSHOP (OVERSEAS)	50,000,000.00	22,578,838.47	27,421,161.53
01-400-4016	INTERNET SUBSCRIPTION AND IT MAINTENANCE/SUPPORT	45,000,000.00	4,535,600.00	40,464,400.00
01-400-4018	ADVERT AND INTERVIEWS EXPENSES	5,000,000.00	50,000.00	4,950,000.00
01-400-4028	MISCELLANEOUS, SUNDRY EXPENSES & INCIDENTAL EXPENSES	5,000,000.00	2,681,382.00	2,318,618.00
	SUB TOTAL	199,000,000.00	102,167,324.23	96,832,675.77
300	BUILD & USE INDUSTRY/SECTOR PARTNERSHIP TO IMPACT ACE ON DEVELOPMENT AND INCREASED RELEVANCE OF CENTRE EDUCATION AND RESEARCH			
01-400-4012	FACILITY AND INFRASTRUCTURE MAINTENANCE	10,000,000.00	6,665,383.55	3,334,616.45
01-400-4011	OFFICE EQUIPMENT REPAIRS AND MAINTENANCE	2,000,000.00	45,000.00	1,955,000.00
	SUB TOTAL	12,000,000.00	6,710,383.55	5,289,616.45
400	BUILD AND STRENGTHEN REGIONAL AND INTERNATIONAL ACADEMIC PARTNERSHIP			
01-300-3004	FURNITURE & FITTINGS	30,000,000.00	13,672,990.38	16,327,009.62
01-300-3005	ELECTRICAL/ ELECTRONICS EQUIPMENT	20,400,000.00	21,363,257.00	(963,257.00)
01-400-4013	CURRICULUM WORKSHOP AND SHORT COURSES	40,000,000.00	26,098,160.00	13,901,840.00
01-400-4020	STUDENTS SCHOLARSHIP/ INTERNSHIP	50,000,000.00	4,060,000.00	45,940,000.00
01-400-4029	TEACHING AND EXAMINATION	20,000,000.00	17,073,520.00	2,926,480.00
	SUB TOTAL	160,400,000.00	82,267,927.38	78,132,072.62

10/08/18

ACE EXPENDITURE AS PER PROJECT IMPLEMENTATION PLAN

ENHANCED CAPACITY TO DELIVER REGIONAL HIGH QUALITY TRAINING	46,040,991.38
ENHANCED CAPACITY TO DELIVER APPLIED RESEARCH TO ADDRESS REGIONAL DEVELOPMENT CHALLENGES	102,167,324.23
BUILD/USE INDUSTRY/SECTOR PARTNERSHIP TO IMPACT ACE ON DEVELOPMENT AND INCREASED RELEVANCE OF CENTRE EDUCATION AND RESEARCH	6,710,383.55
BUILD AND STRENGTHEN REGIONAL AND INTERNATIONAL ACADEMIC PARTNERSHIP	82,267,927.38
ENHANCE GOVERNANCE AND MANAGEMENT OF ACE AND THE PARTICIPATING UNIVERSITY	2,213,825.09
TOTAL USES OF FUNDS BY COMPONENTS	239,400,451.00

TOTAL SOURCES OF FUND LESS TOTAL USES OF FUNDS BY COMPONENTS	10,849,145.45
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7.0 ACCOUNTING:

The Accounting system of CERHI is adequate, being that the Books of Accounts are maintained electronically. The Centre Books of Accounts, Accounting records and documents including Bank Statements, Bank Reconciliation Statements, Ledgers, Cash Books, etc. were audited and were in compliance with World Bank guidelines.

7.1 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

8.0 INTERNAL CONTROLS:



CERHI is in compliance with the Financing agreements, as set out in the World Bank financial guidelines, procedures manuals etc. there are no known unremitted advances, insufficient supporting documents, ineligible expenditures, etc. as at the time of report.

9.0 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.

10. APPROVAL AND AUTHORIZATION PROCEDURES:

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

11. CONTROLS OVER ASSETS:

The Centre's Accounts Unit has an up to date Fixed Asset Register that are classified by the various codes for easy identification.

12. COST CONTROL:

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.

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13. 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 are 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.

14. STRENGTHENING MANAGEMENT OVERSIGHT AND AUDIT COMMITTEE

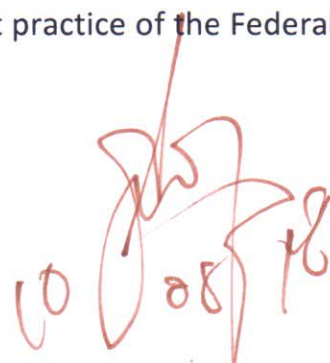
The University's Management approval of project's expenditures is much commendable as the project's team Management is now more able to act swiftly as it's expenditure limit has enhanced.

15. EXTERNAL AUDIT.

The Centre's activities are subjected to external auditing by the University's external Auditor who go through the Books of Accounts of the Centre. The report thereon are finalized and published in both the University and Centre website. The Internal Audit unit of CERHI is in cordial working relationship with the project's External Auditor

16. PAYMENT PROCEDURES:

CERHI current payment procedures complies with the University of Benin's payment procedures 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.

17. 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
Renovation of Centre's International Hostel	Project Procurement Officer	May, 2018	Pending
Renovation of CERHI Guest House	Procurement Officer	May, 2018	Pending
Equipment of Centre's Laboratory to meet International standard	Laboratory Committee	May, 2018	Ongoing
Development of workable plan for Business Centre	Business Centre Committee	May, 2018	Ongoing

Status of External Audit Findings

Agreed Actions	By Whom	When	Status
Procurement of Accounting and Audit software	Procurement Officer	May, 2018	Pending

Status of Bank FM Supervision findings

Agreed Actions	By Whom	When	Status
Visit pending			

18. CONCLUSION.

The Centre's Books of Accounts were examined and analyzed for the period January to June 2018. All expenditures fell within approved budget. Project's assets are acquired at the best ruling market price following the various Procedures spelt out in the Bureau of Public Procurement Act.

All payment procedure complied with the University of Benin's payment procedures and the financial management practice of the Federal Republic of Nigeria as spelt out by the Office of the Auditor General.

All Assets acquired by the Centre were physically verified to their present designated locations at CERHI Secretariat and departments of Obstetrics and Gynecology, Nursing, Community Health and Health Economics by Internal Audit.

Preparations are been made by CERHI Accounts Unit to code/ brand the Centre's remaining Assets for identification as belonging to CERHI especially those acquired recently.

Preparation are made by the Procurement Officer for purchase of Accounting and Audit software for the Accounts and Audit Sections of CERHI and for the provision of Computers, Furniture, Office fittings and Laboratory equipment at the CERHI Secretariat and departments.

Finally, the Internal Audit Unit prepares monthly, quarterly, biannual reports, as well as annual reports on the Centre's activities and these are regularly reviewed at Project Management Committee meetings and uploaded to the CERHI website.

Sign:

Internal Auditor

