

## CERHI AUDIT REPORT (JULY – DECEMBER 2017)

### 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 analyzed and examined for the period July to December 2017 to ensure the following:

- Compliance with Accounting principles, procedure and guideline.
- Project's assets are acquired at the best ruling market price and quality.
- All payment procedure follows due process.
- All Assets acquired by the Centre were physically verified to their present 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 <sup>st</sup> 2015
Closing Date	December 31 <sup>st</sup> 2018
Credit/Grant Amount	US\$8,000,000 (Eight Million US Dollars)
Project Duration	4 years
Remaining Period to Closing	1 year
Disbursed Amount to date	₦ 696,833,692
Period Covered by Review	July – December 2017
Internal Auditor	Osifo I.U.O

15/03/18

### 3. EXPENDITURE FOR THE PERIOD (JULY – DECEMBER 2017)

The Expenditure for the period July to December 2017 was Two Hundred and Ninety Six Million, Six Hundred and One Thousand, Seven Hundred and Thirty Naira Eighty Seven Kobo Only (N296,601,730.87). See Table A below.

**TABLE A – EXPENDITURE FROM JULY TO DECEMBER 2017**

ACCOUNT CODE	CODE DESCRIPTION	AMOUNT (N)
01-200-2002	ADMINISTRATIVE SALARIES	2,548,290.65
01-300-3001	BOOKS, JOURNALS AND WORLD HEALTH MAGAZINE	1,994,735.00
01-300-3002	COMPUTER AND OFFICE EQUIPMENT	35,622,272.48
01-300-3004	FURNITURE & FITTINGS	83,606,670.73
01-300-3005	ELECTRICAL/ ELECTRONICS EQUIPMENT	934,320.00
01-300-3006	GENERATOR	18,006,030.00
01-300-3008	CIVIL WORKS (CERHI BUILDING COMPLEX)	58,719,706.05
01-300-3009	WEB DEVELOPMENT	3,909,300.00
01-400-4001	TRANSPORT & TRAVELLING	9,194,580.36
01-400-4002	PRINTING AND STATIONERIES	2,730,218.00
01-400-4003	FUEL CHARGES (DIESEL, PETROL)	2,522,160.56
01-400-4004	STAFF TRAINING	1,310,487.90
01-400-4005	ACCOMMODATION AND FEEDING	4,153,805.50
01-400-4006	COMMUNICATION AND POSTAGE CHARGES	1,512,932.50
01-400-4007	PROFESSIONAL ASSOCIATION & JOURNAL SUBSCRIPTION FEES	14,000,000.00
01-400-4008	PROFESSIONAL CONFERENCES/ WORKSHOP (LOCAL)	3,026,585.00
01-400-4009	PROFESSIONAL CONFERENCES/ WORKSHOP (OVERSEAS)	28,358,375.14
01-400-4010	FACILITY & INFRASTRUCTURE MAINTENANCE	2,014,250.00
01-400-4012	NHIS CHARGES FOR STUDENTS & CERHI STAFF	192,000.00
01-400-4013	AUDIT FEES AND EXPENSES	300,000.00
01-400-4014	INTERNET SUBSCRIPTION & IT MAINTENANCE/SUPPORT	285,500.00
01-400-4016	ADVERT AND INTERVIEW EXPENSES	1,156,497.00
01-400-4019	ENTERTAINMENT AND HOSPITALITY	5,360,923.00
01-400-4024	MISCELLANEOUS & SUNDRY EXPENSES	5,887,711.00

15/03/18



01-400-4026	COMPUTER CONSUMABLES	905,340.00
01-400-4029	TEACHING AND EXAMINATION	7,800,000.00
01-400-4030	VEHICLE MAINTENANCE	146,000.00
01-400-4032	CONSULTANCY FEE	335,000.00
01-700-7001	BANK CHARGES	68,040.00
	<b>GRAND TOTAL</b>	<b>296,601,730.87</b>

#### 4. APPROVAL LIMIT.

All expenditures fall within approved expenditure limit.

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

Expenditures below ₦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. 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 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 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 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 BUDGET ANALYSIS FOR THE PERIOD JULY TO DECEMBER 2017:

**5.1.1.** Project Activity, with Category 100 – 500 had a Budget of Three Hundred and Fifty Eight Million, Three Hundred Thousand Naira Only (₦358,300,000) from which Two Hundred and Ninety Six Million, Six Hundred and One Thousand, Seven Hundred and Thirty Naira Eighty Seven Kobo Only (₦296,601,730.87) was spent, giving a favourable variance of Sixty One Million, Six Hundred and Ninety Eight Thousand, Two Hundred and Sixty Nine Naira Thirteen Kobo Only (₦61,698,269.13). See Table C below.

### 5.2 BUDGET ANALYSIS FOR THE YEAR 2017

The Budget analysis for the period July to December 2017 is shown in Table B below.

**TABLE B - BUDGET ANALYSIS (JULY - DECEMBER 2017).**

ACCOUNT CODE	REVENUE	ESTIMATED REVENUE (N)	ACTUAL REVENUE (N)	BUDGET VARIANCE (N)
01-001-1003	SCHOOL FEES	14,375,000.00	9,700,000.00	(4,675,000.00)
01-001-1005	SUBVENTION (GRANT FROM WORLD BANK)	367,930,816.00	324,359,673.40	(43,571,142.60)
01-100-1006	REVENUE FROM SHORT TERM COURSE	589,758.80	1,125,000.00	535,241.20
01-100-1007	REFUND	0.00	514,011.54	514,011.54
	<b>TOTAL REVENUE</b>	<b>382,895,574.80</b>	<b>335,698,684.94</b>	<b>(47,196,889.86)</b>
ACCOUNT CODE	EXPENDITURE	ESTIMATED EXPENDITURE (N)	ACTUAL EXPENDITURE (N)	BUDGET VARIANCE (N)
01-200-2002	ADMINISTRATIVE SALARIES	10,000,000.00	2,548,290.65	7,451,709.35

*15/03/18*



01-300-3001	BOOKS, JOURNALS AND WORLD HEALTH MAGAZINE	40,000,000.00	1,994,735.00	38,005,265.00
01-300-3002	COMPUTER AND OFFICE EQUIPMENT	25,000,000.00	35,622,272.48	(10,622,272.48)
01-300-3004	FURNITURE & FITTINGS	30,000,000.00	83,606,670.73	(53,606,670.73)
01-300-3005	ELECTRICAL/ ELECTRONICS EQUIPMENT	20,400,000.00	934,320.00	19,465,680.00
01-300-3006	GENERATOR	5,000,000.00	18,006,030.00	(13,006,030.00)
01-300-3008	CIVIL WORKS (CERHI BUILDING COMPLEX)	73,000,000.00	58,719,706.05	14,280,293.95
01-300-3009	WEB DEVELOPMENT	3,000,000.00	3,909,300.00	(909,300.00)
01-400-4001	TRANSPORT & TRAVELLING	7,000,000.00	9,194,580.36	(2,194,580.36)
01-400-4002	PRINTING AND STATIONERIES	5,000,000.00	2,730,218.00	2,269,782.00
01-400-4003	FUEL CHARGES (DIESEL, PETROL)	6,000,000.00	2,522,160.56	3,477,839.44
01-400-4004	STAFF TRAINING	30,000,000.00	1,310,487.90	28,689,512.10
01-400-4005	ACCOMMODATION AND FEEDING	6,000,000.00	4,153,805.50	1,846,194.50
01-400-4006	COMMUNICATION AND POSTAGE CHARGES	2,700,000.00	1,512,932.50	1,187,067.50
01-400-4007	PROFESSIONAL ASSOCIATION & JOURNAL SUBSCRIPTION FEES	6,500,000.00	14,000,000.00	(7,500,000.00)
01-400-4008	PROFESSIONAL CONFERENCES/ WORKSHOP (LOCAL)	30,000,000.00	3,026,585.00	26,973,415.00
01-400-4009	PROFESSIONAL CONFERENCES/ WORKSHOP (OVERSEAS)	15,000,000.00	28,358,375.14	(13,358,375.14)
01-400-4010	FACILITY & INFRASTRUCTURE MAINTENANCE	3,000,000.00	2,014,250.00	985,750.00
01-400-4012	NHIS CHARGES FOR STUDENTS & CERHI STAFF	1,000,000.00	192,000.00	808,000.00
01-400-4013	AUDIT FEES AND EXPENSES	700,000.00	300,000.00	400,000.00
01-400-4014	INTERNET SUBSCRIPTION & IT MAINTENANCE/SUPPORT	4,000,000.00	285,500.00	3,714,500.00
01-400-4016	ADVERT AND INTERVIEW EXPENSES	5,000,000.00	1,156,497.00	3,843,503.00
01-400-4019	ENTERTAINMENT AND HOSPITALITY	3,000,000.00	5,360,923.00	(2,360,923.00)
01-400-4024	MISCELLANEOUS & SUNDRY EXPENSES	5,000,000.00	5,887,711.00	(887,711.00)

15/03/18

01-400-4026	COMPUTER CONSUMABLES	2,000,000.00	905,340.00	1,094,660.00
01-400-4029	TEACHING AND EXAMINATION	20,000,000.00	7,800,000.00	12,200,000.00
01-400-4030	VEHICLE MAINTENANCE	0.00	146,000.00	(146,000.00)
01-400-4032	CONSULTANCY	0.00	335,000.00	(335,000.00)
01-700-7001	BANK CHARGES	0.00	68,040.00	(68,040.00)
	<b>TOTAL EXPENDITURE</b>	<b>358,300,000.00</b>	<b>296,601,730.87</b>	<b>61,698,269.13</b>

## 6. USES OF FUND

The Uses of Funds with Expenditure Classification 1-5 as per Project Implementation Plan July to December 2017 is shown in Table C below

TABLE C – USES OF FUND (JULY – DECEMBER 2017)

PROJECT ACTIVITY	EXPENDITURE	PLANNED (N)	ACTUAL (N)	VARIANCE (N)
<b>100</b>	<b>ENHANCED CAPACITY TO DELIVER REGIONAL HIGH QUALITY TRAINING</b>			
01-200-2002	ADMINISTRATIVE SALARIES	10,000,000.00	2,548,290.65	7,451,709.35
01-300-3009	WEB DEVELOPMENT	3,000,000.00	3,909,300.00	(909,300.00)
01-400-4001	TRANSPORT & TRAVELLING	7,000,000.00	9,194,580.36	(2,194,580.36)
01-400-4003	FUEL CHARGES (DIESEL, PETROL)	6,000,000.00	2,522,160.56	3,477,839.44
01-400-4005	ACCOMMODATION AND FEEDING	6,000,000.00	4,153,805.50	1,846,194.50
01-400-4006	COMMUNICATION AND POSTAGE CHARGES	2,700,000.00	1,512,932.50	1,187,067.50
01-400-4008	PROFESSIONAL CONFERENCES/ WORKSHOP (LOCAL)	30,000,000.00	3,026,585.00	26,973,415.00
01-400-4019	ENTERTAINMENT AND HOSPITALITY	3,000,000.00	5,360,923.00	(2,360,923.00)
01-400-4030	VEHICLE MAINTENANCE	0.00	146,000.00	(146,000.00)
	<b>SUB TOTAL</b>	<b>67,700,000.00</b>	<b>32,374,577.57</b>	<b>35,325,422.43</b>
<b>200</b>	<b>ENHANCED CAPACITY TO DELIVER APPLIED RESEARCH TO ADDRESS REGIONAL DEVELOPMENT CHALLENGES</b>			
01-300-3001	BOOKS, JOURNALS AND WORLD HEALTH MAGAZINE	40,000,000.00	1,994,735.00	38,005,265.00
01-300-3002	COMPUTER AND OFFICE EQUIPMENT	25,000,000.00	35,622,272.48	(10,622,272.48)

15/03/18



01-300-3006	GENERATOR (150 KVA)	5,000,000.00	18,006,030.00	(13,006,030.00)
01-300-3008	CIVIL WORKS (CERHI BUILDING COMPLEX)	73,000,000.00	58,719,706.05	14,280,293.95
01-400-4002	PRINTING AND STATIONERIES	5,000,000.00	2,730,218.00	2,269,782.00
01-400-4007	PROFESSIONAL ASSOCIATION & JOURNAL SUBSCRIPTION FEES	6,500,000.00	14,000,000.00	(7,500,000.00)
01-400-4009	PROFESSIONAL CONFERENCES/ WORKSHOP (OVERSEAS)	15,000,000.00	28,358,375.14	(13,358,375.14)
01-400-4012	NHIS CHARGES FOR STUDENTS & CERHI STAFF	1,000,000.00	192,000.00	808,000.00
01-400-4014	INTERNET SUBSCRIPTION & IT MAINTENANCE/SUPPORT	4,000,000.00	285,500.00	3,714,500.00
01-400-4016	ADVERT AND INTERVIEW EXPENSES	5,000,000.00	1,156,497.00	3,843,503.00
01-400-4024	MISCELLANEOUS & SUNDRY EXPENSES	5,000,000.00	5,887,711.00	(887,711.00)
01-400-4026	COMPUTER CONSUMABLES	2,000,000.00	905,340.00	1,094,660.00
	<b>SUB TOTAL</b>	<b>186,500,000.00</b>	<b>167,858,384.67</b>	<b>18,641,615.33</b>
<b>300</b>	<b>BUILD &amp; USE INDUSTRY/SECTOR PARTNERSHIP TO IMPACT ACE ON DEVELOPMENT AND INCREASED RELEVANCE OF CENTRE EDUCATION AND RESEARCH</b>			
01-400-4010	FACILITY & INFRASTRUCTURE MAINTENANCE	3,000,000.00	2,014,250.00	985,750.00
	<b>SUB TOTAL</b>	<b>3,000,000.00</b>	<b>2,014,250.00</b>	<b>985,750.00</b>
<b>400</b>	<b>BUILD AND STRENGTHEN REGIONAL AND INTERNATIONAL ACADEMIC PARTNERSHIP</b>			
01-300-3004	FURNITURE & FITTINGS	30,000,000.00	83,606,670.73	(53,606,670.73)
01-300-3005	ELECTRICAL/ ELECTRONICS EQUIPMENT	20,400,000.00	934,320.00	19,465,680.00
01-400-4029	TEACHING AND EXAMINATION	20,000,000.00	7,800,000.00	12,200,000.00
	<b>SUB TOTAL</b>	<b>70,400,000.00</b>	<b>92,340,990.73</b>	<b>(21,940,990.73)</b>
<b>500</b>	<b>ENHANCE GOVERNANCE AND MANAGEMENT OF ACE AND PARTICIPATING UNIVERSITY</b>			
01-400-4004	STAFF TRAINING	30,000,000.00	1,310,487.90	28,689,512.10
01-400-4013	AUDIT FEES AND EXPENSES	700,000.00	300,000.00	400,000.00
01-400-4032	CONSULTANCY FEES	0.00	335,000.00	(335,000.00)
01-700-7001	BANK CHARGES	0.00	68,040.00	(68,040.00)
	<b>SUB TOTAL</b>	<b>30,700,000.00</b>	<b>2,013,527.90</b>	<b>28,686,472.10</b>
	<b>GRAND TOTAL</b>	<b>358,300,000.00</b>	<b>296,601,730.87</b>	<b>61,698,269.13</b>

15/03/18

## 7. STATEMENT OF SOURCES AND USES OF FUNDS

A Statement of Sources and Uses of Funds for the year 2017 is shown in Table D below.

**TABLE D – STATEMENT OF SOURCES AND USES OF FUNDS**

	(July - December 2017)
<b>Opening Cash Balance:</b>	
Government Funds	0.00
World Bank IDA Funds	96,402,687.30
Student Fees (USD: Cash in Transit)	7,837,532.00
Student Fees (Naira)	7,102,369.50
	111,342,588.80
<b>Add Receipts:</b>	
Government Funds	0.00
Student Fees (Naira)	9,700,000.00
Subvention (Grant From World Bank)	324,359,673.40
Revenue from Short Term Course	1,125,000.00
Refund	514,011.54
Student Fees (USD: Cash in Transit)	7,837,532.00
<b>Total Financing (Sources of Fund)</b>	<b>454,878,805.74</b>

### ACE Expenditure as per Project Implementation Plan

Enhanced Capacity to Deliver Regional High Quality Training	32,374,577.57
Enhanced Capacity to Deliver Applied Research to Address Regional Development Challenges	167,858,384.67
Build/Use Industry/Sector Partnership to Impact ACE on Development and Increased Relevance of Centre Education and Research	2,014,250.00
Build and Strengthen Regional and International Academic Partnership	92,340,990.73

*Signature*  
15/03/18



Enhance Governance and Management of ACE and the Participating University	2,013,527.90
<b>Total Uses of Funds By Components</b>	<b>296,601,730.87</b>

  

<b>Total Sources of Fund less Total Uses of Funds By Components</b>	<b>158,277,074.87</b>
---------------------------------------------------------------------	-----------------------

## 8.0 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.

## 8.1 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

## 9.0 INTERNAL CONTROLS:

CERHI is in compliance with the Financing agreements, financial procedures manuals etc.

## 10. 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.

  
15/03/18

**11. 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 Vice Chancellor, the CERHI Team Leader depending on the amount involved after which prepayment audit is carried out.

**12. 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.

**13. 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.

**14. 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.



15/03/18



## **15. STRENGTHENING MANAGEMENT OVERSIGHT AND AUDIT COMMITTEE**

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

## **16. FUND 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, if the funds were made available promptly.

### **16.1 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.

## **17. 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 finalized. The Internal Audit unit of CERHI is in cordial working relationship with the project's External Auditor

## **18. PAYMENT PROCEDURES:**

The 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.

## 19. 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
Codification of Centre's Asset	Project Accountant	December 2017	Pending
Procurement of 150 KVA Generator, Computers, Furniture, Office fittings and Laboratory equipment	Procurement Officer	December 2017	Pending

#### Status of External Audit Findings

Agreed Actions	By Whom	When	Status
Procurement of Accounting and Audit software	Procurement Officer	December 2017	Pending

#### Status of Bank FM Supervision findings

Agreed Actions	By Whom	When	Status
Visit pending			

## 20. CONCLUSION.

The Centre's Books of Accounts were analyzed and examined for the period July to December 2017. All expenditures fell within approved budget.

Project's assets are acquired at the best ruling market price following the various

15/03/18



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