



**UNIVERSITY OF BENIN  
BENIN CITY, NIGERIA**

**UBC 28 (16/17)**

**REPORT OF THE MEETING OF THE COUNCIL AUDIT COMMITTEE HELD  
ON MONDAY 16<sup>th</sup> AND THURSDAY 19<sup>th</sup> OCTOBER, 2017 AT THE  
CONFERENCE ROOM, SENATE CHAMBERS, UGBOWO CAMPUS**

**1.0 PREAMBLE**

Council would recall that at its 148<sup>th</sup> Regular Meeting held on Thursday 2<sup>nd</sup> February, 2017, the Council Audit Committee presented the report of its Inaugural Meeting. However, following the inauguration of the New Governing Council, the Council Audit Committee was reconstituted as follows:

- |       |   |   |                  |
|-------|---|---|------------------|
| (i)   | Mr. John Taiwo Aiyegbayo<br>Council Member  | - | Chairman         |
| (ii)  | Prof. Richard Idubor<br>Council Member  | - | Member           |
| (iii) | Prof. J. E. Osemwenkhae<br>Council Member   | - | Member           |
| (iv)  | Dr. Baba Bila<br>University Bursar  | - | Member           |
| (v)   | Dennis Aigbe<br>Senior Assistant Registrar (CCM)  | - | Member/Secretary |
| (vi)  | Mrs. F. A. Ogbeide<br>Director of Audit   | - | Co-opted Member  |
| (vii) | Prof. (Mrs.) A. D. A. Ighoroje<br>Chairman, Anti-Corruption<br>and Transparency Committee, Uniben | - | Co-opted Member  |

## **2.0 MEETINGS OF THE COMMITTEE**

In order to realize its mandate, the Committee met on Monday 16<sup>th</sup> and Thursday 19<sup>th</sup> October, 2017 to reconsider:

- Its mode of operation in line with its terms of reference,
- the Audited Financial Report of the Centre of Excellence in Reproductive Health Innovation (CERHI) for the year ended 31<sup>st</sup> December, 2016 as prepared by the University External Auditors
- the management response to the report.

## **3.0 REQUIRED DOCUMENTS**

The Committee reiterated that the following documents would be required for its assignment:

- (a) Audit report of the University External Auditor for the year 2016;
- (b) Management responses to the Audit report as presented by the University External Auditor;
- (c) The Audit report of the Centre of Excellence of Reproductive Health and Innovation (CERHI);
- (d) Management's response to the report
- (e) University Annual Budget;
- (f) University Budget Performance;

(g) Audit letters and other relevant financial documents (from Internal Audit Department);

(h) The number of units and relevant staff in the University Audit Department and their various schedules in the Internal Audit.

Consequently, members highlighted the following Units that would assist in providing the needed information/documents for the Committee:

- University Management
- Bursary Department
- Internal Audit
- CERHI Project Management Committee
- Procurement Unit
- Physical Planning Division
- Estate Department
- Equipment and Maintenance Centre (VCO)

The Committee however, noted that the University's External Auditor had not concluded its report on the University's Financial Statement for the year 2016. Members noted in addition, that the delay was due to transfer from Cash Basis to Accrual Basis of Accounting. Members therefore, noted that the report would be forwarded to the Committee as soon as it is ready.



#### **4.0 CONSIDERATION OF THE AUDITED REPORT OF CERHI FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2016**

Members considered the above named report as prepared by the University External Auditor (Please, see Annexure I for the summary/notable highlights of the report)

#### **4.1 Consideration of the matters arising from the report as prepared by the External Auditor/Management Responses**

##### **1. Overstatement of Expenses**

###### **Weakness**

Members noted that the external Auditor observed that in one of the Payment Vouchers (PVs) examined, the night allowance paid for four persons at the rate of 16, 000 naira per night which should have cost 192, 000 naira was stated at 240, 000 naira, an overstatement of 48, 000 naira.

###### **Consequence**

Members noted that based on the observation of the External Auditor, the Centre's liability was overstated, and that if checks were not made prior to payment, the centre would be paying out the scarce resources, thereby, not having enough to meet its set objectives.

###### **Recommendation**

The External Auditor therefore recommended that proper checks should be made before payment of any kind is effected.

### **Management's Comments**

The Committee noted that based on Management's response, the amount which was stated as paid was a budgeted figure as the PV raised was an advance. The actual amount paid as shown in the retirement was N192, 000 for 5 persons as opposed to 4 persons initially budgeted for.

## **2. Non Current Assets**

### **Weakness**

The External Auditor observed that Furniture and Office Equipment were mixed together in the Assets Schedule.

### **Consequence**

The two types of Assets belong to different classes and have different useful lives. Lumping them together creates problem of treatment in the Financial Statements

### **Recommendation**

The External Auditor therefore, recommended that assets should be classified by type, and depreciated accordingly.

### **Management's Comments**

Management noted the recommendation.


#### 4.2 The Committee's observations/directive

After in-depth and critical consideration of the audited report and management comments, the Committee observed that there was no clarity on statement of expenses as raised by the External Auditor. Members specifically observed that the number of nights spent, the number of people involved as well as their statuses with which to determine their entitlements were not stated.


Consequently, the Committee directed that the above details should be provided by the CERHI Project Management Committee and forwarded to the External Auditor for correction.

#### 5.0 CONCLUSION

The Committee expresses appreciation for the opportunity to serve and promises to continue to work assiduously to realize its mandate.

  
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**Mr. John Taiwo Aiyegbayo**  
Council Member/Chairman

20/10/17

  
\_\_\_\_\_  
**Dennis Aigbe**  
SAR (CCM)/Secretary

26/10/17  
\_\_\_\_\_  
Date



CENTRE OF EXCELLENCE IN REPRODUCTIVE HEALTH INNOVATION  
ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 2016

CENTRE OF EXCELLENCE IN REPRODUCTIVE HEALTH INNOVATION (CERHI)

Notes to the Accounts for the Year Ended 31st December, 2016.

Note 1

FIXED ASSETS SUMMARY

	Work In Progress (WIP) N	Office Equipment N	IT Infrastructure N	Motor Vehicles N	Furniture & Fitting N	Total N
COST AS AT 1/1/2016		2,651,500			1,538,700	4,190,200
ADDITION	117,542,335	13,688,886		16,275,000	3,733,900	151,240,121
DISPOSAL						
COST AS AT 31/12/2016	117,542,335	16,340,386		16,275,000	5,272,600	155,430,321
RATE %	0%	15%	20%	20%	10%	
ACC. DEPRN B/F	-	18,896			10,966	29,862
CURRENT DEPRN	-	2,451,058		3,255,000	527,260	6,233,318
ACC. DEPRN C/D	-	2,469,954		3,255,000	538,226	6,263,180
NET BOOK VALUE	398,298					
AS AT 31/12/2016	117,542,335	13,870,432		13,020,000	4,734,374	149,167,141
AS AT 31/12/2015	-	2,632,604		-	1,527,734	4,160,338

ANNEXURE I

**CENTRE OF EXCELLENCE IN REPRODUCTIVE HEALTH INNOVATION (CERHI)  
UNIVERSITY OF BENIN  
ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 2016.**

**CENTRE OF EXCELLENCE IN REPRODUCTIVE HEALTH INNOVATION (CERHI)**

**NOTES TO THE ACCOUNTS CONTINUED**

		2016 N	2015 N
<b>NOTE 2</b>			
Account Receivable			
Staff Advance		200,000	200,000
Uniben {CBN (TSA) 0040217361038}		3,033,376	-
		<u>3,233,376</u>	<u>200,000</u>
<b>NOTE 3</b>			
	Account number		
Central Bank of Nigeria	0040217361038	0	124,809,773
Central Bank of Nigeria	0040217361089	136,178,504	
Zenith Bank	1014312532	7,102,370	
Zenith Bank	5070468675 \$39,187.66	7,837,532	
		<u>151,118,406</u>	<u>124,809,773</u>
<b>NOTE 4</b>			
Account Payable: Amount falling due within one year			
Retention		3,828,539	170,850
Accruals (Audit Fees)		450,000	450,000
		<u>4,278,539</u>	<u>620,850</u>
<b>NOTE 5</b>			
Subvention			
World Bank		195,763,445	147,172,327
		<u>195,763,445</u>	<u>147,172,327</u>
<b>NOTE 6</b>			
a) Refund		<u>8,408,024</u>	0
b) Internally Generated Income			
Tender fees		-	595,100
School fees		22,797,500	-
Application fees		220,000	0
		<u>23,017,500</u>	<u>595,100</u>



CENTRE OF EXCELLENCE IN REPRODUCTIVE HEALTH INNOVATION (CERHI)  
UNIVERSITY OF BENIN  
ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 2016.

CENTRE OF EXCELLENCE IN REPRODUCTIVE HEALTH INNOVATION (CERHI)

NOTES TO THE ACCOUNTS CONTINUED

	2016 N	2015 N
<b>NOTE 7</b>		
Administrative Expenses		
Miscellaneous (Note 7b)	31,800	
Advertising and Public Relation	22,500	430,500
Teaching and Examination	5,040,000	
Staff Training	1,233,770	
Transport & Travelling	3,414,474	3,737,217
Feeding & Other Charges	1,152,738	45,738
Professional Conferences/ Workshop	36,468,704	13,341,310
Communication & Postage Charges	170,700	
Stationery and Printing	671,870	297,050
Fuel	119,300	
Repair and Maintenance	1,482,060	805,560
	<u>49,807,915</u>	<u>18,657,375</u>
<b>Note 7b Miscellaneous</b>		
Initial Imprest for monthly operation running office cost.	4,000	
Imprest re-imbursment	25,800	
Imprest re-imbursment	<u>2,000</u>	
	<u>31,800</u>	
<b>NOTE 8</b>		
<b>Legal and Professional Cost</b>		
Audit fees	450,000	450,000
	<u>450,000</u>	<u>450,000</u>
<b>NOTE 9</b>		
Finance Charge	<u>79,759</u>	