

## CERHI Audit Report

### Key Information on the Project

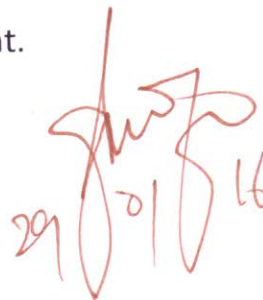
Project Name and State	Centre of Excellence in Reproductive Health Innovation
Project ID	
IDA Credit/Grant No.	IDA 54150
Implementing Agency	University of Benin
Effectiveness Date	July 1 <sup>st</sup> 2015
Closing Date	June 30 <sup>th</sup> 2019
Credit/Grant Amount	US\$ 8m
Project Duration	4 years
Remaining Period to Closing	3 1/2 years
Disbursed Amount to date & Percentage	₦147,172,326.55 (10%)
Period Covered by Review	July-December 2015
Internal Auditor	Osifo I U Osagie

### EXECUTIVE SUMMARY.

#### WORK DONE:

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

- i. Books of Accounts
- ii. Statement of Funds received from World Bank.
- iii. Statement of Expenditures incurred.
- iv. A Summary of activities in the designated account.



- v. A Summary of the principal accounting policies that have been adopted and other explanatory notes.

## FINDINGS

- (i) The Centre's Books of Account (Cash books, Ledgers, Bank statements, Fund flow statements, etc) maintained electronically were presented for Audit examination. The Bank statements entries were traced to the Cash books and Fund flow statement.
- (ii) It was discovered that CERHI received its first tranche of ₦ 147,172,326.55 (One Hundred and Forty-Seven Million, One Hundred and Seven-Two Thousand, Three Hundred and Twenty-Six Naira, Fifty-Five Kobo) on the 31<sup>st</sup> of July 2015 from the World Bank. From this the Centre made a refund of ₦ 9,193,536 (Nine Million One Hundred and Ninety-Three Thousand, Five Hundred and Thirty-Six Naira) to the University of Benin as Miscellaneous expenses incurred on his behalf since inception. See Appendix 1.

Also expended from this Account was ₦ 1,258,234 (One Million, Two Hundred and Fifty-Eight Thousand, Two Hundred and Thirty-Four Naira) for Miscellaneous Recurrent expenditure ranging from purchases of conference materials, Transportation, Printing of banners, etc.

An outstanding balance of ₦ 136,718,669.96 (One Hundred and Thirty-Six Million, Seven Hundred and Eighteen Thousand, Six Hundred and Sixty-Nine Naira, Ninety-Six Kobo) was transferred from this Account to the CBN in compliance with the Federal Government's directive for MDAs (Ministries, Departments & Agencies) to operate TSA (Treasury Single Account) on the 30<sup>th</sup> of October 2015.



- (iii) The Project Accountant was required to provide the Payment Voucher of the above refund of ₦ 9,193,536 (Nine Million, One Hundred and Ninety-Three Thousand, Five Hundred and Thirty-Six Naira) and the supporting documents giving rise to it.
- (iv) Also examined were payment vouchers, E-payment Mandates, Assets register and Statement of Expenditure incurred.
- (v) No records yet for the application fees by Post Graduate candidates that applied for CERHI Post Graduate Programmes that is said to be paid to the University account instead of CERHI's. The records maintained by CRPU concerning the number of applicants, the amount involved and the bank account the money was presently lodged were not supplied. Also the Bank reconciliation statements from August 2014 to October 2015 were not available.

**Books of Account:** The Centre currently keeps its account (ledgers, cash books, Bank Reconciliation, etc) electronically.

**Revenue:** The Revenue ledger as at 31<sup>st</sup> December, 2015 had a balance of ₦ 490,100 (Four Hundred and Ninety Thousand, One Hundred Naira only). This was mainly Tender fees for CERHI building bidding. Though the center has published for the various Post graduate programmes and applications duly received this Account is yet to receive fees for such application.

**Assets:** The Centre has acquired some assets ranging from Laptop computers, Desktop computers, Photocopiers, Scanners, Multi-media projectors, Conference table & chairs, Public address systems (wireless audio) etc. Amounting to ₦ 3,588,750 (Three Million,

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Five Hundred and Eighty-Eight Thousand, Seven Hundred and Fifty Naira). These assets are now in full custody of the centre.

### **Adequacy of the FM system in place.**

The Centre uses the University's FM that is in compliance with the Bureau of Public Procurement Act 2007. 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. 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.

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.

