

ACE-CEFTER

BENUE STATE UNIVERSITY

MAKURDI

INTERNAL AUDIT REPORT

1ST JANUARY 2019 TO 30TH JUNE 2019

Project Name and State	ACE-CEFTER, BENUE STATE
Implementing Agency	BENUE STATE UNIVERSITY
Effectiveness Date	29/06/2015
Closing Date	31 st March,2020
Credit/Grant Amount	
Project Duration	5 YEARS
Remaining Period to Closing	9 MONTHS
Disbursed Amount to date & Percentage	₦ 1,417,647,515.90
Other Receipts for the period	
(i) Government (Sch.Feeding)	₦83,646,193
(ii) School Fees	₦5,315,735.00
(iii) Refunds	₦2,905,800.00
(iv) Loan Recovery	₦50,000.000
Period Covered by Review	1 st January 2019 – 31 st June, 2019
Internal Auditor	Saawuan Celestine

1.0 EXECUTIVE SUMMARY

We conducted our audit in accordance with International Auditing Standards and in compliance with World Bank policies and regulations.

During the period under review, the following books of accounts and records were checked: cash book, bank statements, bank reconciliation statements, payment vouchers, fixed assets register and advances retirement.

Checks were carried out on all payment vouchers to ascertain compliance with international best practices and World Bank guiding principles. It was however observed that some advances were yet to be retired and a variance of ₦158,370,081 was observed in excess of the budgeted income and expenditure.

No incidence of fraud and corruption had come to our notice during the period under review.

Assets were verified with location and project sites were visited and progress of work verified.

In my opinion, the Centre has complied with the World Bank general guiding principles, disbursement policies, procedures and applicable government laws and regulations.

2.0 BUDGETING:

Observation:

The Budget of CEFTER BSU and actual expenditure were analyzed and significant variance observed. ₦311,047,344 was budgeted for the period but ₦469,417,425 expended revealing a variance of ₦158,370,081

Management response

- i) Management explained that the planned expenditure was budgeted in dollars at the conversion rate of ₦305 per Dollar, while actual expenditure was made at the conversion rate of ₦360 per Dollar.
- ii) ₦83,646,196.00 of the Federal Government School Feeding Programme was received within the period under review. The amount was not budgeted for but received and expended.
- iii) Management has assured that henceforth, all items of income and expenditure shall be budgeted for and only allowable expenditure incurred.

Recommendation

All Centre expenditure should be budgeted for and funds used for the stated purpose.

3.0 ACCOUNTING:

Observations

The Sage line accounting software used by the university and CEFTER is adequate.

All the books of accounts kept which include cash book, bank statements, bank reconciliation statements; ledgers and assets registers were checked and were found to be properly maintained and updated.

The Projects Financial Management manuals and reports are adequate.

Recommendation

It is our recommendation that the software be used continually to enhance the smooth running of the centre especially for financial reporting. The books of account should always be brought up to date as was observed during the period under review.

Management response

Management has fully supported the general operation of the sage line accounting software for the project.

4.0 INTERNAL CONTROLS:

Observations

The Centre has complied with financing agreements and financial procedures manuals during the time of this review. A fixed assets register is maintained and updated regularly. We observed that some Non personal advances given to staff were yet to be retired. The building projects of the centre which are the renovation and remodeling of CEFTER Post Graduate Hostel and the CEFTER Postgraduate Centre are ongoing and will be completed within the shortest possible time.

Management response

Management has directed that all Non Personal Advances be retired with immediate effect.

Recommendation

It is our recommendation that all advances should be retired without further delay and quality should be maintained on all building projects of the Centre.

5.0 EFFECTIVENESS OF MANAGEMENT OVERSIGHT:

Observations

As observed in our previous reports, the University governing council's project monitoring committee as well the University's Audit Committee are very functional and perform effective oversight function on all CEFTER projects.

Recommendation

It is our recommendation that this practice should be allowed to continue.

6.0 FUNDS FLOW:

Observations

All withdrawal applications raised during the period were adequately reviewed and have followed the approved procedure. There were no delays in payments and no complaints from suppliers.

Recommendation

This practice should be allowed to continue.

7.0 FINANCIAL REPORTING:

Observations

Financial reports have been correctly prepared and in compliance with IFRS. Expenditures as reported in the Financial Statement are appropriate and eligible. With the Sage line accounting software, reports are now

timely prepared and submitted. All financial activities of the Centre are also audited using the Sage line accounting software which has now been extended to the Directorate of Audit.

Recommendation

It is our recommendation that this practice should be continued.

8.0 FRAUD AND CORRUPTION:

Observations

No incidence of fraud and corruption had come to our notice during the period under review. Funds disbursed have been used solely for project activities.

Recommendation

This practice should be allowed to continue.

9.0 PAYMENT PROCEDURES:

Observations

The payment process to suppliers, service providers and other beneficiaries during the period was reviewed and has been found to be adequate and efficient. There were no delays in making payments to suppliers and contractors.

Recommendation

We recommend that due process should continue to be observed in processing of all payments.

10.0 PHYSICAL VERIFICATION OF ASSETS:

Observations

Assets were verified with location and project sites were visited and progress of work verified.

Fixed assets register was presented and corresponding checks were carried out.

Assets procured during this period include;

QTY	ITEM	LOCATION
2	Kenstar AC	Store
5	Generic Biometric Machine	CEFTER
2	200 AH 12V Inverter Batteries	Classroom
10	200AH Maximum Power Inverter	Classroom
1	1.5HP Submersible Bump	CEFTER
1	Bread Mixer	Voc & Tech

QTY	ITEM	LOCATION
1	Dantex cabinet oven	Voc & Tech
1	Dough proffer	Voc & Tech
1	Bread Slicer	Voc & Tech
1	Bread back	Voc & Tech
1	Dough Divider	Voc & Tech
22	5000 Wts Qlink Stabilzer	CEFTER
100	Standard bread pans	Voc & Tech
1	Muffle furnace	Physics
1	HP Pavilion	CEFTER
1	HP Laser jet Prom printer	CEFTER
1	Bluegate UPS	CEFTER
1	60KVA Perkins Generator	Yoghurt Factory
1	Drilling Machine and mixing arms	Yoghurt Factory
2	Sumac Fireman Generator	CEFTER Hostel
2	Bench shaering machine	Voc & Tech
1	Welding Machine	Voc & Tech
2	Portable Inverter Arc Welding Machine	Voc & Tech
2	Carbide Generator	Voc & Tech
2	Extractor Fans	Voc & Tech
100	University Teaching 7 Learning	CEFTER

11.0 PROCUREMENT:

Observations

The procurement process as documented is in line with the World Bank policies and regulations.

Recommendation

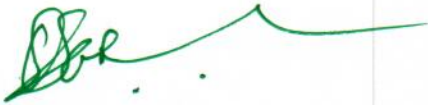
This practice should be allowed to continue.

12.0 CONCLUSION:

We wish to appreciate the co-operation we received from the management of CEFTER during the period of this review and hope that all recommendations will be carried out.

Thank you.

Yours Faithfully

A handwritten signature in green ink, appearing to be 'SAAWUAN', with a long horizontal flourish extending to the right.

SAAWUAN Celestine T.
Director of Internal Audit