

**AFRICA CENTRE OF EXCELLENCE FOR SUSTAINABLE POWER AND ENERGY
DEVELOPMENT (ACE- SPED) UNIVERSITY OF NIGERIA, NSUKKA
INTERNAL AUDIT (IA) REPORT
JANUARY 2022 TO JUNE, 2022**

OVERVIEW OF THE WORK DONE, RECORDS CHECKED

In the course of our audit, many records were checked. These include:

1 . Budget:

The Interim Financial Management Report showed that the budgets were prepared and submitted on or before the required date. Analyses of the variance between budgeted and actual was carried out and the basis of estimate applied in the projection as well as other assumptions were ascertained in the course of our audit. The risk rating here is low.

2 . Withdrawal Application Forms:

We obtained the duplicate copies of the Withdrawal Application Forms and the correctness of the Withdrawal forms was confirmed in terms of filling and the use of appropriate forms. The forms were submitted at the appropriate time. The risk inherent is rated low.

3 . Statement of Expenditures (SOE) :

We requested and obtained copies of listing of Statement of Expenditures submitted for the period under review. The supporting documents for the expenditures were obtained and its adequacy were ascertained. It is confirmed that they all for eligible expenditures and was not returned by the world Bank. The risk category here is low.

4 . Financial Statements:

Financial Statements were examined to ensure adequate coverage of accounting scope. The accounting policies applied in the preparation of the Financial Statements agreed with the Credit Covenants. The figures shown in the Financial Statements agreed with Project books of accounts. The accounting Scope is adequately covered. The risk rating is low.

5 . Fixed Assets:

We carried out our audit exercise with the objective of confirming the physical existence of assets, ownership of assets as well as the security of the assets. It was ascertained that the Fixed Assets in the Register actually exist and are being applied eligibly but the ownership is questionable because there was no mark or inscription on the Project Assets in the case of litigation. The risk inherent is high.

6 . Procurement- Consultancy, Goods and Services:

Consultant Term of Reference (TOR) was reviewed and the compliance with the bids submission processes. "No Objection "for all required processes was obtained. This is to ensure that the Banks guideline on the procurement were properly followed and there is transparency to ensure efficiency, effectiveness and economy. Consultants actually carried out the contract following the World Bank's guidelines. The risk inherent is Low.

7 . Operating Costs:

We evaluated the internal Control system in operation to ensure effectiveness, efficiency and economy. There was segregation of duties in the Project such as:

- ❖ Authorization and Approval
- ❖ Execution
- ❖ Recording
- ❖ Documentation on the following operation costs
 - Maintenance of Vehicle
 - Office supplies

Generally, the SoE was eligible and not rejected by the World Bank.

8 . Source and Application of Fund:

This is carried out to ensure that the sources of fund were as specified in the Development Credit Agreement and to confirm eligibility of the application. It was found out that Credit agreement for sources and application of fund was complied with. The risk is rated low.

The key finding and action plan that requires immediate follow up is the area of fixed Assets which requires marks or inscriptions on the fixed assets. This action will guarantee the claim of ownership of the assets by the Project.

We state here that the Financial Management System is adequate in providing continuing and reasonable assurance that project funds are being used for the intended purposes.

Project Specific Risk Profile: From our audit and the risk rating, we used three categories of rating according to their magnitude. We have **High, Medium** and **Low**. From our report, we have one high, and seven low. This proves that the Financial Management System of the Project is adequate.

Our audit has been conducted in accordance with the World Bank's Financial Management, Disbursement and disbursement policies, Procedures and guideline and applicable Government laws, Policies, Guidelines and Regulations.

UGWU, ALPHONSUS ODO

INTERNAL AUDITOR

Key information on the Project

Project Name and State	Africa Centre of Excellence For Sustainable Power and Energy Dev.
Project ID	N . A .
IDA Credit/ Grant No	N . A .
Implement Agency	University of Nigeria, Nsukka
Effectiveness Date	Year 2019
Closing Date	Year 2024
Credit / Grant Amount	USD 6,000, 000
Project Duration	5 years
Remaining Period to Close	Two Years
Disbursement Amount to Date	N . A .
Period Covered by Review	Six Months
Internal Auditor	Ugwu Alphonsus Odo