



**Covenant University, Ota, Ogun State**  
**Internal Audit Report on the Second Ace impact, Covenant Applied Informatics and Communication (CApIC-ACE)**

Key Information on the Project

PROJECT NAME	Covenant Applied Informatics and Communication (CApIC-ACE)
IMPLEMENTING AGENCY	Covenant University
EFFECTIVE DATE	2020
CREDIT/GRANT AMOUNT	\$6M
PROJECT DURATION	5 Years
PERIOD COVERED BY REVIEW	July to 31 <sup>st</sup> December 2023
INTERNAL AUDITOR	OMOTAYO ISREAL AYOLE

**EXECUTIVE SUMMARY**

This audit covered the period 1<sup>st</sup> of July to 31<sup>st</sup> of December 2023 and was conducted in accordance with the World Bank's Financial Management guideline and requirement of the International Financial Reporting Standard. During the period under review, the internal audit ensure compliance with the internal control measures put in place by the University in addition to other regulatory requirement by the Nigeria Government. Record check include cash book, bank reconciliation statement, bank statement, receipt, payment voucher, general ledger and interim financial report. These were review in order to eliminate the risk of non-compliance with the agreed financial agreement.

**OBJECTIVES OF THE AUDIT:**

To ensure that:

- i. proper accounting records are maintained.
- ii. applicable accounting standards are properly and consistently followed.
- iii. evaluate the Internal Control system in operation to ensure effectiveness, efficiency and economy.
- iv. internal control measures are instituted which, as far as is reasonably possible safeguard the assets of the project.
- v. actions are taken to prevent fraud and other irregularities.
- vi. financial transactions conform with the financing agreements and only eligible expenditures are made.
- vii. to confirm the existence and accuracy of the balances shown in the records.

**INTERNAL AUDIT REVIEW:**

**ACCOUNTING**

Suitable accounting policies were adopted and consistently applied. The going concern basis is used, as it has been presumed that the Centre will continue in operation in the foreseeable future.

**INTERNAL CONTROLS**

Adequate internal control measures are in place. The Project activities go through the normal University procedures for processing of transactions which include 100% prepayment auditing. It should be noted that internal auditing

functions at the Centre is Risk-based, in line with best practice. This is to ensure data integrity of amounts that will eventually flow into the financial statements.

Test of controls were done routinely. This includes segregation of duties, physical control, approval and authorization procedures.

#### **EFFECTIVENESS OF MANAGEMENT OVERSIGHT INCLUDING AUDIT COMMITTEES**

The University Audit Committee, a Committee of Council performs oversight functions on the financials of the University and those of CAPIC ACE.. Also, the Vice Chancellor, Director Financial Services and Head of Internal Audit supervise financial activities of the Centre. Though the Centre is autonomous, university financial procedures and regulations are adopted for financial activities.

#### **FINANCIAL REPORTING**

A 100% review of expenditure presented in the Financial Management Report was carried out. Expenses were checked to the relevant vouchers and other supporting documents. Implementation of an Accounting package (Flexible Accounting) to facilitate prompt and qualitative financial reporting is in progress.

#### **FRAUD AND CORRUPTION**

There was no case of fraud and corruption. There are adequate controls in the Centre.

#### **PAYMENT PROCEDURES**

A 100% review of all expenditures was done. No ineligible expenditure was incurred as transactions undergo pre-audit procedures to ensure integrity and eligibility of transactions.

#### **PHYSICAL VERIFICATION THROUGH ON-SITE VISITS**

The Internal Audit inspects all items purchased to confirm delivery. All Fixed Assets are in their proper places and well secured.

#### **PROCUREMENT ACTIVITIES**

The Deputy Centre Leaders, Project Manager and Procurement Officer are responsible for the preparation, presentation, and defense of the Procurement Work Plan subject to approval by the relevant donor agency. The Procurement officer handles all procurements. Approval for procurement is given by the management before any procurement is made. The procurement procedures in place were adequate to ensure that:

- i. Values were received in respect of funds released to suppliers and other service providers.
- ii. Items purchased meet the requirements specification of the Centre.

**ACTION PLAN**

**REVIEW AND STATUS OF PREVIOUS INTERNAL AUDIT ACTION PLAN AS AT DECEMBER 2023**

The previous audit observations on unreconciled items have been reconciled

New Internal Audit Action Plan

Cash book

S/N	AUDIT OBSERVATIONS	IMPLICATION	AUDITEE'S RESPONSE	RECOMMENDATION / FURTHER COMMENTS BY AUDIT
1	Every observations have been worked on	The account is okay	No issues on the account	More effort to keep prompt response .



**OMOTAYO ISREAL AYOLE**  
Project Internal Auditor