

MINUTES OF THE MEETING OF AUDIT COMMITTEE ON FINANCIAL ACCOUNTABILITY IN AGRICULTURAL CENTRE OF EXCELLENCE (ACE) PROJECTS: CENTRE FOR EXCELLENCE IN AGRICULTURAL DEVELOPMENT AND SUSTAINABLE ENVIRONMENT (CEADESE) CASE HELD ON TUESDAY, JUNE 6, 2017

1.0 MEMBERSHIP

1. Prof. C. O. Adeofun, Dean, COLERM	Chairman
2. Prof. W. O. Alegbeleye, Dean, PG School	Member
3. Prof. O. M. Onagbesan, Director, CEADESE	Member
4. Mrs. O. O. Oyewunmi, Acting Bursar	Member
5. Mr. O. O. Amubode, Ag. Head, Internal Audit	Member
6. Mr. A. J. Olusanwo, Deputy Bursar II	Member
7. Mr. S. A. Dada, Academic Planning	Secretary

2.0 OPENING

The meeting commenced at 5.00 pm with the Opening Prayer offered by the Chairman, Professor C.O. Adeofun. The Chairman called the meeting to order, thanking every member for attending the meeting. He noted that there were teething problems and challenges facing CEADESE in terms of fund request approval, but assured that they would be surmounted.

3.0 MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting were examined page by page by members. Few corrections were made. The Secretary was also urged to incorporate the report of the ad-hoc sessions held after the last meeting to discuss the arrangement for the Audit Retreat proposed for the Committee.

3.1 Matters Arising

3.1.1 CEADESE Domiciliary Account

The Committee, through its Chairman inquired from the Centre Director whether the Domiciliary Account opened at the CBN had been activated. The Director responded that this had been done and that the amount therein would be drawn down for the Centre's activities.

The Acting Bursar asked why there was need for three accounts in view of the fact that the CBN complained that our institution was running too numerous multiple account. The Director responded that it was the World Bank directive that every Centre should keep three accounts – Domiciliary, IGR and Project Accounts.

Responding to the comments on why the Centre had not been spending its votes, to the extent that they were to be mopped up, the Director stated that the problem had been that of obtaining the approval of the Vice-Chancellor to execute projects in the implementation plan. He however stressed that all outstanding requests were now approved by the Acting Vice-Chancellor.

He stated further that a moratorium of three months had just been given the Centre to execute its projects and ensure that its votes were spent. This moratorium would lapse in September, 2017.

The Committee Chairman stressed the need to remove the administrative bottlenecks in the process of project execution in the Centre. He and other members opined that the six week ultimatum for advertisement before commencing the process of executing a project was unrealistic and would slow down the execution of the Centre's projects and thus result in the mopping up of its funds, when the money was not spent within the stipulated period. The Chairman further requested the Director to ensure that necessary steps are taken to ensure speedy tendering process to fast-track project execution, in view of the deadline given by the World Bank.

3.1.2 Audit Retreat

Mr. O.O. Amubode reported that a venue had been chosen after several contacts and visits. It would be Bedrock Hotel and Suites along Badagry Expressway, Lagos. The five-day retreat would hold from Monday, 19th June to Friday, 23rd June, 2017. He added that arrangements had been made with the consulting firm and resource persons who would conduct the training sessions.

Also, arrangements were being made to produce retreat/workshop materials like lecture papers and conference bags, he added.

The Committee appreciated the duo of Messrs Amubode and Olusanwo for their efforts in the arrangement for the retreat. The need for an official communication to members in order to obtain appropriate permission was identified by the Acting Bursar, Mrs. O.O. Oyewunmi. This was noted by the Chairman.

3.1.3 DAAD Scholarship Programme

The Centre Director, Professor O.M. Onagbesan reported with disappointment that the intended DAAD Scholarship sponsored by the German Government was lost by the Centre. It was as a result of late response to some enquiries from DAAD by the University Management.

3.1.4 Feedback to the University Council

The Committee reiterated the need to communicate to the University Council the activities of CEADESE Audit Committee. This is necessary because this Committee is a Council Committee.

4.0 MAIN AGENDA

4.1 2016 External Auditors Annual Report and Accounts

The External Auditors Annual Report and Accounts were presented by Mr. A. J. Olusanwo. He highlighted from the accounts the following:

- i. No fund was received from the World Bank in 2016 unlike in 2015. Also a deficit of ₦18,696,555 was recorded in 2016 due largely to the fact that no subvention was received from World Bank in 2016; and
- ii. That there was improvement in the IGR from ₦2,424,688 in 2015 to ₦15,677,898 in 2016.

Comments:

The Chairman called for comments. The Centre Director noted that for the IGR of the Centre to be boosted, as this was a major concern to the World Bank, there is urgent need for funding by the University in order to sustain the programme. The Director stressed that some other Centres were well funded internally by their respective Universities. He gave example of Bayero University where an edifying structure had been put up for its Centre of Excellence. Others were ACE projects at Redeemers University and Federal University of Agriculture, Markudi. He added that in a year or two, the World Bank support to the Centre would cease and the Centre is expected to be integrated into the University system. Then the Lecturers would be expected to teach the Centre's students as part of their teaching workload.

The Committee agreed with the Centre Director on the need to prepare grounds towards the integration into the system. An observation on an item under Administrative Expenditure 'Cost of Analyses' amounting to ₦12,257,210.00 was made by a member who sought further explanations. This was explained to be sample analyses carried out by students as research support fund. It was noted to be Academic Expenses.

Also, a cash advance repayment to the University from CEADESE IGR amounting to ₦22,279,997.00 had been paid to the University, but not yet received. The Director was advised to send a reminder to the Bursary. The Committee further noted that the fund ought to have been treated as counterpart funding from the University in the first instance.

4.1.1 Domestic Report

The Domestic Report on the 2016 Audited Account was also presented by Mr. Olusanwo. The observations included response to bank account confirmation request, constitution of audit committee, budget performance and ₦29 million payments made to NGREN. All the observations were satisfactorily responded to in the report. Further on the poor budget performance, the Centre Director noted that approval for all pending projects had been stepped up by the Ag. Vice-Chancellor, thus paving way for their implementation. It was unanimously agreed that the statutory Audit had been satisfactorily carried out and that all issues raised had been addressed.

4.1.2 Motion of Adoption of Annual Reports and Audited Accounts

The motion to adopt the 2016 Annual Report and External Audited Accounts was moved by Professor W.A. Alegbeleye and unanimously adopted by the Committee.

4.2 **Internal Auditor's Report**

The Internal Auditor's Report covered July 1 to December 31, 2016. It was presented by Mr. O.O. Amubode, Director, Internal Audit. The highlights of the reports were as follows:

- i. Analysis of the budget performance revealed that only 12.97% performance was achieved during the period. Timely execution of the budget and use of fund in order to enjoy timely value for money was recommended. A way out of this was to increase the fund approval/spending limit of the Centre Director as previously directed by the NUC;
- ii. Utilization of cost of training – Management and Faculty.
Effective and efficient, as well as timely utilization of fund allocated to this disbursement link was recommended to improve the quality of performance of the Management Team and Centre Staff. It was noted that some trainings were planned for 2017, while trainings that require foreign exchange funding would be planned with the support of the NUC;
- iii. The observation made on facilitation of FUNAAB Industrial Relations and Cost of Monitoring and Evaluation were adequately responded to by the Centre;
- iv. It was observed that expenses were not incurred on cost of ICT learning platform, equipment and laboratory purchases and establishment of research core facilities, with the cost achieved on civil works. The slow pace of 'due process' and obtaining approvals were responsible for the low performance. It was however added that all

- contracts for the procurement of goods have been signed and deliveries were on-going;
- v. Following cases of budget overlap, it was recommended that any fund due for payment in a particular year but not paid should be provided for and rolled-over to the following year's budget in order to avoid budget deficit. This was noted.
 - vi. On enabling the e-accounting system to capture the Centre's non-current assets, rather than manual non-current assets register still in use, the Centre stated that the Consultant was working in this;
 - vii. The Centre was commended for adhering to internal controls on cash disbursement to Officers. However, there were few Officers that were yet to retire imprest/cash advance and refund DTA paid to them. It was recommended that further reminder letters be sent to such officers and all pending payments to them be withheld until necessary retirements/refunds were done;
 - viii. In respect of the Centre's TSA with the CBN, efforts at activating the two accounts opened should be fast-tracked. The none-activation had held up the transfer of centre's funds held in a commercial bank;
 - ix. There was no case of fraud or related corruption during the period under review;
 - x. Payment procedures to suppliers and other beneficiaries were duly followed, it was noted. However, a total amount of \$23,424.00 paid directly by the National Universities Commission (NUC) on behalf of the Centre to different payees were not capture in the Centre's financial books as at December 31, 2016. The response from the Centre was that only the requisition letters from the Centre to the NUC to facilitate the payments were available. The NUC did not however, provide other records of payment. The Centre would communicate this observation to the NUC, the Centre Director stressed;
 - xi. On hiring procurement consultant, the NUC was mandated by the World Bank to hire consultants to handle procurement audits centrally; and
 - xii. That effort would be made to include the Internal Audit staff in the Team on International ACE Workshop in order for it to be more informed about the programme.

Comments

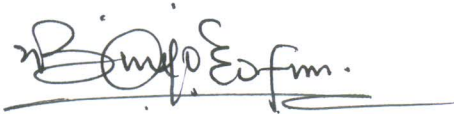
The following comments were also made by Committee Members;

- i. Training of CEADESE Staff – Management Team and Faculty, as well as its Committees should be emphasised. On this, the Centre Director highlighted different categories of training for the Heads of Programmes, Technologists, Safety Officers and so on;
- ii. Need to write the Procurement Unit in Abuja for waiver on the 6 weeks ultimatum on advertisement for projects/supply. This would remove the bottlenecks in speedy implementation of Centre's projects;
- iii. That the Audit Committee through its Chairman should write the Council and the Ag. Vice-Chancellor on:
 - a. confirmation of the spending limit by the Centre Director as directed by the NUC;
 - b. request to seek financial support from the University for counterpart funding for the Centre's projects/activities; and
 - c. permission to go for audit training by the Audit Committee.

5.0 MOTION OF ADJOURNMENT

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On a motion moved by Mr. O.O. Amubode, seconded by Professor O.M. Onagbesan, the meeting was brought to a close at 7.30 pm. The Chairman thanked all members again for attending the meeting inspite of the short notice.



Professor C.O. Adeofun
Chairman



Mr. S.A. Dada
Secretary