LAGOS STATE UNIVERSITY

AFRICAN CENTRE OF EXCELLENCE FOR INNOVATIVE AND TRANSFORMATIVE STEM EDUCATION (ACEITSE)

IDA CREDIT NUMBER: 6510-NG

AUDITED PROJECT FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2024

ABDULMALIK AHMED & CO.
(Chartered Accountants)
Suite 214 & 224, Anbeez Plaza,
Opposite Old Corporate Affairs Commission,
Ndola Square, Wuse Zone 5,
Abuja, FCT.

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Corporate Information

Project Management Team:

Prof.RasheedSanni	Centre Leader / Director
Dr. Hakeem Akintoye	Deputy Centre Leader
Dr AdedojaDorcasWusu	Monitoring and Evaluation Officer
Prof Michael Ahove	Research Coordinator/Safety
Dr Muibat Fashola	Science Coordinator
Dr Isaac Bankole	Industrial Liaison Officer
Mr Olabisi Yusuf	Project Accountant
Mrs.BosedeAgoro	Procurement Officer
Mr LasisiFatai A	Project Auditor
Mr Daud Gbadegeshin	Communication Officer

Project Address:

Africa Centre of Excellence for Innovative and Transformative STEM Education
Lagos State University, Ojo

Bankers:

Zenith Bank.
Alaba International,
Ojo Lagos.

Financiers:

The World Bank
International Development Association
1818H Street, N.W.
Washington, D.C. 20433
United State of America

Agence Francaise de Developpement (AFD)
5 rue Roland Barthes
75 598 Paris Cedex 12
France

Independent Auditors:

Abdulmalik Ahmed & Co.
(Chartered Accountants)
Suite 224, Anbeez Plaza,
Ndola Crescent,
Wuse Zone 5, Abuja.

Corporate Information

Project Overview

The Africa Centre of Excellence for Innovative and transformation STEM (ACITSE) is a World Bank Assisted Project set up to promote regional specialisation amongst participating universities in the West and Central Africa sub region with disciplines that address common regional challenges. The objectives included training of teachers using the home-grown teaching techniques known as Culturo – Techno – Contextual - Approach (CTCA) to build a world-class STEM teacher that will bring about a paradigm shift in the world of teaching, learning, and research.
The overarching objectives are to meet the demands of the labour market for skill teachers and researchers in education sectors, where there are shortage affecting development outcomes and economic growth.

STATEMENT OF MANAGEMENT RESPONSIBILITIES ON PROJECT FINANCIAL STATEMENT

The Management of ACEITSE Project (the 'Project') accept responsibilities for the preparation and fair presentation of the Project Financial Statement set out on pages 11 to 14 which present in all material respects the Financial Position of the Project as at 31st December 2024 and Statement of Receipts and Payments in compliance with International Public Sector Accounting Standards "Financial Reporting under the Cash Basis of Accounting" (IPSAS-Cash Basis); in the manner prescribed by the Companies and Allied Matters Act, 2020 and the Financial Reporting Council of Nigeria Act No. 6, 2011.

In Preparing the Project Financial Statement, the Management is also responsible for:

a) Selecting suitable accounting policies and applying them consistently.
b) Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable, and understandable information.
c) Providing additional disclosures when compliance with the specific requirements in IPSAS-Cash Basis to enable users to understand the impact of particular transactions, other events, and conditions on the Project Financial Statements; and
d) Making an assessment of the Project's ability to continue as a going concern.

The Management is also responsible for:

i) Designing, implementing, and maintaining an effective and sound system of internal controls, throughout the Project.
ii) Maintaining adequate accounting records that are sufficient to show and explain the Project's transactions and disclosures with reasonable accuracy at any time, which enable them to ensure that the Project Financial Statements comply with the specific requirement in IPSAS-Cash Basis of accounting.
iii) Maintaining Statutory accounting records in compliance with relevant legislation of the Federal Republic of Nigeria.
iv) Taking such steps as are reasonably available and necessary to them to safeguard the Assets of the Project; and
v) Preventing and detecting fraud and other irregularities.

The Project Financial Statement for the year ended 31st December 2024 was authorized for issue by the Project Management on the 5th of February 2024.

On Behalf of the Project Management Unit

Centre Leader | **Project Accountant**

ABDULMALIK AHMED & CO
(CHARTERED ACCOUNTANTS) RC 2007332

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Suites 224 & 214, Anbeez Plaza,
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INDEPENDENT AUDITORS' REPORT

To Lagos State University (LASU) - African Centre of Excellence for Innovative and Transformative STEM Education (ACEITSE) Project (World Bank Assisted-Project)

Report on the Audit of the Project Financial Statements.

Opinion

We have audited the accompanying Financial Statements of African Centre of Excellence for Innovative and Transformative STEM Education (ACEITSE) Project for the year ended 31st December 2024.

In our opinion, the Project Financial Statements give a true and fair view of the Financial Position and of the Cash Flow Statement of ACEITSE Project for the period ended 31st December 2024 in accordance with International Standards on Auditing (ISA), relevant World Bank guidelines, and International Public Sector Accounting Standards (IPSAS Cash Basis) issued by the Financial Reporting Council of Nigeria.

The Statement of Expenditures (SOEs)

In our opinion, the SOEs are in agreement with the books of accounts; necessary procurement procedures have been made in line with the Credit Agreement, and adequate supporting documentation to support reimbursement claims to the World Bank have been made. The expenditures reported were all eligible for financing under the Credit Agreement.

The Statement of Designated Accounts (SDA)

In our opinion, the SDA has been maintained in accordance with the provisions of the relevant financing agreement and funds disbursed out of the accounts were used only for the purpose intended in the financing agreement.

In our opinion, funds have been received and associated disbursements made by the PIU, proper books of accounts have been kept and adequate internal control and supporting documentation have been put in place to process transactions, goods and services have been procured in accordance with the Credit Agreement.

Basis of Opinion

We conducted our audit in accordance with International Standards of Auditing (ISAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of this report. We are independent of the Unit in accordance with the Institute of Chartered Accountants of Nigeria (ICAN) Professional Code of Conduct and Guide for Accountants, which is consistent with the International Ethics Standards Board for Accountants, Code of Ethics for Professional Accountants (Parts A and B), together with other ethica

requirements that are relevant to our audit of the Project Financial Statements and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management and those charged with Governance on the Project Financial Statement

The PIU is responsible for the preparation and fair presentation of Project Financial Statement in accordance with the conditions in the credit agreement. They are also responsible for such internal control as it deems necessary to enable the preparation of Project Financial Statement that is free from material misstatement whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Project Financial Statement based on our audit. We conducted our audit in accordance with International Standards on Auditing. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Project Financial Statement is free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Project Financial Statement.

Our audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Project Financial Statement. Our audit also includes assessing the accounting principles used and significant estimates made by PIU and evaluating the overall Project Financial Statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Project Financial Statement has been prepared on Accrual Basis, which is a comprehensive basis of accounting other than Generally Accepted Accounting Principles. Consequently, revenues and expenditures are recognized when received or paid rather than when earned or incurred. Accordingly, the accompanying Project Financial Statement is not intended to present results in accordance with Generally Accepted Accounting Principles.



Abdulmalik Ahmed, FCA
FRC/2012/ICAN/00000000240
The Engagement Partner

For: Abdulmalik Ahmed & Co. (Chartered Accountants)
Abuja, Nigeria.

Date: **05/02/2025**

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LAGOS STATE UNIVERSITY
AFRICAN CENTRE OF EXCELLENCE FOR INNOVATIVE AND TRANSFORMATIVE STEM EDUCATION (ACEITSE) PROJECT
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2024

	Notes	2024 N	2023 N
NON CURRENT ASSETS			
Development Capital Expenditure	8	**835,169,192**	700,407,409
Development Capital Expenditure	8	**705,840,860**	181,635,023
Total Non Current Assets		**1,541,010,052**	882,042,432
CURRENT ASSETS			
Account Receivables	4	**- 73,132,314**	825,292,522
Cash and Cash Equivalent	5	**886,194,030**	83,250,239
Total Current Assets		**813,061,716**	908,542,761
TOTAL ASSETS		**2,354,071,768**	1,790,585,193
FINANCE BY:			
IDA Credit	6	**1,251,037,590**	609,008,190
AFD Funding	7	**1,103,034,178**	1,181,577,003
TOTAL FINANCE		**2,354,071,768**	1,790,585,193

The statements of Accounting Policies on Pages 11 to 12 and Notes on Pages 13 to 16 Form an integral part of these Project Financial Statements

Prof. Rasheed Sanni
Centre Leader

Signature & Date

Mr Olabisi Yusuf
Project Accountant

Signature & Date
5th February 2025

LAGOS STATE UNIVERSITY
AFRICAN CENTRE OF EXCELLENCE FOR INNOVATIVE AND TRANSFORMATIVE STEM EDUATION (ACEITSE) PROJECT

STATEMENT OF RECEIPTS & PAYMENTS

	NOTES	2024	2023
Projects Receipts		**N**	N
IDA Credit	6	**1,251,037,590**	315,544,363
AFD Funding	7	**1,103,034,178**	1,056,029,779
		2,354,071,769	1,371,574,142
Project Payments			
Development Capital Expenditure	8	**835,169,192**	558,119,320
Development Operating Expenditure	9	**705,840,860**	221,661,537
Total Payments		**1,541,010,052**	779,780,857
Excess of receipts over payment		**813,061,716**	591,793,285
Non-cash items	10	**- 10,117,125**	- 588,325,085
At 1 January		**83,250,239**	79,782,039
At 31 December		**886,194,830**	83,250,239
Represented by:			
ACE Operation (Naira) Account		**886,194,030**	83,250,239

The Statement of Accounting Policies on Pages 11 to 12 and Notes on Pages 13 to 16 Form an integral part of these Project Financial Statements

LAGOS STATE UNIVERSITY
AFRICAN CENTRE OF EXCELLENCE FOR INNOVATIVE AND TRANSFOMATIVE STEM EDUCATION (ACEITSE)

STATEMENT OF CASHFLOW AS AT 31ST DECEMBER 2024

	NOTES	2024 N	2023 N
Cash Flow from Operating Activities			
IDA Credit	6	**1,251,037,590**	315,544,363
AFD Funding	7	**1,103,034,178**	1,056,029,779
Development Operating Expenditure	9	**- 705,840,860**	- 221,661,537
Exchange gain	3.1	**-**	117,772,691
		1,648,230,909	1,267,685,296
Changes in Working Capital			
Account Receivables/Non-Cash Items	10	**- 10,117,125**	- 706,097,777
Net cash flow used in operating activities		**1,638,113,784**	561,587,519
Cash Flow from Investing Activities			
Development Capital Expenditure	8	**- 835,169,192**	- 558,119,320
Net Cash Used in Investing Activities		**- 835,169,192**	- 558,119,320
Cash & Cash Equivalent at the beginning of the		**83,250,239**	79,782,039
Cash & Cash Equivalent for the year		**802,944,591**	3,468,199
Cash & Cash Equivalent at the end of the Year	5	**886,194,830**	83,250,239

The Statement of Accounting Policies on Pages 11 to 12 and Notes on pages 13 to 16 Form an integral part of these project Financial Statements.

LAGOS STATE UNIVERSITY
AFRICA CENTRE OF EXCELLENCE FOR INNOVATIVE AND
TRANSFORMATIVE STEM EDUCATION (ACEITSE) PROJECT

SIGNIFICANT ACCOUNTING POLICIES
FOR THE YEAR ENDED 31ST DECEMBER 2024

1 Significant Accounting Policies

The accounting policies, set out below have been applied consistently throughout the period covered bt these financial statements.

1.1 Reporting Entity

Lagos Statement University - African Centre of Excellence for Innovative and Transformative Stem Education (ACEITSE) Project is a project co-funded IDA World Bank and French Development Agency (AFD) to improve the quality, quantity and deleopment impact of post-graduate eduaction in selected university through regional specialization and collaboration.

1.2 Statement of Compliance

The Project financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) issued by the International Public-Sector Accounting Standards Boards (IPSASB).

1.3 Basis of Preparation

The Project Financial Statements have been prpared in accordance with the International Public Sector Accounting Standards (IPSAS) "Financial Reporting under the Accrual-Basis of Accounting" promulgated by IFAC as required by the relevant Programme Documents. These Standards require that Incomes are recognised when earned and expenditure recognised when incuured. The Project Financial Statements prepared under Accrual-Basis provide users with information about sources of Cash earned during the reporting period, the purpose for which cash was used and the Cash balance at the reporting date. The measurement focuses on the Financial Statement's Cash Balance and Changes therein.

1.4 Functional and Presentation Currency

Items included in these Financial Statements are measured using the currency of the primary economics environment in which the project operates ('the functional currency') the financial statements are presented in the Nigerian Naira (N), which is the project's functional currency

1.5 Use of Estimates and Judgement

The preparation of the financial statements in conformity with IPSAS requires managemnt to make judgements, estimate and assumptions that affect the application of accounting policies and the reported amounts of transactions at the date of the project financial statements. The estimates and assumptions are based on implementation unit best knowledge of current events, actions; historical experince and various other factors that believe to be reasonable under the circumstance, the result of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily from other sources. Actual results may differ from these estimate. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate are revised and in any future periods affected.

1.6 Going Concern

The Project management has a reasonable expectation that ACEITSE has adequate resources to continue in operational existence for a foreseeable future. The project continues to adpt the going concern basis in preparing its financial statements.

1.7 Foreign Currency Transactions

Foreign currency transactions are translated into Naira using the exchange rates prevailing at the dates of the transactions or valuations where items are re-measured. Foreign currency balances as at the reporting date are converted into Naira at the exchange rate ruling at the reporting date. Foreign exchange gains and losses ' resulting from the settlement of such transactions and from the translation at year-end exchange rate of monetary assets and liabilities denomibated in foreign currencies are recognized in the Statement of Financial Position.

Non-monetary assets and liabilities denominated in foreing currencies that are measured at fair value are translated to the functional currency at the exchange rate at that date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognized in the Statement of Financial Position.

The closing exchange rate used in the conversation of dollar balances as at 31 December, 2024 is N1,592.15 to $1

1.8 Cash & Cash Equivalent

Cash and bank balance include current balance with central bank of Nigeria and commercial bank which are used by the Project in the management of its short-term commitments.

1.9 Property, Plant and Equipment

Items of property, plant and equipment are stated at cost. Cost includes expenditures that are directly attributable to the acquisition of the asset. Depreciation is not charged on items of property, plant and equipment, PPE are written off in the year of purchase.

1.10 Funds

Funds are amounts received from IDA World Bank and AFD in accordance with the Loan agreement.

1.11 Development Expenditure

These are expenses on civil works, goods and services directly related and necessary for the execution of the project.

LAGOS STATE UNIVERSITY
AFRICAN CENTRE OF EXCELLENCE FOR INNOVATIVE AND TRANSFORMATIVE STEM EDUCATION (ACEITSE) PROJECT

NOTES

		2024 N	2023 N
2	**Development Capital Expenditure (Cummulative)**		
	Construction of Building	**385,744,018**	296,481,266
	Motor Vehicle Cost (New ACE)	**79,410,250**	79,410,250
	Power Generating Set (New ACE)	**16,820,100**	16,820,100
	Office Equipment (New ACE)	**208,151,556**	25,801,975
	Furniture & Fittings	**36,353,898**	57,500
	Maintenance of Office Building/Residential Qtrs	**14,509,844**	9,528,794
	Accredation Expenses	**47,741,961**	47,741,962
	Research And Publication	**13,145,452**	2,437,369
	Internet Access Charges	**307,910,162**	82,202,659
	Interactive Learning Network	**36,831,207**	36,831,207
	Engineering Consulting Services	**4,985,561**	4,985,561
	Software Charges/Licence Renewal	**4,500,000**	4,500,000
	Books	**1,174,950**	1,174,950
	Student Cost	**378,297,643**	92,433,817
		1,535,576,601	700,407,409
3	**Net Development Operating Expenditure (Cummulative)**		
	Maintenance of Plant/Generator	**607,200**	93,200
	Cleaning/Fumigation Services	**543,500**	294,500
	Local Training	**21,742,577**	18,509,577
	International Training	**308,062,333**	68,537,858
	Auditing of Accounts	**6,597,601**	4,211,125
	Bank Charges	**65,863**	34,565
	Local Travel & Transport Expenses	**22,666,092**	12,563,790
	International Travel	**367,197,024**	99,911,120
	Maintenance of Office & IT Equipment	**1,904,875**	1,439,775
	Electricity Charges	**20,000**	20,000
	Telephone Charges	**737,619**	272,519
	Office Stationeries/Computer Consumables	**10,050,310**	5,646,110
	Motor Vehicle Maintenance /Fuel Cost	**1,810,900**	987,400
	Maintenance of Motor Vehicle/Transport Equipment	**1,075,873**	-
	Plant/Generator Fuel cost	**2,345,246**	615,863
	Publicity & Advertisement	**11,164,503**	1,872,434
	Postages/Courier Services	**66,525**	47,225
	Wages/Allowance	**3,990,592**	1,170,000
	Team Building	**30,201,665**	6,277,050
	Laboratory Consumables/Reagents	**2,206,000**	1,390,000
	Insurance Expenses	**4,594,882**	586,750
	Workshops/Seminar	**208,168,847**	74,861,854
	Operations Cost	**889,520**	65,000
	Other income (3.1)	**-**	(117,772,691)
		1,006,709,548	181,635,023
3.1	**Other Income**		
	Exchange gain on balance with NUC	**405,877,686**	117,772,691

LAGOS STATE UNIVERSITY
AFRICAN CENTRE OF EXCELLENCE FOR INNOVATIVE AND TRANSFORMATIVE STEM EDUCATION (ACEITSE) PROJECT
NOTES TO THE FINANCIAL STATEMENTS

		2024	2023
		N	N
4	**Account Receivables**		
	Staff Advance	**9,642,052**	600,000
	Current Account NUC (4.1)	**-**	824,692,522
	Increase in Current Account NUC	**-82,774,366**	0
		(73,132,314)	825,292,522
4.1	**Current Account with NUC**		
	The World Bank (IDA) disbursed funds to LASU through NUC. Therefore, LASU does not have a designated bank account but a draw down account. NUC only releases funds to LASU on the centre's request. The balances of funds disbursed to NUC by **IDA but yet to be released to LASU**		
5	**Cash & Cash Equivalent**		
	ACE Operational (Naira) Account	**886,194,030**	83,250,239
		886,194,030	83,250,239
6	**IDA Credit**		
	At 1 January	**609,008,190**	293,463,827
	Disbursement in the year	**1,251,037,590**	315,544,363
	At 31 December	**1,860,045,780**	609,008,190
7	**AFD Funding**		
	At 1 January	**1,181,577,003**	125,547,223
	Reimbursement in the year	**1,103,034,178**	1,056,029,779
	At 31 December	**2,284,611,181**	1,181,577,003
8	**Development Capital Expenditure (Annualy)**		
	Construction of Building	**89,262,751**	296,481,266
	Motor Vehicle Cost (New ACE)	**-**	54,180,000
	Office Equipment (New ACE)	**182,349,581**	7,983,880
	Furniture & Fittings	**36,296,398**	57,500
	Maintenance of Office Building/Residential Quarters	**4,981,050**	1,309,950
	Accreditation Expenses	**-**	41,756,639
	Research And Publication	**10,708,083**	2,437,369
	Internet Access Charges	**225,707,503**	80,457,672
	Engineering Consulting Services	**-**	1,261,544
	Software Charges/Licence Renewal	**-**	-
	Books	**-**	-
	Student Cost	**285,863,826**	72,193,501
		835,169,192	558,119,320

LAGOS STATE UNIVERSITY
AFRICAN CENTRE OF EXCELLENCE FOR INNOVATIVE AND TRANSFORMATIVE STEM EDUCATION (ACEITSE) PROJECT
NOTES TO THE FINANCIAL STATEMENTS

		2024	2023
		N	N
9	**Development Capital Expenditure (Annualy)**		
	Maintenance of Plant/Generator	**514,000**	-
	Cleaning/Fumigation Services	**249,000**	-
	Local Training	**3,233,000**	825,000
	International Training	**239,524,475**	31,758,406
	Auditing of Accounts	**2,386,476**	2,222,375
	Bank Charges	**31,298**	19,976
	Local Travel & Transport Expenses	**10,102,302**	10,433,340
	International Travel	**267,285,904**	91,174,244
	Maintenance of Office & IT Equipment	**465,100**	1,408,675
	Telephone Charges	**80,000**	219,519
	Office Stationeries/Computer Consumables	**4,404,200**	3,164,790
	Motor Vehicle Maintenace/Fuel Cost	**823,500**	711,000
	Plant/Generator Fuel cost	**1,729,383**	598,363
	Publicitity & Advertisement	**9,292,069**	961,876
	Postages/Courier Services	**19,300**	13,500
	Wages/Allowance	**2,820,592**	570,000
	Team Building	**23,924,615**	2,453,620
	Laboratory Consumables/Reagents	**816,000**	200,000
	Insurance Expenses	**4,008,132**	-
	Workshop/Seminar	**133,306,992**	74,861,854
	Operations Costs	**824,520**	65,000
		705,840,860	221,661,537
10	**Non Cash items**		
	Account receivables	**447,609,943**	706,097,777
	Exchange gain	**(457,728,068)**	(117,772,691)
		(10,118,125)	588,325,085

11 Comparative Figure

Where appropiate, the prior year figures were restated to correct account balances misstatements in order to ensure conformity with the current year treatment.

AFRICA CENTRE OF EXCELLENCE FOR INNOVATIVE AND TRANSFORMATIVE STEM EDUCATION (ACEITSE)

PROJECT IMPLEMENTATION UNIT
LAGOS STATE UNIVERSITY

IDA CREDIT NUMBER:6510-NG

MANAGEMENT LETTER ON THE AUDITED FINANCIAL STATEMENT OF AFRICA CENTRE OF EXCELLENCE FOR INNOVATIVE AND TRANSFORMATIVE STEM EDUCATION (ACEITSE) FOR THE YEAR ENDED DECEMBER 31, 2024.

ABDULMALIK AHMED & CO.
(Chartered Accountants)
Suite 214 & 224, Anbeez Plaza,
Opposite Old Corporate Affairs Commission,
Ndola Square, Wuse Zone 5,
Abuja, FCT.

ABDULMALIK AHMED & CO
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Tel: 08033159898, 08062797201
E-mail: abdulmalikahmed224@yahoo.com
Website: www.abdulmalikahmedandco.com

REF: AAC/PP/ML/CL/ACEITSE/270624 **5th February 2025**

The Centre Leader,

Africa Centre of Excellence for Innovative &

Transformative STEM Education (ACEITSE)

Lagos State University,

Lagos, Nigeria.

Dear Sir,

MANAGEMENT LETTER ON THE AUDIT OF THE AFRICA CENTRE OF EXCELLENCE FOR INNOVATIVE AND TRANSFORMATIVE STEM EDUCATION (ACEITSE) FOR THE YEAR ENDED 31 DECEMBER 2024

Further to the receipt of your responses to audit findings that was communicated in our draft audited financial statement and report of the Centre for the year ended 31st December 2024 and which we have incorporated herein, kindly find forwarded to you the Domestic Report of the Project Financial Statements of the Africa Centre of Excellence for Innovative and Transformative STEM Education (ACEITSE) for the year ended 31 December, 2024.

THE REPORT

This report is structured in three parts:

1) The first part contains the review of the extent of implementation of previous year's Audit recommendations.
2) The second part contains the highlights of control weaknesses that came to our notice during current year's audit.
3) The third part contain effects of the weaknesses on the system and the recommendations we have proffered for remediation which, if faithfully implemented by Management will further enhance credibility of reporting as well as delivering improved performance.
4) The fourth part covers Report of Physical Verification of Project Sites as well as non-current assets which the Centre Procured with Project funds. The audit also noted the procurement of specific items and provision for improvement of specific infrastructures carried out by the Project during the period under review.

Partners:
Alh. Abdulmalik Ahmed, B.Sc (Hons), FCA; Mr. Paul Azuka, B.Sc (Hons), FCA, CFA, Magnus Duke, B.Sc (Hons); FCA, MBA; Adamu U. Oiku; B.Sc (Hons), FCA, FCIT.

We therefore set out below, not necessarily in order of significance those control issues which came to our notice during the audit as well as the recommendations we have proffered for remediation with a view to improving and enhancing effective internal controls in the implementation of the mandate of African Centre of Excellence for Innovative and Transformative STEM Education (ACEITSE), Lagos State University, Ojo.

PART ONE

EXTENT OF IMPLEMENTATION OF PRIOR YEAR AUDIT RECOMMENDATIONS

Audit findings revealed that a particular recommendation that was proffered for the remediation of a finding that came to the notice of the auditors in the immediate prior year (2023) audit has not been fully implemented and hence, we have restated it herein with the expectation that Management shall take steps to faithfully implement the recommendation.

S/N	Weaknesses Identified	Recommendations	Year of observation	Management Response	Status at 31st December 2024
1.	**Late retirement of Advances.** During our review of Advances to Staff in period under review, we observed that there were needless and unnecessary delays in the retirement of Cash Advances to some staff totaling **N2,180,700.** **Implications:** i) The project fund may be left in individual hands without proper accountability	i) Internal Audit Unit should be thorough in their oversight duties to help strengthen the internal control system of the Project Implementation Unit. ii) We recommend that Project Management Unit should institute a clear policy on Cash Advances that aligns with international best practices. The policy should stipulate in unambiguous terms the time frame required for advances to be retired which should not be later than two (2) days after the completion of the assignment for which the	2022	***Management Response for 2024*** ***Management Response for 2023*** The observation regarding retirement of funds is well noted. However, this does not entirely constitute weakness or lack of controls in the Internal Audit department. All cash	The total Sum of ₦9,642,052 was given as cash advance to staff to purchase various items during the year under review. Careful observation of the cash advance shows that some of the items on which advances were disbursed such as purchase of computers were supposed to have passed through direct purchases system,

				advances are monitored to the point of expenditure and execution of quality job. All jobs are well monitored and verified. The hiccup that accounted for the delay was the challenges we had in understanding the retirement procedures in the newly introduced accounting software, which took time to resolve with the administrator.	

	ii) Breach of standard best practices of cash management, iii) It may create room for intended and unintended omissions, frauds and irregularities and iv) Evidence of weak internal control in the issuance of Advances. 2. INADEQUACY OF THE ACCOUNTING SOFTWARE Though this is not the direct responsibility of the Centre Management, the lack of robustness of the Accounting Software deployed for the Centre is worthy of reporting. It is hoped that by reporting this lapse it will be escalated to the responsible authority that can affect the required modifications, as the Project Accountant appeared to be helpless with the observed lapses. As at the audit exercise of	advance was taken. The policy should stipulate recovery terms and conditions including appropriate sanctions for non-compliance	2023	***Management Response for 2024*** ***Management Response for 2023*** These observations had been escalated to the Accounting Software vendor and system administrator for necessary and urgent action	This problem has not abated. The Management should keep repeating this in every report they deliver domestically.

	2024, there had been no improvement over the accounting software of this center Good accounting software should be robust enough to enable the users carry out the recording of relevant accounting documents or processes and generate the required reports. Our interaction with Accounts Departments shows that the software in use falls short of this requirement. The following are some of the observed inadequacies in the software: a) Inability to print out processed Journal Voucher: Like Payment Vouchers, the Accounts Department should be able to print out processed Journal Vouchers and attach the supporting documents for filing and reference purpose. But this facility is lacking in the software in the way it is presently configured. The print out of processed Journal Vouchers with supporting documents provide audit trail to the related transactions, which provides relevant audit evidence. It is also important for reference purpose. Implications i) Loss of audit trail. The supporting documents that should				

	be attached to the Journal Vouchers may be misplaced as the absence of the Journal Vouchers makes it impossible to be filed. ii) Difficulty in Reconciliation Process: The absence of the Journal Vouchers with supporting documents made reconciliation of accounts such Cash Advance very cumbersome as the needed reference documents are missing. b) Delayed migration to a new accounting year. The software is configured in such a way that at the beginning of a new accounting year, all the centres must conclude posting and reconciliation before any centre can migrate to the new accounting year to commence posting of transactions. This delay makes it impossible to comply with the Project policy of 48-hour timeline for the processing of accounts vouchers and documents. Implications: i) Delayed processing of transactions with the concomitant possibility of loss of transaction documents during the waiting period. ii) Delay in meeting up with reporting timelines. If centres are allowed to commence posting of their transaction when they are ready the pressure to meet up with timeline for reporting				

	will be drastically reduced. Centres that are lagging behind will be forced to expedite action and meet up with the rest. Recommendation It is intended that this report will be escalated to the Software Consultant for necessary modifications to accommodate these and other request				

PART TWO

HIGHLIGHTS OF WEAKNESSES OBSERVED DURING THE AUDIT OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2024

S/N	WEAKNESSES OBSERVED	PAGE NUMBER
1.	Delayed Retirement of Cash Advances	7
2.	Inadequacy of the Accounting Software	9
3.	Expenses incurred by NUC on behalf of the Centre without documentation	11
4.	Report on physical verification of Projects sites	11
5.	Annexure	13

PART THREE

EFFECTS OF THE IDENTIFIED WEAKNESSES ON THE INTERNAL CONTROL SYSTEM AND THE RECOMMENDATIONS PROFFERED FOR REMEDIATION

1. DELAYS IN RETIREMENT OF ADVANCES

Despite best efforts by management and continuing highlight of this control weakness, implication and recommendations in previous audits, audit findings revealed that the problem still persists as management has not succeeded in completely eliminating it. Audit findings revealed that total sum of Nine Million, Three Hundred and Seventy-Eight Thousand, Five Hundred and Fifty Naira (₦9,378,552:00) only, representing unretired cash advances were outstanding as at 31 December, 2024 (please see attached herewith annexure 1).

RECOMMENDATION

As the Project gradually winds down, Management is enjoined to ensure that these outstanding unretired Cash Advances are retired and cleared from the books. The auditors should be availed with proof of retirement.

Management Response for 2024

This observation has been a recurring issue and each succeeding year we strife hard toward eliminating it. On the issue of #9,642,052 cash advances outstanding status as of 31st December 2024. Most of the advances were taken in December and the retirement would be due in January of 2025 in line with one (1) month retirement policy of Lagos State University which the Centre is expected to comply with. In facts the retirements have now concluded (see attached 1). The only exception in the advances above is the sum of #160,000 that was given to a staff who died in active service. All the efforts we had embarked on to recover the sum from the deceased family only yielded result in January 2025 as the amount of #160,000 had been fully refunded to the purse of the Centre (see attached). Again, part of the list the auditor highlighted as constituting the outstanding Cash advances in the Annexure 1 had been fully retired during the year (see attached 2). Most of the hardware purchased (Computers) during year were contracted out and we only bought consumables (Computer) through advances as the records could testified.

Management Response for 2023

The Centre Leadership had made efforts to reduce delay in the retirement of cash advances as noted by the External Auditor. In order to drastically eliminate or reduced the delay to the barest minimum, the Centre Leadership had directed the deductions from the salaries of the defaulters to serve as deterrent to others.

It is believed that with this measure, the delay will be drastically reduced if not totally eliminated.

The External Auditor personnel that came to site for audit were able to confirmed and verified that

Comment

We have noted your explanations and supporting documents. However, the audit reported the situation at the time of the audit while appreciating Management's efforts at continuing to resolve the issue of delayed retirement of cash advances.

2. INADEQUACY OF THE ACCOUNTING SOFTWARE

Though this is not the direct responsibility of the Centre Management, the lack of robustness of the Accounting Software deployed for the Centre is worthy of reporting. It is hoped that by reporting this lapse it will be escalated to the responsible authority that can affect the required modifications, as the Project Accountant appeared to be helpless with the observed lapses.
As at the audit exercise of 2024, there had been no improvement over the accounting software of the Center

Good accounting software should be robust enough to enable the users carry out the recording of relevant accounting documents or processes and generate the required reports. Our interaction with Accounts Departments shows that the software in use falls short of this requirement. The following are some of the observed inadequacies in the software:

a) **Inability to print out processed Journal Voucher:**

Like Payment Vouchers, the Accounts Department should be able to print out processed Journal Vouchers and attach the supporting documents for filing and reference purpose. But this facility is lacking in the software in the way it is presently configured. The print out of processed Journal Vouchers with supporting documents provide audit trail to the related transactions, which provides relevant audit evidence. It is also important for reference purpose.

Implications

i) Loss of audit trail. The supporting documents that should be attached to the Journal Vouchers may be misplaced as the absence of the Journal Vouchers makes it impossible to be filed.

ii) Difficulty in Reconciliation Process: The absence of the Journal Vouchers with supporting documents made reconciliation of accounts such Cash Advance very cumbersome as the needed reference documents are missing.

b) **Delayed migration to a new accounting year.**

The software is configured in such a way that at the beginning of a new accounting year, all the Centre's must conclude posting and reconciliation before any Centre can migrate to the new accounting year to commence posting of transactions. This delay makes it impossible to comply with the Project policy of 48-hour timeline for the processing of accounts vouchers and documents.

Implications:

i) Delayed processing of transactions with the concomitant possibility of loss of transaction documents during the waiting period.

ii) Delay in meeting up with reporting timelines. If Centres are allowed to commence posting of their transaction when they are ready the pressure to meet up with timeline for reporting

will be drastically reduced. Centres that are lagging behind will be forced to expedite action and meet up with the rest.

RECOMMENDATION

We reiterate the recommendation contained in the 2023 audited financial statement report that the Centre should continue to escalate the inadequacy of the Software with the Consultant for necessary modifications to accommodate these and other request.

Management Response for 2024

The observations of the Auditors are noted. Meanwhile, the issues had been escalated to the Software Vendor.

Management Response for 2023

These observations had been escalated to the Accounting Software vendor and system administrator for necessary and urgent action

3.EXPENSES RUN BY NATIONAL UNIVERSITY COMMISSION ON BEHALF OF THE STEM WITHOUT PROPER DOCUMENTATION

Audit review found that the under listed expenses totaling the sum of Three Hundred and Eight Million, Three Hundred and Eighty-Nine Thousand, Nine Hundred and Forty-One Naira and Ninety-Two Kobo (N308,389,941.92) only were incurred on behalf of the Centre by the National Universities Commission without proper documentation. The audit further noted that the Centre merely raised journal entries for the expenditures without supporting documents for the auditors' verification and vouching.

3/6/2024	GENERAL JOURNAL	82,975,000.00
4/6/2024	GENERAL JOURNAL	16,287,376.40
4/6/2024	GENERAL JOURNAL	2,614,468.50
8/6/2024	GENERAL JOURNAL	8,308,083.00
28/6/2024	GENERAL JOURNAL	26,169,570.00
5/8/2024	GENERAL JOURNAL	10,895,539.40
5/8/2024	GENERAL JOURNAL	9,751,306.79
5/8/2024	GENERAL JOURNAL	11,844,773.40
23/10/2024	GENERAL JOURNAL	18,380,877.32
2/12/2024	GENERAL JOURNAL	121,162,947.11
Total		**308,389,941.92**

Three hundred and eight million, three hundred and eight-nine thousand, nine hundred and forty-one naira, ninety-two kobo only.

IMPLICATION

The Centre may have been compelled to absorb expenses that it has no need of. This could affect its financial position especially when such expenditures are not on the budget.

RECOMMENDATION

We recommend that the Centre should request the National Universities Commission to avail it with the receipts and vouchers for the highlighted expenditures as well as the purposes to enable proper documentation to be made in the books.

MANAGEMENT RESPONSE

Most of the referenced expenses in this regard related to items such as estacodes released to authorized personnel on International missions. Most of the International engagements involved paying estacodes to deserving employees. It is part of the operational arrangement that the NUC through foreign accounts maintained with CBN should handle the release of such fund to beneficiaries as the Centre do not keep foreign currency. Meanwhile, all the necessary requests and approvals and other documentations are prepared and kept at the Centre (see attached 3). These documents were made available to the Auditor. I believe the concern of the Auditor here was that a proper journal should be printed out to which all these documents should be attached. I completely agree with this but the Centre is handicapped as the software is challenged in this area as earlier observed by the Auditor. Though, there were fewer transactions incurred on behalf of the Centre which we only get to extract from the disbursement schedules sent to us at interval by NUC for

which documents reside at NUC. However, the list of amounts indicated by Auditor as being raised through journals actually related to International engagements.

REPORT ON PHYSICAL VERIFICATION OF PROJECTS SITES

5. INSPECTION OF PROJECTS

The team visited some of the Project sites completed and managed by the Project with a view to physically verifying the existence and ownership, that the projects are well maintained and there is value for money. Below is presented our findings:

i) **The STEM Building Project**

This is a multi- purpose laboratory block. The building has been completed and was commissioned by the Vice Chancellor last year. It is an exquisitely finished one story building housing Physics, Biology, Chemistry and ICT laboratories, conference room, seminar room, classrooms and offices. The laboratories, rooms and offices have been furnished with the needed furniture, Air conditioners and other fittings installed. It is located adjacent to the current ACEITSE office. The 2023 audited financial statement of the Centre revealed that total sum expended on the project was **N296,481,266.00** (Two hundred and ninety-six million, four hundred and forty-eight thousand two hundred and sixty-six naira only). Our review of the associated records reveals that additional sum of
N16,504,898.26 (Sixteen million, five hundred and four thousand, eight hundred and ninety-eight naira, twenty-six kobo was spent to provide upgrade and facelift of the facility such as installation of lift for disabled students and staff.
The sum of **N65,870,710.78 (**Sixty-five million, eight hundred and seventy thousand, seven hundred and ten naira, seventy-eight kobo only was spent to build public toilets within the campus.
We confirmed the following ongoing projects being financed by the Project: Four (4) public toilets, three within the main campus and one at satellite campus at Epe, three of them are ongoing projects and the remaining one upcoming,

ii) **16-Seater Toyota Hiace Bus.**
We confirm the existence of a 16-Seater Toyota Hiace Bus during physical inspection of Assets. It is in good condition.

iii) Office Equipment and Other Non-Current Assets

We also carried out a physical inspection of some Office Equipment items and other Non-

Current Assets to confirm their physical existence, location of deployment, classification / coding of the assets and to confirm their working condition. We also correlated this with the budget, requisition and approval process, procurement process and delivery of the items.

We noted that ten units of HP Laptop Computers with Specifications: 14 Core13, 512GB, SSD, 8GB bought on October 27, 2023 are yet to be assigned and deployed. On enquiry, the Project Accountant informed us that the laptops are to be presented to STEM departments in the University by the Vice Chancellor. We verified that the laptops are presently in the Project Accounts Department.

CONCLUSION

The purpose of this audit is to enable us to express an independent opinion on the true and fair view of the audit of the Financial Statement of African Centre of Excellence for Innovative and Transformative STEM Education (ACEITSE), Lagos State University, Ojo, for the year ended 31st December 2024.

To the extent that our report includes recommendations to correct the weaknesses that came to our notice during the audit, Management shall be responsible for the implementation of our recommendations and for any further actions with respect to other matters addressed in this report. We implore Management of the Project Centre to take necessary steps to implement the recommendations we have proffered in this report with a view to further enhancing efficiency and effectiveness of its internal control and improvement in the delivery of its academic objectives.

We wish to thank the Management for the cooperation and assistance accorded us during the course of our audit and the efforts at ensuring a hitch-free exercise.

Please do not hesitate to contact us on areas in this report that require further clarification.
Thank you.

Yours faithfully,

For: Abdulmalik Ahmed & Co.



Abdulmalik Ahmed, FCA
Principal Partner

ANEXURE 1

Outstanding Cash Advances as 31st December 2024

DATE	PURPOSE OF ADVANCES	AMOUNT
02/05/2024	For the commissioning ceremony of aceitse lab buil	80,000
04/06/2024	Imprest	300,000
28/08/2024	For the refreshment of 6 Viva-Voce Student	250,000
05/09/2024	For the Toileries, Refreshments to Host world bank team	918,350
05/09/2024	For Lunch and fuel AAU/NUC DLI 7.6 verification team	435,400
09/12/2024	For the purchase of diesel for the center generator	153,750
09/12/2024	for the purchase and branding of 100 note pads	980,000
12/12/2024	For the Purchase of material to improve infrastructure	2,624,000
28/12/2024	For 13 student registration as narst members	1,595,484
31/12/2024	For hall, lunch and provisions for 3 days retreat	1,427,000
31/12/2024	For article publication charge for 4 papers	614,568
		9,378,552

ANNEXURE 2

Pictorial representation of existing projects.



LAGOS STATE UNIVERSITY
AFRICA CENTRE OF EXCELLENCE
FOR INNOVATIVE AND TRANSFORMATIVE
STEM EDUCATION (ACEITSE)

LASU
LAGOS STATE UNIVERSITY
AFRICA CENTRE OF EXCELLENCE
FOR INNOVATIVE AND TRANSFORMING
STEM EDUCATION (ACEITSE)

EDUCATIONAL

EDUCATIONAL
TOYOTA
HIACE
KSF 409JK

Pictorial representation of other projects executed in year 2024




Hisense
MICROSCOPE


Burner




Burner


Hisense
MICROSCOPE




PROJECT BOARD
Project Title
CONSTRUCTION OF TWENTY (20) ROOMS MODERN TOILET FACILITY
Client Name
LAGOS STATE UNIVERSITY
Site Address
LAGOS STATE UNIVERSITY
Approval No
LASU - ACETISE / AWARD / 2024 / 025
Department
Contractor
H O DAWODU NIGERIA LIMITED


PROJECT BOARD
Project Title
CONSTRUCTION OF TWENTY (20) ROOMS MODERN TOILET FACILITY
CLIENT Name
LAGOS STATE UNIVERSITY
AFRICAN CENTER OF EXCELLENCE FOR INNOVATION & TRANSFORMATIVE (STEM) EDUCATION (ACEITSE)
Site Address
LAGOS STATE UNIVERSITY
BADAGRY EXPRESS WAY,OJO,LAGOS
Approval No
LASU - ACEITSE / AWARD / 2024 /025
Department
WORKS & PHYSICAL PLANNING
Contractor
H O DAWODU NIGERIA LIMITED
26 Banire Street, Surulere, Lagos