

**UNIVERSITY OF PORT HARCOURT**  
**WORLD BANK AFRICA CENTER OF EXCELLENCE IN OILFIELD CHEMICALS RESEARCH (CEFOR)**

**MINUTES OF THE 2<sup>ND</sup> EMERGENCY STEERING COMMITTEE MEETING HELD ON THURSDAY, FEBRUARY 2, 2017, AT THE EMERALD ENERGY INSTITUTE CONFERENCE ROOM.**

**A. PRESENT.**

1. Prof. Bene Willie Abbey – Vice Chairman
2. Prof. Ogbonna Joel – Centre Leader
3. Mr. Edwin Harcourt – Internal Auditor
4. Dr. Felicia Ayuwo – Finance Officer/Project Accountant
5. Dr. Ibisime Etela - Procurement Officer
6. Dr. Chikwendu Ubani – Safeguards Officer
7. Mr. Uduma Ikpa – Monitoring & Evaluation Officer/Secretary
8. Mrs. Benedicta Omeni – Communications Officer
9. Mr. Owubokivi Benneth – Principal Internal Auditor, UniPort
10. Mrs. Florence A. Chieme-Onyiri – Auditor 2, UniPort
11. Mr. Aselemi G. Umor – Auditor 2, UniPort

**B. ABSENT (with apology)**

1. Prof. N. E. S. Lale – Chairman
2. Prof. Onyewuchi Akaranta – Deputy Centre Leader

**C. AGENDA**

1. Consideration of the Internal Audit Report for second half of 2016

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| <p><b>A.</b></p> | <p><b>OPENING</b></p>               | <ol style="list-style-type: none"> <li>1. The Meeting began at 1.30 P.M. with the Vice Chairman, Prof. Bene Willie Abbey presiding.</li> <li>2. The opening prayer was said by Dr. Chikwendu Ubani.</li> <li>3. The Vice Chairman, in her opening remarks welcomed all present to the meeting and informed them that the purpose of the meeting was to consider the Internal Audit Report of the Center for the second half of 2016</li> <li>4. The Project Internal Auditor, Mr. Edwin Harcourt, introduced the members of the University Internal Audit team as Mr. Owubokivi Benneth – Principal Internal Auditor, Mrs. Florence A. Chieme-Onyiri – Auditor 2 and Mr. Aselemi G. Umor– Auditor 2, all from the Audit Unit, UniPort. He stated that in accordance with the World Bank’s regulations, after an audit, there should be a discussion with the Steering Committee. This allows for the Committee to respond to any anomalies it may perceive in the Audit Report. The Committee’s response will then form part of the final Audit Report.</li> </ol>                                                                                                                                                                       |
| <p><b>B.</b></p> | <p><b>INTERNAL AUDIT REPORT</b></p> | <p>Presenting the audit report, Mr. Owubokivi Benneth stated that the report covers the second half of 2016. It was agreed that for the eleven observations noted in the audit report, the Steering Committee would be allowed to respond after each observation.</p> <p><b><u>Observations &amp; Responses</u></b></p> <p><b>Observation 1:</b> IOUs of ₦300,000 each to Drs. Etela and Ubani in respect of Abidjan trip posted to miscellaneous ledger has not been cleared.</p> <p><b>ACE-CEFOR Response:</b> Responding on behalf of the Steering Committee, the Project Accountant, Dr. Felicia Ayuwo, stated that the audit report was carried out in December but that as at January 2017, Dr. Ubani had refunded ₦300,000 while Dr. Etela was yet to refund his.</p> <p>Dr. Etela stated that the Center was owing him funds for an official trip he made on behalf of the Center to Indonesia. He promised to make the refund as soon as the Indonesia trip funds were paid to him.</p> <p><b>Observation 2:</b> Some approved payments have not reached the beneficiaries; ₦297,000 for hosting of 101<sup>st</sup> School of Graduate Studies seminar; ₦215,000 for printing of the maiden edition of ACE-CEFOR quarterly</p> |

bulletin; M.Sc. research grant of ₦3,750,000 and ₦4,511,650 for trip to Indonesia for Prof. Akaranta and Dr. Etela.

**ACE-CEFOP Response:** Responding, the accountant stated that as at January 2017, ₦297,000, ₦215,000 and ₦3,750,000 had been paid and the beneficiaries have received same. She stated that only ₦4,511,650 was yet to be paid because there are no funds at the moment. She however said that payment will be made once funds received from the World Bank have been cleared.

**Observation 3:** ₦4,105,941.25 payment made in respect of trip to Abu Dhabi by two (Vice Chancellor and Center Leader). Trip was aborted and refund is yet to be made.

**ACE-CEFOP Response:** Responding, the Center Leader, Prof. Ogbonna Joel, stated that another trip involving the Vice Chancellor and Center Leader has been scheduled for Ghana in February 2017. As such, the plan was for the Ghana trip to be financed with the Abu Dhabi funds. Any balance, if any, would be refunded at the end of the trip.

**Observation 4:** About ₦10.28m was budgeted for goods under milestone 2 for the period but no expenditure was incurred.

**ACE-CEFOP Response:** Responding, the Center Leader stated that tenders for the goods had been under consideration by the Tenders Board of the University and that the contract had just been awarded in January 2017, hence the delay in execution.

**Observation 5:** Wrong classification of expenses e.g. M.Sc. research grant of ₦3,750,000 was split and posted to two different expense heads; 2,450,000 to vigorous awareness campaign and ₦1,300,000 to negotiate and sign memoranda with project partners.

**ACE-CEFOP Response:** Responding, the accountant stated that no specific code or budget was allocated for the mentioned expenses in the Center's 2016 work plan and that she received an executive order from the Steering Committee to make the payments in question, hence her classifying the payments under the expense heads in question.

**Observation 6:** The trial balance extracted was not adequately prepared as the bank ledger was not captured and the figure shown for ACE-CEFOP UniPort ledger in the trial balance does not tally with what we have on the ledger account. The ACE-CEFOP ledger balance was gotten from the receipt and payment account and has two balances, debit and credit balances.

**ACE-CEFOR Response:** Responding, the accountant stated that the issues in question had already been corrected.

**Observation 7:** The Internally Generated Revenue account domiciled at First Bank Plc with account number 2028829218 was not made available for review.

**ACE-CEFOR Response:** Responding, the Center Leader, stated that the account in question is empty so there is nothing to report.

**Observation 8:** Internal control was generally adequate but compliance with financing agreement/ work plan in executing major projects budgeted for the period was slow.

**ACE-CEFOR Response:** Same as ACE-CEFOR Response in Observation 4.

**Observation 9:** During verification of assets, it was discovered that some assets such as refrigerator and filing cabinet bought by the Center were not included in the asset register. These assets were also not coded.

**ACE-CEFOR Response:** Responding, The Center Leader said the Center would write to the University Store to have the items coded and included in the asset register.

**Observation 10:** The Audit Committee was yet to handle issues relating to the Center as at the end of December 2016.

**ACE-CEFOR Response:** Responding, the Project Auditor, stated that the Center inaugurated an Audit Committee but as per the World Bank's regulations, an ACE Audit Committee must be the same as the home University's Audit Committee and unfortunately, the University does not have an Audit Committee, hence the situation in question.

**Observation 11:** Even though there were no complaints by suppliers or project staff, we noted that payments approved for Prof. Akaranta and Dr. Etela for trip to Indonesia amounting to ₦4,511,650 have not been made even though the affected staff have undertaken the trip.

**ACE-CEFOR Response:** Same as ACE-CEFOR Response in Observation 2.

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| C. | <b>CLOSING</b> | In the absence of any other business, the Vice Chairman thanked members of the Internal Audit team for their diligence in auditing the finances of the Center. The meeting came to an end by 2.15P.M. The closing prayer was said by Mr. Ikpa. |
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**Prof. N. E. S. Lale**  
Chairman



**Mr. U. Ikpa**  
Secretary