tetfund
TERTIARY EDUCATION TRUST FUND

INTERNAL AUDIT MANUAL

2026

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VISION
To be a world class Intervention agency in Nigeria's Tertiary Education.

MISSION
To provide focused and transformative intervention in Public Tertiary Institutions in Nigeria through funding and effective project management

TETFund Core Value

a. Shall promote and practice equal opportunity as a cardinal policy
b. Promote democratic decision – making and management style that emphasizes consultation, dialogue and search for consciousness.
c. Uphold respect for the human and socio – economic rights of all who work within the organization;
d. Nurture and recognize selfless service, commitment and loyalty to the organization;
e. Sustain the culture of transparency and accountability, and
f. Promote originality creativity and pursuit of excellence and efficiency

FOREWORD

This Audit Manual is to guide TETFUND internal audit staff on how to carry out the review of the vouchers and financial returns from the beneficiary institutions in order to avoid possible misstatement or errors that may be discover by from the External Auditors, Auditor-General for the Federation, Accountant-General of the Federation and Financial Consultants.

In addition, the manual is to guide the internal auditors how to prepare their audit working paper on all the review made on all the accessed funds, to ensure transparency and accountability of the interventions.

With this audit manual, there should be no excuse for any wrong doing; and the provisions of extant regulations must be adhered to, as compliance will be enforced by the internal audit.

This comprehensive review of existing audit guide, which includes the publication of this guide, was aimed at improving record keeping of the Fund and the beneficiary institutions as it goes further to ensure that beneficiaries are adequately enlightened and sensitized on the processes for keeping adequate records of the intervention projects in a judicious and timely manner that ensures transparency and accountability.

Against the above, the Board was persuaded by the need to review the existing audit manual to guide the internal audit staff to effectively carry out their functions.

It is hoped that this reviewed manual will achieve its purpose.

I want to advise that by the time training on the manual will commence, attention should be paid to understand the operations and ask relevant questions to assist you.

Arc. Sonny S. T. Echono OON FNIA
Executive Secretary



- Update the Federal Government on its activities and progress through annual audited report among the states of the Federation in case of regular interventions.
- Review progress and suggest improvement within the provision of the Act.
- Issue guidelines from time to time, to all beneficiary institutions on the disbursement of monies from the fund on the use of monies received from the Fund.
- Generally, to regulate the administration, application and disbursement of monies from the Fund under this Act.
- Do such other things that are necessary or incidental to the objectives of the Fund under this Act or as may be assigned by the Federal Government

In summary the Board of Trustee shall administer, manage and disburse the levy imposed by the Act on the basis of:

- Funding of all enlisted public tertiary educational institutions
- Equality among the states of the Federation in the case of regular intervention.
- The Board of Trustees shall have power to give due consideration to the peculiarities of each geo-political Zone in the disbursement and management of the levy imposed by the Nigeria Tax Act 2025 between the various levels of Tertiary Institutions.
- The decisions of the Board of Trustees are to be carried out by the Secretariat.

1.5 The need for the manual to be reviewed

This manual is prepared for the use of the staff of the internal audit unit of TETFund to explain the processes and procedures necessary to carry out auditing in an orderly and efficient manner. The purpose of the Manual is to offer practical guidance.

This reviewed and updated Internal Audit Manual, contains various changes in the accounting policies and procedures which were not in the old manual. Among the policies are as follows: -

- Introduction of E-payment system for all Federal Government Fund.
- Introduction of e-receipt
- Use of Government Integrated Financial Management Information System (GIFMIS)
- Adoption of International Public Sector Accounting Standards (IPSAS)
- Disclosure requirements in the Financial Statement
- Implementation of Public Procurement Act 2007
- Emerging issues in the amendment of the Public Procurement Act 2007.
- Emphasis on the correct computation of VAT, WHT & STAMP DUTY
- Practical approach in Bank Reconciliation Statement in E-payment & GIFMIS environment.
- Emphasis on adoption and maintenance of project ledger to disclose the actual payment to date and percentage of total payment
- Requirements for the adoption of International Public Sector Accounting Standard (IPSAS) and the provisions of the new Treasury circular on the responsibilities of officers on procurement.
- Federal Government policies and extant regulation as well as the Nigeria Tax Act 2025 that changes the Education tax to Development Levy

1.6 Objectives of the audit manual

The main objective of the Audit Manual is to ensure compliance with Audit best practices

- To streamline the audit and reporting of expenditures made by the various beneficiary Institutions from the Fund released to them in order to ensure that there is value for the fund released to the beneficiaries' institutions. in line with Public Sector Accounting, Financial Regulation and extant circulars.
- To monitor the development levy collected by Nigeria Revenue Service to ensure that the Fund are not shortchange in the sharing of the levy.
- To carry out the audit of the fund released to the beneficiary institutions to ensure that the TETFUND have adequate control and supervision over the way its funds are being utilized.
- To ensure that up to date records are kept in the approved format by the beneficiary Institutions, to guarantee accuracy, probity and transparency in the management and disbursement of the Funds.
- To ensure that each beneficiary Institution separates the TETFUND funds from all other funds by keeping a dedicated separate bank account for TETFUND projects.
- To ensure that TETFUND monitors and supervises the disbursement of its funds and that the allocations are not utilized for purposes other than those for which they were approved.
- To ensure that due process is followed in the award and execution of contracts for TETFUND projects in compliance with Procurement Act 2007.
- To ensure that adequate Internal Control exists in the management of the project being financed with the TETFUND fund by beneficiary Institutions.
- To reviewing continually internal control systems applicable to different departments within the organization with a view to ensuring that the controls are adequate, relevant and are strictly adhered to

Chapter Two
Organisational Structure of TETFund and its Functions

2.0 Learning outcome

At the end of this chapter, the users of this manual should be able to:;

- discuss the organisational structure of TETF:UND
- state the composition of its Board of Trustees
- explain the responsibilities of the Board of Trustees
- explore the organogram of TETFUND
- identify the various Departments of TETFUND and
- discuss the functions of each department

2.1 Organization Structure of TETFund

The objective of this chapter is to acquaint the internal auditors with the organizational structure and basic functions of each department of the Fund. As an auditor, you are expected to know and understanding the functions of each department to enable you assess the level of compliance

TETFUND is structured into two segments for implementation of its functions and general organization: the Board of Trustees and the Secretariat

Here is a general organogram of TETFUND and the functions of each department:

2.2. The Board of Trustees

According to section 4 (1) of its enabling Act, "The Board shall consist of

- A chairman who shall be a person with good knowledge of finance and administrative matters;
- A member representing each of the six geo-political zones of the country
- A representative each of the following Federal Ministries who shall not be below the rank of a Director:
  - Ministry of Education
  - Ministry of Finance
  - A representative each from the Universities, Polytechnics and Collegesof Education.
- The Executive Secretary who shall be the secretary to the Board of Trustees.

The members of the Board of Trustees shall:

- be persons with considerable experience from both the public and private sectors to represent the business, financial and education sectors.
- be appointed by the president on the recommendation of the Minister of Education.
- administer the 50% of the development levy imposed by the Nigeria Tax Act 2025 and disburse the amount in the fund to Federal and State Tertiary Educational Institutions.

Other than the ex-officio members, each member shall hold office for a term of 4 years in the first instance and may be eligible for reappointment for a further term of 4 years and no more. Each member shall be paid sum remuneration and allowances as the President may, from time to time, determine.

.2.1 Functions of the Board of Trustees

- Monitor and ensure the collection of 50% development levies by the Nigeria Revenue Service and ensure transfer to the Fund.
- Manage and disburse the development levy to the appropriate Tertiary institutions
- Liaise with appropriate ministries and bodies responsible for collection or safe keeping of the levy
- Receive request and approve admittable projects after due consideration.
- Ensure disbursement to various public tertiary education institutions in Nigeria.
- Monitor and evaluate execution of the project.
- Invest Funds in appropriate and safe securities.
- Update the Federal Government on its activities and progress through annual audited report.
- Review progress and suggest improvement within the provision of the Act..
- Issue guidelines from time to time, to all beneficiary institutions on the disbursement of monies from the fund on the use of monies received from the Fund.
- Generally, to regulate the administration, application and disbursement of monies from the Fund under the Act.
- Do such other things that are necessary or incidental to the objective of the Fund under the Act or as may be assigned by the Federal Government

2.3. The Secretariat

Appointment of the Executive Secretary and other Staff

There shall be for the Fund an Executive Secretary who shall be appointed by the President on the recommendation of the Minister of Education and to be the Chief Executive and Accounting officer of the Fund. He heads the secretariat of the Fund.

- The Secretariat of the Fund comprises the Office of the Executive Secretary and Twelve departments.
- Each department is headed by a Director and another Director in the Office of the Executive Secretary.
- In each department, there are divisions and units for effective operations.

2.3.1 Executive Secretary's Office:

- Oversees overall strategy and direction,
- Liaises with government and stakeholders

2.3.2 Directorate of the Executive Secretary's Office

There are four units in the office of the Executive Secretary. These are:

a. **Internal Audit Unit**

The objectives of the Internal Audit unit are to:

- Provide reasonable assurance regarding the integrity and reliability of financial and operating information.
- Ensure compliance with applicable laws and regulations
- Ensure that assets are safeguarded and as appropriate, verify the existence of such assets
- Improve the efficiency and effectiveness of operations.

b. **Legal and Board Secretarial Unit**

- This Unit is responsible for Legal and Board Secretarial services
- One of its major functions is to Advise the management and the Board of Trustees on all Legal matters.

c. **Procurement Unit**

- This unit is responsible for providing processes for procuring stores and other moveable and non-moveable items for the TETFUND
- It prepares and produces each year's procurement plan for the Fund.
- It facilitates and executes the procurement processes of award of Contracts on Works and Consultant.

d. **Anti-Corruption and Transparency Unit**

This unit has a specific mandate to ensure accountability, transparency, and ethical conduct in how TETFund resources are used.

- Anti-Corruption and Transparency Unit promote transparency in Fund utilization
- Ensures that allocations to universities, polytechnics, and colleges of education are used for their intended purposes.
- Conducting sensitization and awareness program meson anti-corruption.
- Encouraging ethical behavior among staff and stakeholders
- Collaborating with Independent Corrupt Practices and other Related Offences Commission (ICPC) and other relevant anti-corruption agencies.

d. **.Servicom Unit**

- **The SERVICOM Unit in TETFund is responsible for improving service delivery, accountability, and responsiveness to stakeholders who interact with the fund.**
- **The SERVICOM Unit operates under the national service-delivery initiative of Service Compact with All Nigerians (SERVICOM).**
- **Mandate of the TETFund SERVICOM Unit**
- **Ensure Quality Service Delivery**
- **Makes sure TETFund provides timely and efficient services to universities, polytechnics, and colleges of education.**
- **Develop and Implement Service Standards**
- **Establishes clear service procedures and timelines for processing requests, approvals, and fund disbursement.**

f. **Director in Executive Secretary's Office (DESO)**

- Coordinates the Zonal Offices and Special duties and any other task that the Executive Secretary may assign to him/her e.g SERVICOM Unit.

2.4 The Departments

2.4.1 Academic Staff Training and Development Department (AST&D)

This department is in charge of

- Carrying out a core mandate of the Fund that enables capacity building and teaching skills support through scholarship grants to acquire higher degrees, funding support for conferences and teaching practices;
- Vetting of submission on academic staff training and development, conferences and teaching practice;
- Ensuring that allocated intervention funds are accessed by beneficiaries and facilitating the processing of disbursement to institutions;
- Inspecting and verifying the deployment of funds of academic staff and development programme;
- Managing training programs for academic staff; and
- Developing and implementing staff development policies

2.4.2 **Physical Infrastructure Development Department (PID)**

The **r**esponsibilities of the PID are to

- Determine feasibility of projects submitted by beneficiary institutions that is in line with the policy direction of the Fund
- Recommend project for Approval-In-Principle, if found satisfactory
- Monitor the due processes for consultants/Contractors' engagement by attending bid opening session conducted by beneficiary institution
- Vet and reconcile project proposal submission in line with the intervention allocation being accessed and obtainable best practice.
- Oversee infrastructure development projects.
- Manage funds for physical infrastructure projects

2.4.3 **Department of Research and Development and Centre for Excellence (R&DCE)**

This department is charged with the responsibilities of

- Promoting research activities in tertiary institutions and manage research grants and funds
- Coordinating, managing and implementing the funds Research intervention lines which are aimed at enhancing Research capacity and capability in Tertiary Educational Institutions.
- Promoting market driven research that have national impact and promote multi-disciplinary researches that will increase stakeholders' engagement.
- Supporting industry linkage and promote commercialization of viable results through partnership.

2.4.4 **Information & Communication Technology Department**

- ICT support, monitor beneficiary intervention on technologies
- Provision of timely accurate and high-quality information to and decision making
- Maintain a strong linkage between the Fund business strategies and IT Strategies
- Implement information technology policy of the Fund

- Conduct ICT needs assessment study for the Fund and its beneficiaries; vetting of ICT projects and conducting impact assessment to ascertain compliance with industry standards
- Provide advice on aspects of ICT investment in hardware and software to the Fund and its beneficiaries
- Keep up to date with advances in information technology to ensure that management are fully aware of relevant products and developments
- Monitor the SLAs (service level agreements) of ICT service providers to ensure compliance with stipulated standards
- Coordinate the activities of the departmental management information system desks for quality assurance
- Support and empower the Fund staff through effective and innovative use of current and future technologies
- Training of TETFUND staff on ICT with a view to maintain the Fund ICT infrastructures including servers, laptops/desktops and data communications networks
- Updating and maintenance of TETFUND website
- Conduct project management and quality assurance activities for TETFUND internet ICT projects and beneficiaries.

2.4.5 **Public Affairs Department,** (FAD)

The Public Affairs Department of TETFUND plays a crucial role in promoting the organization's activities, policies and initiatives. These include:

- Information Dissemination: Share information about TETFUND's activities, programs and policies with the public through various media channels.
- Media Relations: Build and maintain relationships with media organizations, journalists and influencers to secure positive coverage.
- Publicity and Promotion: Organize events, press conferences and other activities to promote TETFUND's initiatives and achievements.
- Crisis Communication: Manage and respond to crisis situations, addressing concerns and maintaining a positive image.
- Stakeholder Engagement: Interact with stakeholders, including educational institutions, government agencies and the general public.

2.4.6 **Monitoring and Evaluation Department (M&E)**

This department has the responsibility to

- Monitor and evaluate projects and programs,
- Conduct quality assurance and control
- Receive a copy of project implementation plan from the relevant Department(s)
- Receive project file from Project Management Department after the first tranche payment
- Receive invitation for inspection of completed project by beneficiaries
- Carry out monitoring for that release
- Recommend release of final tranche
- Project documentation
- Develop Monitoring, Evaluation and Impact Assessment guidelines and templates
- Recommend appropriate cause of action after project monitoring

- Provide reports to Management and Board on Monitoring, Evaluation and Impact Assessment activities
- Maintain photo/Data bank on all projects of the fund
- Carry out any other assignment as may be directed

2.4.7 **Finance and Accounts Department (F&A)**

It is the responsibility of this department to

- Manage financial transactions and accounting,
- Prepare budget and financial reports to provide an effective and efficient Financial Management Accounting system
- Provide quality cost management and control
- Provide accurate and timely periodic financial statements for decision making by management and Board of Trustees
- Provide an efficient and effective returns, ensure safety and assure liquidity.

2.4.8 **Human Resources and General Administration (HR & GA)**

This department has the responsibility to

- Manage personnel and administrative matters
- Develop and implement HR policies.
- Assist the Executive Secretary in the day-to-day administration of the fund
- Advice the management and Board on the vision and strategic framework for the management of the funds' Human Resource and the supporting policies
- Determine the appropriate organizational structure of the fund, recruit and place staff.
- Provide welfare and/or execute welfare scheme as may be approved from time to time
- Execute an approval system, train and develop staff, provide exit strategy for retiring staff
- Optimally manage facilities, provide Insurance coverage for man and materials, procure goods and services and ensure their utilization.

2.4.9 **Education Support Service Department (ESS)**

This department has the responsibility to

- Monitor Instructional materials, academic content development, Library and books.
- Generate admittable Academic based Intervention programme/project Implementation frameworks, Instruments processing tools and prototypes
- Play advisory roles via office professional advice on implementation policies and policy analysis, reviews and marketing to Management/BOT.
- Supervise and coordinate the operations of the TETFUND Library
- Provide the Secretariat for the BOT Strategic Planning Committee and National Research Fund Committee.

2.4.10 **Revenue & Investment Department (R&I)**

This department is required to

- Proactively monitor the assessment and collection of development levies by Nigeria Revenue Service (NRS) and ensure transfer of same to the development levy pool account with CBN.
- Undertake visits to the offices of Nigeria Revenue Service for monitoring of the development levies shared to Fund
- Attend Nigeria Federal Inland Service meetings to reconcile Education Tax returns
- Analyze monthly returns obtained from Federal Inland Revenue Service to ascertain degree of compliance with set targets and reconciling monthly CBN statement of account
- Attend Quarterly joint TETFUND/FIRS technical meeting to discuss Education Tax monitoring matters.
- Organize and host annual joint TETFUND/FIRS Interactive forum.
- Establish and update database for Education Taxpayers.
- Plan and participate in conjunction with FIRS in identifying defaulting organizations and the execution of Education Tax arrears drive.
- Plan and execute annual Taxpayers' Forum in collaboration with FIRS for the purpose of developing relationship with stakeholders.

2.4.11 **Strategic Planning & Development Department (SP&D)**

This department has the responsibility

- To oversee the corporate planning and intervention development.
- To develop strategic plan and transformative intervention programmes that are responsive to the changing educational needs of the Nigerian public
- For data collection, collation, storage, analysis for the purpose of determining beneficiaries' needs in the education sector
- For the preparation of TETFUND annual intervention budget
- For tracking the performance of the budget through relevant departments to ensure that intervention activities remained focus
- To develop and monitor the implementation of TETFUND plan document.
- To organize capacity building workshops for our beneficiaries to support the delivery of transformative intervention programmes
- To liaise with relevant regulatory agencies to receive Accreditation report on institutions and appraise it for TETFUND intervention purposes
- To facilitate the conduct of cutting-edge research on activities that will promote national development and build the capacity of Nigerian researchers

- Note: The organogram and departmental functions may be subject to change, and some departments might be added or removed.

2.5 **The Goals of TETFUND**

These include: to

- continuously improve Development levies by ensuring that the development levy is collected and made available for TETFUND intervention programmes.
- deliver appropriate and adequate intervention programmes with due regard to the sensitivities of beneficiaries and stakeholders.
- promote cutting-edge technologies, ideas and organizational skills in education and ensure that projects are responding to present needs as they are also forward looking.

- ensure successful completion of intervention projects.
- form a viable and enduring partnership between the TETFUND and its stakeholders.
- manage Development levies in a way that is most beneficial to the people.
- recruit, retain, train and retrain a highly motivated workforce.
- plan, undertake research and create reliable databank for improvement of education in Nigeria.
- ensure accountability and transparency in all its undertakings.

2.6 Conclusion

Understanding of the structure and its functions will assist the auditors during any of the assessment of the internal control.

Chapter Three
Request Methodology and Access of the Intervention Funds Programmes for Individual Institutions

3.0 Learning outcome

At the end of this chapter, the users of this manual should be able to:

- specify the requirements for accessing intervention funds
- discuss the methodology for requesting for intervention funds
- identify the qualifying programmes and projects for intervention fund
- assess the procedures for processing request for intervention funds
- distinguish between annual, special and Special high impact intervention initiatives and
- appreciate the dos and don'ts of each intervention project

3.1 Interventions

At the beginning of each financial year, each Tertiary Institution is requested to forward its intended programmes/projects to the fund. Such projects shall be aimed at building the institution's capacity to deliver on its core academic mandate and must be in line with the Fund's intervention policy.

The following are the areas in which funds will be released to the Institutions.

3.1.1 Annual Interventions

i. Normal Intervention Projects: Physical Infrastructure Development/Programme upgrade
ii. Entrepreneurship centre
iii. Library Development
iv. Institution based Research and development
v. Academic Staff Training and Development
vi. Academic research Journals
vii. Academic manuscripts development
viii. Conference attendance.
ix. Teaching practice for college of educations
x. Tetfund Project Maintenance
xi. Institution Based skill Development
xii. Equipment Fabrication

3.1.2 Special Intervention

Special Intervention is usually allocated on equality of geo-political zone as enshrined in the establishment Act and guided by such emergencies and exigencies as approved by the Board of Trustees (BoT) for the following:

i. Zonal Intervention
ii. Emergency Disaster Recovery
iii. Designated Projects (e.g., Take-off grants)
iv. Advocacy/Publicity
v. National Research Fund (NRF)
vi. Higher Education Book Development (HEBD) Fund

vii. TETFUND Centres of Excellence (TCoEs)
viii. Skill Development
ix. Security Intervention
x. Destresses Project Completion

3.1.3 **Special High Impact intervention**

The Special High Impact Intervention seeks to inject funds into selected tertiary institutions with focus on iconic projects to achieve a major turnaround for improved teaching and learning. Beneficiaries are selected by the Board of Trustees based on the date of establishment of the institution per geo-political zone, amongst other criteria.

3.1.4 **Essential Physical Infrastructure**

This intervention is essentially to address the infrastructure challenges in tertiary institutions, through the construction and furnishing of structures, and provision of teaching and learning equipment/facilities, with a view to improving quality of education and increasing access to quality education is very important.

3.2 TETFund Desk Officers

Beneficiary institutions are required to appoint Desk Officers with relevant qualifications, competences and experiences in the various aspects of the Interventions line. The Desk Officers in the various areas are expected to work with Bursary desk officers. The Bursary Desk Officers should work with the Procurement department to ensure that the guidelines are adhered to and checklists of items to be submitted are complied with.

S/N	Desk Officer	Department	Qualification
i.	Finance/ Book keeping	Bursary	Accountant
ii.	Physical Infrastructure and Programme	Director Physical Planning or Work	Registered Architect, Civil Structural Builder
iii.	Content Base Interventions/Staff Training/Conference	Academic Planning/Director	Director of Academic Planning
iv.	Books	Liberian	Institution Liberian
v.	Innovation Intervention	Research & Development	Institution Director of Research
vi.	ICT Support intervention	Director of ICT	Institution's Director of ICT

The required qualification for the desk officers must be complied with. Please note that the qualification to be a director in the various departments have been clearly specified in the Scheme of Service.

3.2.1 **Functions /Responsibilities of Desk Officers**

- Liaising with TETFUND for all categories of intervention.
- Visiting the TETFUND website regularly to keep the Beneficiary Institution up-to-date on all TETFUND guidelines.
- Any other responsibilities as may be assigned by the Beneficiary Institution to ensure the efficiency of execution of projects and compliance with extant laws and guidelines.

3.3 **Conditions for enlistment**

The prospective beneficiary Institution must be a Public Tertiary Institution (i.e. Federal or State-owned University, Polytechnic or College of Education). The institution must have been established by law via an Act for Federal institutions or an Edict for state institutions.

- The institution must be recognized by its regulatory agency i.e., National Universities Commission (NUC), National Board for Technical Education (NBTE) or National Commission for Colleges of Education (NCCE), as the case may be.
- Academic activities (i.e., students' admission and teaching/ learning) must have commenced at the institution and progressed for at least 2 academic sessions; except
    - In the case of newly established federal institutions, their enlistment shall be upon receipt of authorization from the Federal Ministry of Education (FME).
    - A verification visit to the newly established federal institution shall be carried out by the Board of Trustees (BoT) for confirmation of the institution's records of enlistment.
- The prospective institution shall formally apply to the Fund to be enlisted as a beneficiary of the Fund.
- A TETFUND team shall visit the institution to verify that academic activities have commenced and thereafter recommend to the Board of Trustees for consideration.
- By the approval of the Board of Trustees, the institution shall be enlisted and formally notified as appropriate.
- Where the state governor substitutes a state institution with a previously enlisted institution, the Fund shall conduct a verification visit before recommendation to the Board of Trustees (BoT) for approval of the substitute.

3.4 **Requirements for accessing funds under physical infrastructure/ programme upgrades**

For any institution to access any physical fund, the following should be noted: It must

- Have substantially completed the previous year's intervention projects in readiness for the release of the final tranche.
- Submit proposed projects to the Fund in the sum of the allocated amount in line with the beneficiary institution’s core mandate and relevant to teaching, learning and research; including the learning and teaching environment.
- Justify the proposed projects and attach the total cost to each item. Details shall be attached in the appendices to the submission;

- Obtain an Approval-in-Principle (AIP) subject to the satisfaction of the vetted submission of the proposed project.
- Ensure that the engagement of vendors is in compliancewith the provisions of the Public Procurement Laws and Regulations.
- Ensure that all relevant details of the proceedings of the procurement processes are required to be submitted to the Fund for vettingin this regard
- That the release of funds in tranches follows the satisfactoryconclusion of the procurement process in accordance withtheextantLawsandRegulations.

3.5 The role of the Project Consultant

The following roles of the consultant should be noted:

- All Construction related projects (i.e., project with multi – level floors) must provide all the necessary reports/documents including the result of the soil test as stipulated in the intervention guidelines.
- All information shall be on the Consultant's Company Letterhead, bearing the:
  - Name
  - Signature and,
  - Seal of the Consultant Civil/Structural Engineer

This shall be a precondition for release of the next tranche of funds.

3.6 Approval In Principle (AIP)

Approval in principle is not the final approval; it is just the approval that the institution can embark upon on the project intended to be executed.

3.7 Merger of un- accessed intervention Fund

Beneficiaries in arrears of dedicated allocations may apply to the Fund for a merger of as many years' un-accessed intervention funds as may be approved by the Board of Trustees, subject to the satisfactory completion and verification of any on-going year's interventionprojects.

3.8 Procurement of related projects

The beneficiary institutions' proposals should contain the following: -

- Inventory of items to be procured and it should contain quantity of items to be purchased,
- Genuine and relevant Proforma Invoices, with cost submission quoted in the Nigerian currencies.
- Submission of manufacturers' catalogues/brochures of technical specifications, showing sample photographs of the equipment
- Sample photographs of the items to be purchased. Dimensioned drawings of sketches of furniture are also acceptable.
- Inclusion of VAT where applicable.
- Withholding Tax (WHT) inclusion is not acceptable.

3.9 Criteria for fund disbursement

- Funds disbursement shall be done after the AIP has been granted and the Due Process requirements have satisfactorily taken place.
- For construction-related projects, disbursements shall be done in three (3) tranches of 50%, 35% and 15%; while for procurement-related projects, disbursements shall be in two tranches of 85% and15%.
- The disbursement of the First (1st) Tranche of funds shall follow the submission of satisfactory evidence of compliance with the provisions of the Public Procurement Laws and Regulations.

3.10 Request for Interventions

- Request need to be made for any intervention to the Fund.
- The Fund will vet/review the entire request and recommend to the Board of Trustees of the fund for approval. The approval shall depend on the following conditions: -
    - All proposals for accessing the funds shall be purely of academic relevance addressing deficiencies in the core academic areas in line with the accreditation requirements of the individual regulatory agency.
    - It is important to consult widely within the academic community before project proposals are submitted to the fund for consideration. Emphasis should be placed on essential physical infrastructure, learning resources, library development, academic staff training, research and scholarly publications;
    - Proposals for Research and Academic Staff Training & Development, should comply with the guidelines;
    - The library development shall solely be handled professionally by the Institution's Librarian in view of its special nature. Correspondence to the Fund in this regard should be signed/endorsed by the Librarian;
    - Projects should be prioritized within the approved allocation to your institution:
- Concurrent utilization of allocations is not allowed. All on-going intervention projects should be concluded before accessing subsequent allocation. However, the merger of un-accessed allocations can be granted
- Observance of the Due Process at all stages is mandatory in order to access the allocated funds.
- In this regard, all proposals must be submitted to the TETFUND for consideration and Approval-In-principle (AIP) before advertisement, vendor pre-qualification and tendering.
- Evidence of compliance with the requirements of the Public Procurement Act 2007 is mandatory for release of funds. Project proposals which ignore or short-circuit this procedure shall not be considered for consideration of release of funds;
- Beneficiaries are strongly advised to invite officials of the Fund to observe the opening of Bids two weeks to the scheduled date;
- The fund shall no longer entertain projects implemented in endless phases. All the projects should be conceived and implemented in a single phase based on annual or merged allocations.
- In line with the Public Procurement Act 2007 Material (advance) payments to contracts shall not exceed 30% and such must be guaranteed by a reputable bank.

- It is also mandatory to obtain Performance Bond from Contractors executing TETFUND projects and this must be valid for the entire duration of the contract; and
- Project inspection after the release of the 1st tranche shall precede release of the 2nd and final tranches, subject to satisfactory retirement of the preceding funds advanced.

3.11 Individual guideline in respect of specific interventions

3.11.1 Normal and Library Interventions

In order to facilitate the smooth execution of each of the year's projects, the release of the funds shall be in two/three installment/tranches as follows:

- 1st Tranche- 50% of the allocation for construction-related projects after consideration of the projects by TETFUND.
- Issuance of AIP by the fund.
- Observance of the Due Process of Advertisement.
- Pre-qualification, Tendering and Offer of Award by the institution.
- 2nd Tranche -35% after satisfactory utilization of the Initial 50% released for construction.
- 3rd Tranche -15% upon satisfactory completion certificates, remitted to TETFUND, inscription to specification and inspection by the fund.

Please note that it is possible for the 1st and 2nd Tranches be combined for all items of procurement.

3.12. Project submission requirements for accessing funds:

3.12.1 The First (1st) Tranche

- Approval-in-Principle
- Evidence of Due Process, the documentations of which must contain
- Evidence of Advertisement of the projects
- Evidence of Pre-qualification
- Evidence of Invitation to Tender
- Evidence of Opening of Tenders
- Copy of Attendance Register at the Opening of Tenders
- Bid Evaluation Documents – Tenders Analysis, Minutes of Tenders Board Meeting, Minutes of Approving Authority
- Letter of commitment to commence the projects immediately on release of 1st Tranche
- Programme of Works (endorsed by the Contractor and institutions CEO)

3.12.2 The Second (2nd) Tranche – (to be submitted in duplicate)

- Copy of Due Process Certificate
- Copies of Letters of Offer of Award of Contracts and Acceptance by contractors
- Copy of Advance Payment Bond (if given)
- Copy of Performance Bond
- For Procurements – Local Purchase Order/Job Order

- Progress Report Forms
- Progress Photographs
- Consultants' interim certificates (where applicable)
- Stores Receipt Vouchers (SRVS)
- Payment Vouchers (PVS)
- Payment receipts
- Current Bank Statement (showing lodgments & Withdrawals.
- Financial Returns on Projects (Form No.
- TETEF/DF/IAU/FR/01)
- Expenditure on Projects (form No.TETF/DF/IAU/FR/02)
- Bank Reconciliation Statement
- Evidence of Project Signboard to specification
- Report of inspection by staff of the Monitoring and Evaluation Department

3.12.3 **The Third (3rd) Tranche – to be submitted in duplicate)**

- Inspection Report by Officers of the Fund, confirming 100% completion of all approved projects
- Progress Report Forms
- Progress photographs showing branding in line with TETF'S specification
- Consultants' Final Certificates (where applicable)
- Practical Completion Certificate
- Evidence of Inscriptions on the projects
- Stores Receipt Vouchers (SRVS)
- Payment Vouchers (PVS)
- Payment receipts
- Current bank Statement (showing lodgments & Withdrawals)
- Financial Returns on Projects (Form No. TETF/DF/IAU/FR/01)
- Expenditure on projects Form (Form No. TETF/DE/IAU/FR/02)

3.13 Library development

The main objective of the intervention is to support modern equipment alongside relevant current books. Disbursement of fund under this intervention shall be in two tranches of 85% and 15% of the total cost

3.13.1 **Requirements for the Issuance of Approval-In-Principle (AIP)**

- Evidence of properly constituted Library Development Committee which meet and make recommendations to head of the Institution on matters relating to Library. The committee is headed by the Librarian.
- Submission of the Library Collection Development Policy including electronic resource policy of the Institution.
- Submission of list of books to be procured must be in accordance with the recommendation of the library committee and TETFund template.
- Submission of all other library resources including tool and equipment to be procured.
- All submission shall be accompanying with extract of the minutes of the meeting of the Library Development Committee.

- All submission shall include the address and email address of the Librarian in case of any clarification on the proposed books submitted.
- At least 70% of the total allocation shall be for the books e-books/ subscription while the 30% will be for the tables and equipment's
- All submission shall be accompanying with a covering letter address to the Executive Secretary and to be signed by the Head of the Institution.
- Executive Summary of the Proposal must be endorsed by the Librarian.
- List of Proposed Books stating the Author, Publishers, Year of Publication, Quantity, Unit Cost and Amount
- List of Equipment Stating Manufacturer, Specifications, Unit cost and Total Cost
- Genuine Proforma Invoice from reputable sources including sample photographs of such equipment
- For Furniture-related procurements, catalogues/photographs of the type of wood to be used
- For E-Library, detailed specification/description of the items should be provided with cost

3.13.2 **E- Book subscriptions**

With the current trend in teaching and learning, Library Development Intervention (LDI) fund should be utilized to support the establishment and maintenance of e learning facilities in line with the following:

a. Request for e-books subscription shall indicate specification including name of subscription, vendor and subject area and cost.
b. Evidence of activation of the approved e- subscription.

3.13.3 **Requirement on E-Book of the beneficiary Institutions**

a. Provide evidence of payment of the e-subscription and amount.
b. Indicate the link(s) to the subscribed platform in their request for first tranche
c. Grant access to the Fund by providing log-in details to view the link
d. A maximum of 5 staff is allowed for the purpose of training
e. The beneficiary Institution shall make submission online on the TETFund beneficiary institutions' portal currently deployed on https//beneficiary TETFund.gov.ng/beneficiary/login
f. And all other requirement as specified in the guideline

3.14 **Academic Staff Training & Development**

- The Academic Staff Training and Development (AST&D) was introduced by the Board of Trustees in the year 2008 to build localcapacity of teaching and non-teaching staff of Public Tertiary Institutions.
- Teaching staff are sponsored both locally and internationally in various aspects of postgraduate studies and conferences, while non-teaching staff may only be sponsored to conference.

3.15 **TETFund Scholarship for Academic Staff (TSAS)**

- Sponsorship of lecturers in Nigerian Public Tertiary Institutions (Universities, Polytechnics and Colleges of Education) to undertake PhD and Master's Degree programmes in both local and foreign Institutions.
- Sponsorship for Bench Work, which is for scholars pursuing PhD programmes in Sciences in Nigerian Universities, to carry out research work in foreign Institutions with advanced facilities.
- Sponsorship of scholars for postdoctoral fellowships to enable PhD holders of not more than 5years acquire additional research experience to deepen their research skills in their respective academic fields.

3.15.1 **To access the TSAS Intervention**

- Beneficiary Institutions should only recommend scholars for sponsorship to study for a master's degree (MA, MEd, MSc etc.) or doctorate degree (PhD, DSc, DLitt., etc.) both local and foreign.
- Beneficiary Institutions may recommend for sponsorship, a scholar pursuing a doctorate degree in Nigeria, to travel aboard for bench work for a period not exceeding twelve (12) months and not less than three (3) months provided the programme is science-based.
- Online and part- time Masters, and Ph D degree programmes are not admissible under this Intervention.

3.15.2 **Choice of Universities for TSAS**

All Lectures seeking sponsorship to study locally must note that:

- Only Universities with National Universities Commission (NUC) approved graduate courses would be accepted.
- Inbreeding will not be supported i.e. Scholars would not be sponsored if they are to study in their home Institutions.
- All lecturers seeking sponsorship to study abroad shall be guided by the University league tables while seeking admission, to ensure that the intended universities are ranked higher than Nigerian universities at the time of submitting application
- Scholars wishing to change institution or course of study after the award of scholarship shall be required to seek approval from the Fund
- Scholars found to have changed their course of study or institution without prior approval from the Fund shall be asked to refund the money disbursed.

3.15.3 **The TSAS allocation shall be disbursed as follows:**

- A maximum of 30% of the allocation shall be spent on foreign scholarship.
- A minimum of 30% of the allocation shall be spent on local scholarship.
- A maximum of 30% of the allocation shall be spent on Post doctoral Fellowships.

3.16 Conference attendance Intervention

Sponsorship of both teaching and non-teaching staff of Nigeria's Public Tertiary Institutions to attend Academic Conferences, Professional Conferences and Workshops locally and internationally.

3.16.1 **Sponsorship criteria**

Nigerian Teaching and Non-Teaching Staff shall be considered for sponsorship to participate in a conference that meets the underlisted condition:

- It must be an Academic conference organized by Academic Institutions, learned societies, and/or recognized and reputable professional bodies.
- The registration fee for the conference must not exceed One Hundred and Fifty Thousand Naira (N150,000.00) for local conferences, and Five hundred US dollars ($500) for foreign conferences.
- The duration of the conference must not exceed five (5) days.
- Participation in conferences/workshops arranged by local organizers to be hosted in a foreign country shall not be considered for sponsorship.
- Participation in Conferences arranged by third party Predatory Conference Organizers (PCOs) must not be recommended for sponsorship.
- Participation in online/virtual conferences/workshops shall not be eligible for sponsorship.

3.16.2 **Group sponsorship**

- Sponsorship for participation in group conferences/workshops byTeaching and Non-Teaching Staff of Beneficiary Institutions shall besubject to the following criteria:
    - Staff of Beneficiary Institutions can only be sponsored to conferences that are relevant to their academic disciplines.
    - Not more than 7 (Seven) teaching staff from a department shall be eligible to participate in a group conference (not workshop) within a given intervention year.
    - Non-teaching staff shall be eligible to participate in group workshops organized by recognized public institutions.

3.16.3 **The process**

All submissions for Conference Attendance shall be received at the Fund at least two (2) months before the conference commencement date and shall include the following:

- The Minutes of Meeting of the relevant selection committee.
- Detailed list of proposed participants.
- Conference flier showing detailed information on the Organizer, registration fee, date and venue.
- Evidence of accepted paper for presentation at the conference.

Two (2) copies of financial returns with supporting documents to show evidence of release of funds to staff for previously sponsored conferences/workshops. Such documents include:

- payment vouchers;
- approved memos;
- copy of certificate of attendance;
- e-payment schedule and bank statement;
- and Data page of International Passport, Visa page, Immigration Entry/Exit Stamps, Boarding pass.

- Submission for Conference attendance should indicate the present status and salary scale of attendees.

3.17 Information Communication Technology (ICT) Support

- The ICT Support Intervention was designed to strengthen the application of ICT in all facets of education in TETFUND Beneficiary Institutions.
- The Fund in collaboration with the Beneficiary Institutions identifies the ICT Support Intervention needs for a specified intervention period.

3.17.1 Requirements for Accessing Funds Under the ICT support Intervention

Beneficiary Institutions shall meet the following requirements to access the intervention:

- Evidence of a functional and properly constituted ICT Board or ICT Development Committee (ICTDC) which must have the ICT Director/Coordinator of the Beneficiary Institution as a member.
- Submission of the ICT Policy (ICTP) document.
- Minutes of Meeting of the ICTDC in support of the Fund's approved ICT Support Intervention need for the specified intervention access period.
- Submission of the Executive Summary of the proposal.
- A forwarding letter duly signed by the Head of the Beneficiary Institution.
- Bill of Quantities (BoQ) for the implementation of the proposed needs.
- A proforma invoice associated with the items on the BoQ.
- Detailed specifications of the prioritized approved ICT Support Intervention need for the given intervention period as published on the Fund's website/ Beneficiary Institutions' portal.

3.17.2 Method of submission

Beneficiary Institutions shall make submissions online on the TETFUND Beneficiary Institutions' Portal currently deployed on: https:// beneficiary. TETFUND. gov.ng/ beneficiary.

3.18 Research and Innovation

Government through TETFund is trying to encourage lecturers to carry out meaningful research that will earn them patent right

- TETFund is committed to the institutionalization of Research & Development in Public Tertiary Institutions through innovative best practices thereby creating the platform for researchers to earn patent right and develop their findings as a progressive & sustainable driver of economic growth.
- It is acknowledged that the incentives for investing in Research & Development are numerous, so maintaining and increasing Nigeria Research & Development efforts is essential to increasing the rate of productivity in the country.
- The Board of Trustees established the following intervention lines for the achievement of the broad objectives:

- Institution-Based Research (IBR)
- TETFUND Centres of Excellence
- National Research Fund (NRF)

3.18.1 **Institution Based Research (IBR)**

- The Institution Based Research (IBR) intervention is aimed at resuscitating and supporting small scale research projects in public tertiary institutions.
- TETFund gives allocation for IBR annually for Early Career Researchers (ECR) i.e., researchers who are within eight years post PhD and below.
- A maximum amount of N2,000,000.00 (Two Million Naira) only is approved per project. The approved funds are disbursed in two tranches of 60% and 40% respectively.

3.18.2 **Eligibility**

To be eligible for the award of the IBR grants, applicant shall fulfil the following:

- The lead researcher shall reside in Nigeria.
- Be a full-time and confirmed academic staff (Individual /Group) of Beneficiary Institution.
- Demonstrate an independent capability to undertake and lead research projects by submitting coherent research/proposal based on approved template accompanied with curriculum vitae.
- At least one co-researcher shall meet the requirements of the lead-researcher and should be able to take over from the lead-researcher if need be.
- The proposal for this intervention shall pass through internal assessment process and be recommended by relevant research committees of the department and the institutions.
- A scholar shall not benefit from more than one IBR grant/ concurrently

3.18.3 **Submission of proposals**

Research proposals by eligible applicants shall be submitted to the Institution's Committee on Research (ICR) to screen the proposals based on the quality of content of proposal which would be assessed based on the following:

- Executive Summary.
- Title.
- Introduction Objectives Literature Review.
- Methodology that can be replicated including methods of data analysis.
- Detailed work plan (including estimated dates of commencement and completion).
- Detailed budget (not exceeding N2,000,000.00).

3.18.4 **Method of submission**

- Proposals approved by the Beneficiary Institution's Committee on Research shall be submitted in soft copy in a flash drive and one (1) hard copy to the Fund.

- All researchers must ensure that all required documents are attached, as non-inclusion could delay the processorleadtorejection.

3.19 TETFund Centres of Excellence (TCoEs)

- TETFUND Centres of Excellence (TCoEs) are organizational environments that strive for, and succeed in, developing high standards of conduct in a field of research, innovation, or learning.
- They are typically geographically concentrated and focused on high potential and/or growth areas in science, technology, engineering,humanities, andsocialsciences.

3.19.1 TETFund Centres of Excellence Project Development Objectives

- The TCoE project development objective is to support host institutions to promote specialization among participating TertiaryEducation Institutions (TEIs) in areas that address priority national challenges and strengthen the capacities of these TEIs to deliver quality training and applied research.
- The higher order objective is to meet labour market demands for skills within specific areas where there are skill shortages affecting development out comes and economic growth.
- Furthermore, the project will, on a demand basis, invest in well performing TEIs that can start building a foundation for Nigeria to increase knowledge and technology absorption,and buildaknowledge-basedeconomy.

3.19.2 Criteria for the selection of TETFund Centres of Excellence(TCoEs)

Minimum criteria for the selection of TCoE are as follows:

- Provisionofdedicatedspacefor the centre (500sqm).
- Minimum of 10 top notch faculty members as resource persons with50% inthe professorial grade in the focus area.
- Existence of main faculty and all relevant departments in the area of focus.
- Availability of graduate degrees in the core and interdisciplinary areas related to the focus area.
- Confirmation of at least five (5) existing or emerging industry collaborations related to the TCoE.
- Minimum of five (5) existing international partnerships and collaborations evidenced by signed Memorandum of Understanding(MoU).
- Evidence of stakeholders' engagement and buy-in of both state andnon-state actors.
- Evidence of resources availability and preliminary datasets.
- Evidence of performance-based leadership in R&D associatedwith the TCoE's area of focus.
- Evidence of availability of supportive soft and hard infrastructure to the TCoE.

3.19.3 Keys to success of TETFund Centres of Excellence (TCoEs)

- Every TCoE should have a set of clearly and concisely defined guiding principles that will provide its direction and focus.
- The following six (6) areas are the key starting points for establishing and successfully evolving CoEs. Therefore, TETFUND Centres of Excellence must:

- Implement acceptable global standards and best practices.
- Leverage assets within the University and Country:
- Human Assets
- Collaborative mechanisms
- Coding practices
- Policies / guidelines for operations

In addition, the TCoEs must develop the ability to track, measure, and report on the performance of the team's initiatives across all areas of its efforts, as well as specific metrics within the organization itself.

- Have proper guidance and governance structure.
- Be able to implement the TETFUND Quadruple-Helix Model i.e., build bridge between academia, government, society,and industry.
- Ensure balanced proportion of subject matter experts.
- Adopt results-based financing and internal controls, impact assessment and measurement metrics.

3.19.4 **Aim/Desired outcome of TETFund Centres of Excellence**

- Promoting national/regional development.
- Demonstrating capacity for excellence in learning, skill acquisition and innovations.
- Benchmarking research excellence and product development.
  Attaining financial sustainability.
  - Enhancing institutional ranking and global competitiveness

3.19.5 **Detailed description of TETFund Centres of Excellence (TCoEs)Activities**

- Each selected institution will implement its own TETFund Centre of Excellence, aiming to help address a specific national development challenge through short term training, applied research and associated outreach activities to partners, especially community services.
- Within that, institutions will have autonomy to implement their own institutional specific proposals, which encompassthefollowingsevenelements:
  - Enhancing capacity to deliver national high-quality training to address the development challenges.
  - Enhancing capacity to deliver applied research to address the national development challenges.
  - Building and using industry/sector partnerships to enhance impact of the Centres on development and increasing relevance of the Centres' education and research.
  - Building and strengthening national and international academic partnerships to raise quality of education in other institutions in thezone.
  - Enhancing governance and management to improve monitoring and evaluation, administration, fiduciary management, transparency, ability to generate resources and project implementation.
  - Activating community of practice using quadruple helix model.
  - Fast-tracking the internationalization of education and knowledge economic growth.

These seven sets of project activities are closely intertwined. For instance, industry partnership and academic partnership are necessary inputs into enhanced capacity to deliver high quality training.

3.20 Financing guidelines for TETFund Centres of Excellence

- Financing of the TCoEs is designed as an institutional program to which TETFUND provides Basic Readiness funds.
- The TCoE programme emphasizes results- basedmanagement, which focuses on tracking results and howthese feed into achievement of programme goals.
- Additionally, financing of the programme is also linked to performance on agreed indicators - Disbursement Linked Indicators(DLIs).
- The program consists of funding to the TEIs' academic, technical, and administrative staff, other operational costs, and investments into teaching and research, goods, training,servicesandcivilwork.
- TETFUND will fund an agreed amount of this program if the results are achieved and the agreed fiduciary and standards are followed.
- The amount of credit disbursement will be contingent upon the satisfactory achievement of agreed, pre - specified program implementation progress and performance results, by way of deliverables.
- Each deliverable has a unit disbursement price per unit of result achieved.
- The reporting and verification of the achievement of the deliverables and disbursements will be done as andatwhen due.

3.21 National Research Fund (NRF)

- The National Research Fund is aimed at resuscitating researchactivities in the Nation's Tertiary Institutions.
- It is competitive and intended to address the paucity of funds necessary to facilitate cutting-edge research which will contribute to national development as well as tackle global challenges.

Thematic areas include:

- Science,Engineering,Technology,and Innovation(SETI).
- Humanities and Social Sciences(HSS).

3.21.1 Procedure for accessing the National Research Fund (NRF)

- The NRF grant is facilitated by the National Research Fund Screening & Monitoring Committee (NRFS&MC).
- The application procedurewillcomprisethefollowing:
  - Call for Research ConceptNotes.
  - Submission of Research Concept Notes electronically at https://nrf.TETFUND.gov.ng/
  - Blind review/evaluation of the Research Concept Notes by theNRFS&MC.
  - Callforproposal.
  - Submissionofproposalelectronicallyat https://nrf.TETFUND.gov.ng/.
  - Screening/evaluationoftheproposalsbytheNRFS&MC.

- Invitation of the Principal Researcher/Investigator forresearchproposals defense.
- NRFS&MC recommendation of selected fundable proposals to the TETFund Board of Trustees for approval.
- Award of Research Grant.
- Release of Funds in approved tranche payments.

3.21.2 **Evaluation criteria**

The Screening and Monitoring Committee will assess applications in accordance with the following criteria:

- Proposal submitted using the approved format.
- Total budget should not be above 50 million Naira.
- Principal Investigator (PI) must be institution based, senior cadre and above.
- Inclusion of a work plan.
- Must be signed by the Chairman of the Institution's Research Committee and Head of Institution (or a representative).
- Other criteria as may be prescribed by the NRFS&MC.

3.21.3 **Release of funds**

Notification:

- Letters of Award of the NRF Grant shall be sent to Heads of Beneficiary Institutions of the Principal Investigators upon approval by the Board of Trustees where the Principal Investigator/Grantee will be advised in writing of the duration and amount of the research grant awarded ..

Mode of disbursement of Funds:

- Disbursement will be made in three tranches of 60%, 30% and 10% as first, second and final disbursements respectively.

3.22. **Teaching Practice Intervention**

- The core objective of the Teaching Practice intervention is to support beneficiary Institutions to conduct the supervision of Teaching Practice effectively and efficiently.
- Trainee-teachers that are sent to Basic Education Schools for practical teaching experience need to be supervised by the lecturers to complete their professional teacher-training programme and as part of the requirement for the award of the National Certificate in Education (NCE).

3.22.1 Criteria for accessing Teaching Practice Intervention

To access the Teaching Practice intervention, a Beneficiary Institution must fulfill thefollowing:

- Provide names and addresses of all the schools where the trainee-teachers to be supervised would be posted during theinterventionyear.
- Provide names and contact details of the Head Teachers and Principals of the schools where the trainee-teachers tobe supervised would be posted during the intervention year
- Notify the Fund at least three (3) months before commencement of the teaching practice supervisionexercise.

3.22.2 Beneficiary Institutions shall adhere to the following:

- Submission on Teaching Practice supervision shall be madetwice within a given intervention year and not in piece-meal.
- Only academic staff on permanent appointment with the Beneficiary Institution shall be considered for Teaching Practicesupervision
- Requests for procurement of teaching aids by Beneficiary Institutions must be for micro teaching laboratoryequipmentonly.
- All submissions must be made on the Fund's template for Teaching Practice and must be in both hard and soft copieson a flash drive. An advance copy may be emailed toes@TETFUND.gov.ngandast&ddept@TETFUND.gov.ng
- Online submissions shall be made on the TETFUND Beneficiary institutions institutions Portal currently deployed on: https://beneficiary.TETFUND.gov.ng/beneficiary/login.
- Annual Teaching Practice report should be submitted to the Fund in accordance with the approved template.

3.23 Academic Manuscript into Books (AMB)

The main objective of this intervention is to support scholars in Beneficiary Institutions with grants to be used to convert Manuscripts into Books.

3.23.1 Eligibility

For any manuscript to be eligible for support under this intervention,itshallbe:

- A tertiary level text from a Beneficiary Institution.
- Forwarded for funding by the Lead Author's institution wherecontributions arefromdifferentinstitutions.
- Submitted to and accepted by a reputable reputable Academic Publishing House for the purpose of publishing.
- Publishers Proforma Invoice should contain detailed cost breakdown strictly related to only the cost of publication of the books to be paid to the publisher.

3.23.2 Requirements for Accessing Funds Under Academic Manuscripts into Books (AMB) Intervention

- The proposed manuscripts for sponsorship should be submitted tothe Fund via the Beneficiary Institution with the followingdocuments:
- Recommendation letter by the Beneficiary Institution duly signed bytheHeadof Institution.
- Completed TETFUND manuscript development nomination form duly signed and endorsed by the Head of Institution.
- Detailed cost breakdown in the Proforma Invoice from thepublisher indicating the number of copies to be produced. It shall be a minimum of 1,000 copies and a maximum of2,000copies
- Detailed cost breakdown of associated cost indicating costof logistics, typesetting, and payment to peer reviewers fromtheauthor.
- A copy of the manuscript (manuscripts in languages otherthan English should be submitted with an abstract in English).
- Evidence of issuance of ISBN from National Library of Nigeria
- Implementation plan indicating the expected dates of commencement and completionofprojects.
- Copy of the institution's Book Development Committee'sMinutes of Meeting with list of members and theirdesignation where the proposed manuscript(s) were approved.
- Copies of the invoice and acceptance letter from a reputable publisher.
- Evidence of favorable External Peer Review Report on aletterhead from an expert in relevant field of study or the Academia.
- Resume(s)/CVs of the author(s).

3.23.3 **Processing of First (1st) Tranche**

After processing the AMB proposal, disbursement of first tranche payment of 85% of the approved amount will be made to the institution;

- All published books under this intervention line shall have TETFund Insignia, and year of intervention stamped onthem.
- Payments for cost of publication as stated in the publishersproforma Invoice shall be made directly to the approved publisher by the beneficiary Institution.

3.23.4 **Processing of Final Tranche**

For the processing of final tranche of the remaining 15% of theapproved amount, the published books shall be received by theBeneficiary Institution from the publisher and as part of the requirement for the conclusion of the project, the Fund must beinvited by the Beneficiary Institution to verify the approved numberofbooksbeforedistributionwith thefollowing:

- Evidence of deposit of Five (5) Copies of each title with theFund.
- Evidence of Legal Deposit of 5 copies of each title to theNationalLibrary.
- Evidence of Payment to the publishers (Receipt ofpayment).

The disbursement of the final tranche shall be subject tosatisfactorycompletion andverificationoftheproject

Additional Information

- Abstract /Executive summary of manuscripts shall beincludedintheproposal.
- Project is expected to be completed within two (2) monthsfromreleaseoffirsttranche.

- Administrative cost is strictly to be paid to the Author(s) as approved by the Board of Trustees for thematic areas.

3.24. **Academic Research Journal (ARJ)**

The objective of this intervention is to support the establishment and/or publication of scholarly journals in the Beneficiary Institutions.

3.24..1 **Eligibility**

It shall be an existing Academic Research Journal in the Beneficiary Institution.

3.24.2 **Requirements for Accessing First (1st) Tranche of Funds Under Academic Research Journal (ARJ) Intervention**

For the first tranche of 85% of the approved amount, the proposed journal for publication shall be submitted to the Fund by the Beneficiary Institution with the following documents:

- Forwarding letter.
- Bound copies of the last three (3) editions of the journal (where it exists) or an artist's impression of the cover page (if just being established).
- Evidence of a properly constituted Editorial Board with at least two-thirds of the members not in the employment of the Beneficiary Institution (provide list of members and their affiliation)
- Submission of a copy of the Guide to Authors, including editorial policy, house style, copyrights, and permissions.
- Submission of evidence of registration with relevant abstracting and indexing services for journals older than three (3) years.
- Evidence of Registration of the journal title with the National Library of Nigeria as an International Standard Serial Number (ISSN).
- Evidence of availability and accessibility of the journal to be supported on at least one major knowledge gateway.
- Minutes of Meeting of the Editorial Committee.
- Submission of a comprehensive proposal of the publication.
- The request should not exceed 4,000 copies for the maiden edition, and 3,000 copies for the subsequent edition.
- Evidence of a functional and dynamic website for the journal to be showcased, that can also be accessed via at least one major knowledge gateway.
- Detailed implementation breakdown indicating the date of commencement and completion.
- Detailed publication cost breakdown of the journal.

3.25 **Conclusion**

The guideline for accessing the fund has been enumerated in this chapter, effort should be made during examination of any vouchers to bear in mind the provisions in this chapter.

For instance, allocation of fund for special projects beneficiaries to be selected by the Board of Trustees must be based on the date of the establishment of the institution per geo-political zone, amongst other criteria.

Chapter Four
Fund Allocation and Banking System

4.0 Learning outcome

At the end of this chapter, the users of this manual should be able to:

- clarify intervention projects and its funding
- discuss the various record keeping processes associated with disbursement of intervention funds
- identify the accounting roles of the Bursary and Desk Officers in intervention funds
- specify the various accounting books/documents to be kept and entries to be made
- undertake bank reconciliations with greater ease, and
- explain the procedure for changing of bank account

4.1 Introduction

The objective of this chapter is to clarify intervention projects and how the beneficiary institutions access the funds. Therefore, in addition it is to ensure that disbursements to Beneficiary Institutions for TETFUND projects are:

- Received by the beneficiary institutions on time
- Transfers into the dedicated TETFUND project bank account of the beneficiary Institutions
- Distributed to and recorded in the Content Book according to the submitted/purpose of the fund.
- Balances of each Sub-Head are easily identified
- E-payment rules are followed as stipulated in the extant rules and regulation.

The following points must be noted in the operation of TETFUND project funds.

- Each beneficiary Institution is expected to open a bank account solely for TETFUND projects to be separated from other accounts of the Institution. (e.g. University of Ilorin/TETFUND project Accounts)
- Equally, the details of the bank account should be forwarded to the TETFUND office, such as the name of the Bank, Account Number, sort Code.
- With the introduction of E-payment any of the tranches released are transferred to the beneficiary Institution account and the Desk officer is expected to obtain details of the purpose of the amount transferred to the account.
- Official Email address of the Desk officer must be forwarded to the TETFUND office for any important information to be passed and especially to forward the details of the purpose(s) of the fund released.
- The Bursary Desk officer is expected to check his/her official email every two days for any information that might be sent from TETFUND office.
- The Desk officer should obtain credit advice from the bank in respect of the allocation credit to the account for the purpose of raising receipt voucher for posting into the cash book.
- Allocations of fund to beneficiary institutions are communicated directly in writing and published on TETFUND web site for the information of beneficiary institution and the public at large.

- Under no circumstances should any transfer meant for beneficiary institutions be paid into individual name bank account without TETFUND project account inclusive.
- In case the credit advices are sent by post to the accounting officer he shall forward same to the Account Department/Bursary. The Advice is immediately entered into the credit Advice Received Register.
- The Desk officer is expected to promptly entered the credit advice into the cash book with receipt voucher of which the credit advice shall be the supporting document

4.2 Types of book/documents to be kept

(i) Cash Book
(ii) Expenditure Control/Vote Book
(iii) Payment Voucher Register
(iv) Procurement Planning Committee Minutes
(v) Tender Board Minutes
(vi) Bank mandates file
(vii) Bank Statement file
(viii) Bank Reconciliation Statement File
(ix) Payment Voucher File
(x) Credit Advice File
(xi) Contract/Project Register
(xii) Advance Payment Guarantee file

4.2.1 Cash book

- It is mandatory for cash book to be maintained to record the transactions of the allocation of the TETFUND Projects.
- Separate Cash Book for banking transaction on TETFUND projects should kept by beneficiary institution distinctly from other cash book maintained by the institution.
- All transactions through the dedicated TETFUND Project Bank Account are captured in the TETFUND project Cash Book
- All payment entries into the TETFUND Project Cash Book are made from duly approved Payment Vouchers.
- All entries into the TETFUND Project Cash Book are coded according to their various TETFUND Projects Accounting Codes.
- All entries into the TETFUND Project Cash Book are summarized and analyzed into the respective projects for posting into various project accounts in the project Ledger at the end of the month (or are captured simultaneously, real time, in various project accounts in the Project Ledger, in case of computerized accounting systems).
- Upon receipt of credit advice in respect of disbursement received from the TETFUND, it is promptly debited into the TETFUND cash Book. These should also be analyzed under the various project headings according to the Project Account Codes to which they relate.
- Where counterpart funds are involved, the institution is required to pay certain percentage of the total cost of the project. In that case, a memo should be raised

- The Accounting officer is expected to give the approval.
- The Desk Officer shall ensure that the counterpart funds are lodged or transferred into the dedicated TETFUND Project Bank Account and appropriate debit entries made in the TETFUND project Cash Book.
- These should also be analyzed into the respective projects according to the Project Account Codes to which they relate.
- The Desk Officer shall ensure that all duly approved payment vouchers for which mandates have been duly issued and signed by the authorized signatories are credited into the TETFUND Project Cash Book and are properly analyzed into the respective projects according to the project account codes to which they relate.
- The Desk Officer shall ensure that all entries into the TETFUND Project Cash book are balanced, ruled off and summarized monthly under each project before being posted into the respective project account in the Project ledger.
- The Desk Officer shall sign the cash book at the end of every month. He shall append his signature as a certification of the correctness of the entries and balance. The cash book will be supported by a balance statement as shown below:

Description	**Amount (N)**
Opening balance (i.e., the closing balance of the previous month)	xxxxx.
Add: Total receipts for the month…	xxxxx.
Deduct: Total payments for the month	(xxxxx)
Closing balance	xxxxx.

Specimen of debit side of the cash book

Date	**Receipt/Credit Advice No.**	**Description**	**Amount**

Specimen of credit side of the cash book

Date	**PV. No.**	**Project Code**	**Bank Mandate No.**	**Payee**	**Description**	**Amount**

- It is compulsory for the Bursary Desk Officer to update the Cash Book once the allocation is received. In case credit advice is not given, the photocopy of the Bank Statement page where the allocation sent is reflected, should be used to raise the receipt voucher to update the cash Book.
- Under the description you can just write "From TETFUND" details of the intervention and record the amount.
- The date recorded or the date of payment should be stated. The payment voucher should be serial, the project code or the subhead on the payment voucher should be indicated on the Cash Book.

- The Bank mandate number must be stated on the cash Book and the name on the mandate should correspond with the payee.
- The purpose of the payment which is the description should be clearly stated.
- The net amount paid should be stated on the amount column.

4.2.2 **Bank mandates schedule and e-payment procedure**

- In September 2008, Federal Government of Nigeria directed that as from 1st January, 2009 all forms of payment from all Government funds will be affected through the Banks electronically.
- The statement was consequently supported with Federal Treasury Circular Ref. No. TRY/A8 & B8/2008 dated 22nd October 2008 issued by the Accountant - General of the Federation
- Commencing from 1st January, 2009, all organs of Government, Ministries, Departments and Agencies shall stop using cheques to make payment to contractors
- Contractors of Government must indicate their bank account details with deposit money banks on the invoice submitted for payment under their corporate seal.
- Mandates containing details of payment shall be issued to Banks instructing them to pay into the contractor's designated bank Accounts the net proceeds of the contract sum.
- In addition, for the existing monthly financial returns, every organization of Government (i.e., MDAs) must forward copies of mandates issued to the Office of the Accountant-General of the Federation.
- Henceforth all employees of the Federal Government of Nigeria must each open an account with a deposit money bank into which all payments due to him/her must be made.
- On no account should central pay officers (CPO) collect cash from the bank for the purpose of disbursement to any government Officer.

4.2.2.1 **Definition of e-payment**

- E- Payment is an electronic payment which is the application of electronic means in the financial interaction between the customer(s) and the bank(s)
- E-payment is a subset of E-Governance which is any form of non–cash payment that does not involve a paper cheque. It is the application of electronic process in the settlement of financial transactions between Government and Businesses through the use of computer system and communication facilities without manual interventions.
- It entails a cashless, online, real time banking system which eliminates the use of cheque books and bank cheque. When it comes to payment options, nothing is more convenient than electronic payment. You don't have to write a cheque, swipe a credit card or handle any paper money: all you have to do is enter some information into your web browser and click your mouse.

- It enhances transparency and accountability.
- A starting point towards achieving a cashless society.

4.2.2.5 **Challenges of e-payment that should be noted:**

- At times, there can be delay in the payment of fund to beneficiaries including salaries of staff which, in some cases, may be due to wrong account numbers and sort codes leading to lack of clarity of account number to be credited.
- Overpayment of salaries and other payment due to mistake of imputing one account number in two names, e.g., The same Bank, the same surname but different initials. For example, Olubumi I.O. and Olubumi O.Y. Ecobank Account number of Olubumi I.O can be mistakenly used for Olubumi O.Y. Since the account number is the same, Olubumi I.O. will receive the amount.
- Inadequate information on bank statements for reconciliation purposes, due to the bulk amount on the mandate debited, instead of individual amount as listed on the mandate schedule. In this case, the bank should be communicated in writing not to, henceforth, debit your account with the bulk amount rather than individual names on the mandate as this might result to withdrawal of funds from the Bank.
- Delay or lack of feedback from banks on status of payment transactions which the MDAs believed had been affected.
- Non- availability of branch of banks in rural areas.

4.2.2.6 **Bank reconciliation statement**

- It is compulsory for the Bursary Desk officer to prepare bank reconciliation statement of the TETFUND project account, i.e., he/she must reconcile the cash book balance with the Bank balance at the end of each month.
- Unapplied mandates after six months should be written back in the cash book.

Note: Unapplied mandates are those names on the mandate schedules to the bank that were not paid due to one reason(s) or the other.

- Changes in the bank statement made by the bank are checked for authenticity and correctness, before being posted to the TETFUND Project Cash Book.
- Discrepancies in the bank statement are taken up in writing with the bank and effectively followed up until reversed by the Bank, with an advice to that effect.
- Prompt action must always be taken to obtain bank advices to confirm the various entries in the bank statement as the effectiveness of bank reconciliation statement lies in the prompt clearance of outstanding items. Such advices file and a copy attached to the entry.

4.2.2.7 **Practical approach to reconciling the bank statement with the tetfund project cash book balance**

- The Desk officer should ensure that Bank statement is collected from the bank within the first five working days after the month end.
- Cross check that the opening balance on the current bank statement agrees with the closing balance in the previous month's statement. The two must agree or the difference taken up with the bank

- In case the bank statement contains transactions that split over after the 30th of the month, a red biro should be used to rule exactly the last working date of the month he intend to carry out the Bank reconciliation.
- This action will prevent him/her from picking transactions on the bank statement after the end of the month.
- The un-cleared items in the last month reconciliation schedules should be treated first.

The schedules are:
Schedule "A" - Unapplied mandate or unpresented cheques.
Lists out the unapplied items from the mandate that have not been paid.

Schedule "B" - Credit in Bank not in cash book: These are direct payment made either by students or other persons that the teller had not been presented for official receipt and record in the Cash Book.

Schedule "C" – Un-credited Lodgments: These are lodgments made to the bank which does not reflect in the Bank statement. Date of lodgment should be noted, because most of the lodgments are automatic, where it is not so, investigation must be made.
Schedule "D" Debit in Bank not in Cash Book; Generally, any amount debited into the bank statement without the acknowledgement of the Agency need to be investigated. Though COT is one of the items in this category, the correctness of the COT still needs to be confirmed.

- All the items in the schedule must be ticked into the current Bank statement and extract out others that have not been reflected in each schedule.
- Debit entries in the bank statement are ticked against the credit entries in the TETFUND Project Cash Book.
- Credit entries in the bank statement are ticked against the debit entries in the TETFUND Project Cash Book.
- The un-ticked debit and credit entries in the bank statement and unticked debit and credit entries in the TETFUND Project Cash Book are to be listed out into the schedule that each belongs to or fall into. For example, Unapplied items in the mandate that have been credited in the TETFUND Project Cash Book which have not been paid by the Bank, will fall into schedule "A" unapplied mandates. (Formerly Un-presented cheques).
- In case you are operating with Remita and credit was found in your account, a mail need to be sent to Remita to specify the details of the credit. Email address to use; support@remita.net.

Format of schedule A – D
Schedule 'A' Unapplied mandates

Date	Mandate no	Description	Amount	Remarks
2/3/2010	CAP/Uni/Ilorin/2/2010	Olusola A.A.	230,000.00	
2/3/2010	CAP/Uni/Ilorin/2/2010	Ajayi S.A.	40,000.00	
		Total	270,000.00	

Schedule 'B' Credit In bank Not in cash book

Date	Teller No.	Description	Amount (N)	Remarks
5/7/2010	74750	A.O. AJAYI	5000.00	
10/7/2010	74789	G.O. Ogunsola	5000.00	
15/7/2010	Transfer from TETFund	1st Tranche	5,500.00	
		Total	5,510,000	

Schedule 'C' Un-credited lodgment

Date	Receipt No.	Description	Amount ~~(N)~~
4/7/2010	47470	E.O. Mary	50,000
8/7/2010	47480	B.Gbenga	100,000
		Total	150,000

Schedule 'D' Debit in Bank not in Cash book

Date	MandateNo.	Description	Amount(N)
20/7/2010	Transfer	F.O. Banni	500,000
21/7/2010	Charges	COT	5,000
23/7/2010	-	B.O. Sola	100,000
24/7/2010	-	VAT	5,000
25/7/2010	-	ChequeBook charges	10,000
		Total	~~₦~~ 615,000

The list of un-ticked debit entries in the bank statement shall consist of the following:

- charges in the bank statement not taken up in the TETFUND Project Cash Book
- Wrong debit entries by the bank (if any), to be taken up in writing till reversed by the bank. E.g. cheque book charges cannot be, as there has not been any cheque in use in the era of E-payment. Cheque book charges are wrong debits.

The list of un-ticked credit entries in the bank statement shall consist the following:

- Direct transfer from TETFUND for which the beneficiary is yet to receive an advice
- Direct payment of school fee which the student had not presented the teller at Bursary for official receipt. Wrong credit entries by the bank

The list of un-ticked debit entries in the TETFUND project Cash Book shall include:

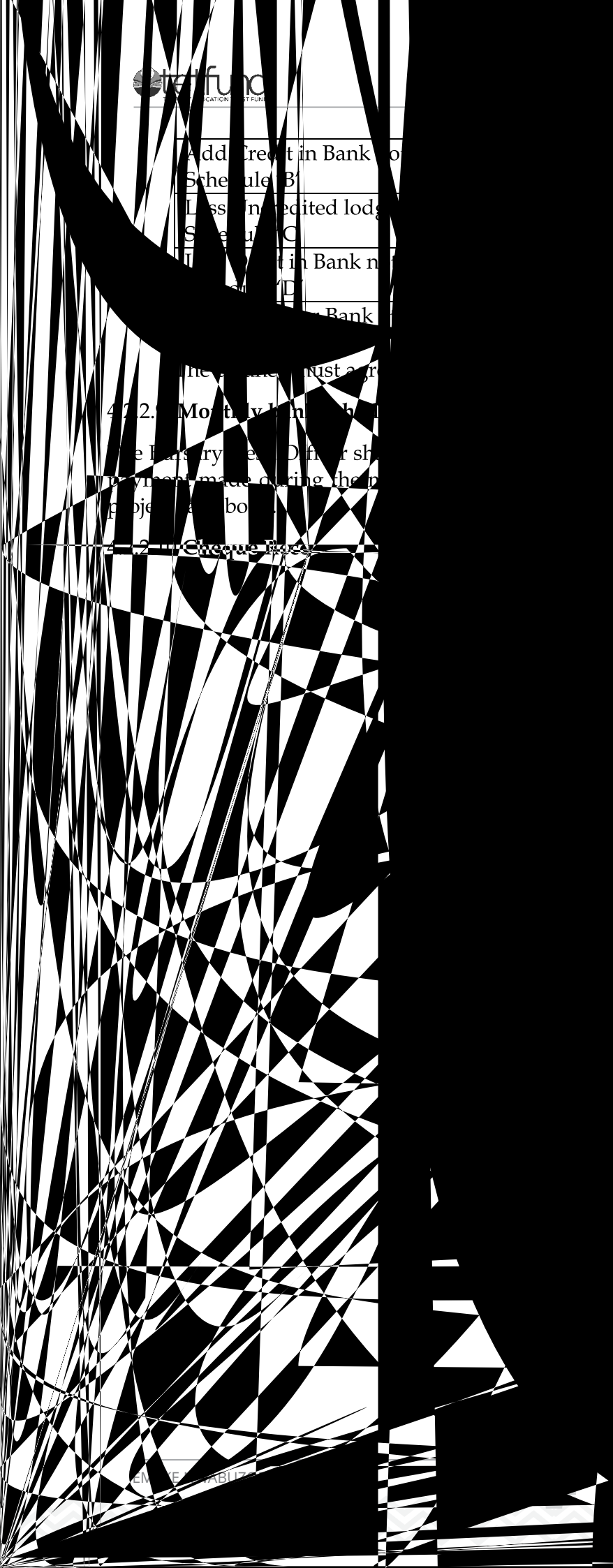
- Lodgments made into the bank but which were not reflected in the bank statement.
- The list of un-ticked credit entries in the TETFUND project Cash Book would also include:
- Un applied mandate, i.e., the names in the mandate that were not yet paid by the bank or returned mandates.

4.2.2.8 **Preparing bank reconciliation statement**

Bank reconciliation statement will be prepared as follows:

University of Ajaokuta
Bank reconciliation statement for the month of February, 2010

	(N)	(N)
Balance as per TETFUND Project Cash Book		xxxx.
Add Un- applied mandates Schedule 'A'	xxxx.	



4.3. **Refund to TETFund**

- Unutilized funds paid to beneficiary institutions may be required to be returned to TETFUND which will be added back to the institutions' account balance with the Fund.
- Were this is applicable there are two methods for making refund.

  - Manager's Cheque (bank draft) should be issued in favour of Tertiary Education Trust Fund (any amount above Ten million naira will require two or more cheques depending on the amount).
  - Payment via remita platform

    a. Log on to Remita platform: www. Remita.net
    b. select pay TSA and state
    c. select Federal government of Nigeria
    d. Fill the blank fields with the appropriate information

i. Name of MDA: TERTIARY EDUCATION TRUST FUND – 1000144 (the name autofill while typing)
ii. Name of Service/Purpose: SELECT PROJECT ACCOUNT
iii. Amount To Pay ((₦)
iv. Payer's Full Name
v. Payers Email
vi. Payers Phone
vii. Key in the character key in the image into the box below (see sample below)



1. Once properly filled proceed to payment
2. Select how you want to pay (internet, card, e.t.c)

e. However you can decide to get the Remita Retrival Reference(RRR) and pay at your bank
f. Once payment has been completed (via the card, internet or bank) print the receipt and bring to e-payment unit of the Finance and Investment Department

Please note for the name of service/ purpose kindly select project account not refund.
Evidence of payment should be sent to Finance and accounts department to enable us update our records accordingly.

Chapter Five
Procurement Procedure in Public Sector In line with Procurement Act 2007

5.0 Learning outcome

At the end of this chapter, the users of this manual should be able to:

- discuss the objectives and fundamental principles of the Procurement Act.
- identify the key provisions of the Procurement Act 2007
- evaluate the detailed requirements and guidelines for procurement contracts in respect of goods and services in the public sector.
- specify practices that are incompatible with the provisions of the Act
- identify the current threshold for procurement in public sector
- discuss stores management and its acceptable procedures, and
- specify various assets and the registers to be maintained

5.1 Introduction

Public Procurement is defined as the acquisition of goods and or services at the best possible total cost of ownership, in the right quantity and quality, at the right time, in the right place for the direct benefit and use by government, corporation or individual, generally via a contract.

- All contracts relating to TETFund project or administrative cost must comply with Federal Government's due process procedures as stipulated in the Procurement Act 2007 for the award of contracts.
- Government contracts are made in accordance with the ordinary law of contract through offer by one party and acceptance by the other.
- The only distinction between a government contract and that of private sector is that every citizen is given an opportunity to apply for the job since it is public fund that is to be disbursed.
- The Public Procurement Act 2007 provides detailed requirements and guidelines for procurement contracts in respect of goods and services in the public sector.

5.1.1 Core objectives of procurement

There are four core objectives of procurement.

- Economy and Efficiency
- Competition–Providing level playing ground for all strata of bidders
- Value for money
- Transparency

5.2 The role of accounting officers (Executive Secretary)

The accounting officer of every procuring entity shall have overall responsibility for the planning of, organisation of tenders, evaluation of tenders and execution of all procurements and in particular shall be responsible for:

(a) ensuring compliance with the provisions of this Act by his entity and liable in person for the breach or contravention of this Act or any regulation made here under whether or not the actor omission was carried out by him personally or any of his subordinates and it shall not be material that he had delegated any function duty or power to any person or group of persons;

(b) constituting the procurement committee and its decisions;

(c) ensuring that adequate appropriation is provided specifically for the procurement in the Federal budget;

(d) integrating his entity's procurement expenditure into its yearly budget;

(e) ensuring that no reduction of values or splitting of procurements is carried out such as to evade the use of the appropriate procurement method;

(f) constituting the evaluation committee; and

a. liaising with the Bureau to ensure the implementation of its regulations.

5.3 Fundamental principles of public procurement

All public procurements must be conducted:

(a) subject to prior review of thresholds set by the bureau.

(b) based only on procurement plans supported by prior budgetary provisions/ appropriations and a **"Certificate of `No Objection' to Contract Award"** from the BPP;

(c) by open competitive bidding;

(d) The receipt of Certificate of "No objection"

(e) in a transparent, timely and equitable manner which will ensure accountability and conformity with the Act;

(f) with the aim of achieving value-for-money and fitness for purpose;

(g) in a manner which promotes competition, economy and efficiency; and

(h) in accordance with the procedures laid down in this Act and as may be specified by the Bureau from time to time.

5.3.1 Certificate of "No objection"

Under the Public Procurement Act 2007 of Nigeria, a Certificate of No Objection (CNO) is a document issued by the Bureau of Public Procurement (BPP) or a procuring entity, indicating that a proposed procurement process has been reviewed and found to be in compliance with the Act and its regulations.

The Certificate of No Objection certifies that:

- The procurement process has been properly planned and budgeted for.
- The procurement method chosen is appropriate.
- The specification and evaluation criteria are fair and transparent.
- The procurement process is not in conflict with any existing contract or agreement.
- Its purpose is to ensure that public procurements are conducted in a transparent, fair, and competitive manner, in line with the provisions of the Public Procurement Act 2007.

Note: The CNO is usually required for procurements above a certain threshold, and it's typically issued before the procurement process commences.

In Nigeria, the CNO is an essential document, as it:

- Provides assurance of compliance with procurement regulations
- Helps prevent procurement irregularities and corruption.
- Enhances transparency and accountability in public procurement.
- Supports the achievement of value for money in procurement.

5 .4 Composition of Procurement Planning Committee

In compliance with Section 21(i) of the Procurement act 2007, for each financial year, each procuring entity shall establish a procuring planning committee which shall consist of:

- The Accounting Officer as the Chairman
- Procurement unit – to serve as Secretary
- The department directly requiring the procurement
- The Finance and Account Department of the procuring entity.,
- Technical personnel of the procuring entity with expertise in the subject matter for each particular procurement
- The Legal Unit of the procuring entity.

5 .4.1 Functions of Procurement Planning Committee

The following functions must be carried out by the procurement planning committee before certificate of "No objection" is issued:

- Preparing the needs assessment and evaluation
- Identifying the goods, works or service required.
- Carryout appropriate market and statistical survey and on that basis, prepare cost implications of proposed procurement.
- Aggregating its requirements to obtain economy of scale and reduce procurement cost
- Integrating its procurement expenditure into its yearly budget
- Subject to the prior review thresholds as may be set by the Bureau, any procurement purported to be awarded without a certificate of "No Objection" and the contract award duly signed by the procurement planning committee of the MDAS or Bureau for contract above the limit of MDA should be null and void.

It is the responsibility of the Chief Executive to ensure that the above steps are followed before it is forwarded to the Tender's Board.

5 .5 Records to be Kept by TETFund

- Section 16(2) part iv of the Procurement Act 2007 mandates every procuring entity to maintain both file and electronic records of all procurement proceedings made within each financial year and the procurement records shall be maintained for a period of ten years from the date of the award.
- Copies of all procurement records shall be transmitted to the Bureau not later than 3 months after the end of the financial year and shall show:
  - Information identifying the procuring entity and the contractors
  - The dates of the contract awarded
  - The value of the contract
  - The detailed records of the procurement proceedings.

6 .4 Provisions of the Act on Over-invoicing, Exchange Rate and Supply of Fake Products

- Notwithstanding that due processes were followed; the Bureau may refuse to issue a certificate of "No objection" to contract award on the ground that the price is excessive.
- The values in procurement documents shall be stated in Nigerian currency; and where it is stated in a foreign currency, it shall be converted to Nigeria currency using the exchange rate of CBN valued on the day of opening the tender or bid.
- Section16 (28): All procurement contract shall contain warranties for durability of goods, exercise of requisite skills in service provision and use of genuine materials and inputs in execution.

5 .6 **Tender's Board**

There are two major Tender Boards now:

- Ministerial Tender's Board
- Federal Executive Council

5 .6.1 Composition of Ministerial Tender's Board:

Ministry	-	Permanent Secretary	-	Chairman
		All Directors in the Ministry		
Parastatals:		Chief Executive	-	Chairman
		All Heads of Departments		

5.7 Procurement methods (Goods and services)

All procurements of goods and works by all procuring entities should be by open competitive bidding. Open competitive bidding is a process by which a procuring entity effects public procurements by offering to every interested bidder, equal and simultaneous information and opportunity to offer the goods and works needed.

5.7.1 Invitation to bids

Invitations to bid may be either by way of National Competitive Bidding or International Competitive Bidding and the Bureau shall from time to time set the monetary thresholds for which procurements shall fall under either system. In addition, the following procedures and practices should be adopted:

National competitive bidding

The invitation for bids must be advertised on the notice board of the procuring entity, on any official websites of the procuring entity, in at least two national newspapers and in the procurement journal not less than six weeks before the deadline for submission of the bids

International competitive bidding

The invitation for bids must be advertised in at least two national newspapers, and one relevant internationally recognised publication, any official websites of the procuring entity and the Bureau of Public Procurement as well as the procurement journal not less than six weeks before the deadline for the submission of the bids.

5.5.2 **Bidding documents**

- Certificate of Incorporation with Corporate Affairs Commission (CAC) including form CAC2 and CAC7
- Company Income Tax Clearance Certificate for the last three years
- Current Pension Compliance Certificate
- Current Nigeria Social Insurance Trust Fund (NSITF) compliance certificate
- Current Industrial Training Fund (ITF) compliance certificate
- Certificate issued by Bureau of Public Procurement (BPP)
- Company's Audited Financial Statements for the last three years
- Financial capability to execute the project by submission of reference letter from a reputable commercial bank indicating willingness to provide credit facility for the execution of the project when needed.
- For training contract or consultancy, certification from Centre for Management Development (CMD) must be produced.
- Company's Profile with the curriculum vitae of the key staff to be deployed for the project including copies of their academic/professional qualification (for consultancy services)
- Verifiable document evidence of at least three (3) similar jobs executed in the last five years including letter of award, valuation certificate, job completion certificate and photographs of project

- Sworn affidavit:
  i. Certifying that the company is not in receivership, insolvency, bankruptcy;
  ii. Disclosing that no officer of the Ministry or BPP is a director or shareholder or has any pecuniary interest in the bidder;
  iii. That none of the directors of the company has been convicted for criminal offence in relation to fraud or financial impropriety in any court in Nigeria or elsewhere;
  iv. That all information presented in the bid is true and correct in all particulars.

- All documents for submission must be transmitted with a covering/forwarding letter under the company/firm's letter head paper bearing amongst others, the registration number (RC) as issued by CAC, contact address, telephone number and e-mail address.

The letter head paper must bear names and nationalities of the directors of the company at the bottom of the page, duly signed by the authorized officer of the firm.

5.7.3 Bid opening

The procuring entity shall:

(a) permit attendees to examine the envelopes in which the bids have been submitted to ascertain that the bids have not been tampered with;

(b) cause all the bids to be opened in public, in the presence of the bidders or their representatives and any interested member of the public;

(c) ensure that the bid opening takes place immediately following the deadline stipulated for the submission of bids or any extension thereof;

(d) ensure that a register is taken of the names and addresses of all those present at the bid opening and the organisations they represent which is recorded by the Secretary of the tenders' board; and

(e) call-over to the hearing of all present, the name and address of each bidder, the total amount of each bid, the bid currency and shall ensure that these details are recorded by the Secretary of the Tenders Board or his delegate in the minutes of the bid opening.

5.7.4 Examination of bids

(a) The bids shall be examined to determine whether they:

(i) meet the minimum eligibility requirements stipulated in the bidding documents;

(ii) have been duly signed;

(iii) are substantially responsive to the bidding documents; and

(iv) are generally in order.

(b) A procuring entity may ask a supplier or a contractor for clarification of its bid submission in order to assist in the examination, evaluation and comparison of bids without allowing for changes in prices; changes of substance in a bid; and changes to make an unresponsive bid responsive.

(c) The procuring entity may correct purely arithmetical errors that are discovered during the examination of tenders but must notify the supplier or contractor that submitted the tender about the correction.

The following are major deviations, which may result in a rejection of bids and returned to such bidder where:

a. the bidder is ineligible or not pre-qualified or uninvited;

b. the bid documents are not signed;

c. the bid is received after the date and time for submission stipulated in the solicitation document or submitted at the wrong location.

d. clauses in an offer were not adhered to e.g. the issue of unacceptable sub-contracting, or alternative design or price adjustment, etc;

In the cases minor deviations (inform of use of codes, difference in standards and materials, omission in minor items any other condition hath as little impact on the bid) a written clarification may be obtained from the supplier or contractor and, where applicable, an offer made for the correction of the minor deviation. Where a supplier or contractor does not accept the correction of a minor deviation, his bid shall be rejected.

5.7.5 Evaluation of bids

The objective of bid evaluation is to determine and select the lowest evaluated responsive bid from bidders that have responded to the bid solicitation.

(a) There should be a committee made up of professionals for the evaluation of the bids. The Secretary of the Tenders Board should be Secretary of the Committee. Members of the Evaluation Committee, Tenders Boards, and approval authorities should be obliged to declare any conflict of interest and exclude themselves from bid evaluation and approval processes.

(b) The tenders' board shall, check for deviations, omissions with quantification of same application of discounts, as applicable, clarification with bidders of questionable minor deviations, quantification in monetary terms of such questionable deviations, calculation and tabulation of bid amount with domestic preference where applicable, etc.

(c) All relevant factors calculated in monetary terms, in addition to price, that will be considered for the purposes of bid evaluation and the manner in which such factors will be applied shall be stipulated in the solicitation documents.

(d) When bid prices are expressed in two or more currencies, the prices of all bids shall be converted to Nigerian currency, according to the rate and date of rate specified in the solicitation documents.

(e) If suppliers were pre-qualified, verification of the information provided in the submission or prequalification shall be confirmed at the time of award of contract and award may be denied to a bidder who no longer has the capability or resources to successfully perform the contract.

(f) After opening of bids, information relating to the examination, clarification and evaluation of bids and recommendations concerning award shall not be disclosed to bidder sort or persons not officially concerned with the evaluation process until the successful bidder is notified of the award.

5.7.6 Services of international agents

The services of International Procurement Agents of the highest repute may be obtained, to assist in medium and large scale contracting where necessary.

5.7.7 Bid security

Subject to the monetary and prior review thresholds as may from time to time beset by the Bureau all procurements valued in excess of the sums prescribed by the Bureau shall require a bid security in an amount not more than 2% of the bid price by way ofa bank guarantee issued by a reputable bank acceptable to the procuring entity.

5.7.8 Performance bond guarantee

Performance Bond Guarantee in an amount not less than 10% of contract value or an amount equivalent to the mobilisation fee requested by the supplier or contractor whichever is higher should be obtained for all contracts.

5.7.9 Acceptance of bids

The successful bid shall be that submitted by the lowest cost bidder from the bidders responsive as to the bid solicitation. The selected bidder needs not be the lowest cost bidder provided the procuring entity can show good grounds derived from the provisions of this Act to that effect. Notice of the acceptance of the bid shall immediately be given to the successful bidder.

5.7.10 Domestic preferences

A procuring entity may grant a margin of preference in the evaluation of tenders, when comparing tenders from domestic bidders with those from foreign bidders or when comparing tenders from domestic suppliers offering goods manufactured locally with those offering goods manufactured abroad. Where a procuring entity intends to allow domestic preferences, the bidding documents shall clearly indicate any preference

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5.7.11 Mobilisation fee

Mobilisation fee, where necessary and appropriate, shall not exceed 30% of the contract sum. However, payment of such mobilisation fee shall be affected up on written application and an unconditional bank guarantee for equivalent amount valid until the goods are supplied or until the mobilisation fee has been repaid, in the case of works contracts. Only unconditional bank guarantees issued by reputable banks should be accepted.

5.7.12 Interest on delayed payment

There shall be a provision of interest payment to contractors for delayed payments by ministries/extra ministerial departments. Such payment should be made:

(a) at the interest rate specified in the contract agreement; and

(b) if there is delay in the settlement of the claim of more than 60 days, from the date of submission of the contractor's invoice/valuation certificate and the confirmation/authentication by the relevant Ministry.

5.7.13 Record of procurement proceedings

Every procuring entity shall maintain a record of the comprehensive procurement proceedings, which shall be made available to the following on request:

a. any person, supplier, contractor or consultant that submitted tenders, proposals, etc. has been accepted or after procurement proceedings have been terminated without resulting in a procurement contract;
b. by a court, provided that when ordered to do so, the procurement entity shall not disclose such information, if its disclosure would be contrary to law or impede law enforcement; or prejudice legitimate commercial interests of the parties;
c. the Bureau of public procurement, an investigator appointed by the Bureau;
d. the Auditor-General; and
e. donor agencies, where donor funds have been used for the procurement.

5.8 Due process guidelines on government contracts

The doctrine of Due Process is an assurance that there is compliance with the budgetary, procuring and payment guidelines by all parties to government contracts.
The process ensures that:

(a) competitive bidding has been conducted in line with the procurement and

(b) contract award procedures;

(c) The best-evaluated bid is selected among the pre-qualified bidders;

(d) The cost is in conformity with comparable best value.

5.9 Procurement plan

A procuring entity shall plan its procurement by:

(a) Preparing the needs assessment and evaluation;

(b) Identifying the goods, works or services required;

(c) Carrying appropriate market and statistical surveys and on that basis prepare an analysis of the cost implications of the proposed procurement;

(d) Aggregating its requirements whenever possible, both within the procuring entity and between procuring entities, to obtain economy of scale and reduce procurement cost;

(e) Integrating its procurement expenditure into its yearly budget;

(f) Prescribing any method for effecting the procurement subject to the necessary approval under this Act; and

(g) Ensuring that the procurement entity functions stipulated in this Section shall be carried out by the Procurement Planning Committee.

5.10 **Procurement implementation**

A procuring entity shall, in implementing its procurement plans:

a. advertise and solicit forbids in adherence to this Act and guidelines as may be issued by the Bureau from time to time;
b. to invite two credible persons as observers in every procurement process, one person each representing a recognised;
c. private sector professional organisation whose expertise is relevant to the particular goods or service being procured, and
d. non-governmental organisation working in transparency, accountability and anti-corruption areas, and the observers shall not intervene in the procurement process but shall have right to submit their observation report to any relevant agency or body including their own organisations or associations
e. receive, evaluate and make a selection of the bids received in adherence to this Act and guidelines as may be issued by the Bureau from time to time;
f. obtain approval of the approving authority before making an award;
g. debrief the bid losers on request;
h. resolve complaints and disputes if any;
i. obtain and confirm the validity of any performance guarantee;
j. obtain a "Certificate of 'No Objection' to Contract Award" from the Bureau within the prior review threshold as stipulated;
k. execute all contract agreements; and
l. announce and publicise the award in the format stipulated by this Act and guidelines as may be issued by the Bureau from time to time.

5.11 Special and restricted methods of procurement

5.11.1 Two stage tendering

An entity shall engage in procurement by two-stage tendering on the following conditions:

(a) where it is not feasible for the procuring entity to formulate detailed specifications for the goods or works or, in the case of services, to identify their characteristics and where it seeks tenders, proposals or offers on various means of meeting its needs in order to obtain the most satisfactory solution to its procurement needs;

(b) where the character of the goods or works are subject to rapid technological advances;

(c) where the procuring entity seeks to enter into a contract for research, experiment, study or development, except where the contract includes the production of goods insufficient quantities to establish their commercial viability or to recover research and development costs;

(d) where the procuring entity applies this Act to procurement concerned with national security and determines that the selected method is the most appropriate method of procurement;

(e) where the tender proceedings have been utilised but were not successful or the tenders were rejected by the procuring entity under an open competitive bid procedure and the procuring entity considers that engaging in new tendering proceedings will not result in a procurement contract.

The invitation documents under open competitive bidding:

(a) shall call upon suppliers or contractors to submit, in the first stage of two-stage tendering proceedings, initial tenders which contain their proposals without a tender price;

(b) may solicit proposals that relate to technical, quality or other characteristics of the goods, works or services as well as contractual terms and conditions of supply and may stipulate the professional competence and technical qualifications of the suppliers or contractors; and

(c) may, in the first stage, engage in negotiations with any supplier or contractor whose tender has not been rejected under an open competitive bidding procedure with respect to any aspect of its tender.

In the second stage of the two tender proceedings the procuring entity:

(a) shall invite suppliers or contractors whose tenders have not been rejected to submit final tenders with prices on a single set of specifications;

(b) may, in formulating the specifications, delete or modify any aspect of the technical or quality characteristics of the goods, works or services to be procured together with any criterion originally set out in these documents, evaluate and compare tenders and ascertain the successful tender;

(c) may add new characteristics or criteria that conform with this Act;

(d) shall communicate to suppliers or contractors in the invitation to submit firm tenders, any deletion, modification or addition; and

(e) may permit a supplier or contractor who does not wish to submit a final tender to withdraw from the tendering proceedings.

5.11.2 Restricted tendering

Subject to the approval by the Bureau, a procuring entity may for reasons of economy and efficiency engage in procurement by means of restricted tendering on the following conditions:

(a) goods, works or services are available only from a limited number of suppliers or contractors;

(b) time and cost required to examine and evaluate a large number of tenders is disproportionate to the value of the goods, works or services to be procured;

(c) procedure is used as an exception rather than norm; and

(d) procuring entity shall cause a notice of the selected tendering proceedings to be published in the procurement journal.

5.11.3 Direct procurement

An entity may carry out any direct procurement where:

(a) goods, works or services are only available from a particular supplier or contractor, or if a particular supplier or contractor has exclusive rights in respect of the goods, works or services, and no reasonable alternative or substitute exits;

(b) there is an urgent need for the goods, works or services and engaging in tender proceedings or any other method of procurement is impractical due to unforeseeable circumstances giving rise to the urgency which is not the result of dilatory conduct on the part of the procuring entity;

(c) owing to a catastrophic event, there is an urgent need for the goods, works or services, making it impractical to use other methods of procurement because of the time involved in using those methods;

(d) an entity which has procured goods, equipment, technology or services from a supplier or contractor, determines that:

  (i) additional supplies need to be procured from that supplier or contractor because of standardisation;

  (ii) there is a need for compatibility with existing goods, equipment, technology or services, taking into account the effectiveness of the original procurement in meeting the needs of the procurement entity;

  (iii) the limited size of the proposed procurement in relation to the original procurement provides justification; and

  (iv) the reasonableness of the price and the unsuitability of alternatives to the goods or services in question merit the decision.

(e) the procuring entity seeks to enter into a contract with the supplier or contractor for research, experiment, study or development, except where the contract includes the production of goods in quantities to establish commercial viability or recover research and development costs; and

(f) the procuring entity applies this Act for procurement that concerns national security, and determines that single-source procurement is the most appropriate method of procurement.

The entity may procure the goods, works or services by inviting a proposal or price quotation from a single supplier or contractor. Also, the entity shall include in the record of procurement proceedings a statement of the grounds for its decision and the circumstances in justification of single source procurement.

5.11.4 Emergency procurement

An entity may, carry out an emergency procurement on the following conditions:

(a) where the country is either seriously threatened by or actually confronted with a disaster, catastrophe, war, insurrection or Act of God;

(b) where the condition or quality of goods, equipment, building or publicly owned capital goods may seriously deteriorate unless action is urgently and necessarily taken to maintain them in their actual value or usefulness;

(c) where a public project may be seriously delayed for want of an item of a minor value.

(d) in an emergency situation, a procuring entity may engage in direct contracting of

	but less than ₦500 million	but less than ₦1 Billion	
Accounting Officer/ Permanent Secretary	Less than ₦50 million	Less than ₦75 million	Less than ₦50 million
Accounting officer/Director – General/CEO	Less than ₦25 million	Less than ₦50 million	Less than ₦25 million

5..14.2 **Procurement Methods and Thresholds of Application**

Procurement/Selection Method and Pre-qualification	**Goods**	**Works (N)**	**Non-consultant Services (N)**	**Consultant services (N)**
International/National Competitive Bidding	N 1 billion and above	N5 Billion and above	N1 Billion and above Not applicable	Not applicable
National competitive Bidding	N20 Million and above but less than N1 billion	50 million and above but less than N5 billion	N30 Million and above but less than N1 billion	Not Applicable
Request for Quotation	Less than N30 Million	Less than N50 Million	Less than N30 Million	Not Applicable
Single Source /Direct contacting for minor value procurement	Less than N5 Million	Less than N5 Million	Less than N5 Million	As indicated in PPA Act
Pre-qualification	N500 Million and above	N1 billion and above	N100 Million and above	Not Applicable
Quality and Cost based	Not Applicable	Not Applicable	Not Applicable	N100 Million and Above
Consultant Qualification	Not Applicable	Not Applicable	Not Applicable	Less than N100 Million
Least Cost	Not Applicable	Not Applicable	Not Applicable	Less than N100 Million

5 .15 Requirements for contract payment in MDAs

All payments in respect of capital and recurrent contracts shall be supported by the following documents.

- Evidence of availability of funds as provided for in the current year's budget and quarterly warrant or authority to incur expenditure.

- Certificate of "No objection" to award the contract issued by either the Procurement planning Committee or Bureau of Public Procurement as the case may be.
- Evidence of approval of the Tender Board certified by the Chairman and Secretary of the Federal Executive Council (FEC) depending on the threshold.

5 .15.2 **Interim Performance Certificate**

No further payment shall be made after the mobilization fees without the Interim Performance Certificate issued in accordance with the Contract Agreement. This serves as evidence that the Contractor has performed the obligation under the contract up to a level stipulated in the certificate but not meaning completion.

5 .16 **Registration of contractor/suppliers**

All intending contractors/suppliers must duly register with the procuring entity by paying a prescribed contractor registration fees/renewal fees.

6 .16 **Limitation on the use of cash advance for procurement**

Reference to Federal Treasury Circular number TRY/A2&B2/2009 OAGF/CAD/026/V dated 24th March 2009 Paragraph – 3 "All Accounting officer and officers controlling expenditure are to ensure that all Local procurement or stores and services costing above N200,000 shall be made only through award of contract".

5 .17 **Memo to the Chairman of the Tender's Board**

A memorandum should be presented to the Tender's Board. The memorandum should contain the following information in order to enable the Tender's Board make an informed decision:

- Title of the memorandum
- Purpose of the memorandum
- Evidence that all aspects of internal preparation for project implementation readiness have been completed. Principally:

  - ❖ Project dossier containing summary details on project objectives and scope.
  - ❖ Specification of all items of works.
  - ❖ Bill of Quantities
  - ❖ Project design
  - ❖ Schedule of basic rates where relevant
  - o Implementation schedule and execution are relevant
  - o Responsibility for supervision and how capacity building is being addressed for sustainable operations and management (O. & M).
  - o Cost of the project and financial provision available from previous allocations and current budget.
  - o Terms of payment to be used.

5 .18 **Advertisement for award of contract- invitation for pre-qualification**

The Advert should indicate the following information.

- Name and Address of the organization requesting for tender.
- A brief description of the objective and technical specification of the project.

- The qualification and category of the contractors expected to tender.
- The invitation for pre-qualification reference Number – which will eventually become the contract Number.
- The date by which documents must be returned. (A minimum of 2 weeks should be allowed).
- The place and time the pre-qualification document should be returned.
- The contract details of the procurement staff member responsible for dealing with queries during the pre-qualification period.
- Pre-qualification evaluation criteria.

Note: The evaluation criteria should be clearly defined in the pre-qualification document. The pre-qualification contractors list should base solely on the criteria so defined.

5 .19 Pre-Qualification Evaluation Committee

- Pre-qualification documents shall be issued to all firms that responded to the advertisement or notice.
- All the responses to the adverts shall be subjected to a pre-qualification process.
- The pre-qualification Evaluation Committee made up of professionals, shall securitized the responses.
- The pre-qualification scrutiny should determine the technical, management and financial capacity as well as confirm their previous experiences in performing similar projects.

5.20 Letter of Award/Contract agreement

Letter of award will be given to the contractor and he is expected to accept the award before signing a contract Agreement where all details will be stated

5.20.1 Payment guidelines

- Mobilization fee should not be more than 30% of the contract sum.
- Performance Bond: There should be bond to cover the 30% mobilization fee paid.
- Maximum of (5) work completion valuation certificate: The total contract sum should not be paid more than five installments including the mobilization fee which should be deducted embloc from the second payment.
- Interest on delayed payments: Interest is expected to be paid to the contractor if there is a delay in settling his claim of more than 60 days from the date of submission of his invoice/valuation certificate and authenticated by the relevant ministry, provided this clause is inserted in the contract agreement.
- The project manager is required to submit a technical and financial progress report to enable the accounting officer effectively evaluate the value for money to be released.

5 .20.2 Summary of Guidelines for Award of Contract

- Tenders for awards of contracts must have been advertised in a national newspaper and/or the Federal Government's Tender journal and the criteria for contractors to qualify clearly stated.
- Where the contract value does not require advert in the papers, placement of advert on the institutions official notice board will suffice.

- Bid should be received in sealed envelope to be opened in the presence of all bidding contractors with signed attendance register.
- Tenders should be subjected to technical and financial analysis to determine the most suitable bidders.
- Minutes of the tender's board meeting where the contract was awarded should be taken.
- Letter of award and complete contract agreement accompanied with the Bill of Quantity must be duly executed.

5 .21 Store management

The aim of this section is to ensure that:

- Inventories procured with TETFUND intervention funds and administrative cost are physically received into store and the items are properly recorded.
- All items procured with TETFUND intervention funds or administrative cost are properly marked with TETFUND insignia for beneficiary institutions.
- Issuance of stocks out of the stores are properly documented and properly recorded.
- Usage of stocks of items procured with TETFUND intervention funds or administrative cost are for the purpose for which they are intended.

5 .21.1 Stores Procedures

- Procurement of stock items with TETFUND intervention fund or administrative cost shall be by issuance of Local Purchase Order (LPO)/Job order or letter of award issued by the beneficiary institution, following the due process of competitive tendering.
- The job order/LPO/letter of award shall specify the quantity, physical description, quality prescription, unit cost and the amount of each of the items.
- Supply of the stock items by the supplier shall be accompanied with:
    - Way bill – specifying the order number, physical description, and quality prescribed and quantity delivered.
    - Copy of the LPO/Job Order. Or letter of award.
- The stores Officer shall check the items supplied with the supplier's Way Bill and the copy of LPO/Job Order to ensure that they agree in every material detail – quantity and quality.
- The stores officer shall receive the goods into store by signing the supplier's way bill and raising Stores Received Vouchers (SRV) duly signed by him/her.
- The Internal Audit shall witness receipts into stores of the items supplied and sign on the Stores Received Vouchers certifying the correctness of the entries on the Stores Received Vouchers.
- The Stores Officer shall ensure that all the stock items received are marked with TETFUND insignia for beneficiary institutions either by Direct Engagement, Printing, Rubber Stamping, Painting, Aluminum or Steel Tablets.
- The stores officer shall send the following documents to the Director, Finance & Accounts or Bursary/Accounts Departments for processing of payment to the supplier:
    (a.) Supplier's Way Bill
    (b.) Original LPO/Job order or letter of award.
    (c.) Duly signed Stores Received Voucher (SRV).
- The stores officer shall then enter the receipt of the stocks into the TETFUND Store Bin Card while copy of the Store Receipt Voucher is sent to the Management Accountant in charge of Store Ledger for posting. (Please see format below).

- The stores officer, on issuance of the stock or any part thereof, which shall be by way of duly approved Stores Requisition Voucher, shall update the Store bin Card while a copy of the Store Requisition Voucher is also sent to officer in charge of Store Ledger to update accordingly.

5.21.2 Store Ledger/Bin Card Accounting

- **E**very beneficiary institution shall maintain a TETFUND Stores Ledger for the purpose of accounting for items procured with TETFUND intervention fund or from administrative cost.
- The format of TETFUND Stores Ledger and Bin Card is on the next page
- On receipt of stock from supplier, the store officer will issue Store Receipt Voucher, enter all the items in the SRV as listed in the way bill and give duplicate copy to the Contractor while the triplicate is forwarded to the store ledger management accountant while the quadruplicate is retained in the booklet.
- The original SRV, waybill, letter of award are then forwarded to the Bursary department for payment.

Note: That the SRV contains four copies.

- The store officer needs to update the Bin Card with the SRV before filing. It should be recorded in RED INK
- On issuance of stocks with a duly approved Stores Requisition Voucher, the stores officer enters in Blue or Black ink
    - The date of issue;
    - The receiving department;
    - The Store Issued Voucher No.; and
    - The quantity issued (under the Issue column),

  into the TETFUND Stores Ledger and the Bin Card respectively and compute the balance (under the Balance column).
- The Internal Audit Department or any other unit responsible for monitoring internal control procedures in the beneficiary institution or administrative cost shall periodically conduct stock count. The physical stocks are checked against the balances in the TETFUND Stores Ledger and the TETFUND Bin Card for accuracy and completeness.
- Such checks shall be endorsed on the pages of the Stores Ledger and on the Bin Card, as evidence of such checks.
- Discrepancies shall be promptly noted and investigated for necessary corrective actions in line with the procedures for handling such discrepancies in such institutions and in accordance with the Financial Regulations of the Federal Government.

5. 21. 3 A Computerization of Stores system

It is very important to compel all agency to computerize the store system for easy retrieval of any information. There should be at least two systems, one in the store while the other will be with ledger officer. The format of the ledger is as follow's

Product…….

Maximum Stock……

Ledger Folio……..

Re-order level ……..

Pack …….

Date Issued/Received	SIV/SRV	Movement/ Particulars	Quantities			
			Received	Price	Issued	Balance

Each item with its ledger follows number and the name of the item either of the two, the ledger page will come out.

In addition, there must be report from the system to be generated by the system. The report of the store man and the store ledger will be compared and reconciliation need to be carried out before the final report are generated to be sent to final account..,

5.21.4 **Specimen of Store Ledger**

Product…….

Maximum Stock……

Ledger Folio……..

Date Issued/Received	SIV/SRV	Movement	Quantity			
			Received	Issued	Balance	Signature

5.21.6 **Specimen of Store Receipt Voucher**

No …… Date ……

To the Store Keeper …….

Articles	Denomination of Quantity	Quantity to be received	Value		
			₦	K	Ledger Folio

I hereby certified that the above-mentioned store items have been received.

Date……

Signature/Name …….

5.21.7 **Store Requisition Voucher**

- Store Requisition voucher is used to request for store items from the store. Normally, each section or unit or department has its requisition voucher booklet that is used to request for store items when the need arises
- Quantities should be written both in words and figure and each type of articles required will be given an item number.
- Therefore, to prevent unauthorized additions, a line will be drawn immediately below the last entry. All issues should be supported with Store Issue Vouchers.

5.21.8 **TETFund Stock Code**

- Beneficiary institutions or administrative cost shall apply the following codes for TETFUND stock items, to aid proper accounting.
- All Books and Exercise Books purchased with the TETFUND: TETFUND/BK/07' meaning:

a. TETFUND - Education Trust Fund

b. BK - Books or Exercise Books

c. 07 - Purchased with the 2007 TETFUND intervention fund.

- All Laboratory Consumables purchased with the TETFUND fund: TETFUND/LC/07' meaning:

(a)	TETFUND	-	Education Trust Fund
(b)	LC	-	Laboratory Consumables
(c)	07	-	Purchased with the 2007 TETFUND intervention fund.

5.21. 9 S**ources of Receipts of Store Items**

- Local Purchase Order (LPO)
- Transfer from other Stores
- Conversion and Manufacture
- BY Contract Award
- Returned Store
- Excess taken on charge
- Any Other Source.

5.21.10 **Responsibilities of the Store Officers**

- Checking, handling and storage of store items received
- Issue of stores supported by authorized vouchers and ensure that such issues are checked and properly packed
- Observing First-in-first-out (FIFO) so that items of old stock are issued before the new stock.
- Issue of store receipt voucher for all store received into the store
- Maintain the prescribed stock level as regard minimum and maximum limit (recorder level)
- Avoidance of waste of stores and irregular issues.
- Ensuring that the store room is clean and properly ventilated.
- Report when the store room is not in good condition.
- Ensure adequate security for the store item in respect of strong burglary proof and fire fighter.
- He is solely responsible for the keys and no delegation of duties of locking up is permitted.

5.21.11 **Checking of Stores**

- Carry out physical survey of the store items and let the store-keeper sign the survey sheet.
- A test comparison of the ledger balances with the physical and the Tally Cards balances.
- A test verification of the ledger entries with receipt and issued vouchers
- An examination of the condition of the stock and manner of storage
- A scrutiny of the books and register in use, which should be up to date and relevant voucher properly filed.
- An examination of security measures in the store's premises including adequate firefighting appliances which should be provided and maintained in a serviceable condition.
- Test-checking to confirm physical existence of the highly marketable items which can be easily removed.

- Any surplus found after the checking should be taken on charge by issuing of SRV to cover the items in excess and the SRV should be taken away by the Auditor or Checker.
- Any deficit should be made good together with any necessary recommendations.

5.22 **Non-current Asset Accounting/Register**

- The objective of this Section is to ensure that Fixed Assets acquired by beneficiary Institutions with TETFUND Intervention funds are physically available and easily identifiable within the premises of the beneficiary Institutions.
- It is mandatory for every beneficiary Institution to maintain TETFUND Fixed Asset Register to record all the Fixed Asset purchased with TETFUND Intervention funds for every year of such Intervention.
- The records of the Fixed Assets in the beneficiary Institution's TETFUND fixed Assets Register shall agree with the fixed assets physically on ground both in number and description.

5.22.1 **Physical Numbering and Identification**

- Fixed assets purchased with TETFUND Intervention funds are not only to be marked with the TETFUND Insignia but also, they are to be specially numbered as follows for easy identification:
- All Building constructed or purchased with the TETFUND funds are to be marked e.g. TETFUND/BD/01/2009 "meaning".
  (a) TETFUND – Tertiary Education Trust Fund
  (b) BD – Building
  (c) 01/09 – Fixed Asset Register Number of the Land and Building constructed or purchased with the 2009 TETFUND Invention fund.
- All Motor Vehicles (MV) purchased with TETFUND are to be marked, e.g., TETFUND/MV/01/09.
- All Laboratory Equipment (LE) purchased with the TETFUND are to be marked, e.g., TETFUND/LE/01/2009.
- All Computer Equipment (CE) purchased with TETFUND fund are to be marked, e.g., TETFUND/CE/01/2009.
- All Furniture's and Fettling (FF) purchased with the TETFUND are to be marked, e.g., TETFUND/FF/01/2009
- All Library Books and Equipment (LBE) purchased with the TETFUND funds are to be marked, e.g., TETFUND/LBE/01/2009
- All Technical and Vocational Equipment (TVE) purchased with TETFUND funds are to be marked, e.g., TETFUND TVE/01/2009.

5 .22.2 **TETFund Non-current Asset Register**

The TETFUND Fixed Asset Register shall be group into seven, each group with separate page and Index for easy identification.

(a) Building – To record all buildings Constructed or purchased with TETFUND Intervention Fund.

Format of Asset Register

S/N	Asset No	Date Acquired	Asset Description	Cost ₦	Supplier	Rate of Dep.	Location
1.	TNon-current ETFUND/BD/01/2009	2009	Lecture Hall I	12,000,000.00	AB Ojo Ison	2%	Main Camps
2.	TETFUND BD/02/2010	2010	Mechanical Workshop	18,000,000.00	Abiola Ltd	2%	Main Camps

(b) Motor Vehicles – to record all motor vehicles purchased with TETFUND Intervention fund.

Format of Motor vehicle Asset Register

S/N	Asset No	Date Acquired	Asset Description	Cost ₦	Supplier	Rate of Dep.	Location
1.	TETFUND/MV/01/2009	3/7/2009	Camry 2005 FG815/A53	5,000,000.00	Bruco Ltd Motor	25%	VC
2.	TETFUND MV/02/2010	30/6/2010	Toyota Grola 2006 FG 070/AB3	4,000,000.00	Bike Motor	25%	Pool

(c)Laboratory Equipment – to record all laboratory equipment purchased with TETFUND Intervention fund.

Format of Asset Register

S/No	Asset No	Date Acquired	Asset Description	Cost ₦	Supplier	Rate of Dep.	Location

(d) Computer Equipment - to record all computers equipment purchased with TETFUND Intervention fund.

(e)Furniture and Fittings – to record all furniture and fitting purchased with TETFUND Intervention fund if the furniture's had been numbered.

(f) Library Books and Equipment – to record all library books and Equipments purchased with TETFUND Intervention funds.

(g)Technical Vocational Equipment- to record all Technical and Vocational Equipment purchased with TETFUND Intervention Funds.

5.22.3 **Non-current Asset Schedule**

A separate fixed Asset Schedule should be prepared to be consolidated with other assets of the Institution in the Final Account of the Institution. Fixed Asset Schedule Format

Schedule of HM Current Assets

Asset	**Rate %**	**Initial Cost/Valuation**	**Addition During the Year**	**Disposal**	**Total Cost/ Valuation**	**Depreciation Brought Forward**	**Depreciation for the Year**	**Accumulation Depreciation. On Asset Disposed**	Aggregate Depreciation	NetBook Value
Building Motor Vehicle Laboratory Equipment Computer Equipment Furniture and Fittings Library Books and Equipment Technical Vocational Equipment										

Chapter Six
The Nigeria Tax Act 2025 as it Affects the Fund

6.0 Learning outcome

At the end of this chapter, the users of this manual should be able to

- discuss overview of the New Nigeria Tax Act, with emphasis on Development Levy and Personal Income Tax (PIT)
- state the implementation of WHT on interest on treasury bill and others.
- explain the objectives of VAT, WHT and Stamp Duty
- identify the incidence of the three taxes
- appreciate how they are computed
- distinguish between vatable and non-vatable items,
- specify the items that are VAT-exempt, and
- identify the key aspects of the Joint Revenue Board Act 2025

6.1 Introduction

The Tax Law Reform involved the comprehensive review and redrafting of all tax and related legislations. It is a transformative journey aimed at simplifying tax compliance, and enhancing clarity, coherence, and effectiveness of the tax laws.

All the existing tax laws and tax provisions contained in non-tax laws consolidated into 4 proposed laws:

- Nigeria Tax Act (law imposing taxes in Nigeria)
- Nigeria Tax Administration Act (rules governing the administration of all taxes)
- Nigeria Revenue Service (Establishment) Act (repealing the FIRS and establish the NRS)
- Joint Revenue Board (Establishment) Act also reestablishes the Tax Appeal Tribunal and establishes the Tax Ombud

6.1.1 Key Aspects of the Joint Revenue Board Act 2025:

- **Board Mandate:** Replaces the old Joint Tax Board (JTB) to improve collaboration between federal, state, and local governments, acting as a forum for tax policy coordination, data sharing, and joint enforcement.
- **Taxpayer Protection:** Establishes the **Office of the Tax Ombudsman** to mediate disputes, address taxpayer complaints, and protect rights.
- **Dispute Resolution:** Codifies the **Tax Appeal Tribunal (TAT)** to handle disputes across all geopolitical zones, with appeals moving to the Federal High Court on points of law.
- **Objectives:** Aims to eliminate "nuisance taxes," harmonize taxation across levels of government, create a national taxpayer database, and enhance efficiency.
- **Structure:** It is one of four new laws alongside the Nigeria Tax Act (NTA), Nigeria Tax Administration Act (NTAA), and the Nigeria Revenue Service Act (NRSA).

6.2 The Nigeria Tax Act 2025

6.2.1 **Scope**: Consolidation of the CIT, PIT, CGT (included as a component of the income tax), development levy (all earmarked taxes), PPT, hydrocarbon tax, royalties on oil & gas and solid minerals, excise duty on services, stamp duty on instruments, VAT, tax incentives (including replacement of pioneer incentive with economic development incentive).

6.2.2 **Objective;**

- To eliminate unintended multiple taxation.
- To make the Nigerian economy more competitive

6.2.3 **Structure**

- Contains tax charging provisions to the exclusion of administrative provisions
- The proposed law has different chapters; each dealing with a separate tax type or compliance subject-matter.
- Taxes on petroleum operations harmonized into the same chapter.

6.2.4 **Objective of the structure**

- To provide simple, readable and easily understandable tax rule
- To promote ease of administration and reduce tax compliance burdens
- To promote ease of doing business

6.2.5 **Rate of tax**

- Companies are reclassified into two – small and large. Threshold for small tax payers increased to N100 Million
- Proposed CIT rates –
    - Small companies - 0%.
    - Large companies - 30% (to be reduced to 25% later)
    - Consolidating all the earmarked taxes into a development levy at 4%.
    - Minimum tax is repealed
    - The global minimum tax for only multinationals and very large companies was introduced in line with global tax rules.

6.2.6 **Objective of rate of tax**

- To promote small businesses and entrepreneurship.
- To ensure the competitiveness of the Nigerian economy.
- To eliminate the issue of multiplicity of taxes.
- To prevent loss of revenue to other jurisdictions and align with global rules.

6.2.7 **Tax incentive**

- All tax incentives contained in other legislations have been consolidated into a chapter in Nigeria Tax Act.
- The current pioneer status incentive has been replaced with an Economic Development Income Tax Incentive (EDITI) in priority sectors.
- The list of pioneer industries and products have been harmonized.

6.2.8 **Tax incentive objective**

- Consolidation, simplification and alignment of incentive regimes for ease of access (to taxpayers) and administration.
- Reform of the pioneer incentive regime for better results.

6.3 Personal Income Tax

What Is PAYE?

- PAYE (Pay-As-You-Earn) is the system through which employers deduct personal income tax from employees' monthly salaries and remit it to the relevant State Internal Revenue Service (SIRS).
- PAYE ensures that income tax is collected at source, making it easier for government agencies to administer and for individuals to meet their tax obligations without direct filing.

6.3.1 Overview of the New PAYE system under Nigeria Tax Act 2025

The NTA 2025 updates several key provisions in the Personal Income Tax system. These include:

Revised tax bands and rates
The progressive tax structure has been adjusted to make taxation more equitable. The new annual income tax bands are:

Tax Rates:
1- 0% on the first ₦800,000
2. - 15% on ₦800,001 - ₦3,000,000
3. - 18% on ₦3,000,001 - ₦12,000,000
4. - 21% on ₦12,000,001 - ₦25,000,000
5. - 23% on ₦25,000,001 - ₦50,000,000
6. - 25% above ₦50,000,000

This means low-income earners continue to enjoy full exemption up to ₦800,000, while higher-income earners pay progressively higher rates.
Abolition of the Consolidated Relief Allowance (CRA)
Under the old tax regime, employees could claim a CRA of 20% of gross income plus ₦200,000.
Nigeria Tax Act 2025 has replaced CRA with a more targeted Rent Relief system.
Introduction of Rent Relief
Taxpayers who pay rent for residential accommodation can now deduct a portion as relief.

- Rent Relief = Lower of 20% of rent paid OR ₦500,000 per annum.
- This encourages proper documentation of rent payments and benefits those who actually incur housing costs.

6.3.2 Clarification on Pensionable Emoluments

For pension computation, only Basic Salary, Housing, and Transport Allowances are considered pensionable.

- Minimum employee contribution: 8%
- Minimum employer contribution: 10%

Only the employee portion (8%) is deductible from taxable income when computing PAYE.

6.3.3 Recognition of Other Statutory Deductions
Deductions such as NHIS, NHF, life insurance premiums, or approved donations remain allowable — provided there is verifiable documentation.

6.3.4 **National Health Insurance Authority (NHIA)**

National Health Insurance Authority (NHIA) formerly NHIS, contribution rate for employees is typically 5% of their basic salary, while the employer contributes 10% of the employee's basic salary.

The contributions are calculated based on the employee's basic salary, not the total gross or consolidated salary.

NHIA Contribution breakdown

- Employee Contribution: The employee contributes 5% of their monthly basic salary, which is deducted directly from their pay.
- Employer Contribution: The employer contributes 10% of the employee's monthly basic salary.

The total contribution is 15% (10% employer, 5% employee) of the basic salary.

Alternative calculation

In some cases, especially in the public sector, the contribution may be calculated as a percentage of the consolidated salary (basic salary plus allowances). In this scenario, the total rate is 5% of the consolidated salary, split as:

- Employer: 3.5% of the consolidated salary.
- Employee: 1.5% of the consolidated salary.

Key points

- Mandatory for certain employers: Participation in the scheme is mandatory for employers with a minimum of 10 employees.
- Coverage: The scheme typically covers the employee, their spouse, and up to four biological children under the age of 18. Additional dependents can be registered for extra fees.
- NHIA Act 2022: The new National Health Insurance Authority Act aims to expand health insurance coverage to all Nigerians, making it mandatory for all citizens and legal residents.

6.3.5 **National Housing Fund (NHF)**

National Housing Fund (NHF) contribution is a mandatory 2.5% of an employee's monthly basic salary. This contribution is deducted at the source by the employer.

Details of the NHF contribution

- **Rate**: The fixed rate is 2.5%.
- **Part of salary:** The deduction is specifically from the employee's basic monthly salary, not the gross or total income.
- **Eligibility:** The scheme applies to all Nigerian workers (in both public and private sectors, as well as self-employed individuals) earning a minimum of N3,000 per annum (or the national minimum wage and above).
- **Process:** The employer is responsible for deducting this amount monthly and remitting it to the Federal Mortgage Bank of Nigeria (FMBN)within one month of making the deduction.
- **Benefit:** Contributing to the NHF for a minimum of six months makes an individual eligible to apply for a housing loan at a low interest rate of 6% per annum.

6.3.6 Step-by-Step Process for PAYE Computation (NTA 2025)

Let's outline how to compute PAYE accurately under the new law.

Step 1: Determine the Employee's Gross Annual Income

Add all components of the employee's compensation package:

Basic Salary + Housing Allowance + Transport Allowance + Utilities + Leave Allowance + Other Benefits.

Step 2: Identify Pensionable Emoluments

Pension applies only to Basic, Housing, and Transport.

Employee Pension = 8% × (Basic + Housing + Transport)

This is a deductible item before computing PAYE.

Step 3: Compute Rent Relief

Rent Relief = Lower of (20% × annual rent paid) or ₦500,000. If no rent is paid (e.g., employer-provided accommodation), no rent relief applies.

Step 4: Compute Chargeable Income

Chargeable Income = Gross Income – (Pension + Rent Relief + Other Allowable Deductions)

Step 5: Apply the NTA 2025 Tax Bands

Use the progressive rates listed earlier to calculate the total annual tax liability.

Step 6: Determine Monthly PAYE

Monthly PAYE = Annual PAYE/12

This is the amount to be deducted from the employee's monthly salary and remitted to the tax authority.

6.3.7 **Practical example**

Key legal points used

- New personal income tax bands (NTA 2025) — 0% on first ₦800,000, then progressive bands (15%, 18%, 21%, 23%, 25%). (Used for the PAYE calculation).
- Rent relief replaces CRA: deductible = 20% of annual rent paid, capped at ₦500,000 (take the lower).
- Pension contributions (minimum): employee 8% and employer 10% of pensionable emoluments (pensionable = Basic + Housing + Transport). We'll deduct the employee 8% from salary before computing tax. (This is the statutory minimum/conventional split used under the contributory pension regime).

1) Salary breakdown (annual and monthly)

Total annual gross salary = ₦12,000,000: monthly gross = ₦1,000,000

I'll use this plausible breakdown (you can change percentages if you prefer):

- Basic = 40%: ₦4,800,000 p.a. (₦400,000/month)
- Housing = 30%: ₦3,600,000 p.a. (₦300,000/month)
- Transport = 10%: ₦1,200,000 p.a. (₦100,000/month)
- Utilities = 5%: ₦600,000 p.a. (₦50,000/month)
- Leave allowance = 5%: ₦600,000 p.a. (₦50,000/month)
- Other allowances = 10%: ₦1,200,000 p.a. (₦100,000/month)

2) Pension (employee) — based on Basic + Housing + Transport

Pensionable emoluments = Basic + Housing + Transport = ₦4,800,000 + ₦3,600,000 + ₦1,200,000 = ₦9,600,000

Employee pension contribution (8%) = 8% × ₦9,600,000 = ₦768,000 per year → monthly employee pension = ₦64,000

(Employer usually contributes 10% = ₦960,000 — not a deduction from employee pay but shown for completeness).

3) Rent relief (allowed deduction) — two rent scenarios

Rent relief = lower of (20% of annual rent paid) or ₦500,000.

I'll present two cases:

Case A — modest rent

- Annual rent paid = ₦1,000,000: 20% × rent = ₦200,000
- Rent relief allowable = ₦200,000 (since ₦200k < ₦500k)

Case B — higher rent

- Annual rent paid = ₦3,000,000: 20% = ₦600,000 but capped at ₦500,000

- Rent relief allowable = ₦500,000

4) Chargeable income = Gross income − allowable statutory deductions

Statutory deductions we apply here (per NTA): employee pension (8%) and rent relief (as above). (Other deductible items — e.g., NHIS, NHF, life insurance, documented loan interest — can also apply if applicable.

Case A (rent ₦1,000,000)

- Gross annual = ₦12,000,000
- Less employee pension = ₦768,000
- Less rent relief (20% of ₦1,000,000) = ₦200,000
  Chargeable income = ₦12,000,000 − ₦768,000 − ₦200,000 = ₦11,032,000

Case B (rent ₦3,000,000)

- Gross annual = ₦12,000,000
- Less employee pension = ₦768,000
- Less rent relief (capped) = ₦500,000
  Chargeable income = ₦12,000,000 − ₦768,000 − ₦500,000 = ₦10,732,000

5) PAYE calculation with NTA 2025 bands (worked out)

Used bands (annual taxable income: tax rate):

- ₦0 – ₦800,000: 0%
- ₦800,001 – ₦3,000,000: 15% (on amount within this band)
- ₦3,000,001 – ₦12,000,000: 18%
- ₦12,000,001 – ₦25,000,000: 21%
- ₦25,000,001 – ₦50,000,000: 23%
- Over ₦50,000,000: 25%.

Case A (Chargeable = ₦11,032,000)

Tax due:

- 0% on first ₦800,000 = ₦0
- 15% on next (₦3,000,000 − ₦800,000) = 15% × ₦2,200,000 = ₦330,000
- 18% on next (₦11,032,000 − ₦3,000,000) = 18% × ₦8,032,000 = ₦1,445,760
  Total PAYE = ₦330,000 + ₦1,445,760 = ₦1,775,760 per year: monthly PAYE = ₦147,980 (₦1,775,760 ÷ 12)

Monthly breakdown (Case A):

- Monthly gross = ₦1,000,000
- Monthly pension (employee) = ₦64,000
- Monthly PAYE = ₦147,980

- Net monthly pay (after employee pension and PAYE) = ₦1,000,000 − ₦64,000 − ₦147,980 = ₦788,020

Case B (Chargeable = ₦10,732,000)

Tax due:

- 0% on first ₦800,000 = ₦0
- 15% on next ₦2,200,000 = ₦330,000
- 18% on next (₦10,732,000 − ₦3,000,000) = 18% × ₦7,732,000 = ₦1,391,760 Total PAYE = ₦330,000 + ₦1,391,760 = ₦1,721,760 per year → monthly PAYE = ₦143,480

Monthly breakdown (Case B):

- Monthly gross = ₦1,000,000
- Monthly pension (employee) = ₦64,000
- Monthly PAYE = ₦143,480
- Net monthly pay = ₦1,000,000 − ₦64,000 − ₦143,480 = ₦792,520

6) Summary (side-by-side)

- Gross annual salary: ₦12,000,000 (₦1,000,000/month)
- Employee pension (8% of Basic+ Housing+ Transport): ₦768,000 p.a. (₦64,000/month).

Item	**Case A (rent ₦1,000,000)**	Case B (rent ₦3,000,000)
Rent relief (allowed)	₦200,000	₦500,000 (cap)
Chargeable income	₦11,032,000	₦10,732,000
Annual PAYE	₦1,775,760	₦1,721,760
Monthly PAYE	₦147,980	₦143,480
Monthly net pay (after pension & PAYE)	₦788,020	₦792,520

Notes, caveats & extra items to consider

1. Other allowable deductions (e.g., NHIS contributions, NHF, life insurance premiums, documented interest on housing loans, approved donations) may further reduce chargeable income if they apply and are supported by documentation. The NTA requires documentary proof for certain claims.
2. The employer may also remit employer pension (10% of pensionable emoluments) — that is not deductible from employee pay but is part of employer cost. I mentioned it for completeness.
3. CRA removed / replaced: NTA abolished the old Consolidated Relief Allowance (CRA) and replaced it with the rent relief above — this often increases tax liability for non-renters or those with low rent.
4. The NTA has a 0% tax allowance for the first ₦800,000 annual income (i.e., low-income relief). I used the new band structure for all computations.

This worked example clearly demonstrates how the new system affects take-home pay compared to the old CRA regime.

Tax computation example:
Gross income: ₦12,000,000 (₦1,000,000/month)

1. Pension contributions: 8% of ₦9,600,000 (basic + housing + transport) = ₦768,000
2. Rent relief: 20% of ₦1,000,000 (annual rent) = ₦200,000 (assuming rent is ₦1,000,000)
3. Chargeable income: ₦12,000,000 - ₦768,000 - ₦200,000 = ₦11,032,000

Tax due:
- 0% on ₦800,000 = ₦0
- 15% on ₦2,200,000 = ₦330,000
- 18% on ₦8,032,000 = ₦1,445,760

Total tax = ₦1,775,760 per year; monthly PAYE = ₦147,980[1]

6.4 **Development levy:**

- The Tertiary Education Tax (TET) has been replaced with a 4% Development Levy on assessable profits of Nigerian companies, except small companies.
- This levy consolidates TET and other levies, such as the Information Technology Levy and the National Agency for Science and Engineering Infrastructure (NASENI) levy.
- Small Companies Exemption: Small companies, defined as those with annual gross turnovers of ₦100 million or less and total fixed assets not exceeding ₦250 million, are exempt from the Development Levy, Companies Income Tax (CIT), and Capital Gains Tax (CGT).
- These changes aim to simplify tax compliance, reduce administrative burdens, and enhance revenue generation.
- The new tax laws will take effect on January 1, 2026, allowing for a six-month transition period
- The Nigeria Revenue Service shall collect the levy and pay it into a special account created for that purpose.
- The Nigeria Revenue Service has developed a platform where individual taxes and levies are paid into the accounts in the Central Bank of Nigeria.

6.4.1 **Distribution of the development levy**

The revenue accruing from the levy shall be distributed as follows;

- Tertiary Education Trust Fund — 50%;
- Nigerian Education Loan – 15%;
- National Information Technology Development Fund – 8%;
- National Agency for Science and Engineering Infrastructure – 8%;
- National Board for Technological Incubation — 4%;
- Defence and Security Infrastructure Fund – 10%; and
- National Cybersecurity Fund – 5%.

The tax imposed under this Part shall not be levied on assessable profits computed for the purposes of hydrocarbon tax.

For the purpose of this section, every beneficiary Agency and Fund in subsection 3 shall be required to prepare and submit their income and expenditure to the National Assembly for appropriation.

i. Tertiary Education Trust Fund share of the 4% development levy is 50% which is the half of the entire collection.

ii. The money will be paid to a pool account at the CBN and the modalities of transferring to various MDAs accounts not stated in the Act

iii. Being the agency with highest share of the collection, Fund should lead the modalities of how to transfer of the individual shares to various account should be made, ie is it monthly or quarterly?

iv. Joint Technical/Sharing committee should be proposed to ensure none of the members is short change during the sharing.

v. Cost of collection by FIRS, in the previous law, cost of collection is only on education tax from other sources excluding Oil and Gas. What will be the position of development levy not stated.

vi. Strategic Engagement with Nigeria Revenue Service and issues to be discussed

- Management to initiate a visit to the Chairman of Nigeria Revenue Service to establish a Joint Technical Committee for monitoring Development Levy.
- Real-Time Transaction Monitoring; Adoption of systems similar to the VAT portal for enhanced transparency and efficiency.
- Digital Transformation in Tax Administration: Encourage Nigeria Revenue Service to fully implement digital tools such as TaxPro-Max and the e-Invoicing platform for improved compliance and reporting.

vii. Advocacy for Regulatory Clarity: TETFund to champion the creation of clear guidelines and regulations for Development Levy collection.

6.5 Development levy in revenue and investment department

- The monitoring of the development levy is the responsibility of the department of Revenue and Investment to ensure that Fund is not short changed in the sharing of the development levy.
- Revenue and Investment department is saddled with the responsibility of monitoring and tracking the revenue from the Nigeria Revenue Service
- There is a dedicated pool account where the Development Levy are paid into managed by Office of Accountant General of the Federation.
- Monthly, NRS forward the development levy share of the Fund collected into the pool account with the CBN Bank statement, giving details of what comes in and what goes out.
- Revenue monitoring analysis is a critical component of strategic decision-making in organizations.
- It involves tracking and analyzing revenue streams to identify trends, opportunities, and challenges.

6.5.1 Entries in the bank statement

i. Revenue credited
ii. Cost of collection
iii. Transfers to Tetfund Account
iv. Operating surplus
v. Other transfers

The schedule officer is expected to prepare monthly reconciliation for purpose of decision making.

6.5.2 Monthly reconciliation

Monthly reconciliation needs to be carried out with the following schedule:

i. Opening balance----------
ii. Add Revenue credited----------
iii. Deduct; cost of collection--------
iv. Deduct; Transfer to Tetfund Account---------
v. Deduct; Operating Surplus----------
vi. Deduct; Other transfers----------
vii. Closing Balance----------

Ensure that the closing balance tally with the opening balance of the following month.

6.6 Mandatory deductions

- Financial Regulation 234 makes it more mandatory for an accounting officer of all the Government MDAs to ensure that dual roles of making deductions for value added Tax (VAT), Withholding Tax (WHT) due on supplies and services as well as on contracts, are remitted to the relevant tax authorities.

- Any loss of government revenue through direct payment of VAT and WHT to contractor or failure to provide for VAT & WHT due and remitting same to relevant tax authorities shall be recovered from the statutory allocation of the defaulting ministry/Extra-Ministerial office and other arms of government.
- Accounting officers who fail to provide for and remit VAT WHT due on vatable supplies and services shall be sanctioned under the applicable VAT Act No. 102 of 1993 which may include fines and imprisonment.

6.6.1 **Value Added Tax (VAT) E-Invoicing and Digital Tax Compliance**

This section of the reform strengthens VAT efficiency and compliance through real-time invoicing, expanded input recovery, and broader use of technology.

- VAT Rate Retained at 7.5%

6.6.2 Full Input VAT recovery allowed

Businesses can now claim input VAT on both services and capital assets (like fixed assets purchases), a major change from the previous laws that only allowed recovery for goods or materials used for production purposes or resale.

Expansion of Zero-Rated Items

A wide range of essential goods and services are now zero-rated, including food items, medical equipment, educational materials, electricity transmission, and non-oil exports.

6.6.3 Mandatory E-Invoicing and fiscalization

All VAT-registered businesses are now required to adopt NRS-sanctioned e-invoicing systems. These platforms allow for real-time transaction reporting, significantly improving VAT transparency and reducing evasion.

Beneficiary Institutions are expected to register as VAT Collecting Agents for VAT deducted from payments for vatable goods and services and to make monthly remittance through the designated banks of all VAT collected in the form in Appendix A below within 21 days after the month-end.

In view of the above, the letter of award and the LPO should be clearly stated by making provision for the VAT when computing the contract sum by either saying that the contact sum includes all taxes and when the contractor is submitting his bid, provision of 7.5% VAT should be added to arrive at the total sum, otherwise the total amount will be treated to be inclusive of all taxes.

6.7 **Withholding Tax (WHT)**

Withholding Tax (WHT) is the amount withheld from contractors in amount of their income tax payment and is recoverable from Income tax. This amount would have been lost through evasion and or avoidance of Tax if not deducted at source.

- It should be noted that, while its VAT is built into the total contract cost, WHT is not. This is clearly forbidden by tax regulation as it is to be borne by the contractor from the contract price.
- Beneficiary Institutions are expected to charge WHT and remit same to NRS in the **case of Limited Liability companies and SBIR (State Board of I-**

- Receipts collected from the NRS and SBIR on behalf of the contractors are subsequently released to the contractors for the claims against their Income tax liabilities when making their income tax returns.

6.7.1 **Provision of The Nigeria Tax Act 2025 on Withholding Tax**

- Nigeria Tax Act has said banks, stockbrokers, and other financial institutions must now apply a 10% withholding tax on interest earned from short-term securities
- The policy change marks a significant shift in Nigeria's fixed-income market, which has relied heavily on tax incentives to attract investors seeking short-term, high-yield returns
- Nigeria Revenue Service (NRS) has announced that banks, stockbrokers, and other financial institutions must now apply a 10% withholding tax on interest earned from short-term securities such as treasury bills, corporate bonds, promissory notes, and bills of exchange.
- Federal government bonds remain exempt from the new rule. The continued exemption for federal government bonds suggests a strategy to steer investors toward sovereign instruments while taxing private and sub-sovereign issuers more aggressively

6.7.2 **Computation of VAT and WHT**

- The debate as to who bears the brunt of VAT and WHT respectively as explained above, also informs the different methods of their computation.
- Assume the beneficiary Institution issues an LPO to Adesola & Co. Ltd., for ₦1'000,000 VAT inclusive. The computation of WHT, VAT and Stamp Duty will be as follows:

(a) VAT

- Since the N1'000,000.00 represents the total price plus 7. 5% VAT i.e 107.5% of actual cost, VAT will be computed as follows –

$$\frac{\text{N1'000,000.00}}{107.5} \times 7.5 = \text{N69,767.44}$$

Cost = N1,000,000.00 -69,767.44 – N930,232.56

- Note: Getting the cost of the contract is very important because calculation of WHT and Stamp Duty is on cost

(b) WHT

$$\text{WHT} = \frac{\text{N930,232.56} \times 0.2}{100} = \text{N18,604.65.00}$$

(c) Stamp duty $\frac{\text{N930,232.56} \times 0.1}{100} = \text{N9,302.32}$

6.7.3 **Payment of VAT & WHT.**

- It is the responsibility of the accounting officer to obtain the TIN Number of the contractor for easy remittance of any deduction made from each contractor.
- The VAT and WHT are scheduled along Bank mandate schedule such that, as the Contractor is receiving his or her money, the relevant Tax authorities are

also being credited with the amount deducted. The era of unremitted VAT & WHT is now over.

- The evidence of deduction is presented to relevant tax authorities for the issuance of bona fide receipts for the tax remitted.
- In respect of tax and VAT and WTH to FIRS, the receipt will be generated through Tax Promax platform.
- The receipts in which the remittance to relevant tax authority in respect of VAT are kept in the office, while that of the WHT are distributed to the contractors.

VAT Exempted Items

- There are some VAT exempted items such as educational materials, Hospital materials, etc. It is important to note this whenever computation is being made.
- In Nigeria, the Value Added Tax (VAT) exemptions are outlined in the First Schedule to the VAT Act, as amended by the Finance Act, 2019. Here are some of the VAT-exempt goods and services:
- Basic food items:
  - Agricultural products
  - Plant and animal products
  - Live animals
  - Fish and other sea products
  - Milk, bread, and other staple foods
- Health and education services:
  - Medical services
  - Educational services
  - Services provided by healthcare professionals
  - Tuition fees for educational institutions
- Government services:
  - Services provided by government agencies
  - Services related to national security
  - Services related to foreign affairs
- Financial Services:
  - Interest on loans
  - Bank charges
  - Financial services provided by banks and other financial institutions
- Business reorganizations:
  - Assets sold or transferred between related entities during business reorganizations
- Securities:
  - Proceeds from the disposal of short-term government and corporate bonds/securities (exempt for 10 years, starting from January 2, 2012)
- Small Businesses:
  - Taxable persons with annual taxable supplies of less than ₦25 million are exempt from accounting for VAT
- The Value Added Tax (VAT) (Modification) Order, 2024 (signed on September 1, 2024, and published in the official gazette No. 149, Vol.111 on September 3, 2024) expands the list of VAT-exempt goods and services effective September 1, 2024, to include:

- Equipment and infrastructure related to the expansion of compressed natural gas (CNG) and liquefied petroleum gas (LPG), including conversion kits

- CNG and LPG conversion and installation services
- Domestic liquified natural gas (LNG) processing facilities and equipment
- Electric vehicles, parts, and semi-knock-down units for the assembly of electric vehicles
- Manufacturing, assemblage, and sale of electric vehicles
- Biogas and biofuel equipment and accessories for clean cooking and transportation

The order also expands the definition of "petroleum products" to mean "feed gas for all processed gas, aviation turbine kerosene, premium motor spirit, automotive gas oil (AGO), household kerosene, locally produced liquefied petroleum gas, compressed natural gas, imported liquefied petroleum gas, and crude petroleum oils." The provisions relating to AGO are effective October 1, 2024

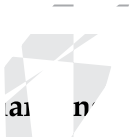
NEW WHT RATES IN NIGERIA, IN LINE WITH THE NEW WHT REGULATIONS, 2024

ELIGIBLE TRANSACTIONS AND APPLICABLE RATES						
TRANSACTIONS	**WITH CORPORATE SUPPLIERS**			**WITH NON CORPORATE SUPPLIERS**		**REMARKS**
	RESIDENT	**NON-RESIDENT**		**RESIDENT**	**NON-RESIDENT**	
Dividend, Interest	10%	10%		10%	10%	Rates as specified in the law.
Royalty	10%	10%		5%	5%	Rates as specified in the law.
Rent, Hire or Lease	10%	10%		10%	10%	Rates as specified in the law.
Commission, Consultancy, Technical, Management, and Professional Fees	5%	10%		5%	10%	Higher rate for non-residents to serve as final tax.
Supply of goods or materials other than by the manufacturer or producer	2%	N/A		2%	N/A	Simplified description and reduced rate to address low margin.

Co-location and Telecommunication Tower Services	2%	5%		2%	5%		Lower rate to reflect low industry margins.
Supply or Rendering of Services Other than those Specifically Listed in this Schedule	2%	5%		2%	5%		Simplified description and reduced rates.
Construction of road, bridges, building and power plants	2%	5%		2%	5%		Further rate reduction to reflect lower margin.
Any other form of construction and related activities	5%	10%		5%	10%		Amount due from non-resident is final.
Brokerage fee	5%	10%		5%	10%		Subject to Para. 7(11) of the Regulation.
Directors' fees	N/A	N/A		15%	20%		Rates reflect increased PIT rate for directors.
Compensation for loss of employment	N/A	N/A		10%	10%		Section 36 of the CGT Act.
Entertainers and Sports Persons	N/A	15%		N/A	15%		Applies on Amounts Earned in Nigeria.
Winnings from lottery, gaming, reality shows, etc.	N/A	N/A		5%	15%		With effect from 1 January 2024.
Compensation for loss of employment	N/A	N/A		10	10		

Entertainers and sport persons	N/A	15		N/A	15		
Winnings from lottery, gaming, reality shows, etc.	N/A	N/A		5	15		

- The period for filing WHT is the 21st day of the month following the month of payment. Where the payment is due between related parties, the timeline for payment is the month following the month of payment or when the liability is recognized.
- The penalty for failure to deduct or remit tax is 10% of the amount not deducted/remitted.
- Note that companies are required to submit, in electronic form, a schedule of all their suppliers for the month showing the TIN, address of the suppliers, the nature of the transaction, WHT deducted, and invoice number.
- Companies are also required to issue tax credit certificates showing the WHT deducted and paid.



The following check list must have been checked and found to be correct.

- Evidence of taxes, , or statutory obligations are paid/deducted
- Confirms financial or procedural compliance
- Audit clearance certificates usually specify: audit period covered
- Ensure that all the relevant financial documents are attached. The relevant documents to be attached are:
  - Beneficiary progress report form (Form 01)
  - Expenditure report form (Form 02)
  - Financial returns on project form (Form 03)
  - Bank statement/ Remita payment advice showing disbursement/ lodgment of the funds released to the institution.
  - Evidence of tax deductions and remittance to the relevant agencies or NRS Remittance slip
  - Photographs of the project.
  - E-payment schedule. both for contractors and taxes
  - Payment vouchers with supporting documents such as necessary approvals by the authorities of the benefiting institutions, advance payment guarantees, contract agreement, receipts from payees, etc.
  - Store Receipt Vouchers (SRV)

When all these documents mentioned above have been certified well, a Clearance Certificate is then issued.

7.4 Areas returns are expected

The expected returns are to be made on the following interventions from the institutions

i. Physical Infrastructure Development
ii. Zonal Intervention
iii. Academic Staff Training & Development
iv. Special High Impact Project
v. Special Interventions
vi. ICT Support
vii. Library Development
viii. Conference Attendance
ix. Institution Based Research
x. Tetfund Project maintenance
xi. Equipment Fabrication
xii. Institution Based Skilled development
xiii. Advocacy and Publication
xiv. Publication of Journal
xv. Micro Teaching Equipment (Teaching Practice)
xvi. Manuscripts Development

7.5 Check list for physical infrastructure development

The check list are those things that are expected to be submitted to the Fund and those to be checked for passing the payment vouchers.

- A formal covering letter/request for AIP duly signed by the Head of the Institution (e.g., Vice-Chancellor, Rector, Provost)
- Ensure that there is evidence that the previous project has been completed.
- Justification of the proposed project, that is a statement or write up to justify the proposed project.
- Executive Summary of the Proposed Project A concise executive summary explaining the project,
- Approved -In – Principle subject to vetted submission.
- Evidence of ;
    a. Master plan, supporting basis for the proposal,
    b. Copy of the 5 years strategics plan,
    c. 2 Years Operational Plan in support of the proposal and
    d. Evidence of decisions taken by the institutions relevant committees approving projects earmarked for intervention access.
- **Post Approval - In - Principle**
- Evidence of consultants complying with procurement guideline.
- All relevant details of the proceedings of the procurement processes are required to be submitted to the Fund for vetting in this regard.
- Technical and Design Documents Geotechnical / Soil Test Report endorsed by a registered engineer.
- Architectural Working Drawings Detailed architectural drawings in correct formats/seals. Must be sealed and signed by the Registered Architect, with current practice license evidence.
- Engineering Design Drawings Detailed structural, electrical, and mechanical design drawings. Must be sealed and signed by registered engineers with practice license certifications.
- Bill of Quantities (BOQ) Detailed BOQ free from Prime Cost (PC)/ provisional sums for measurable works.
- Consultant / Professional Engagement Consultants Engagement Documents
- Copies of letters appointing consultants (architects, engineers, QS, etc.).
- Their acceptance letters, registration with relevant professional bodies, and practice licenses.

7.6 Structure of Internal Audit

For the Unit to functions effectively, the Unit is divided into sub-sections namely:

- General payments
- Beneficiary account
- Secretariat

7.6.1 **General payments:** These relate to checking of payments vouchers for the overhead cost of the Fund, for purchases, general contracts and Utilities. This section also handles payment vouchers relating to staff entitlements. Duty tour Allowances and various staff advances including retirement of advances.

7.6.2 **Beneficiary accounts:** This section deals with checking of Beneficiary

Institutions Returns, issuing of Audit Clearance and processing of vouchers for payment of all disbursement to Beneficiary Institutions.

7.6.3 **Secretariat:** Maintenance of all Audit files for all the Beneficiary Institutions and the various activities of the Fund. The Secretariat is also in-charge of incoming and outgoing registers for mails and Payment Vouchers.

7.7 Beneficiary accounts

Beneficiary Accounts: This section deals with checking of Beneficiaries Institutions Financial Returns, Issuing of Audit Clearance and processing of Payment Vouchers for all disbursements to Beneficiary Institutions.
The Beneficiary Section is further divided into Universities, Polytechnics and Colleges of Education with specific Officers handling each category

7.7.1 Beneficiary account unit operation

- Processing of Payment Vouchers and passing same to Finance Department for Payment of all approved disbursements.
- The Unit receives copies of Financial Returns from beneficiaries via Executive Secretary's Office.
- Reviews and Checks the Financial Returns submitted by the beneficiaries.
- Issues Audit Clearance upon Satisfactory Financial Returns.
- Corresponds with the Beneficiary on any lapse noticed in the Financial Returns
- If the financial returns does not satisfied the audit expectation, audit querry will be issue stating the outstanding issues.

7.8 Use of audit clearance certificate

- Mandatory requirement for disbursements of additional tranche payments to Beneficiaries
- Issued after adequate and satisfactory Financial Returns have been confirmed by the Internal Audit.
- Attached to recommendation to the Executive Secretary by the relevant departments (M&E, AST&D or ESS Departments) for release of funds

7.9 Basic Requirement for audit clearance and financial

a. Physical Infrastructure projects

- Copy of the request made for the release of the fund
- Formal submission with letter on official Letter Head of the Institution duly signed by the Chief Executive or on his behalf
- Financial Returns on Projects (Form 01)
- Expenditure on Projects Form (Form 02)
- Copy of Approval-In – Principle with details of what is expected the institution to do as regards the procurement procedures.
- Disbursement letter
- Contractor's award letter
- Award letter to the supplier of procurement
- Award letter for consultant and evidences of Bid compliance must be attached

- Request. for payment
- Copy of approval for the first tranche
- Bank Statement
- Evidence of tax deductions and remittance.
- Store Receipt vouchers for for procurement items
- Copy of expenditure on annual/special intervention projects. Note:

This should be examined properly to ensure that there is no duplication of certificate
Details of Expenditure on project should be in this template

Date	**Name of Beneficiary**	**Description of the payment**	**PV NO**	**Mode of Payment**	**Amount**

; Signature: Chief Executive Officer _____
Signature: Director of Finance_____
Signature: Director of Works_____

- Interim report on the annual or special intervention projects by the Bursar or Director of Finance stating total allocation, amount received to date and amount spent to date.

Copy of the status report in this format;

S/N	**Description**	**Contract Sum**	**Total Payment to Date**	**Remarks**

- Copies of all certificates used for payment indicating number of the certificate by the Physical Planning Department or Works Department.
- Copy of request of payment by the consultant
- Copy of payment advice; Remita
- Print out of Remita of all the payment
- All supporting document
- E-Payment Mandates
- Store Receipt vouchers (SRV) for all procurements made
- Evidence of Tax deductions
- Clear colored pictures of the projects certified by the institutions
- All Payment Vouchers used to expend money from the Project Account with Photocopies of Supporting Documents such as Contract Award letter, APGs,

b. **AST&D Conference Attendance**

- Admission letter
- Scholar's Identity Card.
- List of Nominees

- Approval In Principle
- Disbursement letter
- Bank statement
- E- Payment schedules
- Evidence of payment made to Scholar by the institution (Payment voucher)
- Schar's Passport Data page (If foreign)
- Copy of Visa
- Domiciliary account for AST&D
- List of Confere

7.10.4 **Funds/Project reconciliation return**

This return is to enable TETFUND confirm that schedule of all remittances to the beneficiary Institutions were received and properly accounted for. In addition, project fund balance is timely presented by the amount of available funds in the beneficiary Institution's bank account.

7.10.5 VAT**, WHT and Stamp Duty returns**

Schedule of VAT, WHT and Stamp Duty deductions made in the quarter and the amount remitted to the relevant tax authorities with copies of Bonafide receipt issued by the Tax Authority Schedule of balances outstanding on VAT, WHT and Stamp Duty payable accounts.

7.11 **Annual returns**

The following reports are to be submitted at the end of the year.

- All reports as in quarterly returns
- Full list of fixed Assets acquired with the project fund in the year, as contained in the Fixed Asset Register.
- Summary of stock ledger balances.

7.12 **Audit and monitoring documents**

Beneficiary Institutions should ensure that copies of all quarterly and annual returns are retained and adequate records as required of them in this manual are kept and made available to TETFund Auditors and/or monitoring teams on demand

Tertiary Education Trust Fund (TETFund)

Appendix "A"

FINANCIAL RETURNS FORM NO. TETF/DF/IAU/FR/01

(A) INSTITUTIONAL DETAILS

1. Institution Name:_ _____

2. Institution Code: _____

3. Address: _____

4. Phone Number: _____

5. Email: _____

(B)FINANCIAL INFORMATION

Section A: Income

1. Total Income (₦): _____

TETFUND Allocation based on various interventions:

Annual Interventions

S/N	Type of Intervention	Allocated Amount (N)
1.	Annual Intervention Projects: Physical Infrastructures Development	
2.	Entrepreneurship centre	
3.	Library Development	
4	Research	
5.	Academic Staff Training & Development	
6.	Conference attendance	
	Special Intervention	
1.	Zonal Intervention	
2.	Emergency Disaster Recovery	
3.	Designated Projects (e.g., Take-off grants)	
4.	Advocacy/Publicity	
5.	National Research Fund (NRF)	
6.	Higher Education Book Development (HEBD) Fund	
7.	TETFUND Centres of Excellence (TCoEs)	

Section B: Expenditure

Annual Interventions

S/N	Type of Intervention	Allocated Amount (N)	Amount Spent	Amount Balance
1.	Annual Intervention Projects: Physical Infrastructures Development			
2.	Entrepreneurship centre			
3.	Library Development			
4	Research			
5.	Academic Staff Training & Development			
6.	Conference attendance			
	Special Intervention			
1.	Zonal Intervention			
2.	Emergency Disaster Recovery			
3.	Designated Projects (e.g., Take-off grants)			
4.	Advocacy/Publicity			
5.	National Research Fund (NRF)			
6.	Higher Education Book Development (HEBD) Fund			
7.	TETFUND Centres of Excellence (TCoEs)			

Total Expenditure (₦):

Section C: TETFund projects

1. List of TETFUND-funded Projects:

- Project Title: _____
- Project Location: _____
- Project Status: _____
- Amount Disbursed (₦): _____

CERTIFICATION

I certify that the information provided is true and accurate

Signature: _____

Name: _____

Designation: _____

Date: _____-

Appendix "B"

FINANCIAL RETURNS FORM NO. TETF/DF/IAU/FR/02

INSTITUTIONAL DETAILS

1. Institution Name: _____

2. Institution Code: _____

3. Address: _____

4. Phone Number: _____

5. Email: _____

Details of TETFund projects

Section A: Completed Projects

S/N	Project Title	Project Location	Amount disbursed (N)	Date Completed

Section B: Ongoing projects

S/N	Project Title	Project Location	Amount disbursed (N)	% Completion

Section C: Projects with Issues

S/N	Project Title	Project Location	Amount disbursed (N)	Project with Issues

I certify that the information provided is true and accurate.

Signature: _____

Name: _____

Designation: _____

Date: _____

Chapter Eight
The Role of Internal Audit in Public Sector

8.0 Learning outcome:

At the end of this chapter, the users of this manual should be able to::

- discuss the definition of internal auditing
- discuss the objectives of internal auditing
- discuss the principal functions of Internal Auditors
- state the roles of the Internal Audit Unit
- explain the procedures for the preparation of Internal Audit Report
- highlight the hindrance to Internal Audit efficiency
- discuss and explain the procedures for Sustainability of the effectiveness of internal audit and the way forward, and
- explain the status, organization and legal backing of internal audit state the role of Internal Auditors in combating fraud & corruption, and
- risk management and its effect

8.1 Definition **of internal auditing**

Internal Auditing has been defined as "an independent appraisal within an organisation for the review of accounting, financial and other operations as a basis for protective and constructive service management" (International Auditing Guidelines) This manual is a type of control, which functions by measuring and evaluating the effectiveness of other types of control.

8.2 Objectives of internal audit

The primary objective of auditing is broken down into the following general audit objectives:

i. **Completeness-** All transactions relevant to the year of account have been recorded;
ii. Occurrence- All recorded transactions properly occurred and were relevant to the year of account;
iii. **Measurement-** The recorded transactions have been correctly valued, properly calculated, or measured in accordance with established accounting policies, on an acceptable and consistent basis;
iv. **Regularity** - The recorded transactions are in accordance with primary and secondary legislation and other specific authorities required by them.
v. **Disclosure** - The recorded transactions have been properly classified and disclosed where appropriate.

8.3 **The Scope of this manual includes**: They also include

a) periodic examination of the internal control system,

b) detailed examination of income and expenditure to ensure that they are correctly recorded, classified and /or allocated,

c) adherence to established budgets and implementation of budgetary control,

d) verification of assets and liabilities,

e) ensuring accurate checks against fraud, errors and mistakes,.

f) appraisal of final accounts prepared by the Bursary prior to auditing, and

g) collaborating generally with the statutory auditors on all matters affecting statutory audits.

8.4 Types of Public Sector Auditing

Public sector auditing can be described as a systematic process of objectively obtaining and evaluating evidence to determine whether information or actual conditions conform to established criteria.

There are three main types of public sector auditing: financial audit, compliance audit and performance audit. It is important to understand the differences between the three audit types. The objective(s) of the audit to be conducted will determine the applicable standards to follow. In this chapter, we aim on explaining the three audit types so that it is clear how compliance audit is different from the other audit types.

8.4.1 Compliance Audit

The definition of compliance audit builds on the definition of public sector audits with a specific focus on assessing compliance with criteria derived from authorities. Authorities are the parliamentary decisions, laws, legislative acts, established codes or norms, and agreed-upon terms that a public sector entity is expected to comply with in the execution of its roles and responsibilities. The main objective of compliance auditing is to provide the intended user(s) with information on whether the audited public entities follow parliamentary decisions, laws, legislative acts, policy, established codes and agreed upon terms.

8.4.2 Financial audit

Financial audit is determining whether an entity's financial information is presented in accordance with an applicable financial reporting and regulatory framework.

While doing financial audit, auditors should look for misstatements and errors that can have material impact on the information presented in the financial statements.

8.4.3 Performance Audit or Value-for-Money Audit

Performance audit is an independent, objective and reliable examination of whether the government undertakings, systems, operations, programmes, activities or organizations are operating in accordance with the principles of economy, efficiency and effectiveness and whether there is room for improvements. Performance auditing seeks to provide new information, analysis or insights and, where appropriate recommendations for improvement.

'Value for money' (VFM) means using resources in the best way in order to achieve intended objectives. There are three aspects to achieving value for money, often known as the '3Es'.

i. **Economy.** This means spending money carefully, and not paying more than necessary for resources - materials, labour and other expenses.
ii. **Efficiency**. Efficiency means using resources in such a way that they produce the greatest possible amount of 'output'. It means getting more from the use of available resources. For example, efficiency in the use of an employee means getting a high rate of output for every hour or day worked.
iii. **Effectiveness.** Effectiveness means using resources in such a way as to achieve the desired objectives. Efficiency is of little value unless the output from the system is what the entity wishes to achieve.

The purpose of a VFM engagement is to investigate a particular aspect of an entity's operations, and reach a conclusion about whether the entity is obtaining value for money.

3 Es	Meaning	Measurement
Economy	Doing it cheaply	Compare money spent with inputs acquired.
Efficiency	Doing it well	Compare inputs used with output achieved
Effectiveness	Doing the right thin	Compare output achieved with objectives

f) **Write the report.**

To evaluate efficiency and effectiveness, it is necessary to carry out physical verification of assets, check to evidences of third parties, review computations for occupancy, consider internal audit reports, circularise debtors and conduct oral interview.

8.5 Qualities of Auditors

The audit unit must maintain the following professional and ethical standards:

i. **Propriety and Integrity-** In order to sustain confidence of audited bodies and all others with whom audit staff come into contact in their work, the audit office and its staff must be above suspicion and beyond reproach. Improper conduct reflects badly on the integrity of individual and the quality of his work

ii. **Independence-** The staff should be independent of the other departments within the organisation and maintain an independent attitude.

iii. **Objectivity-** The staff should carry out their work impartially and

objectively. Audit opinions and reports should be influenced only by the evidence obtained and assembled in accordance with auditing standards.

iv. **Contractiveness-** The staff should adopt a constructive and positive approach to their work and relationships. Although an audit office should avoid compromising its independence through acting as a consultant, staff should aim to reach helpful conclusions by offering constructive advice.

v. **Proficiency-** The staff must maintain and develop their professional competence and expertise. They should seek the highest levels of proficiency and have a professional responsibility for self-improvement and development.

vi. **Reasonable Care-** The staff should take all reasonable care in planning and carrying out their audit work, in gathering and evaluating evidence, and in reporting findings.

vii. **Confidentiality**- The staff must respect the confidentiality of information obtained in the course of their work. The appropriate security and confidentiality of all information, in whatever form it may be held, must be ensured at all times.

viii. **Economy, Efficiency and Effectiveness of Operations-** The staff should seek to improve the economy, efficiency and effectiveness with which their office uses its own resources in carrying out its work.

8.6 **Principal functions of Internal Auditors are to:**

(a) Provide assurance to management that: -

(i) There is an adequate system of Internal Control which is functioning properly.

(ii) The policies and procedures established by management are being complied with.

(iii) The Accounting records form a reliable basis for the production of the final account.

(b) Draw attention of management to:

(i) Deficiencies in the organisation or system of control.

(ii) Instances of duplicated functions and suggest remedy where possible, and follow up to ensure that corrective action is taken.

8 7 **Roles of the Internal Audit Unit of TETFund**

- The Internal Audit unit of TETFund is responsible for the Audit of all financial transactions of the Ministry/Department before payment is made.
- The Head of Internal Audit is responsible to the Accounting Officer i.e the Executive Secretary of TETFund.

- He is required to submit to his accounting officer and the Board of Trustees detailed audit programme and thereafter he shall report monthly to the management as well as the Board of Trustees on the true progress of the Audit.
- Half-yearly report must always be prepared by the Internal Audit, which should be forwarded, to the Board of Trustees

Therefore, the general responsibilities of the Internal Audit as contained in the existing regulations are as follows:

i. It carries out a continuous examination of all accounting books and records maintained in the TETFund
ii. It is to determine the adequacy of the system of internal control.
iii. It is to ensure that an adequate system of securities exists in the establishment.
iv. It is to check all payment vouchers emanating from any section of TETFund before payments are made.
v. It is to check the reliability of the Accounting and reporting systems.
vi. It is to carry out any special review or assignment, which may be required by management.
vii. Co-operate with and assist the Auditor-General's office/ External Auditor in making available necessary documents for the periodic check/ final audit of TETFund

8.8 Status and organization of Internal Audit

The Internal Audit section should have independent status within a department. This is to ensure that the Internal Audit operates effectively.

a. The audit unit should be a separate entity within an organisation, quite independent of the accounts and policy branches.
b. The Head of Internal Audit should be a person of high standard, properly trained and experienced.
c. The Head of Internal Audit should be responsible to high level management normally the Chief Executive.
d. The Audit Section should have no executive or line management responsibilities i.e. it should be completely independent of all financial systems operating within the organization.
e. The audit unit should only be informed or consulted when there is any proposal to change the existing management system or the implementation.

8.9 Legal backing of the Internal Auditors

- Despite the existence of a law establishing the functions/office of Internal Audit in Agencies, internal auditors still face a lot of problems in their various agencies.
- It is pertinent to remind all and sundry of the existence of the Finance (Control and Management) Act CAP 144 Law of the Federation of Nigeria

1990, which stipulates that internal control and other control measures, should be in place in the Public Service.

- Any agency without internal audit, self-accounting status will not be granted. It means where the internal audit is not functioning as it should be, the self-accounting status of the agency will be withdrawn.

8.10 The role of auditors in combating fraud and corruption

a. The Internal Audit is to assure management that the internal checks and the accounting system are effective in design and in operation and to add some degree of validity and credibility to the accounts, eliminating or reducing distortion of facts caused by self-interest, carelessness and dishonesty.
b. It is to review, evaluate and report on the adequacy or otherwise of the financial control framework existing in the organization and its efficiency in assuring the propriety, security, completeness and accuracy of the organisation's activities and transactions.
c. It is to carry out a complete and continuous audit of the accounts and records of revenue, expenditure, plants, stores and other properties to evaluate whether actual performance is within the established financial control framework.
d. It was noted and investigation equally revealed that some of the Internal Auditors were not allowed to carry out post-audit of the vouchers passed for payment and checking of the Cash Book.
e. It is recommended that a memo on this must be sent by the Head of Internal Auditor to intimate the Chief Executive.
f. In an environment where the salaries and wages were computerized without the input of the Internal Auditor and the Internal Auditors are not trained to get acquainted with the system, such a lapse should be brought to the attention of the Chief Executive, highlighting the implications of the action.
g. Effort should be made to carry out physical inspections of all projects and report accordingly. On no occasion should payment on project should be paid without inspection.
h. It should be noted that the main function of Internal Audit is the pre-payment audit

8.11 Hindrance to Internal Audit efficiency

There are some hindrances to the efficiency of the Internal Audit. These are caused by:

(a) **The management**

i. Although Internal Auditors are the eyes of the management, research has revealed that 90% of the top management see the Internal Auditors as obstacles to their unhealthy access and use of public funds.

ii. The management sometimes over-rides set controls ignorantly or on purpose. This affects the effective performance of the duties of the Internal Audit.
iii. Another way by which management hinders the work of the Internal Audit is the non-recognition of the internal audit. One way to frustrate a unit is to give little or no recognition to its importance.
iv. This will definitely lead to poor funding and staffing of that unit. This has been the case for many Internal Audit departments in most of the organizations.
v. If the top management fails to apply rules universally, it will destroy the effectiveness of the control in existence.

(b) **The employees**

i. The employees can hinder the work of the Internal Auditor especially the Finance & Account/ Bursary Department by not making available the accounting records as well as the inadequacy of the accounting system.
ii. They are aware that the easiest way to hinder the work of an auditor is not to make available the necessary documents and by operating an inadequate accounting system.
iii. Lack of appropriate sensitization of other employees usually see the Internal Auditor as a threat to their existence. This thinking on the part of other employees usually affects the Internal Auditors duties and by extension the effectiveness of the internal control.

(c) **The internal Auditor**

It is also observed that often-times the Internal Auditors hinder the efficiency of the Internal Audit Department if:

i. They are not competent;
ii. They are not current on issues e.g. where they operate on the provisions of an old circular or already amended rules) no recognition will be given to the department
iii. If they are not tactful in dealing with other staff.

4.11.1 **Sustaining the effectiveness of internal audit and the way forward**

(a) **The management:**

i. The management should avoid over-riding the control in the organisation. It must also ensure that bad precedents through exceptions are not created.
ii. Procedures and policies must be followed at all times. Failure to follow laid down policies may be exploited by employees to perpetrate fraudulent acts.
iii. Management should constantly review the internal control system

iv. The management should sensitize other staff on the importance of the Internal Audit Department. Sensible observations made and useful recommendations proffered by the Audit department should always be implemented.
v. Concentration of duties in the hands of a few people because they are "trust worthy" may give room for collusion and may hamper the smooth operations of internal control which invariably may affect the efficiency of the internal Audit.
vi. Policy statements and changes in procedures should be communicated to the Internal Auditors to enable them enforce adherence.
vii. Management should not give the Internal Auditor an assignment that has a concluded and known result. It should not make the Internal Auditor appear as the organization's policemen, he is not and should not be made one.
viii. The Internal Auditor should be made to have a sense of belonging. He needs management support and constant assurance to enable him copes with any social rejection that may accompany his work through the activities of uninformed persons and employees.

(b) **The other employees**

i. The Finance and Accounts Department should endeavor to co-operate with the Internal Audit Department by providing all documents required for the audit exercise.
ii. The Finance department should know that it is still the duty of the Internal Audit to carry out post audit of the Cash Book and payment vouchers.
iii. The employees should be made to understand that there is no need to hate the Internal Auditor.
iv. The internal Auditor does not take pride in faulting people's work and he is not a blood – hound either.
v. They must all recognize that all he does is to ensure compliance with the rules and regulations.

(c) **The Internal Auditor**

For the audit to be effective in any organisation and overcome personal deficiencies, the following should be borne in mind by the Internal Auditors:

i. They should be current in any issue being reviewed and ensure that all the latest circulars are in their possession.
ii. They should ensure that they read current audit reports issued by other professional colleagues and attend important training programmes;
iii. They should not be overzealous. Those with open mind and large heart should carry out internal Auditing.

iv. They should never resort to victimization but spread the gospel of comradeship. Do not victimize or pursue anybody with your position and authority.
v. They must remain objective and maintain balance in the report. They should also not concentrate on problems only but give commendation where it is deserved.

8.12 Code of ethics of Internal auditor

The Internal Audit staff shall subscribe to the Code of Ethics established by the Institute of Internal Auditors, as well as adhere to the policies set forth by the management of TETFund. In addition, the Internal Audit staff will uphold the following:

a) **Integrity:** Establish trust and thus provide the basis for reliance on the judgment of Internal Audit remain tactful, honest, objective and credible in all relationships as a representative of TETFund.
b) **Objectivity:** Exhibit the highest level of professional objectivity in gathering, evaluating and information about the area under examination. Make balanced assessments of all the relevant circumstances and do not become unduly influenced by individual interests or by others in forming judgments.
c) **Confidentiality:** Respect the value and ownership of information received. Do not disclose information without appropriate authority unless there is a legal or professional obligation to do so.
d) **Competency:** Apply the knowledge, skills and experience required in the performance of internal auditing services and continually improve the proficiency, effectiveness and quality of the services provided.

8.13 Standards of conduct

Internal Audit will adhere to the following standards of conduct:

a) **Service:** Preserve a commitment to carry out all responsibilities with an attitude of service toward TETFund staff while maintaining a sincere and dignified attitude.
b) **Excellence** Uphold a high standard of service and a commitment to quality in performing all projects and assignments.
c) **Leadership**: Provide noteworthy examples which emphasize high ethical and moral standards.
d) **Professionalism:** Conduct business in a manner that reflects favorably on the University and the individual. Exercise skill, integrity, maturity and tact in all relations.

8.14 Scope of Internal Audit and Statutory Audit in Government Parastatals

- The internal Auditor, being an employee of the organisation, may not feel free enough to write on certain issues and even when he writes, the management may not implement the suggestions.

- The Internal Auditor should therefore make available to the statutory Auditor by informing them all the observations and recommendations made which were not implemented by management.
- The statutory auditor recognised by the National Assembly is the Auditor-General for the Federation for all federal government parastatals. Although section 85(2) of the 1999 constitution empowers parastatals to appoint their own external auditors from the list provided by the Auditor-General for the Federation, the provision does not imply the removal of the powers of the Auditor-General as the statutory Auditor of the parastatals.
- It is therefore very disturbing to find some Internal Auditors who do not know the Auditor- General's functions as regards the control of public funds in government parastatals.

9.0 Risk management and its effect on auditors in carrying out their assignment

Risk management plays a vital role in auditing because auditors operate in environments filled with uncertainties, errors, and possible fraud.

The effectiveness of an auditor's assignment depends largely on how well risks are:

i. identified,
ii. assessed, and
iii. managed during the audit process.

We shall examine:

- the concept of risk management,
- types of audit risks, and
- how risk management affects auditors when performing their professional duties.
- It also highlights strategies auditors use to manage risks and ensure reliable financial reporting.

Auditors face several risks that may affect their ability to perform their assignments effectively.

Risk management is therefore essential in auditing because it helps auditors identify potential threats that may lead to incorrect audit opinions.

Proper risk management enables auditors to design appropriate procedures, allocate resources efficiently, and improve the reliability of financial statements.

9.1 Concept of Risk Management

Risk management refers to the process of identifying, assessing, and controlling threats to an organization's capital, earnings, and operations.

In auditing, risk management helps auditors minimize the possibility of giving an incorrect opinion on financial statements.

The process of risk management generally involves:

- Risk Identification – recognizing potential risks that may affect audit objectives.
- Risk Assessment – evaluating the likelihood and impact of the identified risks.
- Risk Response – designing strategies to address or reduce the risks.
- Risk Monitoring – continuously reviewing the effectiveness of risk management actions.

9.2. Concept of Auditing

Auditing involves the systematic examination of financial records, internal controls, and supporting evidence to determine whether financial statements are prepared in accordance with applicable accounting standards.

Au

.10.0 Conclusion:

- We have brought into focus the role of Internal Auditor in the Public Sector. Initially, Auditor may be perceived as a cost and a function which does not add value to an organisation's product or service.
- Later, we noted in particular that an effective Internal Audit Service can help reduce overhead, identify ways to improve efficiency, and minimize exposure to possible losses from inadequately safeguarded organization's assets.
- Also, there is strong deterrence if knowing that there is always the possibility of a visit from the Internal Audit.
- We highlighted the hindrances to the Internal Auditor caused by the management, the employees and the Internal Auditor themselves and made recommendations.
- Risk management is an essential component of the auditing process. It helps auditors identify potential threats that could affect the accuracy of financial statements and their final audit opinion.
- By properly managing risks, auditors can improve audit quality, enhance efficiency, and increase confidence in financial reporting. Therefore, auditors must adopt effective risk management strategies to successfully carry out their assignments.

Chapter Nine
Project Management Techniques

At the end of this chapter, the users of this manual should be able to

- **discuss the objectives of project management.**
- **identify key techniques in project management**
- **distinguish between project and contract files**
- **specify the purpose and importance of the project ledger, and**
- **appreciate essence of project bank account reconciliation**

9 .0 Introduction

Project management is the systematic planning, organizing, and controlling of resources to achieve specific goals and objectives within a defined scope, time, and budget. In project management, there are documents that must be kept to track the activities of the project in question. Project management involves

- Defining project scope, objectives, and deliverables
- Identifying the risks with the view of managing it and other challenges that might occurs.
- Monitoring and controlling project progress and ensuring that quality materials are used to meet the standards required.

9.1 Essentials/Documents to be kept.
9 .1.1 Project File

- It is mandatory on all beneficiary Institutions and Tetfund Headquarter to maintain project files for each TETFUND project or purchase with administrative cost which shall contain all documents relating to the project from the proposal to the award of contracts to the final completion.
- It should be noted that a project file is different from Contract file because the project file contains all issues concern the project which includes the letter of awards to all the contractors working on the Project, e.g., Plumbing contract, Electrical Project, Road etc.
  - Expenditures on various TETFUND Intervention Projects are accurately captured in each project account in the beneficiary Institutions account and finally reporting on the projects.
  - Project reconciliation with the respective various project funds in the beneficiary Institutions possession are done accurately and without delay.

Therefore, the following documents shall always be made available in the Project file:

- Copy of Approval-In-Principle concerning the project must be in the file.
- Correspondence between the Institution and TETFUND requesting for the fund.
- Allocation letter from TETFUND Board of Trustees.
- Copy of proposal to the TETFUND Board of Trustees with plans and drawings of the project
- Original project approved letter from the TETFUND.
- Tendering documents before the contract was awarded on the project including:
  - Cutting of Newspaper advert for tender

- Tender analysis report showing names of shortlisted Contractors for each project.

- Contract agreement with the contractors and all correspondences to and from the contractor on the project.
- Copies of credit advices or Covering letters for all the disbursements received in respect of the project
- Suppliers Invoices received in respect of the project
- Suppliers Waybill, Store Received vouchers, Store Issue Vouchers etc. in respect of all the items received into the Store or Issued out of the store in respect of the project.
- Payment vouchers with all the supporting document in respect of the project.
- Copies of all Bank schedule mandates issued for the payment to contractors and any other person in respect of the project.
- Certificate issued from the commencement to the final completion of the project
- Copy Advance payment Guarantees for all advance payment made on the project.

9.1.2 Contract file: is concerned with only the document relating to the Contractor.

In case the project is awarded to a contractor, it means the main contractor will handle the other sub-contractors. He will be responsible for all that happens at the site.

- Contractor file contains all correspondence between the contractor and the Institution/Fund. The purpose of contractor file is to enable the Institution when the needs arise to review the Individual contractor's files without mistaken contract A for contract B.
- The first page of the file should be the registration form given the full details about the contractor. The registration form is mandatory and may even be collected free. The details of the contractor are very important and is part of knowing your customer concept.
- Other Important documents in the file among others are:
    - Letter of award.
    - Advance payment Guarantee in case there is mobilization fee to be paid
    - Contract Agreement with the contractors and all correspondence to and from the contractors.
    - Bill of Quantity or Scope of work
    - Completion certificate/good Received Note or SRV.
    - Certificate of work done for purpose of payments from the commencement to the final
    - Bank details of the contractor copy of Tender Board minutes concerning the contract
    - Tendering document before the contract was awarded.
    - Cutting of Newspaper advert for tender and Tender analysis report showing names of shortlisted Contractors
    - Payment voucher paid in respect of the contract
    - Copy of the Bank schedule mandates issued for the payment to the contractors.

9.1.3 Project Ledger

- It is important for all institutions to maintain project ledger for all the projects to monitor the progress of payment.
- The project ledger can be maintained manually but it is advisable for it to be computerized where the name on the ledger will be used for searching for the ledger.
- The officer in charge of control should also be designated to handle the Project file
- After the preparation of the payment voucher, it should be forwarded to the schedule officer for recording before it is passed to the central cash office.
- Generally, project ledger must be maintained for any contract that requires part payments to facilitate monitoring purposes.

The format of Project Ledger.

Project Title:----------			File No.--------			
Contractor's Name:			Account Code----------			
Project cost:						
Variation:						
Date	PV No.	Bank	Amount	% of Paymt.	Balance	Remarks

9.1.3.1 Benefits of Project Ledger

- It eliminates over payment on a project or contract
- It makes the monitoring of progress of payment possible
- Indication of percentage of payment made to date will make evaluation easier.

9.1.4 Keeping and Security of Project files

- Keeping of file in Public Service is very vital and must be taken seriously
- All Projects/contracts files must be numbered and all letters emanating from any of the files must have number for easy reference.
- The reference letter number should have the file numbers and the page.
- The project files shall be kept in fire-proof Cabinets for security and shall be made available to TETFUND auditors/Inspectors on demand.
- All copies of these documents must be kept by the Bursary department
- These documents should be converted soft and kept in a folder
- All copies of payment vouchers and supporting document should be scan and kept in the folder arrange on monthly bases.

9 .2 Practical Approach to TETFUND Projects Bank Reconciliation Statement

- It is mandatory that every Institution should prepare quarterly project bank reconciliation statement to be submitted to the TETFUND. For the purpose of reconciliation all the projects/Intervention should be given Alphabetical Number, e.g., A, B, C, D.
- To avoid unreliable statements, all postings into the Cash Book must be up to date to arrive at the correct Cash Book balance; otherwise, the reconciliation may not be accurate.
- Reconciliation of TETFUND Accounts needs to be understood because there are various interventions/ projects and with only one cash book and Bank Account.

The format of TETFUND Project Bank Reconciliation Statement for the quarter ending 31st March 20…….

	N	**N**	**N**
Opening Project Cash book balance			XXXXX
Add: Receipts from TETFUND in the Quarter		Xxxxx	
Less: Expenditure in the year to date			
Project A xxxx " B xxxx " C xxxx " D xxxx	Xxxxx	(xxxxx)	
			XXXXX
Balance in the TETFUND Project Cash Book			XXXXX
Add: Unapplied mandates Olu Ajayi & Son Alake & Son	xxxx xxxx	 Xxxxx	 XXXXX
Balance as per Bank statements at 31st March 20…….			XXXXX

Chapter Ten
Audit of TET Fund Income, Contracts, Projects and Special Fund Projects

6.0 **Learning outcome:**

At the end of this chapter, the users of this manual should be able to::

- discuss the purpose of audit working paper.
- state the checklist for the audit of income /revenue of Tetfund
- analysis the bank statement of the pool account.
- identify the checklist for effective audit of an investment in Tetfund.
- explain an effective way to conduct a performance audit.
- state the checklist for the audit of physical infrastructure interventions
- list the checklist for the audit of procurement related items.
- explain the effective ways to carry out the audit of rehabilitation projects.
- identify the checklists of the audit of the following:
    - library development
    - academic manuscript
    - ICT support
    - Institution based research intervention
    - Centre for excellence
    - National research Fund
    - Academic &training development:
- state the procedure for effective audit of the following:
    - expenditure
    - personnel
    - bank reconciliation
    - payment vouchers
    - security documents
    - contracts
    - assets
- discuss the control mechanism the audit of stores and advances, and
- explain the structure of a good audit report and its component.

10.0 Introduction;

A sound audit procedure provides numerous benefits, primarily by enhancing the credibility of financial information, ensuring compliance with laws and regulations, and improving overall business efficiency and risk management.

10.2 Audit working Paper

An audit working paper (also called audit documentation) is a record prepared by auditors that documents the procedures performed, evidence obtained, and conclusions reached during an audit.

The objective is to obtain sufficient and appropriate audit evidence to conclude on the accuracy, completeness, and validity of the aspect of the review made

Audit working papers are the documentation of audit procedures performed, relevant audit evidence obtained, and conclusions the auditor reached.

10.2.1 Purpose of Audit Working Papers

- Support the audit opinion
- Provide evidence of compliance with auditing standards
- Assist in audit planning and supervision
- Enable review by senior auditors and regulators
- Serve as a record for future audits\
- Protect the auditor in case of legal or regulatory review

10.2.2 Practical Approach on the use of audit working paper to carry out the following audit. There are two ways either hard copy or on the system.

- **Working paper on hard copy:** Any observation made should be recorded by indicating the title ie Payment voucher number or the name of the institution. For instance, you are examining a payment voucher; after checking and discovered no adverse observation, you only note the PV number you reviewed, but where adverse observation is noted, on your working paper;
  - You indicate the payment voucher number and date.
  - Name of institution/Payee's Name
  - Purpose of the payment
  - State the adverse observation made for instances important document not attached must be stated
- **Working paper on the system:** Create a column and title it; **Working paper,** any observation discover will be written under the working paper

10.2.3 Work of Internal Audit

The work of the Internal Audit Unit includes the following:

- Checking compliance with laws, instructions and directives; Therefore, the audit need to read the intervention guideline, financial regulation and all other extant regulations to be able to check compliance.
- Advising management on control factors relating to all administrative and accounting procedures;
- Checking economy, efficiency and effective use of resources; Value for Money Audit
- Checking the adequacy of financial and accounting systems;
- Checking the level of achievement of set goals and objectives;
- Audit verification of Beneficiary Institutions in the 36 states of the Federation including the FCT;
- Audit inspection of Special intervention projects;
- Audit inspection of the various accounting books and records of the Fund and that of its beneficiary institutions;
- Audit inspection of procurement items, Records, General Services, Fueling, physical stock taking activities and Stores records;
- Follow-up on reported findings at appropriate intervals.

b. Performance/ Value- For – Money Audit
c. Audit of Physical Infrastructure intervention
d. Audit of procurement related projects
e. Audit of Rehabilitation/maintenance of Tetfund project
f. Audit of Library development interventions
g. Audit of Academic manuscript into books
h. Audit of Information communication technology support intervention.
i. Audit of institution-Based Research intervention
j. Audit of Tetfund Centres of Excellence (TCoEs)
k. Audit of National Research Fund (NRF) Intervention
l. Audit of Academic staff Training and Development (AST&D) Intervention
m. Expenditure Audit
n. Audit of personnel/wages
o. Bank Reconciliation audit
p. Payment voucher audit
q. Imprest audit
r. Contract audit
s. Verification of assets
t. Cash book audit
u. Budget control/vote book audit
v. Store audit
w. Internal audit report
x. Audit of Advances

10.3.1 Income/Revenue Audit of Tetfund

- Income/Revenue of the Fund is the responsibility of Revenue & Investment Department. Be reminded that the 50% of the Development levy will be coming from the pool account kept by Central Bank of Nigeria.
- Nigeria Revenue Service is expected to send the Bank statement to the Fund and the schedule of sharing
- The bank statement of the pool account and the sharing of the development should be forwarded to the Revenue & Investment department
- Ensure that the sharing of the development levy is correct based on the percentages of the levy for each agency.
- Ensure the amount allocated to Tetfund are transfer to Tetfund account.
- Reconciliation of the pool account must be carried out to ensure that there are transparent
- ***Note: Obtain soft copy of the bank statement for easy analysis.***

❖ **Expected documents**

- Correspondence file from Nigeria Revenue Service
- Bank statement of the pool account file
- Analysis of the bank statement file
- Bank reconciliation statement file

❖ **Pool Account Bank Reconciliation Template**

Particulars	**(N)**	**(N)**
Opening balance		**Xxxxxx**
Add total collection for the month		**Xxxxxx**
Less Schedule of sharing:		
• Tetfund - 50%	**(Xxx)**	
• Nigerian Education Loan – 15%;	**(Xxx)**	
• National Information Technology Development Fund – 8%;	**(Xxx)**	
• National Agency for Science and Engineering Infrastructure – 8%;	**(Xxx)**	
• National Board for Technological Incubation — 4%;	**(Xxx)**	
• Defence and Security Infrastructure Fund – 10%; and	**(Xxx)**	
• National Cybersecurity Fund – 5%.	**(Xxx)**	
• Cost of collection	**(Xxx)**	**(xxxxxx)**
Undistributed balance		**Xxxxxxx**

NOTE: At the end of the year, to determine the receivable, the undistributed balance will be shared base on the sharing formular

❖ **Audit of the Investment**

- Obtain investment file, ensure all the certificates of the investment made are in the file.
- Ensure that the investments are on Treasury Bill and Government Bond
- Verify tenure, interest rate, and maturity date
- Confirm interest income credited to correct TETFund account
- Perform bank confirmation with financial institutions
- Check renewal or rollover approvals
- Funds invested only when idle and permitted
- Investment register, ensure all investment are recorded on the register
- Ensure that the interest received are recorded in the cash book
- Ascertain interest due not received

- Ensure that the certificates are kept in the safe

10.3.2 Performance/Value- for- Money Audit

- Value for money audit is also referred to as Comprehensive Audit or Efficiency Audit. Value-for-Money relates to the extent to which public funds are expended economically, efficiently and the extent to which the related programmes are effective in meeting their objectives.
- Performance audit relate more on capital expenditure in which provision of Procurement Act of 2007 is used to ensure that all the components of the performance audit are present in any government transaction.
- The main thrust of performance/efficiency audit is to examine how a public sector establishment acquires and uses its scarce resources in achieving its stated objectives.

❖ **Components of Value-for-Money**

- Value for money has three components. They are economy, efficiency and effectiveness.
    a. **Economy:** This is to determine whether the organization acquired the required project resources at the lowest cost.
    b. **Efficiency:** This is to determine the relationship between goods and services produced and resources used to achieve that level. An efficient operation produces the maximum output for any given set of resources or employs minimum input for any given quantity and quality of service provided.
    c. **Effectiveness:** Concerns the extent to which a programme achieves its goal or other intended effects.

❖ **Steps in Performance Audit: Project Audit Survey:**

- Is carried out to first appraise the nature of the projects, the goals and the objectives
- Ascertain how the project was initiated whether by law, Council Memorandum, Ministerial directive and public pronouncement
- How is the project to be funded
- Date of commencement.

❖ **Entrance Conference**:

In starting the audit, the auditor should conduct an entrance conference with the officials of the agency in most cases with the accounting officer to intimate them of the purpose of the Audit, the general plan of audit approach, the record required and answer questions from the auditee regarding the audit.

The entrance conference should be documented in his working papers including the names and positions of those attending the conference and details of matter discussed.

❖ **Documents Required**.

The following documents should be requested and examined for a meaningful audit to be carried out.

- Annual Approval Budget
- Policy or Project Files
- Contract Files

- Tender documents
- Price Bill of Quantities (BOQ)
- Drawings
- For road or building project/contract, soil test result should be provided
- Valuation certificate
- Variation (if any)
- Due Process certificate
- Contract Register/Ledger
- Payment Vouchers
- Cash Book
- Bank Mandates Schedule
- Bank Statements
- Vote Books
- Report of Project site Meetings
- Report of the PRS

10.3.2.2 **Audit programme on project**

- Audit Programme is a very important tool used in achieving the audit objective. An audit programme is a list of procedures that are needed to implement the audit plan.
- The programme may also contain the audit objectives for each area and should have sufficient details to serve as a set of instructions to the assistance involved in the audit, and a means to control the proper execution of the work.
- The programme provides an opportunity to ensure that all relevant items of the audit are duly covered and also places responsibility on who performed what aspect of the audit.
- A well-prepared programme should provide for the systematic accumulation of evidences to support relevant audit observations. The programme must be flexible so as to permit the inclusion of items not earlier envisage.
- Projects are always long-term plan which may be from 15-20 year; i.e., Perspective plan, this perspective plan are broken into 3 years Rolling plan or Medium-Term Expenditure Frame Work and Annual Budget.
- Obtain the 3-year rolling plan which the project falls into and ascertain the total amount budgeted and the break down annually.
- Obtain the policy file to know how the project was initiated whether by law, council memorandum or ministerial directive.
- The goal and objective of the project should be extracted into the working paper. Effort should be made to read at least 80% of the policy file to acquaint you with the necessary information about the project.
- Obtain all contract files relating to the project. Examine the tender procedure and tender board minutes to ensure that the spending limit is within the Agency or Ministry Limit.

- Obtain the contract ledger and post all the payment certificate/payment vouchers into the contract ledger in respect of the contract in question.
- Obtain the BOQ and extract out some important items to be verified at the site.
- For road or building project/contract obtain the soil test result
- Cast the BOQ to ascertain the total contract sum in the BOQ.
- Examine the valuation certificate for each payment made.
- In case there is any variation, ensure that there is authority for the variation.
- Ensure that the due processes were followed and all payments were made with due process certificate.
- All payment vouchers in respect of each contract should be arranged together according to the date of payment for easy examination.
- Ensure that payment conforms to the extant regulations in respect of contract tender procedure.
- Ensure that retention fees are retained.
- Ensure that there are valuation certificate on all payment made by a competent officer.
- Ensure that there is performance bond from the bank on the mobilization fee paid which should not be less than 15% of the contract sum.
- Verify all payments made into the cashbook to ensure that the amount on payment voucher tally with the amount recorded in the Cash Book. In the same vein, verify the amount with the mandate number in the Bank Statement.
- Post the vouchers into the vote book to ascertain the balance on the project at the end of each payment.
- Obtain the project site meeting report to acquit yourself with the issue raised during the site meetings.
- Visit the site to ascertain the level of work done with the amount paid.
- Verify all items listed out from the BOQ.
- The period for completion for the contract stated in the contract agreement should be noted and comment on it base on the level of work done at the site.
- The quality of the work done at the site must be commented upon.
- Report of the PRS should be obtained to know the observations raised by the planning department.
- Ensure that due process is followed to the letter.
- In case where the contractor demands variation, ensure that there exist strong reasons for variation and also ensure that the tender's board, which awarded the contract, has approved the variation.

❖ **Interaction with Schedule/Project Officers**

- After examining and evaluating the various records of awards relating to financing, accounting and related technical matters, there are some useful facts,

information and classification of issues that can be provided by the officers connected with the project implementation both in the office and at the project site.

- Interaction with the relevant officers of the project will enhance the auditor's knowledge and competence about the project.

❖ **Physical Inspection of Projects**

- Performance audit cannot be completed and meaningful without a physical visit to the project site where the construction and the structure itself can be examined and evaluated.
- It is not necessary to be an expert on construction before a physical inspection is carried out. All that is required is commonsense and an inquisitive mine based on all facts obtained from the records examined. During the inspection:-
    i. Identify construction defects and ensure that appropriate materials are used as provided in the Bill of Qualifies and the specifications.
    ii. Ascertain whether the project when completed will attain the intended objectives.
    iii. Ensure that the constructions defects observe are noted in the working paper.
    iv. Ensure economy and efficiency in the use of fund.

❖ **Exit Conference**

- Exit conference is a meeting between the Auditor and the Auditee where the Auditor is expected to discuss the deficiencies observed during audit, their effects and possible corrective actions with responsible official of the organization, in most cases, the management team.
- The primary purpose is to ensure that the auditee have an opportunity to provide responses/additional data with respect to the problem areas identified during the audit.

❖ **Audit Inspection Report**.

- Audit report is the end result of the audit work and is always addressed to the Accounting Officers.
- The report should convey the message or information in a way to be understood by the readers, anything short of this, the purpose of the report would be defected.

❖ **When writing performance Audit report**

The historical background of the project must be stated,

- Stating when it was initiated,
- The amount voted/allocated
- How the project is to be funded,
- Location of the project,
- Goals and objectives of the project.

The report must then highlight the findings on the essential areas including making positive recommendations as to how weaknesses, deficiencies, lapses can be rectified and avoided in future cases.

❖ **Executive Summary Report**

This is part of the report. In most cases, it is always at the beginning of the report. It is a known fact that Chief Executives are too busy to read lengthy reports. Therefore, there is need to provide a summary of the report with the key findings and recommendations.

10.3. 3 Audit of Physical Infrastructure Intervention

The objective of this intervention is to provide infatuations in the beneficiary institutions in Nigeria.

- Ensure that there is formal covering letter/request for AIP duly signed by the Head of the Institution (e.g., Vice-Chancellor, Rector, Provost)
- Ensure that there is evidence that the previous project has been completed.
- Justification of the proposed project, that is a statement or write up to justify the proposed project.
- Executive Summary of the Proposed Project A concise executive summary explaining the project,
- Approved -In – Principle subject to vetted submission.

i. Evidence of ;
   e. Master plan, supporting basis for the proposal,
   f. Copy of the 5 years strategics plan,
   g. 2 Years Operational Plan in support of the proposal and
   h. Evidence of decisions taken by the institutions relevant committees approving projects earmarked for intervention access.

❖ **First Tranche Payment**

- Post Approval – In – Principle
- Examine the Physical Infrastructure department project documentation vetting form
- Evidence of consultants complying with procurement guideline was not certain
- All relevant details of the proceedings of the procurement processes are required to be submitted to the fund for vetting in this regard.
- Technical and Design Documents Geotechnical / Soil Test Report endorsed by a registered engineer.
- Architectural Working Drawings Detailed architectural drawings in correct formats/seals. Must be sealed and signed by the Registered Architect, with current practice license evidence.
- Engineering Design Drawings Detailed structural, electrical, and mechanical design drawings. Must be sealed and signed by registered engineers with practice license certifications.
- Bill of Quantities (BOQ) Detailed BOQ free from Prime Cost (PC)/ provisional sums for measurable works.
- Consultant / Professional Engagement Consultants Engagement Documents Copies of letters appointing consultants (architects, engineers, QS, etc.).
- Their acceptance letters, registration with relevant professional bodies, and practice licenses.

❖ **Procurement process review (ppa 2007)**

- Approved procurement plan available
- Evidence of advertisement (newspaper / BPP portal)
- Prequalification documents available

- Bid opening minutes and attendance register available
- Bid evaluation report properly approved
- Due process certification obtained
- Contract awarded to lowest responsive bidder
- No evidence of contract splitting

❖ **Financial management & payments**

- Payments supported by interim valuation certificates
- Certificates properly authorized
- Retention money deducted as applicable
- No overpayment identified
- VAT and WHT correctly deducted and remitted
- Bank statements support payment records
- No diversion of funds
- **Second and final Tranche Payment**
- For the payment of the Secord tranche, letter of award must be forwared
- Letter of acceptance from the Contractor
- Contract agreement
- Approved programme of work
- Internal audit clearance certificate
- Completion certificate from Monitoring & evaluation department.
- Examine the report of Monitoring & Evaluation
- Examine the disbursement form from monitoring & evaluation department.
- If the projects have furnishing inclusive, ensure that the Monitoring & Evaluation report covered the furnishing aspect of the project.

10.3.4 Audit of procurement related projects

- In most cases, the aspect of furnishing is added to the project
- Examine the Bill of Quantity (BOQ) to identify the items to be supplied.
- Lump sum is not allowed, it must have the numbers of items examine the to be supplied, the unit price, any supply lumped together without unit cost should be queried.
- Examine the Store Receipt Voucher (SRV)
- Ensure there is no over invoicing
- Confirm the arithmetical accuracy of the figures.
- For verification, identify those items that can be easily taken away
- Visit of the site will be best audit exercise that an audit can embark upon.
- Evidence of Monitoring & Evaluation department committee report
- Site inspection report
- Evidence of hand over to the end users

10.3.5 Audit of Rehabilitation/maintenance of Tetfund project

Rehabilitation/maintenance of Tetfund projects to safe guide the existing Tetfund project and to encourage Insurance of critical projects because when there is need to maintain some projects, most of the institutions always claimed that there is no fund, and if the

maintenance is not done quickly, the more it deteriorates, the more the cost to repair them increases.

- Ensure that the rehabilitation/maintenance allocation were not added to the annual intervention leaving nothing for the maintenance of the existing project for the year.
- Inspect the photograph of the area or the project to be rehabilitated showing the current position and the post maintenance position.
- Examine the schedule of dilapidation prepared by a registered Architect with valid copy of his license
- Examine the drawing showing the new proposed development
- Examine the BOQ that must be in agreement with the schedule of dilapidated drawing.
- Evidence of not more than 40% goes for insurance of critical projects
- **Insurance aspect of the maintenance of Tetfund project**
- Examine the scope of the coverage including content of the prioritized facilities insured
- Examine the premium paid within the scope of coverage
- Examine the updated or current practice license of the insurance brokers and underwriters
- Examine the profile of the insurance Brokers
- Evidence that the broker registered with Nigeran Council of Registered insurance Brokers
- Examine that the Insurance Broker and underwriters are on the updated list of National Insurance commission.

10.3.6 Audit of Library Development Interventions

The very important aspect of Library development intervention is the constitution of the Library Development Committee of each institution which meets and makes recommendations to the Head of institutions on matter relating to Library. The guideline states that 70% of the allocation for Library should be for the procurement of book and subscription while 30% for other resources.

- Examine the list of books to be purchase and ensure that there is evidence of the approval of the committee
- Ensure that the list of other library resource to be purchase are in line with the guideline of the Tetfund.
- All submission must be accompanying with covering letter from the Head of the institution.
- Ensure that there are extract of the minutes of the Library Development Committee (LDC)
- Examine the list of books, stating the author, Title, Publishers, Year of Publication ISBN Number, Quantity, Unit cost and Amount.
- Examine the list of equipment, stating the manufacturer, Specifications, unit cost and the amount.
- Examine the e-library detailed specification/description of the item with cost.
- Examine the evidence of payment of the approved e- subscription.
- Ensure that there is indication of link to the subscribe olatform in the first tranche of the fund.

10.3.7 Audit of Academic manuscript into books

Objective of this intervention is to encourage lecturers to convert their manuscripts to textbooks such grant is given for the purpose.

- Recommendation letter by beneficiary institution to be signed the Head of institution.
- Examine the completed Tetfund manuscript development nomination form duly signs by Head of the Institution.
- A minimum of 1000 copies must be printed.
- Examine the ISBN
- Extract of the minutes of the Book Development committee should be attached.
- Evidence of external peer reviewer report
- Resume of the author.
- For the final tranche to be made, all published books under this intervention shall have Tetfund insignia and year of intervention stamped on them.
- Evidence of deposit of 5 copies to the Fund
- Evidence of 5 copies to the National Library
- Evidence of payment to the publishers.

10.3.8 Audit of Information communication technology support intervention

The objective of this intervention is to support and strengthen the application of ICT in the institution.

It is mandatory for collaboration between the institution and the Fund to identifies the ICT support intervention needs for a specified intervention. However, the following check list are relevant:

- Ensure that is properly constituted ICT Board of ICT Development Committee with ICT Director as member
- Examine the ICT policy of the ICT of the institution.
- Examine the minutes of the ICT Board development Committee in supporting the proposal
- Examine the executive summary to justify the purpose of the request of the ICT support intervention.
- Examine the Bill Of Quantity for the implementation and the Store Receive Voucher for the procurement made.
- The submission of the institution should be on line fo the beneficiary institution's portal

10.3.9 Audit of institution-Based Research intervention

The objective of this intervention is to resuscitating and supporting the small scale re3search projects in public tertiary Institutions. The Tetfund allocate fund for early career researcher who are within eight-years post PHD and below. A maximum of N2,000,000,00 to be released in two tranches. The following check list are relevant;

- Eligibility:
- Evidence that the lead research reside in Nigeria
- Must be full time Confirmed Academic Staff of the institution.
- Evidence of the lead research of capacity to carry out the research The proposal must be approved by internal research committee of the institution.
- At least one of the research projects must meet the criteria

- Evidence of proposal from the principal researcher through the Head of Department.
- Minutes of the institution committee on reseach
- The proposal should not be more than N2,000,000.00

10.3.10 Audit of Tetfund Centres of Excellence (TCoEs)

- The objective of the intervention is to develop high standards of conduct in a field of research, innovation or learning in area of science, technology, engineering and social science.
- The high order objective is to meet labour market demands for skills within specific areas where there are skill shortage affecting development outcomes and economic growth. However, the following check list are very relevant:
- Ensure that the following criteria are followed for the selection of the centre,
  - Evidence of provision of dedicated space for the Centre (500sqm.
  - Ensure there are minimum of 10 top notch faculty members as resource person with 50% in the professional grade in the fucus area,
  - Existence of main faculty and all relevant department in the focus area,
  - Availability of graduate degrees in the core are and interdisciplinary areas relating to focus areas.
  - Evidence of at least 5 existing or emerging industry collaborations related to the TCoE
  - Minimum of 5 existing international partnerships and collaboration with evidence of Memorandum of Understanding (MOU)
  - Evidence of stakeholder engagement and buy -in of both state and none state actor.
  - Evidence of resources availability and preliminary datasets.
  - Evidence of performance-based leadership in R & D associated with TCoE's focus area
  - Evidence of availability of supportive of soft and hard infrastructure to the TCoE

❖ **Type of Audit for Tetfund Centre of Excellence**

The type of Audit to carry out this type of programme is Performance/Value for Money Audit (10.3)

The expected outcome of the program is as follow and ensure that the expected outcome is met if not, your report must report so.

- Promoting national/reginal development.
- Demonstrating capacity for excellence in learning, skill acquisition and innovations
- Benching marking research Excellence and product development
- Attaining financial sustainability
- Enhancing institutional ranking and global competitiveness

10.3.11 Audit of National Research Fund (NRF) Intervention

The objective of this intervention is to resuscitate research activities in the Nation's Tertiary institutions and to contribute to the national development as well as tackle global challenges.

The focus areas are;

a. Science, Engineering, Technology and Innovation

b. Humanities and Social sciences
c. Cross Cutting

The NRF grant is facilitated by the National Research Fund Screening & Monitoring committee.

❖ **Evaluation Criteria**

a. Total budget must not exceed N50 Million Naira**.**
b. Principal investigator must be a senior cadre and above
c. Inclusion of a work plan and other criteria

- The letter of award of NRF grant shall be forwarded to the Head of the beneficiary Institution of the principal investigator upon approval of the Board of Trustee
- The amount granted and the time frame of the research will be spelled out in the letter.
- The disbursement is in three (3) tranches, 60%, 30% and 10%first, second and third representatively.

❖ **Accessing NRF Grant**

- NRF designated account should be opened where the first tranche will be paid into.
- Project executive coat and administrative cost will be paid directly into the account.
- After the award of letter of the NRF grant, acceptance must be presented other wise it will be regarded as non-acceptance within 2 weeks of the award letter.
- Letter of commitment from the beneficiary institution
- Submission of the hard copy of the approved Research proposal.
- A request letter for the release of the first tranche
- from the lead investigator and the Head of the Institution.
- A copy of award letter must be submitted
- Details of the bank account of the designated NRF account with the name of the signatory of the account.

❖ **Accessing second tranche**

The following are relevant for the payment of the second tranche

- The progress of work done to be assessed by National Research Fund Screening & Monitoring Committee.
- Submission of acceptable expenditure return
- Recommendation of the National Research Fund Screening & Monitoring Committee. (NRFSMC)
- Request for the release of the 2nd tranche to be signed by the Head of the institution and the lead principal investigator.

❖ **Accessing 3rd /final tranche**

The following are relevant for the final tranche

- Submission of quarterly progress research report.
- Submission of final narrative and financial report.
- Submission of acceptable financial returns
- Submission of 4 copies of hard copies and soft copies of the Research project report funded including the research findings. And significance to development of education, social and economic sector of Nigeria,
- Evaluation report of the National Research Fund Screening & Monitoring committee.

- Tuition fee invoice from the intended University
- The total payable for the course must be provided.

10.3.14 Expenditure Audit

Objective of expenditure audit is to ensure that errors are detected before payment are made. Pre-audit is fundamental under public financial management.

a. Obtain approved estimates for various Head & Sub-Head.
b. Obtain copy of the Approved budget. For the Fund
c. Ensure there is vote on the payment to be made.
d. Ascertain who is authorized to control and spend the votes.
e. Ensure that there is Executive Secretary approval for the payment
f. Ensure that all vouchers are posted into the budget code.
g. Refer to the type of intervention to be paid; For instance, if the payment is for Physical Infrastructure intervention.
h. Ensure that all the checklist on the intervention are present before passing for payment.
i. Ensure that the payment vouchers are correctly numbered and classified to the approved estimate in line with National Chart of Account.
j. Ensure that the computations have been verified and are arithmetically correct.
k. Ensure that all necessary attachment e.g., LPO, Job Order, Contract Agreement are attached to the vouchers.
l. Conduct physical inspection of items purchased or projects for which the payment is meant to ascertain proper utilization of government's fund.
m. In case of contract, check contract agreement with the minutes of the Tender Board members.
n. Monitor the interim payments ensure that they are in accordance with the contract agreement.
o. Examine the completions certificate to ensure that payment is made on the certificate given.
p. Ensure that the retention fee is retained.
q. Obtain the Bill of Quantities to ascertain the work done.
r. Ensure that correct deductions are made WHT, VAT and Stamp Duty
s. Ensure that the Name on the documents tally with the name of the payment voucher
t. Ensure that procurement provisions are adhere to.

10.3.15 Audit of personnel/wages

Objective of pay roll audit is to ascertain the correctness of the payment of salary on monthly basis: The following procedures are for the audit of salaries and wages records based on manual payment. The manual principle needs to be applied in the audit of electronic payment because this basic principle must be applied in the new electronic payment. Ensure that all-important items are present in the programme for the electronic payment procedures.

a. Obtain comprehensive staff list of nominal rolls at the beginning of the year and update the record regularity

b. Obtain the group register. ie the names of staffs that receives their salary from TETFUND
c. Check the Pay roll with the salary voucher for names, grade, steps and amount to ensure that the correct rate was applied.
d. Check the nominal roll with Pay roll Note omission and addition of staff.
e. Verify the existence of the operation of internal check by ensuring that appropriate officers duly sign the certificate on the summary voucher.
f. Ensure that on-payment vouchers are raised for all deductions and correctly classified
g. Verify the agreement of Pay roll with the group Register.
h. Check that the total number of employees on payrolls agree with the total number of employees as per live Nominal roll.
i. Ensure that summary voucher is entered into the vote book/control mechanism which should be signed by the officer controlling vote.
j. Ensure that the transfers from payroll to summary vouchers are correct.
k. Check the arithmetical calculations on the payroll and summary voucher for their accuracy.
l. Ensure that unclaimed salaries are correctly paid back to Treasury.
m. Calculation of PAYE should be checked to ensure that it is correct.
n. Ensure that PAYE, NHF and NHIS deductions are verified to ensure that the deduction made are transfer to the relevant agencies or accounts to be credited.
o. Check the variation control sheet to ensure that all variations are accounted for. That is the summary of the payment made

10.3.16 Bank Reconciliation audit

The objective of bank reconciliation is to test the accuracy of the bank transaction for the period
There are three main bank reconciliation accounts excluding the pool account to be audited.
The banks are;

a. Project Account
b. Administrative Account
c. Operational Account.
d. Pool Account (with Revenue & Investment department.)

The Auditor must take the following steps during the verification of bank reconciliation statement:

a. Obtain the most recent bank reconciliation statement prepared by the organization including the schedules; These schedules are mandatory
Schedule "A" - Unapplied mandate or unpresented cheques.
Lists of the unapplied items from the mandate that have not been paid.
Schedule "B" - Credit in Bank not in cash book: These are direct payment made either by students or other persons that the teller had not been presented for official receipt and record in the Cash Book.

Schedule "C" – Un-credited Lodgments: These are lodgments made to the bank which does not reflect in the Bank statement. Date of lodgment should be noted, because most of the lodgments are automatic, where it is not so, investigation must be made.

Schedule "D" Debit in Bank not in Cash Book; Generally, any amount debited into the bank statement without the acknowledgement of the Agency need to be investigated. Though COT is one of the items in this category, the correctness of the COT still needs to be confirmed.
Review the schedules to ensure it correct.

b. Call for the Bank Statement and Certified Bank Balance as at end of the month
c. Post all entries in the Credit Side of the Cash Book to the Debit Column of the Bank Statement in detail.
d. Similarly, post all entries in the Credit Side of the Cash Book to the Debit 'column of the bank statement in detail.
e. Scrutinize the Cash Book and Bank Statement to observe some un-ticked entries both in the Cash Book and Bank Statement. These un-ticked entries represent transactions for which two-way entries have not been made.
f. Among the areas requiring special audit attention are:

(i) **Debit in the Bank Statement not reciprocated in the Cash Book:** Instance of stolen and forged cheques/mandates
(ii) **Receipts in Cash Book not yet reflected in the Bank Book:** Cases of receipt entries of cash book through the fraudulent stamping of Bank Tellers.
(iii) **Un-presented Cheque/Mandate**: Usually the Bank Reconciliation Statement will furnish the list of such mandate/cheques.

- The audit officer is required to trace each mandate/ cheque number, to its entry in the cash book thus ascertaining its source or month of issue and confirming the authenticity of its inclusion in the reconciliation statement.
- Also, all stale mandate/ cheques should be recommended for re-entry into Revenue.

g. Prepare a report reflecting all observations made during the above exercise.

10.3.17 Payment vouchers audit

The objective of this to ensure payment are made for the purpose.
The following steps should be taken to audit payment vouchers.

a. Ensure that the payment voucher is correctly classified according to the approved estimate/chart of account,
b. Examine the documentation to determine whether the purpose of disbursement is authorized and agrees with original reasons
c. Ensure that the proper persons sign voucher and certificate.
d. Ensure that the computations have been verified and are arithmetically correct
e. Ensure that all necessary attachment e.g. L.P.O., Job Order, Contract Agreement are attached to the voucher.
f. Conduct physical inspection of items purchased or projects for which the payment is meant to ascertain proper utilization of government's fund.

g. Ensure that the person named (payee) in the voucher is the one entitled to receive payment as stated
h. Ensure that the payment voucher bears the "Voucher Certificate" with the signatures or initials of the officers who participated in putting up the voucher,
i. Ensure that payment voucher, for an advance has been noted on the PE Cards of the officer and the certificate on the top-left hand corner on T.F. 1 is completed to that effect.
j. Ensure that advance is recorded in the Advance Register Ledger.

10 3. 18 Audit of Security Documents

The Objective is to ascertain the sources of the security documents and the keeping of it. samples; Store Receipt Voucher (SRV) Store Issue Voucher (SIV), Printing of receipt Booklets

The audit of Security Book Register should be undertaken as follows:

a. Checks if order for new supplies of cheques/ or printing receipts and other security documentary authorized by the designated senior officer in the Finance/Bursary department.
b. Obtain the security document file which are use to request for the printing of the security document.
c. Ensure that all deliveries of new supplies of receipt booklets are recorded in the Cheque Stock Register or Security Book Register.
d. Check that all issues from stock are recorded in the Security Book Register and signed by authorized recipient.
e. Request to see all cancelled cheque /receipt booklets for audit inspection.
f. Check the entries in the Stock Book with the Receipt Book Issues Notes (RBIN)or way bill from the printer.
g. Ensure that all books held and the one in use are kept in a safe under lock and key.
h. The Audit Officer appends his signature on the stock register,
i. It should be noted that the era of physical receipt is over now, agencies should obtain the software where receipts are issued on line and forward to the payer or the student portal.
j. Printing of all security document should be domicile in Procurement department.

10.3.19 Imprest audit

The objective is to confirm the correctness of the transaction. Please note that imprest is the amount set aside for disbursement when voucher cannot be immediately raised.

The Audit of imprest account should take the steps mentioned below. However, we are not unaware of the way imprest is being used now. Whatever way it is being used, the auditor should study it and identify the risk aspect of it.

a. Obtain the particulars of the authorized approved amount as per each cadre
b. Get to the Imprest Holder and carry out the Cash Survey and request him or her to open the safe/cash tank and bring out all money inside the safe.
c. Ensure that the Imprest Cash Book is posted up to date.
d. Ascertain the value of reimbursement vouchers that are pending at the C.P.O. or pay office.

e. Check the payment and receipt documents against imprest cash book for correct and accurate posting since the last audit inspection,
f. Verify the amount of imprest by addition of the cash produced, un-reimbursed vouchers and the sub-receipt at hand.
g. Examine the sub-receipt TF.10 to ascertain what the expenditure is all about, that is the classification of the expenditure.
h. Obtain bank certificate and examine the bank reconciliation statement,
i. Ensure that all standing imprests are retired at the end of the financial year.

10.3.20 Contract audit

The objective of contract audit is to ensure that procurement act provisions are adhere to.
The audit of a contract account should be undertaken as follows: -

a. Check contract agreement with the minutes of the Tenders Board members.
b. Examine the contract registers and ensure it updates it for control purpose.
c. Monitor interim payments, ensure that they are in accordance with the contract agreement,
d. Examine the completion certificate to ensure that payment is made on the certificate given,
e. Conduct physical inspection of work done to ensure compliance with terms of contract and completion of work certificate given.
f. Ensure that the correct retention fee is retained and on the payment date,
g. Ensure that necessary deductions are made before payments.
h. Check the /mandate/cheque drawn with the voucher

10.3.21 Verification of Assets

The objective of verification of asset is crucial in the ensuring reliability of any financial statement.
The audit procedure for the verification of government assets is as follows: -

a. Ensure creation of an Asset Register or master inventories.
b. Hanging of Inventories Board in each office and Government Quarters.
c. Ensure that all Assets have departmental numbers to be controlled by the Master Inventory or Assets Register.
d. Inspect all assets against balance shown in the Inventory Board hung in each office and quarters:
e. Any missing item should be reported upon.
f. Check the movements register of all assets which should be updated in the register/inventory board regularly.

10.3.22 Cash Book audit

The objective of the cash is to confirm and ensure the reliability of the posting.
When examining the Cash Book of the Pay Office, Central Pay office or cashier in the Treasury of Local Government, the following procedure shall apply.

i. Trace the transfer from pool account into the cash book for evidence of accountability.
ii. Ensure that the Cash Book contain the transfers from the pool account,
iii. Check the bank statement from the CBN to ensure that all transfers made are recorded into the cash book

iv. Ensure that receipt and payment voucher in to the Cash Book are serially and posting are accurate and correct,
v. Casting of the Cash Book after ensuring that the receipt and payment voucher have been properly posted and verified, every carry-forward from one Cash Book folio to the next until the casting the whole Cash Book covering the period under audit is completed.
vi. In case the cash book is ICT based, focus on the posting of the correct vouchers because under excel, the calculation is always correct unless otherwise.
vii. Ensure that the mandate / cheque numbers are indicated on the Cash Book.
viii. Ensure that the amount on the mandate/cheque is equal to the vouchers stated and the mandate/ cheque number should be written on the voucher concerned
ix. **Note:** ***The current cash book does not include cash column because there is no bases for cash transaction again in the government with the cashless society.***

10.3.23 Budget Control mechanism/ Vote book audit

Objective of budget control is to ensure that over expenditure does not occur on any code or sub head.

The following steps should be taken to audit the departmental vote Allocation Books (Vote books) /budget head:

a. Obtain approved budget/estimates for various Head and Sub-heads (Chart of Account).
b. It will be better on ICT, so there need to copy the approved budget from finance & account department to cross check the budget to ascertain that there is vote for the payment and to avoid over expenditure on some sub head.
c. Cross check the payment voucher with the budget head to ensure there is vote for the payment and authority for the entries made.
d. Ensure that all vouchers are posted into the budget/ vote book
e. Ensure that no unauthorized expenditure or liability is incurred and that over-expenditure is avoided.
f. Check also all various instruments for virement.
g. Ensure that all outstanding liabilities at the close of financial year are cleared as indicated in Financial Regulation 422.

10.3.24 Store Audit

The objective of store/inventory audit is to ensure that there is transparency in the recording of the procurement made for the period under review

The following procedure should be taken for the audit of store:

a. Randomly conduct physical survey of some items in the store (Note that the visits should be unscheduled).
b. Obtain all the LPOs and contract agreement on supplied items.
c. Obtain all the store receipt vouchers indicating the Contract agreement/ LPO numbers on the SRV.
d. Ascertain the SRV and SIV obtained from Procurement.
e. Obtain the SRV file and requisition files.
f. Check ordering procedure either by LPO or Transfer from other stores.
g. Post all the SRV/LPO into the store ledger to ensure that all goods purchased are accounted for.

h. Ensure and ascertain that issuance of items are authorized by appropriate officers (SIV).
i. Trace the issues to ensure that it was not diverted to private use.
j. Any surplus found in the store during the physical survey should be taken on charge and any shortage should be made good.
k. Examine the bin card to ensure that it agrees with the store ledger.
l. Minimum and maximum levels should be observed.
m. Ensure that the store keeper signed the survey sheets together with the audit officer.
n. Ensure that the arrangement of the store facilitates makes the easy check.
o. Security of the store should be noted.
p. Print out store officer balances from Bin card and that of store ledger officer for comparison and identify the defenses and reconcile before report is written.

10.3.25 Audit of Advances

Objectives of auditing of advances seeks to ensure that: advances were properly authorized, advances were given only for approved purposes, advanced are accurate and recorded correctly. In addition, advances are retired within the approved time and no unretired or stale advances exist

In the Nigerian public sector, advances are public funds given to officers or third parties for specific purposes, with the expectation that they will be retired (accounted for) within a stipulated time.

❖ **Common types include:**

- Personal advances
- Motor vehicle advances
- Salary advances
-

❖ Audit Procedures for Advances

- When examining advances voucher, ensure is in the advances register
- Examine the Advance Register to identify the outstandings
- Confirm completeness and accuracy
- Ensure there is authorization
- Ensure that the advances were issued for legitimate government purposes and supporting documents justify the purpose
- Retirement Test; check that: advances were retired within the stipulated period
- Ensure that retirement vouchers are properly supported with adequate documents
- Ensure that unretired advances are highlighted
- Ensure that Officers with outstanding advances did not receive fresh advances

10.3.26 Internal audit report

Audit report is the derivable of any audit exercise carried out

a. **Audit Summary:** The purpose of audit summary is to accumulate and evaluate audit findings based on the materiality of the findings, and also conclude on compliance with the code of ethics by the audit team. At this stage, the following must be carried out by the auditor:

i. Draw conclusions based on the overall audit program of work
ii. Summarize un-resolved audit findings
iii. Evaluate unresolved audit findings based on materiality

b. **Concluding and Reporting:** The purpose of audit report is to express an opinion on audited financial statement. At this stage, the auditor is expected to evaluate the audit findings based on materiality stating whether the financial statements, in all material respects, fairly present results of operations of the audited entity in accordance with prescribed accounting practice and relevant legislation.

❖ **A good audit report has three components**
i. Observations
ii. Effect of the observation or risk associated with the observations
iii. Recommendations of what are to be done to remedy the observations

10.3.27 **Audit of the tendering process**

i. Examine tendering procedure for compliance with Financial Regulations and the Public Procurement Act of 2007
ii. Examine Departmental internal guide on tendering, if available
iii. Examine tender documents of an accepted tender
iv. Critically scrutinize bases/criteria for selection of a particular tender, such as:
- Costs determination
- Costs bases
- Arithmetical accuracy
- Lowest responsive bidder
- Delivery date
- Expertise and experience
- Capital/Manpower advantage

v. The auditor should call for the register or schedule of tender and should test them by comparison with the accepted and rejected tenders. Any case in which a department refuses access to rejected tenders should be reported.
vi. The auditor should certify that the tender(s) agree with specifications and guide as contained in the call for bid documents

10.3.28 **Audit of contract agreement:**

- **Introduction:**

The auditor should read rigorously, examine and digest the contract agreement relating to the contract under audit, outlining conditions and terms of the contract and objectives of all parties thereon and see that they are reasonably satisfied.

- **Areas of focus in the audit of contract agreement:**

The areas to which particular attention should be paid in the agreement include the following:

i. **Terms of payment**
This should not be at variance with Financial Regulations e.g. Exchange Regulations. The schedule of payments should be noted and also the retention money. In some cases, the amount to be paid to the contractor shall (subject to the provisions of the conditions of contract) be determined by measuring the work actually done in accordance with the contract and valuing it at the rates and prices inserted by the contractor in the Bill of Quantities (see Engineer's/Architect's etc. Certificate for work done)

ii. **Variation clause:**
This should be reasonable and not capable of being used for massive cost increases by the contractor unilaterally. All approved variations by the authority that awarded the contract should be noted as they form part of the contract documents. Verify terms and conditions attached to such variation. In case of expenditure, over and above stipulated variation, investigate the covering approval of appropriate authority or authorities for the excess expenditure in contract performance.

iii. **Liability clause:**
Conditions stated in the contract agreement must be capable of being implemented by the organisation e.g. A provision that a contractor accepts no liability, unless everything is covered by insurance may not be acceptable to Government since Government does not normally insure itself.

iv. **Vehicles, Equipment, etc. Ownership:**
Any clauses relating to the ownership of the vehicles, equipment, etc. used for the duration of the contract should be noted. If these assets become the property of the Agency on completion or termination of the contract, a list of them should be compiled and their reversion to the organisation verified physically, noting whether or not the contractor has properly maintained them.
Where rehabilitation expenses were incurred for purchase of equipment, verify whether such equipment were returned to organisation at the completion of contract or whether their values were accounted for in the final payment.

v. **Time for commencement and completion:**
The clauses relating to the time for commencement and that for completion should be noted. The auditor should verify compliance with them. Verify whether penalty clauses were invoked where a contract was not completed on schedule.

vi. **Non-payment for materials not utilised on the contract:**
Ensure that the contents of the BEME are fully utilised in the execution of the contract, if not, any part/material not used should be subtracted from payments made to the contractor.