



HDA AUDIT
(CHARTERED ACCOUNTANTS)



25th, March 2022

The Vice Chancellor
Federal University of Technology,
Minna, Niger State.

Attention: The Project Accountant

Dear Sir,

MANAGEMENT REPORT ON THE AUDIT OF AFRICA CENTRE OF EXCELLENCE FOR MYCOTOXIN AND FOOD SAFETY FOR THE YEAR ENDED 31ST DECEMBER, 2021

We have reviewed and evaluated the Financial Statements of the Centre for the year ended 31st December, 2021.

During the course of our assessment of the books and records of the Centre, certain matters came to our attention which we believe merit your consideration and these are highlighted on the following pages:

We must establish that the matters dealt with in this report came to our notice during the conduct of our normal review of the system of accounting and internal controls in operation. Our review procedures, which are based on selected samples, were designed to enable us express an opinion on the truthfulness and fairness of the Financial Statements of the Centre for the period under review. Accordingly, this report may not necessarily disclose all the weaknesses or possible areas that may require improvements in the system such as would have been revealed by a specialized review exercise. Therefore, this report should not be construed as an expression of approval of any matter not specifically addressed.

HDA Audit is a member of Affilica International

- Kayode Surajudeen
- Abdurrahman Garba
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1.0 SUMMARY OF OPERATING AND FINANCIAL RESULTS

The Operating and Financial score card summary of the Project for the year ended 31st December, 2021 as compared with the year ended 31st December, 2020 is stated below:

		2021	2021	2020	2020
A	INCOME	N	%	N	%
	Special Research Grant	40,252,798	92.09	-	-
	Other Income	3,459,210	7.91	9,690,461	100
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	Total Income	43,712,008	100.00	9,690,461	100.00
		=====	=====	=====	=====
B	Less: EXPENDITURE				
	Computer Software	-	-	280,000	2.89
	Sectoral/Partner Inaugural Meeting Expenses	-	-	22,000	0.23
	Research & Development	9,029,585	20.66	1,373,391	14.17
	Office Stationeries & Computer Consumables	373,000	0.85	657,865	6.79
	Local Training	193,000	0.44	255,500	2.64
	Hotel & Accommodation	229,600	0.53	58,000	0.60
	Other Operating Expenses	-	-	134,000	1.38
	International Transport & Travelling (Training)	-	-	-	-
	Printing of Non - Security Documents	-	-	-	-
	Audit Reimbursable	200,000	0.46	400,000	4.13
	Bank Charges	3,333	0.01	7,185	0.07
	Depreciation Charges	9,350	0.02	9,350	0.10
		-----	-----	-----	-----
	Total Expenditure	10,037,868	22.96	3,197,291	32.99
		=====	=====	=====	=====
C	Surplus/(Deficit) A-B	33,674,141	77.04	6,493,170	67.01
		=====	=====	=====	=====

1.1 ANALYSIS OF OPERATING AND FINANCIAL PERFORMANCE

The review and evaluation of the Entity's income show that Centre recorded sum of ₦43,712,008 as the total revenue for the year ended 31st December, 2021 as against ₦9,690,461 in 2020. This includes ₦40,252,798, ₦1,855,000 and ₦1,604,210 for Income from Special Grant, Sales of Post Graduate (PG) Forms and Other Income respectively.

Further evaluation indicates that from the total income of ₦43,712,008 the sum of ₦9,029,585 was spent on Research & Development which represent 20.66%, of the total income, ₦373,000 or 0.85% spent on Office Stationeries & Computers Consumables, ₦193,000 or 0.44% expended on Local Training, ₦229,600 or 0.53% spent on Hotel & Accommodation and ₦209,350 or 0.48% expended on other Administrative Expenses leaving a Surplus balance of ₦33,674,141.

However, the management is strongly advised to put necessary strategies in place in order to boost Centre's Internal Generated Revenue and ensure effective cost management.

Management Response

Measures have been put in place to generate revenue for the Centre.

2.0 ACCOUNTING AND BOOK KEEPING SYSTEMS

As part of audit standard, an assessment of the record keeping of the Centre was carried out. Thus, accounting and internal control systems as well as the conduct of compliance and substantive tests on financial transactions were made. These were carried out to determine the adequacy and the effectiveness of the systems in producing accurate and reliable financial reports.

2.1 Internal Control System

Our audit exercise reveals that the Centre's System of Internal Control is considered adequate and sufficient for its current level of financial transactions and operational activities.

Comment

Management should ensure proper improved documentation on all project's transactions and comply with standard procurement procedures.

Management Response

Recommendation noted.

2.2 Accounting and Record Keeping

The Centre's accounting system based on Microsoft Excel program. The program is simple and is considered adequate for the Entity's current level of financial transactions.

However, from our audit review we discovered that the accounting system should be expanded so as to accommodate more expenditure heads.

Management Response

The accounting system presently in place will accommodate all expenditure heads as the needs arise.

Conclusion

In conclusion, we are using this medium to express our gratitude to the Project Management Team of Africa Centre of Excellence for Mycotoxin and Food Safety (ACEMFS) for giving us the opportunity to be of service in this capacity. Our appreciation also goes to the Centre's Staff for their co-operation and support during the course of audit exercise.

Please don't hesitate to contact us for further clarification where necessary concerning the Financial Statements and this Management Report.

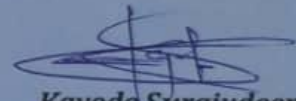
Thank you and best regards.

Yours faithfully

For: **HDA AUDIT (Chartered Accountants)**



Abdurrahman Garba



Kayode Surajudeen