



**HDA AUDIT**  
(CHARTERED ACCOUNTANTS)



7th May, 2024

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 31<sup>ST</sup> DECEMBER, 2023**

We have pleasure to inform you that we have concluded work on the audit of Africa Centre of Excellence for Mycotoxin and Food Safety accounts for the year ended 31st December 2023.

Based on the generally accepted audit practice, the scope of work and the traditional deliverables, kindly find discussed below our observations, comments and recommendations on some critical accounting, bookkeeping and internal controls, as well as the significant operations and compliance issues that came to our notice during the course of carrying out the assigned statutory review exercise for your information and necessary actions:

**1.0 FINANCIAL PERFORMANCE SUMMARY**

The Entity's financial scorecard for the year ended 31st December, 2023 as compared with that of the year ended 31st December, 2022 is highlighted below:

1

HDA Audit is a member of Affilica International

- Kayode Surajudeen
- Abdurrahman Garba
- Yahaya Hassan

KADUNA OFFICE:

**HDA AUDIT (Chartered Accountants)**

Hamza Zayad House (NNIL Building), 4th Floor, No. 10,  
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ABUJA OFFICE:

Warams Suites 7/8

No.75 Aminu Kano Crescent,  
Wuse II Abuja, Nigeria.



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	2023	2023	2022	2022
<b>INCOME</b>	<b>N</b>	<b>%</b>	<b>N</b>	<b>%</b>
IDA Credit	-	-	117,996,240	15.97
Reimbursable from NUC	956,811,545	99.73	620,830,587	84.01
Miscellaneous Receipt	2,597,440	0.27	165,000	0.02
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<b>Total Income</b>	<b>959,408,985</b>	<b>100.00</b>	<b>738,991,827</b>	<b>100.00</b>
	=====	=====	=====	=====
<b>Less: EXPENDITURE</b>				
Financial Consulting	-	-	4,500,000	0.61
Audit & Professional Services	625,000	0.07	900,000	0.12
Local Training	20,383,085	2.12	17,866,950	2.42
International Training	25,476,225	2.66	58,316,341	7.89
Software Charges/Renewal	45,994,600	4.79	1,535,000	0.21
Local travel/Transport Expenses	4,571,080	0.48	3,296,850	0.45
Maintenance of Motor vehicle	2,419,500	0.25	1,117,980	0.15
Telephone Charges	553,000	0.06	2,251,000	0.30
Internet Access Charge	2,100,000	0.22	3,350,500	0.45
Office Stationeries/Consumables	981,230	0.10	1,537,135	0.21
Motor Vehicle fueling cost	1,393,741	0.15	332,650	0.05
Generator Fueling Cost	252,260	0.03	108,000	0.01
Publicity & Advertisement	527,847	0.06	250,000	0.03
Service Meetings	2,777,100	0.29	39,068,438	5.29
International Travels	44,695,840	4.66	31,807,793	4.30
Student Cost	39,570,099	4.12	18,333,841	2.48
Accreditation Cost	11,707,800	1.22	14,047,470	1.90
Maintenance of Office Furniture	10,000	0.00	-	-
Maintenance of office/IT Equip.	175,700	0.02	-	-
Publication Fees	758,034	0.08	-	-
Bank Charges	176,838	0.02	45,258	0.01
Depreciation	33,706,866	3.51	10,870	0.00
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<b>Total Expenditure</b>	<b>238,855,844</b>	<b>24.90</b>	<b>198,676,074</b>	<b>26.88</b>
	=====	=====	=====	=====
<b>Surplus/(Deficit) A-B</b>	<b>720,553,140</b>	<b>75.10</b>	<b>540,315,753</b>	<b>73.12</b>
	=====	=====	=====	=====

## 1.1 FINANCIAL PERFORMANCE APPRAISAL

Evaluation of the Centre's income reveals that the Entity accounted for the sum of ₦959,408,985 as the total revenue for the year ended 31<sup>st</sup> December, 2023 compared with the sum of ₦738,991,827 in 2022. The aggregate income includes ₦956,811,545 and ₦2,597,440 for Reimbursable from National Universities Commission (NUC) and Miscellaneous Income respectively.

Indept analysis of the Entity's financial scorecard indicates that from the total income of ₦959,408,985, the sum of ₦25,476,225 was expended on International Training representing 2.66%, of the total income, ₦44,695,840 or 4.66% spent on International travels, ₦20,383,085 or 2.12% incurred on Local Training, ₦39,570,099 or 4.12% expended on Student Cost, ₦11,707,800 or 1.22% spent on Accreditation cost and ₦97,022,795 or 10.11% expended on other Administrative Expenses leaving a Surplus balance of ₦720,553,140.

Based on the above analysis, the management was previously advised to put necessary strategies in place in order to boost Center's Internal Generated Revenue (IGR) and ensure effective cost management with emphasis on value for money. We applaud the swift response to the above recommendations as it was seen clearly with increment in the IGR and cost management mechanism put in place by the management. We still believe that management can do more in terms of revenue generation for the centre.

### Management Response

*The Centre is committed to boosting her IGR, especially through her Laboratory Services.*

# BOOK KEEPING, ACCOUNTING AND INTERNAL CONTROL SYSTEMS EVALUATION

## 2.1 Accounting and Record Keeping

The Centre's accounting system is based on Electronic Data Processing System (EDPS) which accommodates more transactions and generate appropriate reports when needed. The program is adequate for the Entity's current level of operating and financial transactions.

## 2.2 Internal Control Systems Evaluation

We commend the management team for the improvement noticed during our audit review in respect of proper documentations on a most of the projects' payments and sound internal control procedures. However, the Account and Finance unit should ensure detailed analysis of payments for the purpose of proper classification and clarity to the end users of the financial reports.

We also advise that Payment Voucher(PV) number should be added to the advance ledger for easy identification of documents attached for retirement.

## Management Response

*The recommendation is noted. Recommendation on Payment Voucher (PV) number has been effected from 1<sup>st</sup> of January,2024.*

## BUDGET AND BUDGETARY CONTROL SYSTEMS ANALYSIS

valuation of the Entity's budget and projects implementation work plan indicates that significant percentage of projects expenditure incurred during the year under review were within the budget benchmark.

As a matter of emphasis, management is strongly advised to continue uphold procurement regulations and ensure value for money on all projects expenditure.

### Management Response

*Recommendation noted.*

### 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 Sufajudeen