



HDA AUDIT
(CHARTERED ACCOUNTANTS)



22nd May, 2023

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 15MONTHS ENDED 31ST DECEMBER, 2022

We have reviewed and evaluated the Financial Statements of the Centre for 15months ended 31st December, 2022.

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 notification 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.

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HDA Audit is a member of Affilica International

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1.0 OPERATING AND FINANCIAL RESULTS SUMMARY

The Operating and Financial performance summary of the Project for 15 months ended 31st December, 2022 is stated below:

		2022	2022
A	INCOME	N	%
	IDA Credit	117,996,240	15.97
	Reimbursable from NUC	620,830,587	84.01
	Miscellaneous Receipt	165,000	0.02
		-----	-----
	Total Income	738,991,827	100.00
		=====	=====
B	Less: EXPENDITURE		
	Financial Consulting	4,500,000	0.61
	Audit & Professional Services	900,000	0.12
	Local Training	17,866,950	2.42
	International Training	58,316,341	7.89
	Software Charges/Renewal	1,535,000	0.21
	Local travel/transport Expenses	3,296,850	0.45
	Maintenance of Motor vehicle	1,117,980	0.15
	Telephone Charges	2,251,000	0.30
	Internet Access Charge	3,350,500	0.45
	Office Stationeries/Consumables	1,537,135	0.21
	Motor Vehicle fueling cost	332,650	0.05
	Generator Fueling Cost	108,000	0.01
	Publicity & Advertisement	250,000	0.03
	Service Meetings	39,068,438	5.29
	International Travels	31,807,793	4.30
	Student Cost	18,333,841	2.48
	Accreditation Cost	14,047,470	1.90
	Bank Charges	45,258	0.01
	Depreciation	10,870	0.00
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	Total Expenditure	198,676,074	26.88
		=====	=====
C	Surplus/(Deficit) A-B	540,315,753	73.12
		=====	=====

1.1 OPERATING AND FINANCIAL PERFORMANCE ANALYSIS

Review and evaluation of the Entity's income shows that the Centre recorded sum of ₦738,991,827 as the total revenue for 15 months ended 31st December, 2022. This includes ₦117,996,240, ₦620,830,587 and ₦165,000 for International Development Association (IDA) credit, Reimbursable from (National Universities Commission (NUC) and Miscellaneous Income respectively.

Further evaluation reveals that from the total income of ₦738,991,827 the sum of ₦58,316,341 was expended on International Training representing 7.89%, of the total income, ₦31,807,793 or 4.30% spent on International travels, ₦17,866,950 or 2.42% incurred on Local Training, ₦18,333,841 or 2.48% expended on Student Cost, ₦14,047,470 or 1.90% spent on Accreditation cost and ₦58,258,423 or 7.88% expended on other Administrative Expenses leaving a Surplus balance of ₦540,315,753.

In this connection, the management is strongly advised to put necessary strategies in place in order to boost Centre's Internal Generated Revenue (IGR) and ensure effective cost management with emphasis on value for money.

Management Response

The Centre has successfully rolled out Programs/ Activities to enhance its Internally Generated Revenue (IGR). Some of the programs executed are the National and Regional short courses.

Some of the on-going programs towards enhancing its IGR are partnership and collaboration with sectorial partners as well as commercialization of the Centre's Laboratory Equipment.

2.0 ACCOUNTING AND BOOK KEEPING SYSTEMS

In compliance with audit standard and internal control system assessment, an in-depth review of the record keeping of the Centre was carried out. Also, further 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 reviewed work indicates that the Centre's System of Internal Control is considered substantially adequate and sufficient for its current level of financial transactions and operating activities.

However, management needs to improve on proper documentation on all projects' transactions and sound internal control procedures.

Management Response

The Centre has put in place a standard internal control mechanism for effective cost management and efficient value for money on all its transactions.

The Centre also ensures that there is sufficient supporting documents for each transaction/ payment vouchers. However, the observation is duly noted.

2.2 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.

2.3 BUDGET AND BUDGETARY CONTROL SYSTEMS IN PLACE

Reviewed work on Centre's budget and project implementation work plan indicates that substantial percentage of projects expenditure incurred during the year under review are within the budget benchmark.

However, management is strongly advised to continue uphold procurement regulations and ensure due diligence on all projects expenditure.

Management Response

Due process was strictly followed in procuring all goods and services by the Centre.

However, the observation is duly 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 Surajudeen