



HDA AUDIT
(CHARTERED ACCOUNTANTS)



15th June, 2021

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, 2020

We have reviewed and evaluated the Financial Statements of the Centre for the year ended 31st December, 2020.

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.

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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, 2020 as compared with that of seven (7) months period ended 31st December, 2019 is stated below:

		2020	2020	2019	2019
A	INCOME	₦	%	₦	%
	Special Research Grant	-	-	4,000,000	93.97
	Other Income	9,690,461	100.00	256,900	6.03
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	Total Income	9,690,461	100.00	4,256,900	100.00
		=====	=====	=====	=====
B	Less: EXPENDITURE				
	Computer Software	280,000	2.89	109,135	2.56
	Sectoral/Partner Inaugural Meeting Expenses	22,000	0.23	22,693,746	533.10
	Research & Development	1,373,391	14.17	-	-
	Office Stationeries & Computer Consumables	657,865	6.79	423,810	9.96
	Local Training	255,500	2.64	802,540	18.85
	Hotel & Accommodation	58,000	0.60	-	-
	Other Operating Expenses	134,000	1.38	-	-
	International Transport & Travelling (Training)	-	-	13,359,550	313.83
	Printing of Non - Security Documents	-	-	103,890	2.44
	Audit Reimbursable	400,000	4.13	-	-
	Bank Charges	7,185	0.07	8,250	0.19
	Depreciation Charges	9,350	0.10	10,908	0.26
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	Total Expenditure	3,197,291	32.99	37,511,829	881.19
		=====	=====	=====	=====
C	Surplus/(Deficit) A-B	6,493,170	67.01	(33,254,929)	(781.19)
		=====	=====	=====	=====

1.1 ANALYSIS OF OPERATING AND FINANCIAL PERFORMANCE

The review and evaluation of the Entity's income show that Centre recorded sum of ₦9,690,461 as the total revenue for the year ended 31st December, 2020 as against ₦4,256,900 in 2019. This includes ₦1,125,000, and ₦8,565,461 for Income from Sales of Post Graduate (PG) Forms and Other Income respectively.

Further evaluation indicates that from the total income of ₦9,690,461, the sum of ₦280,000 was spent on Computer Software acquisition which represents 2.89% of the total income, ₦1,373,391 or 14.17% spent on Research and Development, ₦255,500 or 2.64% expended on Local Training, ₦657,865 or 6.79% spent on office Stationeries & Computers Consumables and ₦630,535 expended on other Administrative Expenses accounted for 6.51% of the total income leaving a Surplus balance of ₦6,493,170.

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

Management Response

All efforts to boost internally generated revenue through workshops, seminars and short courses could not work as a result of the Pandemic (Covid 19) that took almost the whole of 2020. The Centre is currently making efforts to organise workshops, short courses and partner with some relevant agencies to boost her Internally Generated Revenue.

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 documentation on all projects' 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 present operational modus is due to the skeletal activities in the Centre, However, the Center has provisions to accommodate more expenditure heads.

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