



**HDA AUDIT**  
(CHARTERED ACCOUNTANTS)



23rd January, 2025

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, 2024**

We are delighted to inform you that we have finalized work on the audit of Africa Centre of Excellence for Mycotoxin and Food Safety accounts for the year ended 31st December 2024.

In conformity with 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 SUMMARY OF OPERATING AND FINANCIAL PERFORMANCE**

The Centre's operating financial scorecard for the year ended 31st December, 2024 as compared with that of the year ended 31st December, 2023 is highlighted below:

HDA Audit is a member of Affilica International

**KADUNA OFFICE:**

**ABUJA OFFICE:**

- Kayode Surajudeen  
- Abdurrahman Garba  
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		2024	2024	2023	2023
		N	%	N	%
<b>A</b>	<b>INCOME</b>				
	IDA Credit	-	-	-	-
	Reimbursable from NUC	2,017,740,987	99.98	956,811,545	99.73
	Miscellaneous Receipt	419,010	0.02	2,597,440	0.27
		-----	-----	-----	-----
	<b>Total Income</b>	<b>2,018,159,997</b>	<b>100.00</b>	<b>959,408,985</b>	<b>100.00</b>
		=====	=====	=====	=====
<b>B</b>	<b>Less: EXPENDITURE</b>				
	Financial Consulting	-	-	-	-
	Audit & Professional Services	650,000	0.03	625,000	0.07
	Local Training	36,133,380	1.79	20,383,085	2.12
	International Training	468,354,688	23.21	25,476,225	2.66
	Software Charges & Renewal	82,975,000	4.11	45,994,600	4.79
	Local Travel & Transport Expenses	5,445,496	0.27	4,571,080	0.48
	Maintenance of Motor vehicle	8,487,700	0.42	2,419,500	0.25
	Telephone Charges	-	-	553,000	0.06
	Internet Access Charge	2,770,000	0.14	2,100,000	0.22
	Office Stationeries/Consumables	10,283,891	0.51	981,230	0.10
	Motor Vehicle fueling cost	2,054,945	0.10	1,393,741	0.15
	Generator Fueling Cost	-	-	252,260	0.03
	Publicity & Advertisement	1,104,000	0.05	527,847	0.06
	Service Meetings	10,346,290	0.51	2,777,100	0.29
	International Travels	26,969,126	1.34	44,695,840	4.66
	Cleaning & Fumigation Services	6,794,250	0.34	-	-
	Student Cost	140,606,332	6.97	39,570,099	4.12
	Accreditation Cost	80,771,775	4.00	11,707,800	1.22
	Maintenance of Office Furniture	1,101,250	0.05	10,000	0.00
	Maintenance of office/IT Equip.	7,547,290	0.37	175,700	0.02
	Maintenance of Communication Equip.	10,895,539	0.54	-	-
	Subscription to Professional Bodies	1,198,000	0.06	758,034	0.08
	Laboratory Consumables/Reagents	117,964,556	5.85	-	-
	Operation Cost	2,845,930	0.14	-	-
	Bank Charges	184,039	0.01	176,838	0.02
	Depreciation Charge	192,520,394	9.54	33,706,866	3.51
		-----	-----	-----	-----
	<b>Total Expenditure</b>	<b>1,218,003,870</b>	<b>60.35</b>	<b>238,855,844</b>	<b>24.90</b>
		=====	=====	=====	=====
<b>C</b>	<b>Surplus/(Deficit) A-B</b>	<b>800,156,126</b>	<b>39.65</b>	<b>720,553,140</b>	<b>75.10</b>
		=====	=====	=====	=====



## **1.1 OPERATING AND FINANCIAL PERFORMANCE EVALUATION**

Assessment of the Centre's income reveals that the Entity accounted for the sum of **₦2,018,159,997** as the total income received for the year ended 31<sup>st</sup> December, 2024 compared with the sum of **₦959,408,985** in 2023. The aggregate income includes **₦2,017,740,987** and **₦419,010** for Reimbursable from National Universities Commission (NUC) and Miscellaneous Income respectively.

Further evaluation of the Centre's financial performance indicates that from the total received grant of **₦2,018,159,997** (inclusive of miscellaneous income), the sum of **₦468,354,688** was expended on International Training representing 23.21%, of the total grant received, **₦26,969,126** or 1.34% spent on International travels, **₦36,133,380** or 1.79% incurred on Local Training, **₦140,606,332** or 6.97% expended on Student Cost, **₦80,771,775** or 4.00% spent on Accreditation cost, **₦117,964,556** or 5.85% spent on Laboratory Consumables/Reagents and **₦346,819,975** or 14.87% expended on other Administrative Expenses leaving a Surplus balance of **₦800,156,126**

Above analysis reveals an increase in the revenue capacity of the Entity which is commendable. However, the management will still be encouraged to relentlessly boost Center's Internally Generated Revenue (IGR) and ensure effective cost management (without compromising the quality) for the purpose of self-reliance and project continuity.

### **Management Response**

***This is well noted.***

## EXPENSES UNDER WATCH

We highlight the following administrative expenses for management's prompt attention as a result of the significant increment during the year under review:

Expenditure Sub-Head	2024 ₦	2023 ₦	Increment ₦
Student Cost	140,606,332	39,570,099	101,036,233
Accreditation Cost	80,771,775	11,707,800	69,063,975
Service/Inaugural and sectoral Meetings	10,346,290	2,777,100	7,569,190
Office Stationery/Consumables	10,283,891	981,230	9,302,661
Maintenance of Motor Vehicle	8,487,700	2,419,500	6,068,200
Software Charge/License Renewal	82,975,000	45,99,600	36,980,400
International Training	468,354,688	25,476,225	442,878,462
Local Training	36,133,380	20,383,085	15,750,295

### Management Response

*The significant increment in the administrative expenses highlighted was as a result of increment in the Centre's activities. The hyperinflation and constant loss of value of naira to dollar experienced generally in the country also contributed to this.*

*Most of the expenses were made in dollar and were budgeted for when dollar to naira was considerably lower than the prevailing rate as at the time of payment.*

## **2.0 RECORDS KEEPING, ACCOUNTING AND INTERNAL CONTROL SYSTEMS' ANALYSIS**

### **2.1 Records Keeping and Accounting**

As part of our responsibilities as statutory Auditors engaged for the Audit assignment and in compliance with the audit procedures, we conducted an assessment on the Entity's book keeping, accounting and Internal Control Systems in place.

### **2.2 Internal Control Systems Evaluation**

The reviewed work shows that the Centre's system of Internal Control is apparently improved and sufficient for its current level of financial transactions as well as operational activities.

Our recommendation in the previous report that Payment Voucher (PV) number should be added to the advance ledger for easy identification of documents attached for retirement was adhered to, we therefore commend the management for their compliance.

Furthermore, we advise that necessary schedules should be prepared as at the end of the accounting year. This is in compliance with audit requirements and sound internal control procedures.

### **Management Response**

***Recommendation noted.***



### 3. BUDGET AND BUDGETARY CONTROL SYSTEMS EXAMINATION

Our reviewed work on the Centre's budget and projects implementation work plan shows that some project expenditures incurred during the year under review exceed the budget limit.

The management is advised to consistently comply with budget regulations and procurement standards on all projects expenditure.

#### Management Response

*Few project expenditures exceeded the budget as a result of hyperinflation and volatility of the exchange rate. Also, for the Centre to maximise her earnings on some Disbursement Linked Indicators (DLIs), some activities that were not captured in the budget were mandated to be done.*

#### 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**



**f. Kayode Surajudeen**