



Benjamin Akanji Omonayajo & Co.

(Chartered Accountants)

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..... April, 2021

The Vice Chancellor,
Federal University of Agriculture,
Abeokuta (FUNAAB),
Alabata, Abeokuta,
Ogun State.

Dear Sir,

DOMESTIC REPORT ON AUDITED ACCOUNTS FOR SEVEN (7) MONTHS PERIOD ENDED 31 JULY, 2020

1.0 INTRODUCTION

Having completed the audit of Centre of Excellence in Agricultural Development and Sustainable Environment (CEADESE) for seven (7) months period ended 31 July, 2020, we wish to bring to your notice our observations, comments and recommendations for your consideration and necessary action. It is highly essential to emphasize that our observations were based on the audit test carried out on your CEADESE's records which were primarily designed to enable us form opinion on the accounts.

The report, therefore, outlines only those weaknesses discovered in the course of the audit and should not be taken as having brought to light all the weaknesses that might have existed in the system of internal control and accounting practice which only specific investigation would be required to uncover.

The contents of this report have been discussed with the Principal Officers of the Centre.

2.0 INTERNALLY GENERATED REVENUE

2.1 OBSERVATION

We observed that the centre's internally generated revenue for the period under review was 13% of the centre's total revenue for the period under review.

2.2 IMPLICATION

The centre's internally generated revenue was low when compared with the total revenue of the centre, more so now that the grant from World Bank has expired. This may affect the continuity of the project if the center's internally generated revenue is not improved upon.

2.3 RECOMMENDATION

We recommend that the centre thoroughly review its activities to ensure its internally generated revenue is boosted in order to sustain its activities

3.0 STATUS REPORT ON MANAGEMENT IMPLEMENTATION OF RECOMMENDATION OF 2018 MANAGEMENT LETTER

3.1 BANK CONFIRMATION LETTER

3.1.1 OBSERVATION

We noted in year 2018 that zenith bank had not yet replied to our bank confirmation letter sent to them.

3.1.2 IMPLEMENTATION STATUS

Zenith bank has replied to our bank confirmation letter on 13th may 2019, and the balances stated in the confirmation letter agreed with the balances in the centre's records.

3.2 T.S.A DOLLAR BANK STATEMENTS

3.2.1 OBSERVATION

We observed the bank statement for the month of January to April 2018, and December 2018 was not provided for our review

3.2.2 IMPLEMENTATION STATUS

We have not yet been provided the highlighted statements for our review.

3.3 LONG OUTSTANDING ITEMS IN BANK RECONCILIATION

3.3.1 OBSERVATION

We noted that there were some long outstanding items in the centre's bank reconciliation statement as at 31 December 2018.

3.3.2 IMPLEMENTATION STATUS

All the long outstanding items noted as at 31 December 2018 have been cleared.

3.4 INCOMPREHENSIVE PROPERTY PLANT & EQUIPMENT REGISTER

3.4.1 OBSERVATION

We observe that centre's property, plant & register was not comprehensive enough.

3.4.2 IMPLEMENTATION STATUS

The centres property plant and equipment register has now been updated to include all information recommend by us.

3.5 LOW BUDGET PERFORMANCE

3.5.1 OBSERVATIOIN

We noted that the centre's budget performance was 32% as at 2018.

3.5.2 IMPLEMENTATION STATUS

The centre's budget performance had increased from 32% in 2018 to 113% as at 31 March, 2020.

4.0 CONCLUSION

We use this opportunity to thank the entire *Governing Council* members of the University and the Management most especially the Vice Chancellor, Bursar and members of staff of CEADESE for the co-operation accorded us during the audit.

We hope you will not hesitate to contact us should you have problems in implementing any of our recommendations.

We assure you of our best services always.

Yours faithfully,

Benjamin Akanji Omonayajo & Co.

(Chartered Accountants)

Abeokuta Nigeria

Engagement Partner: Mr. Benjamin Akanji Omonayajo

FRC/2013/ICAN/00000001907

..... April , 2021

EXECUTIVE SUMMARY OF AUDITORS REPORTS AND CLIENT RESPONSE FOR
THE YEAR ENDED 31ST JULY 2020

S/N	OBSERVATIONS	RESPONSES
<p>2.0</p> <p>2.1</p> <p>2.2</p> <p>2.3</p>	<p>INTERNALLY GENERATED REVENUE</p> <p>OBSERVATION</p> <p>We observed that the centre's internally generated revenue for the period under review was 13% of the centre's total revenue for the period under review.</p> <p>IMPLICATION</p> <p>The centre's internally generated revenue was low when compared with the total revenue of the centre, more so now that the grant from World Bank has expired. This may affect the continuity of the project if the center's internally generated revenue is not improved upon.</p> <p>RECOMMENDATION</p> <p>We recommend that the centre thoroughly review its activities to ensure its internally generated revenue is boosted in order to sustain its activities</p>	<p>The COVID-19 Pandemic had really taken its toll on the centre. The pandemic halted the academic activities and prevent the admission of new sets of students which invariably affects the flow of income from students' fees. The research activities that were supposed to boost income from the laboratory were equally affected owing to school closure. The centre is hopeful that the income of the centre will improve once the academic activities return to normal.</p>
<p>3.0</p>	<p>STATUS REPORT ON MANAGEMENT IMPLEMENTATION OF RECOMMENDATION OF 2018 MANAGEMENT LETTER</p>	

3.1	BANK CONFIRMATION LETTER	
3.1.1	OBSERVATION We noted in year 2018 that zenith bank had not yet replied to our bank confirmation letter sent to them.	
3.1.2.	IMPLEMENTATION STATUS Zenith bank has replied to our bank confirmation letter on 13 th may 2019, and the balances stated in the confirmation letter agreed with the balances in the centre's records.	Noted.
3.2	T.S.A DOLLAR BANK STATEMENTS	
3.2.1	OBSERVATION We observed the bank statement for the month of January to April 2018, and December 2018 was not provided for our review	The CBN up till now did not make available the statement for the period. However, the bank statements for subsequent periods have been made available and usually attached to the centre interim financial report. However, the centre is not relenting in ensuring the statement is eventually gotten.
3.2.2	IMPLEMENTATION STATUS We have not yet been provided the highlighted statements for our review.	
3.3	LONG OUTSTANDING ITEMS IN BANK RECONCILIATION	
3.3.1	OBSERVATION We noted that there were some long outstanding items in the centre's bank reconciliation statement as at 31 December 2018.	Noted
3.3.2	IMPLEMENTATION STATUS All the long outstanding items noted as at	

	31 December 2018 have been cleared.	
3.4	INCOMPREHENSIVE PROPERTY PLANT & EQUIPMENT REGISTER	
3.4.1	OBSERVATION We observe that centre's property, plant & register was not comprehensive enough.	
3.4.2	IMPLEMENTATION STATUS The centres property plant and equipment register has now been updated to include all information recommend by us.	Noted
3.5	LOW BUDGET PERFORMANCE	
3.5.1	OBSERVATIOIN We noted that the centre's budget performance was 32% as at 2018	
3.5.2	IMPLEMENTATION STATUS The centre's budget performance had increased from 32% in 2018 to 113% as at 31 March, 2020.	Noted.