



Accountants &  
business advisers

**MANAGEMENT REPORT ON THE OPERATIONS OF AFRICA  
CENTRE OF EXCELLENCE IN PHYTOMEDICINE RESEARCH AND  
DEVELOPMENT (ACEPRD)**

**UNIVERSITY OF JOS**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**

**PKF PROFESSIONAL SERVICES  
CHARTERED ACCOUNTANTS  
JOS.**

May, 2019.

The Centre Director,  
Africa Centre of Excellence,  
In Phytomedicine Research and Development (ACEPRD),  
University of Jos,  
Jos,  
Nigeria.

Dear Sir,

**MANAGEMENT REPORT ON THE OPERATIONS OF ACEPRD FOR  
THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**

We are pleased to inform you that we have completed the audit exercise. We hereby report on significant matters which we consider necessary to be brought to your attention.

This report however, may not disclose all the possible weakness in the internal controls which a special review might reveal. This is because, our audit procedures are designed to satisfy the primary objective of expressing an opinion, on the financial statements prepared by the Centre's management.

Our report begins with current observation, followed by detailed observations/comments, impacts/consequences and recommendations made to strengthen the internal control system of the centre.



## **CURRENT YEAR OBSERVATIONS**

### **1.0 Weak Control over advances**

#### **Observation/Comments**

We observed that control over advances in the Centre was very weak. It was observed that some advances taken since February 2018, were yet to be retired. This development then leads to an advance outstanding of ₦8,353,170 as at 31<sup>st</sup> December 2018. It was also noticed that cash advances for purchases have no limit during the year under review.

### **1.1 Impacts/Consequences**

- The centre's fund could be used to finance unauthorized personal activities, which are not the business of the centre.
- Concealed errors or irregularities could go unchecked, leading to lost of fund.
- Handling of many advances at the same time, might not give room for proper retirement.

### **1.2 Recommendations**

- We suggest that Advances/Impress transaction be monitored with adequate control. The control should include, but not limited to, establishment of the following:
  - a. Cut – off period for retirement. Advances should be retired after two or three weeks of execution of the assignment.
  - b. Fresh Advances should not be granted to any individual when the previous one/ones have not been retired.

- c. All the above staff with outstanding Advances should be compelled to retire, failure to retire, such an amount should be deducted from their salaries.

### **1.3 Management Responses**

Noted. Above measures are being applied and last warning has been raised to defaulting staff for recovery of the advances forthwith.

### **2.0 Fixed Assets Register**

#### **Observation/Comment**

We noticed that a comprehensive asset register was not maintained to record all assets of the centre; an inventory list of assets compiled, which we could not use to reconcile assets purchased and assets on the inventory list or even those on ground was made available to us. Similarly, some assets of the centre were not carrying inscription mark or any form of identification, to describe them as properties of the Centre. And those that were marked were not properly marked, thus, making the verification very difficult.

### **2.1 Impacts/Consequences**

- With the attempted assets verification conducted, we are left with reservation as to the completeness of assets purchased and units recorded in the inventory list.
- Safety of the Assets may also not be guaranteed if their movements are not monitored, as they could be removed by unauthorized person(s) without detection.



## 2.2 Recommendations

- We recommend that immediate step be taken towards maintaining a comprehensive Fixed Assets Register for the Centre. The Register should disclose vital information relating to assets as:
  - i. Description of Assets
  - ii. Date of Acquisition
  - iii. Supplier's name
  - iv. Cost/value
  - v. Serial number
  - vi. Location
- All the Centre's funded Assets should be properly marked with identification numbers without further delay.

## 2.3 Management Response

Noted. A comprehensive asset register is being maintained showing above information. However, during verification, appropriate staff to identify some of them were absent; thus the difficulty in identification. Also identification marks were made though the serial numbering was not completed. Action is being taken in that direction.

## 3.0 Inadequate Implementation of Activities and Expenses Budget

### Observation/Comment

Comparison of Budget and Actual activities/expenses during the period revealed favourable variances as contained in the financial report.

### 3.1 **Impact/Consequence**

This is indicative of slow implementation of the Centre's activities which could delay the conclusion of the Centre.

### 3.2 **Recommendation**

We recommend that the Centre's budget be implemented to prevent delay of activities which could lead to programme cancellation or extension.

### 3.3 **Management Response**

Noted.

### 4.0 **Conclusion**

We thank the Management and Staff of the Centre for their cooperation during the Audit.

We would be pleased to provide further information and explanation which may be required on issues raised in the report.

Yours faithfully,

*PKF-Professional Services*  
**(Chartered Accountants)**