

**FEDERAL UNIVERSITY OF AGRICULTURE,  
ABEOKUTA (FUNAAB)**

**CENTRE OF EXCELLENCE IN AGRICULTURAL  
DEVELOPMENT AND SUSTAINABLE ENVIRONMENT  
(CEADESE)**

**DOMESTIC REPORT  
FOR THE YEAR ENDED  
31 DECEMBER, 2014**



**BENJAMIN AKANJI  
OMONAYAJO & CO.**

*(Chartered Accountants)  
Fan Milk Building, Onikoko Road,  
Panseke, Ibara,  
P. O. Box 5334, Totoro,  
Abeokuta, Ogun State,  
Nigeria.*

*Member FCA Group*

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Prepared by:

**Benjamin Akanji Omonayajo & Co.**

*(Chartered Accountants)*

1, Onikoko Road, Panseke,

P. O. Box 5334, Totoro,

Abeokuta, Ogun State.



08034042882, 08075777770, 08084669021

08033376825, 07056161025, 08087555755

**E-mail:** [benjaminakanji@yahoo.com](mailto:benjaminakanji@yahoo.com)



# BENJAMIN AKANJI OMONAYAJO & CO.

(Chartered Accountants)

Member FCA Group

Fan Milk Building, Onikoko Road, Panseke  
P.O Box 5334, Totoro, Abeokuta, Ogun State.  
☎: 08034042882, 08087555755, 08075777770, 08033376825.  
E-mail: benjaminakanji@yahoo.com

10 May, 2016

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

Dear Sir,

## DOMESTIC REPORT ON AUDITED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER, 2014

### 1.0 INTRODUCTION

Having completed the audit of Centre of Excellence in Agricultural Development and Sustainable Environment (CEADESE) for the year ended 31 December 2014, 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 UNIVERSITY AUDIT COMMITTEE FOR THE CEADESE**

### **2.1 OBSERVATION**

We observed that the University had not constituted the audit Committee under the University council as required by the World Bank.

### **2.2 IMPLICATION**

Failure to constitute the audit committee as required by the World Bank may be a ground for disqualification for assessment of the fund by the centre from the World Bank.

### **2.3 RECOMMENDATION**

We recommend that the University should constitute the audit Committee without further delay to ensure full compliance with Donor Agency's requirement.

## **3.0 ACCOUNTING SYSTEM AND BOOK - KEEPING**

### **3.1 OBSERVATION**

We observed some lapses in the accounting system of the centre. For example, advance from FUNAAB was duplicated on the trial balance, office equipment and furniture & fittings were merged together as a single ledger which should be separated, no general ledger for depreciation and amortization, withholding tax and VAT did not appear on the trial balance despite the fact that withholding tax were deducted on some items during the period.

### **3.2 IMPLICATION**

This is a signal that the centre accounting system is weak and may not give fair view and presentation of affair of the centre for the period.

### **3.3 RECOMMENDATION**

We recommend that the centre should improve its accounting system and book keeping to ensure fair presentation of financial statements of the centre.

## **4.0 INTERNAL CONTROL AND AUDIT CHECK**

### **4.1 OBSERVATION**

We discovered that there is no internal audit report of the centre for the period ended 31 December, 2014. Meanwhile, we also noticed that the payment approval and authorized section of the payment voucher were not usually filled and acknowledged by the designated officers.

### **4.2 IMPLICATION**

This is an indication of weak internal check which may be taken advantage of to perpetrate fraud and malpractices.

### **4.3 RECOMMENDATION**

We recommend that adequate audit check should always be carried out on the payment vouchers before the passage of the vouchers for payment.

## **5.0 BANK CONFIRMATION**

### **5.1 OBSERVATION**

We observed after the preparation of the final account that the centre operated two (2) current account and one (1) domiciliary account with Zenith Bank. Meanwhile, the centre did not disclose the domiciliary account with balance of \$4,765 in its record.

### **5.2 IMPLICATION**

This amount to concealment of information which have material effect on auditor's judgement as regards the true and fair view of financial statement of the centre.

### 5.3 RECOMMENDATION

We recommend that adequate financial records should be maintained for the centre and all information necessary to assist in forming opinion on the financial statement should always be provided for fair presentation and formation of adequate opinion on the financial position of the centre.

### 6.0 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