

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

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

**DOMESTIC REPORT
FOR THE YEAR ENDED
31 DECEMBER, 2017**



**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

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

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

**DOMESTIC REPORT
FOR THE YEAR ENDED
31 DECEMBER, 2017**

Benjamin Akanji Omonayajo & Co.

(Chartered Accountants)

1, Onikoko Road, Panseke,

P. O. Box 5334 Totoro,

Abeokuta,

Ogun State.



08034042882, 08033376825, 08084669021,
07056161025, 08087555755, 08075777770

E-mail: benjaminakanji@yahoo.com

CONTENTS

PAGE(S)

EXECUTIVE SUMMARY

i - ii

DETAILED DOMESTIC REPORT

1 - 3

**EXECUTIVE SUMMARY OF AUDITORS
DOMESTIC REPORT AND CLIENTS RESPONSE
FOR THE YEAR ENDED 31 DECEMBER, 2017**

**EXECUTIVE SUMMARY OF AUDITORS DOMESTIC REPORTS AND CLIENTS
RESPONSE FOR THE YEAR ENDED 31 DECEMBER, 2017**

S/N	OBSERVATIONS	RESPONSE
1.0	ELIGIBLE EXPENDITURE PROGRAMME	
1.1	<p>OBSERVATION</p> <p>We observed while reviewing the eligible expenditure programme of the Centre as requested by the University through a letter written to us with reference no FUNAAB/BUR/CON.159 that the University charged the whole University staff salaries and 25% of the University's administrative expenses to the EEP as against the ACE staff salaries and the Centre's relevant portion of other non-procurable operational cost of the programme.</p> <p>In our opinion charging the whole University's staff salaries and 25% of the whole University's administrative expenses was wrong as only those staff directly involved with the Centre's operational activities and relevant portion of other non-procurable operational cost of the programme should have been allocated to the EEP. (Based on paragraph 58 of the project appraisal document prepared by IDA).</p>	<p>The Centre has no separate staff of its own. By arrangement, the University staff run the Centre and invariably, the academic, technical, and administrative roles are performed by the University staff. Hence, the total personnel cost of the University has been consistently reported as the EEP to the World Bank.</p> <p>The auditor should note that, documents alluding to this fact that were forwarded to the World Bank has been availed to the audit team in order to properly define what an EEP is. In line with the definition, It is apt to state that the Centre has not contravened the Project Appraisal Document [PAD] as all records provided to the world bank were accepted in line with the template given.</p> <p>We again attach herewith the copy of the report earlier submitted to the world bank to corroborate our submission.</p>
1.2	<p>IMPLICATION</p> <p>Charging the whole University's staff salaries and 25% of the University's administrative expenses to EEP goes against the principles and policies of the EEP programme as stated in the project appraisal document prepared by International Development Association (IDA).</p>	
1.3	<p>RECOMMENDATION</p> <p>We recommend that the University ensures that only ACE staff salaries and relevant portion of other non-procurable operational cost of the programme should be allocated to the EEP.</p>	
2.0	BANK CIRCULARIZATION LETTERS	
2.1	<p>OBSERVATION</p> <p>We observed that none of your bankers have replied to our bank circularization letters forwarded to them.</p>	<p>Circularization letters have been dispatched to the respective banks of the Centre [Evidences attached]. Follow ups have been made with the banks through verbal calls and visitations. We are</p>

2.2	<p>IMPLICATION Lack of response to our bank circularization letter denied us third party confirmation of your bank balances as at 31 December, 2017.</p>	not relenting until the banks accede to this request
2.3	<p>RECOMMENDATION We recommend that the Centre get in touch with its bankers to ensure prompt reply to our bank circularization letters</p>	
3.0	<p>BUDGET PERFORMANCE</p>	
3.1	<p>OBSERVATION We observed that the Centre budget performance as per its expenditure was low during the year under review as only about 31.10% of the total budgeted expenditure was expended during the year under review.</p>	The Centre has always strive to increase its budget performance in all its programme, however, rules, regulation and procedures of government have to be observed in order to promote probity, transparency and accountability in the spending of the project fund.
3.2	<p>IMPLICATION Low budget performance would hinder the centre from achieving the aim or goal of setting up the centre.</p>	These includes the recognition and observance of regulations such as Public Procurement Act 2007, which stipulates procurement stages that have to be strictly adhered to in the procurement of goods, works and services.
3.3	<p>RECOMMENDATION We recommend that timely execution of budget and use of fund be embarked on to ensure the centre is maximizing the fund available.</p>	

**DETAILED DOMESTIC REPORT
FOR THE YEAR ENDED 31 DECEMBER, 2017**



12 June, 2018

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, 2017

1.0 INTRODUCTION

Having completed the audit of Centre of Excellence in Agricultural Development and Sustainable Environment (CEADESE) for the year ended 31 December 2017, 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 ELIGIBLE EXPENDITURE PROGRAMME

2.1 OBSERVATION

— We observed while reviewing the eligible expenditure programme of the centre as requested by the University through a letter written to us with reference no FUNAAB/BUR/CON.159 that the University charged the whole University staff salaries and 25% of the University's administrative expenses to the EEP as against the ACE staff salaries and the centre's relevant portion of other non-procurable operational cost of the programme.

In our opinion charging the whole University's staff salaries and 25% of the whole University's administrative expenses was wrong as only those staff directly involved with the centre's operational activities and relevant portion of other non-procurable operational cost of the programme should have been allocated to the EEP. (Based on paragraph 58 of the project appraisal document prepared by IDA).

2.2 IMPLICATION

Charging the whole University's staff salaries and 25% of the University's administrative expenses to EEP goes against the principles and policies of the EEP programme as stated in the project appraisal document prepared by International Development Association (IDA).

2.3 RECOMMENDATION

We recommend that the University ensures that only ACE staff salaries and relevant portion of other non-procurable operational cost of the programme should be allocated to the EEP.

3.0 BANK CIRCULARIZATION LETTERS

3.1 OBSERVATION

— We observed that none of your bankers have replied to our bank circularization letters forwarded to them.

3.2 IMPLICATION

Lack of response to our bank circularization letter denied us third party confirmation of your bank balances as at 31 December, 2017.

3.3 RECOMMENDATION

We recommend that the centre get in touch with its bankers to ensure prompt reply to our bank circularization letters.

4.0 BUDGET PERFORMANCE

4.1 OBSERVATION

We observed that the centre budget performance as per its expenditure was low during the year under review as only about 31.10% of the total budgeted expenditure was expended during the year under review.

4.2 IMPLICATION

Low budget performance would hinder the centre from achieving the aim or goal of setting up the centre.

4.3 RECOMMENDATION

We recommend that timely execution of budget and use of fund be embarked on to ensure the centre is maximizing the fund available.

5.0 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 CEADSE 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

12 June, 2018

