

1. CONTROL OVER CENTRAL BANK ACCOUNT

OBSERVATION

We requested for the bank statement/reconciliation for the above stated bank but was not made available to us. On further inquiry, we observed that one bank account is used for the University and the Center. This made it difficult to ascertain the actual bank balance for the Center as at 31st December, 2015.

POSSIBLE CONSEQUENCES

- It will be difficult to confirm bank balance directly from the bank.
- The bank balance may be misstated.

RECOMMENDATION

Management should maintain different bank account with Central Bank of Nigeria.

MANAGEMENT COMMENT

The Center maintained TSA (Central bank) cash book. The balance was reconciled with bursary department at the end of December, 2015. Presently the Account is combined with other project Account but the Center has commenced the process of opening her account with Central Bank of Nigeria.

2. WHT/VAT REMITTANCE

OBSERVATION

We observed that WHT/VAT deducted at source from various contractors totaling =N=170,850 were not remitted to the tax authority.

POSSIBLE CONSEQUENCE

The Center have contravened the WHT/VAT law as stipulated by the Federal Government.

RECOMMENDATION

We advise that henceforth all WHT/VAT deducted from contractors be remitted to the appropriate authority.

MANAGEMENT COMMENT

The advent of TSA made it difficult to remit WHT/VAT because of the initial confusion on how to remit the tax. The Center has been given the Account to remit this tax to and in the process of doing the remittance.

3. **FIXED ASSETS REGISTER**

OBSERVATION

The Center does not maintain fixed asset register.

POSSIBLE CONSEQUENCE

Control and monitoring of the assets becomes difficult.

RECOMMENDATIONS

Fixed Assets Register should be maintained showing the followings:

- Date of transaction
- Cost/valuation
- Depreciation
- Location
- Accumulated depreciation
- Disposal
- Net book value

MANAGEMENT COMMENT

The Center currently maintains a Fixed Asset Register but would be adjusted to meet the Auditor's specification.

5. **UNRETIRED IMPREST**

OBSERVATION

We observed that the sum of =N=200,000 was advanced as imprest vide pv 14695 and 26767 dated 8th October, 2015.

The said amount was written off as curriculum workshop in the management trial balance without proper retirement.

We have however reclassified the entry in the management account as staff advance (unretired imprest).

POSSIBLE CONSEQUENCES

- This could lead to teeming and lading
- Possible loss of fund
- Weak internal control

RECOMMENDATION

We advise that the imprest received be retired.

MANAGEMENT COMMENT

Imprest given to the acting desk officer to run the office of the Center by University prior to the receipt of grant from the World Bank.

6. FIDELITY BOND INSURANCE

OBSERVATION

The management is yet to take up fidelity insurance policy to mitigate losses arising from fraud and theft.

POSSIBLE CONSEQUENCE

Possible loss of fund arising from staff fraud or theft.

RECOMMENDATION

We advise that the management should put in place fidelity bond insurance.

MANAGEMENT COMMENT

The Center would seek World Bank/NUC clearance on this.