

CENTRE OF EXCELLENCE IN REPRODUCTIVE HEALTH INNOVATION (CERHI)



MANAGEMENT LETTER FOR THE YEAR ENDED 31ST DECEMBER, 2017

DAVID UGIAGBE & CO
CERTIFIED NATIONAL ACCOUNTANTS & TAX CONSULTANTS



DAVID UGIAGBE & CO.
(CERTIFIED NATIONAL ACCOUNTS AND TAX CONSULTANTS)

BENIN OFFICE: 82, 1st East Cir. Road,
P.O. Box 5758 Post Code -300001 Kings Square, Benin City

Tel: 08060482528, 07014101453

Abuja Office: Abaku House 1, Victory Street,
Off Suleja Road, Email:davidugiagbe2013@yahoo.com

13th February, 2018

The Centre Leader,
Centre of Excellence in Reproductive Health Innovation,
University of Benin
Benin City
Edo State.

Dear Sir,

**AUDIT 2017- MANAGEMENT LETTER ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER, 2017**

We have completed our examination of the books and accounts of your organization (Centre of Excellence in Reproductive Health Innovation) for the year ended 31st December 2017, and wish to bring to your attention the following points arising there from.

In the course of an audit it is normal that we include in the procedures, tests of the internal accounting and operating system and controls, established by management to ensure the accuracy of the Financial Statements presented to us and ascertain their reliability and validity. The letter of representation from Centre of Excellence in Reproductive Health Innovation management's confirm to the best of their knowledge, that the financial statement encompasses all transactions and receipts, is accurate and complete in every respect and that all grant conditions, including those beyond the scope of the audit, have been met, and also that they have complied with article 13 of the contribution agreement.

This report presents significant findings arising from our audit procedures and communicates weaknesses in Internal Controls, as well as any inaccuracies in the financial statements, which came to our attention during the audit.

An audit is designed principally to enable the expression of professional opinion on the Financial Statements as a whole and not to evaluate internal controls. Because of the inherent limitations of an audit, it is possible that material misstatements in the Financial

Statements resulting from fraud and to a lesser extent from error may not have been detected. Accordingly, our audit would not necessarily have revealed all conditions requiring attention.

Additionally, our comments address controls and reporting issues only and are not intended to reflect in any way upon the Organization's personnel.

Our report addresses the control weaknesses in 2017. This is because all the weaknesses identified in the early years have been addressed.

Matter's Arising from the Current Year Audit

Weakness

1. Wrong classification of expense

Observation

We observed that ₦ 2,475,000 in the month of November 2017 was classified in the cash book as miscellaneous and sundry expense, where as it is meant to have been for teaching and examination.

Consequence

The expenditure head's will not reflect the actual money committed to such expense creating a problem of overstating or understating in expenditure head's.

Recommendations

We recommend that proper care be taking while recording and classifying items as this is the primary aims of accounting.

Management Comments

Noted

2. Transfer from Zenith Bank

Observation

We observed that the sum of ₦ 8,247,263.09 was moved from Zenith bank account No: 1014312532 to TSA in the month of June 2017, and was capture in the cash book as internally generated fund. This is just a mere transfer from one account to another, where by the former become closed for the later to be in operation.

Consequence

The centre's revenue will be overstated thereby creating a wrong picture of the actual revenue generated during the year.

Recommendations

We recommend that accounting principles should be adhered to for accuracy and reliability.


Management Comments

Noted

Acknowledgements

We take this opportunity to thank the President and the entire staff for their assistance and cooperation received during this year's audit. Should you wish to discuss any of the issues raised with us, we will be pleased to do so at a mutually convenient time.

Yours faithfully,



David A. Ugiagbe B.Sc (Hons), MBA, FCNA, FCTI, FCIFC, MCFE.

Managing Partner

David Ugiagbe & Co.