

**CENTRE OF EXCELLENCE IN REPRODUCTIVE
HEALTH INNOVATION (CERHI)**



**MANAGEMENT LETTER ON THE ACCOUNTS FOR
THE YEAR ENDED 31ST DECEMBER 2018**

**DAVID UGIAGBE & CO.
CERTIFIED NATIONAL ACCOUNTANTS & TAX CONSULTANTS**



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HEALTH INNOVATION (CERHI)**

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May 28, 2019

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

Dear Sir,

MANAGEMENT LETTER ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2018

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 2018, and wish to bring to your attention the following points arising there from.

In the course of an audit it is normal that we included in the procedures, tests of the internal accounting and operating system and controls, established by management to reliability and validity. This report presents 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 limitation 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 Institution's staff.

Our report addresses the control weaknesses in 2018. This is because some of the weaknesses identified in the early years have been addressed.

MATTER'S ARISING FROM THE CURRENT YEAR AUDIT

WEAKNESS

1. FIXED ASSETS

Observation

We observed that Assets Register was not comprehensive enough to reflect all transactions affecting Property Plant and Equipment during the period.

Consequence

It will be very difficult to record all assets in their right period or date of purchases. Also to ascertain the Net Book Value of the Assets will not be easy. This can have a negative effect in the financial statement

Management Comment

Noted

2. ERRORS

Observation

We observed that Non-Current Asset of ₦13,020.00 for motor vehicle was taken as ₦7,161,000. We could not ascertain whether there was a disposal or not, as this was not reflected in the books of accounts.

Consequence

This will result to incorrect statement of the Assets register and the financial statement. The Net Asset of the enterprise will not reflect actual figure.

Management Comment

Noted and has been corrected.

3. DEPRECIATION

This depreciation amount was not reflecting the true figure on the assets. Assets are taken at their historical cost less depreciation.

Consequence

The depreciation can either be overstated or understated on the Asset which will have a negative effect on the account. This is will not be healthy for an enterprise like Centre of Excellence Reproductive Health Innovation

Recommendation

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

Management Comment

This is noted

Acknowledgement

We take this opportunity to thank the Centre Leader and 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,



D.A Ugiagbe
Bsc (Hons), MBA, FCNA, FCTI, FCIFC, MCFE
Principal Partner
David Ugiagbe & Co.