

DRAFT

*Africa Centre of Excellence for Genomics
of Infectious Diseases (ACEGID)
(Redeemer's University)*

Management Control Report (MCR)

For the Year Ended 31 December, 2017



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The Centre Director
ACEGID
Redeemer's University,
P.M.B 230, Ede
Osun State.

29 January, 2018

Dear Sir,

MANAGEMENT CONTROL REPORT FOR THE YEAR ENDED 31 DECEMBER, 2017

Having completed the audit of the Centre's financial statements for the year ended 31 December, 2017, we hereby bring to your attention our observations, comments and recommendations for your consideration and necessary action.

Please note that the contents of this report are based on the tests carried out on the financial statements, the main purpose of which was to confirm that:

- i) proper accounting records were maintained;
- ii) applicable accounting standard were applied;
- iii) suitable accounting policies were adopted and maintained;
- iv) judgments and estimates made were reasonable and prudent;
- v) the going concern basis was used, unless it was inappropriate to presume that the Centre would continue in its activities;
- vi) internal control and accounting procedures which were instituted were as far as possible reasonable and functional to safeguard the assets, prevent and detect fraud and irregularities

This report therefore outlines only those weaknesses we discovered through the audit tests 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 a specific investigation might have uncovered.

The contents of this report have been brought to the attention of the Head of Accounts in his capacity as the custodian of financial information for the Centre. However, if there are matters raised that require further clarifications; please do not hesitate to contact us.

We thank the staff and management for their co-operation during the course of the audit.

Yours faithfully,
BBC PROFESSIONALS

Africa Centre of Excellence for Genomics of Infectious Disease (ACEGID)

Management Control Report– 2017

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Section A

Executive Summary

Section A Executive summary

Issues raised in the 2017 MCR, Priority level and those responsible for implementation or follow up are listed below:

No	Issues	Priority Level	Responsibility	Page
1	Coding of Property, Plant and Equipment	Medium	Project Director	9
2	Insurance of Property Plant and Equipment	Medium	Project Director	10

Section A
Executive summary

Definition of priorities and comments used in the MCR

High

A finding of fundamental significance or financial Materiality to the Centre. The weakness that has or is likely to have a significant impact upon the achievement of key system, function or process objectives. It requires immediate attention of the Management.

Medium

A finding of moderate significance or financial Materiality to the Centre. Control weakness that may have an impact on the achievement of the key system, function or process objectives. Requires prompt attention by the management.

Low

Finding of lesser significance to the Centre and may not require management immediate attention. Weakness that does not impact upon the achievement of key system, function or process objectives; however implementation of the recommendation would improve overall control.

Section B
Overview of 2016 Management Control Report

2016 MCR Issues	Priority Level: Medium	Responsibility: Project Director
<p>Observation</p> <p>We noted that the project officials implemented some of our recommendations made on the 2016 management control report in the following areas:</p> <ul style="list-style-type: none"> • The centre now maintains a comprehensive payroll for its project staff. • The centre now remits withholding taxes arising from contracts with third parties to the appropriate tax authorities. However, remittance of withholding tax has not been done within the period stipulated by section 64 of Companies Income Tax Act (CITA), which is within 30 days from the date the tax was deducted or the duty to deduct arose. <p>Recommendation</p> <p>We urge the officials to always implement auditors' recommendations as such will be in the best interest of the Centre.</p>	<p>Management's Response</p>	

Section C

2017 Observations and recommendations

Section C
Observations and recommendations

Number 1 Coding of PPE	Priority: Medium	Responsibility: Project Director
<p>Observation We observed that the assets acquired by the Centre in 2017 have not been tagged for proper identification.</p> <p>Possible consequences</p> <ul style="list-style-type: none"> • Assets belonging to the Centre may not clearly be distinguished from the University’s assets. • The Centre’s assets will not be easily spotted if they are misplaced. • These assets can be misappropriated for private use. 	<p>Management’s Response</p> <p>The Centre has started the process of tagging the whole assets which would be completed before the end of first quarter of year 2018.</p>	
<p>Recommendation The Centre should ensure that its assets are properly tagged for easy identification and to avoid misuse of the assets.</p>		

Section C
Observations and recommendations

Number 2 Insurance of Property Plant and Equipment	Priority: Medium	Responsibility: Centre Director
<p>Observation</p> <p>We observed that the Centre does not have a comprehensive insurance policy for its Property Plant and Equipment.</p> <p>Implication</p> <p>This will lead to great financial losses in event of any mishap.</p>	<p>Management's Response</p> <p>Currently, ACEGID is covered by University's comprehensive insurance policy.</p> <p>However, the Centre has started processing comprehensive insurance policy for its Property, Plant and Equipment.</p>	
<p>Recommendation</p> <p>The Centre should ensure that adequate insurance policy is maintained for all assets owned.</p>		