

24th May,2022

The Provost
Federal College of Education okene,
Kogi State.

Dear Sir,

**DOMESTIC REPORT ON THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER, 2021**

We are pleased to forward the above subject matter for your responses. According to our normal practice, we report on certain matters that come to our notice during the course of our exercise. You will appreciate that our audit procedures are designed primarily with a view to expressing our opinion on the financial statements. This report deals with those principal matters, which come to our attention in the course of work and which we consider and should be brought to your attention. Our comments therefore, include all possible improvement in internal control that a special investigation might reveal. .

1.0 INCOME

The college recorded income for the year as follows”

	<u>2020</u>	<u>2021</u>	<u>Increase/(Decrease) %</u>
Recurrent Grants.	2,531,531,433.	3,020,607,656	489,076,223 (14.58)
IGR	141,690,733	165,879,946	24,189,213 (6.85)
Capital Grants	785,177,891.	1,810,617,070	1,025,439,179 (56.63)

The increase in the income of the college for the year is as a result of the fiscal policies of the Federal Government and the college financial drive toward improving their revenue.

1.2 COMMENT

Based on the recommendation of 2020 report, the college was able to improve ,more on their IGR (internal Generated Revenue) by recording a position result. Therefore, we commend them on their effort in achieving the result.

2 REVIEW AND COMPLIANCE WITH PREVIOUS (2020) DOMESTIC REPORT

2.1 Observation

We have reviewed the 2020 domestic report of the College with a view to determine the extent of compliance with our recommendations. We wish to state that we are satisfied with the level of implementations and compliance.

3 SALARY AND PAYROLL ADMINISTRATION

3.1Observation

We observed that there was integration of the salary and payroll software system with the final accounts. It is important to recognize the immense value of having a well-integrated computerized payroll system to make reporting time and handling other payroll functions easier, of which the college was able to adopt, currently the college is using the integrated payroll software system especially by keying into Federal Government GIFMIS policy, they should keep it up.

3.2 RECOMMENDATION

- Since the college have adapted the integrated payroll software system, hence they should sustain it.
- We hold the view that Special training should be organized for Accounting/finance Department staff. In addition, regular training should be conducted in-house on a quarterly basis.

4 INTERNAL AUDIT DEPARTMENT

4.1 Observation

We have reviewed the Directorate of Audit vis-a-vis the operation model of the College in order to provide reasonable assurance for the smooth running of its daily operations.

We observe that the directorate has improved and maintained their preparation of report, therefore, we commend them.

4.2 Recommendation

We strongly recommend staff training for a better understanding of internal control process, implementation and compliance.

5.0 INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARD (IPSAS)

5.1 Observation

We observed that the college has fully Implemented International Public Sector Accounting Standard (IPSAS)

5.2 Recommendation

We implore the management to insure that the conversion processes to GIFMIS is sustain and in conformity with the Government policy, and also to train and retrain staff on the new policy.

FILING SYSTEM

The filing system is up to standard hence they should keep it up.

6.1 Recommendation

We hereby recommend that the College should maintain archive for all accounting related documents.

7. STOCK

7.1 Observation

It was observed during the course of the audit that the College maintained record on fixed assets but store are not inform on the fixed assets which can be exposed to lack of proper store records, this could also lead to damages and malfunctioning .

7.2 Control Implication

Failure to have proper storage system especially for these items i.e. fixed assets can lead to damages, these inventories are part of working capital of college and good record is needed in order to avoid damages and loss of funds.

7.3 Recommendation

We therefore recommend that the college should a have standard fixed assets record for those items.

8 CASH BOOK

8.1 Observation

We observed during the course of our auditing, the College maintained their cash books properly and well updated.

9. VOUCHERS

9.1 Observation

We observe during the course of our audit that the vouchers were properly maintained.

9.2 Control Implication

This will serve as a recovery in case of any misappropriation circumstances.

9.3 Recommendation

We therefore recommend that the vouchers should continue to be maintained properly.

9. FIXED ASSET REGISTER

9.1 Observation

We observed during the course of our audit that the College did maintain their fixed assets register properly but store does not have the record.

9.2 Control Implication

Without fixed asset register, the College will not be able to monitor and safeguard fixed assets and this can lead to loss of assets and pilfirages..

9.3 Recommendation

The College should have adapt and maintain the fixed assets register for the store.

CONCLUSION

We wish to express our appreciation and gratitude to the members of the Governing Council, Management and staff for the opportunity given to us to serve and their cooperative attitude during the course of our assignment.

We commend you for making use of previous recommendations and developing and keeping good records of account which have assisted us in making our work easier.

Our door is always open for you to call us if there is need for our assistance.

STANDARD AUDITORS & CO