

9th May, 2024.

**The Provost,
Federal College of Education,
PMB 1026 Okene,
Kogi State,
Nigeria.**

Dear Sir,

**MANAGEMENT REPORT ON THE FINANCIAL STATEMENTS OF FEDERAL COLLEGE OF
EDUCATION, OKENE FOR THE YEAR ENDED 31ST DECEMBER 2023.**

We are glad to inform you that we have completed the audit of **Federal College of Education Okene's** financial statements for the year ended 31st December, 2023. Accordingly, we wish to bring to your attention certain matters, which came to our notice during the audit, together with our recommendations thereon.

It should be appreciated that the matters dealt with in this Management Report are issues which came to our attention during the conduct of our normal audit procedures which are designed primarily to enable us evaluate the systems and controls instituted by the College and compliance, with a view to advising the Management. Subsequently, this enabled us to express opinion on the financial statements of the College.

It is pertinent to state that our examination of the Accounts and Internal Control procedures were carried out on a test basis and should, therefore, not be expected to disclose all the irregularities that a special audit can reveal. However, in the course of audit, we did not discover anything that warrants such a special audit in the affairs of the College.

During our audit, we maintained close contact with your members of Staff and briefed them of our findings and recommendations as and when they arose.

EXECUTIVE SUMMARY

We have completed the audit of the College's financial statements for the year ended 31st December, 2023 which have been prepared and presented by the Management in accordance with the relevant provision of the financial regulations of Federal Republic of Nigeria.

In planning and performing our audit which was in accordance with Generally Accepted Auditing Standards (GAAPS), we considered the College's internal control structure in order to determine our audit procedures for the purpose of expressing an opinion on the financial statements and not to provide absolute assurance on her internal control structure.

It is the responsibility of Management to establish and maintain the internal control structure of the College.

Preparation of Financial Statements

It is the absolute responsibility of the Management to prepare the financial statements of the College.

Management Responsibility

Management is responsible for establishing and maintaining an effective internal control structure. In fulfilling this responsibility, estimates and judgements made by Management are required to assess the expected benefits and related costs of internal control policies and procedures. Also, to identify and ensure compliance with relevant standards; coupled with extant regulations in the conduct of College operations.

Methodology and Approach

In order to achieve the objective of our mandate, we planned and performed the audit in such a manner which enabled us to:

- Review the system of internal control and accounting.
- Perform such tests on transactions to confirm that the system put in place are operating satisfactorily.
- Compare the financial statements with the underlying records, books of account and schedules
- Consider the account vis-à-vis the requirements of the enabling laws and relevant statements of standard accounting practice.

During the course of the audit, we obtained relevant records, documents, memoranda and correspondences, as we considered important to assignment. We also obtained from relevant Accounts Personnel, explanations on matters and/or issues that require clarifications.

REVIEW OF LAST YEAR MANAGEMENT REPORT

Compliance with Previous Recommendations

Observations:

The College has shown commendable compliance with the audit observations and recommendations from the previous year. Nevertheless, there is room for improvement, particularly in the reconciliation of Fixed Assets Register and Store records.

Implications:

Addressing this issue will lead to advancements in the accounting system, thereby enhancing overall effectiveness and efficiency.

Recommendation:

To further enhance the system, we recommend organizing additional training sessions and seminars for staff members. Additionally, the store officer should prioritize maintaining accurate records of total store receipts and issues throughout the year.

Management Response:

ACCOUNTING SYSTEM / FILLING SYSTEM

Observation:

There was a noticeable improvement in the College's accounting system during the year under review.

Recommendation:

We encourage Management to sustain this progress for further enhancement. Additionally, we recommend implementing continuous training programs and seminars for the personnel in the accounts department to ensure they remain up-to-date with the latest trends in the accounting profession.

Management Response:

INTERNAL CONTROL SYSTEM

Observation

We noted an enhancement in the internal control system of the College during the reviewed year. However, to further augment effectiveness, it is advisable to incorporate regular training sessions into the College's internal control mechanism.

Recommendation

We advise that the above issues be thoroughly examined to enhance further improvements in the internal control system. Additionally, we recommend bolstering the effectiveness and efficiency of the College's internal audit unit by providing opportunities for exposure to contemporary practices. This can be achieved through participation in seminars and conferences aimed at enhancing internal control methodologies.

Management Response:

GENERAL OBSERVATIONS

Fixed Assets Register

Observation

We observed that the Fixed Asset register was not updated during the year under review despite our previous observation and recommendation from the preceding year.

Recommendation

We suggest that fixed asset register should always be updated to facilitate efficient tracking of College assets. This measure aims to maintain accurate valuations, preventing both undervaluation and overvaluation of College assets.

Visitation to Work and Transport Departments

During our audit visit to the Work and Transport Departments, it came to our attention that the College executed only two capital projects: the rehabilitation of the male toilet facilities and the procurement of ICT equipment for skill acquisition purposes. Additionally, we observed a communication disconnect between the Transportation Department and the personnel responsible for maintaining the fixed asset register.

Furthermore, our scrutiny revealed the acquisition of two motor vehicles within the reviewed period. The Transportation Department lacked information concerning these purchases, hindering proper record-keeping and update procedures.

Recommendations:

We recommend a structured communication framework between the Transportation Department and the officer managing the fixed asset register. Regular updates and consultations will ensure accurate recording of asset acquisitions and disposals. Also, a centralized system for recording all asset acquisitions across departments is recommended. This would streamline information dissemination and prevent instances of missing data.

Management Response:**APPRECIATION:**

We extend our gratitude to the Management for entrusting us with the opportunity to serve in this capacity. We also acknowledge the cooperation extended by the staff of the College during the audit exercise.

Yours faithfully,

Dimeji Olatubosun & Co.

Biola Olawoore
Engagement Partner