

**PANDA DEVELOPMENT AREA  
NASARAWA STATE  
MANAGEMENT LETTER  
ON THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER, 2019**





# *Uzo Dike & Co.*

Chartered Accountants

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Date 15/07/2021

The Auditor General,  
Local Government Audit,  
Nasarawa State.

Dear Sir,

Dear Sir,

## MANAGEMENT LETTER ON THE FINANCIAL STATEMENTS OF PANDA DEVELOPMENT AREA NASARAWA STATE FOR THE YEAR ENDED 31 DECEMBER, 2019.

We wish to inform you that we have completed the audit of the accounts of PANDA Development Area Nasarawa State for the year ended 31 December, 2019.

We present herewith, key issues that came to our notice during the audit exercise.

Our audit procedures are designed primarily to enable us form our opinion on the Financial Statements. This report therefore may not disclose all the weaknesses in the internal control system of the Council which a special review might reveal. We shall be pleased to provide any further clarifications you may need on this report.

Yours faithfully,



**Certified National Accountants**

**PANDA DEVELOPMENT AREA, NASARAWA STATE  
MANAGEMENT LETTER ON THE FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31 DECEMBER, 2019.**

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## **1.0 SALARY PAYMENT VOUCHERS**

### **1.1 OBSERVATIONS**

Salary payment vouchers for the period January to December 2019 were not provided to us for audit

### **1.2 EFFECTS**

- a. Vouching was made impossible.
- b. Accuracy of salary figures could not be substantiated.

### **1.3 RECOMMENDATIONS**

Vouchers should be well kept and made available when requested by authorised users.



## **2.0 STORES PROCEDURE**

### **2.1 OBSERVATIONS**

Store administration was not in place in the year. Items purchased were expensed immediately, they were acquired.

### **2.2 EFFECTS**

Assets of the Council may not have been properly accounted for. Items paid for may also no have been duly purchased.

### **2.3 RECOMMENDATIONS**

Proper store procedure should be put in place. All items of value purchase should be taken on charge in the store.

### **3.0 ACCOUNTS PAYABLE**

#### **3.1 OBSERVATIONS**

There was no subsidiary ledger for recording liabilities in the council.

#### **3.2 EFFECTS**

It was difficult to ascertain liabilities of the council.

#### **3.3 RECOMMENDATIONS**

Payments due but not settled should be properly documented in a subsidiary ledger.



#### 4.0 DAILY ABSTRACT RECORD

#### 4.1 OBSERVATIONS

This record was not maintained by the Development Area.

#### 4.2 EFFECTS

Extraction of necessary financial figures is made difficult.

#### 4.3 RECOMMENDATIONS

- a. We recommend that utmost attention be paid to the maintenance of all ledgers to enable the extraction of the necessary financial figures with ease.
- b. Reconciliation of cash book figures to the ledger should be done.



## **5.0 FIXED ASSETS REGISTER**

### **5.1 OBSERVATIONS**

- a. Fixed Assets Register was not posted up to date.
- b. There was no inventory report of fixed assets.

### **5.2 EFFECTS**

Loss of assets may occur without being timely detected.

### **5.3 RECOMMENDATIONS**

- a. Fixed Assets Register with all essential details should timely reconciled and updated.
- b. Annual stock take/verification of council assets should be done and verified by the Internal Audit Unit. .



## **6.0 BANK RECONCILIATIONS**

### **6.1 OBSERVATIONS**

Monthly bank reconciliations of the bank accounts was not carried out in the year

### **6.2 EFFECTS**

- a. This would give room for unresolved discrepancies.
- b. Sharp practices through banks could take place without being timely detected.

### **6.3 RECOMMENDATIONS**

- a. Reconciliation of cash book with bank statements should be done monthly.
- b. All differences arising from such reconciliations should be resolved.



## **7.0 PAYMENTS NOT PROPERLY DOCUMENTED**

### **7.1 OBSERVATIONS**

We observed instances where payments were not properly documented (see appendix attached).

### **7.2 EFFECTS**

This has put to doubt autencity of those payments.

### **7.3 RECOMMENDATIONS**

Management should properly investigate those payments



**PANDA DEVELOPMENT AREA, NASARAWA STATE  
PAYMENTS NOT PROPERLY DOCUMENTED  
FOR THE YEAR ENDED 2019**

**January 2019:**

1. Imprest were not retired with any documents/explanations
2. Security Vote ~~₦~~400,000; No break down/supporting documents.
3. PV dated 16/01/2019 - ~~₦~~52,500 logistics; part of ~~₦~~80,000 entertainment not explained.
4. Pv dated 17/01/19 - ~~₦~~200,000 – entertainment
  - a. No detail of guests entertained
  - b. ~~₦~~27,500 logistics not explained

**February 2019:**

1. 08/02/19 – N400,000 security; logistics of ~~₦~~277,000 not explained
2. Again imprest DPM ~~₦~~30,000  
DPS ~~₦~~30,000 } Not retired
3. 16/02/19 - ~~₦~~80,000 – entertainment guest not indicated; logistic ~~₦~~52,500 not explained
4. 17/02/19 – ~~₦~~150,000 - entertainment – reasons/guests not indicated
5. 19/02/19 – ~~₦~~675,000 – cutting of trees not approved by F&GPC

**March 2019**

- 08/03/18 – ~~₦~~400,000 security; ~~₦~~227,000 logistics not explained
- 09/03/19 – Again imprest not retired;
- 17/03/19 – ~~₦~~80,000 entertainment - guest details not indicated
- logistics ~~₦~~52,000 not explained



24/03/19 – ~~N~~500,000 paid to P.A. to oversea for security

- a. No F&GPC approval
- b. No details

#### April 2019

1. 18/04/19 - ~~N~~400,000 security, logistics ~~N~~277,000 not explained
2. Imprest not retired
3. Again ~~N~~80,000 entertainment; guests not named ~~N~~52,000 logistics not approved

#### May 2019

1. 08/05/19 - Security ~~N~~400,000 no details, for logistic ~~N~~277,000
2. Imprest not retired
3. 19/05/19 – Again entertainment ~~N~~80,000
  - No details of guest; logistics ~~N~~52,500 not explained

#### June 2019

1. 01/06/19 – ~~N~~400,000 for security; ~~N~~277,000 not explained
2. 02/06/19 – Imprest not retired
3. Again ~~N~~80,000 for entertainment ~~N~~52,500 logistics; no guest; no details

#### July 2019

~~N~~500,000 – security; no details; no F&GPC

- Imprest not retired
- ~~N~~80,000 – entertainment no details attached
- ~~N~~1,500,000 – Security; no detail attached



### **August 2019**

- ~~N~~500,000 Security - No details
- Imprest not retired
- ~~N~~80,000 for entertainment, no detail
- ~~N~~280,000 – security not explained

### **September 2019**

- ~~N~~500,000 security; no details
- Imprest not retired
- N80,000 – entertainment not explained

### **October 2019**

- ~~N~~500,000 – Security
- ~~N~~284,000 - Security
- Imprest not retired
- ~~N~~80,000 – entertainment not explained

### **November 2019**

- Imprest not retired
- ~~N~~80,000 - entertainment; no details
- ~~N~~240,000 - Security not explained

### **December 2019**

~~N~~300,000 – security, no details

- Imprest not replenished
- ~~N~~120,000 - Security no detail