

**KEANA LOCAL GOVERNMENT EDUCATION
AUTHORITY, NASARAWA STATE**

**MANAGEMENT LETTER
ON THE AUDITED FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31st DECEMBER 2019**

**MARTINS KUTUS OLORUNTOBA & Co.
(Chartered Accountants)**



Reg. No. PL 16337

Martins Kutus Oloruntimehin & Co.

CHARTERED ACCOUNTANTS

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Our Ref: _____ Your Ref: _____ Date: _____

15 July 2021

The Executive Chairman,
Keana Local Government Council,
P.M.B 01,
Keana,
Nasarawa State,
Nigeria.

Dear Sir,

MANAGEMENT LETTER ON THE AUDITED FINANCIAL STATEMENTS OF KEANA LOCAL GOVERNMENT EDUCATION AUTHORITY FOR THE YEAR ENDED 31 DECEMBER 2019

1.0 INTRODUCTION

We have recently concluded the audit of the accounts of your Keana LGEA for the year ended 31 December 2019 and wish to bring to your attention certain issues that came to our notice in the course of the audit for which we would appreciate a written comment on the observations.

Normal audit procedures are designed to examine on a test basis evidences relevant to amounts and disclosures in financial statements. As such, while we have exercised due care in the design of these procedures, they may not necessarily disclose all weaknesses in internal control or accounting practice that a specialized review might disclose. It must be emphasized that weakness in the system of accounting and internal control may facilitate defalcations, which our normal audit test checks will not necessarily detect.

2.0 TRAINING FOR FINANCE STAFF

2.1 Observation

We observed that the finance Staff at the LGEA were not trained on the contemporary issues in accounting.

2.2 Control implication

This may lead to redundancy and obsolence of finance staff.

2.3 Recommendations

We recommend that management should train the finance staff in the contemporary accounting issue especially on the International Public Sector Accounting Standards (IPSAS) and the Treasury Single Accounts (TSA).

2.4 Management's response

3.0 BANK AND BANKING OPERATIONS

3.1 Observation

Bank reconciliation statement was not prepared in a standardized format during the year under review.

3.2 Control Implication

This is a breach in internal control as LGEA staff or Bank staff could take advantage of this at the detriment of the Board.

3.3 Recommendation

Management should ensure that bank reconciliation statements are prepared monthly in a standardized format and reviewed by a senior officer.

3.4 Management's response

4.0 GENERAL OBSERVATION

4.1 Observation

We observed that High bank charges in the year under review for instance Keana LGEA incurred ₦384,658 as bank charges during the year under review as recorded in it cash book.

4.2 Control Implication

This is a weakness in the internal control system of the LGEA.

4.3 Recommendations

Management should ensure that:

- i. Management should look into the issue of high cost of bank charges in Keana LGEA as compared with others.
- ii. The LGEA should improve in it record keeping, cash book should be properly handled and checked by a senior officer to mitigate errors and creative accounting.

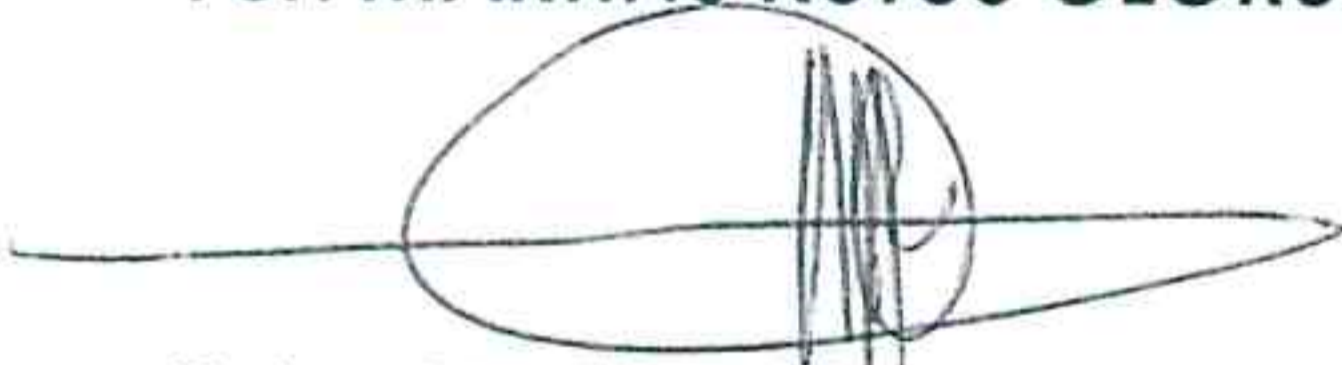
4.4 Management response

5.0 CONCLUSION

This report has been produced for the sole use of your Board. It must not be disclosed to a third party, quoted or referred to without our written consent. No responsibility is assumed by us to any other person. We look forward to receiving your comments stating the actions you intend to take in order to improve your record keeping and supervision of same. We wish to register our appreciation for the co-operation and assistance accorded our team during the audit. We thank you for the opportunity to be of service to you. Should you require any further Information/explanations, please do not hesitate to revert to us.

Sincerely,

For: MARTINS KUTUS OLORUNTOBA & Co.,

A handwritten signature in black ink, consisting of a large, stylized 'K' followed by several vertical lines, all enclosed within a horizontal oval shape.

**Kutus Martins Oloruntoba FCA
(Managing Partner)**