

**TOTO 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)**

**GADABUKE DEVELOPMENT AREA EDUCATION
AUTHORITY, NASARAWA STATE**

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

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



Martins Kutus Oloruntimehin & Co.

CHARTERED ACCOUNTANTS

Accounting, Auditing, Tax Management Consultants

Reg. No. PL 16337

39 Muritala Moh'd way 4th Floor Murtala House Jos.

08033536669, 08166208063, 07088422077 email: martinskutus2006@yahoo.co.uk

Our Ref: _____ Your Ref: _____ Date: _____

3 June 2021

The Executive Chairman,
Toto Local Government Council,
P.M.B 1001,
Toto,
Nasarawa State,
Nigeria.
Dear Sir,

**MANAGEMENT LETTER ON THE AUDITED FINANCIAL STATEMENTS OF
GADABUKE DEVELOPMENT AREA EDUCATION AUTHORITY FOR THE YEAR
ENDED 31 DECEMBER 2019**

1.0 INTRODUCTION

We have recently concluded the audit of the accounts of your Gadabuke DAEA 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 DAEA 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

No single bank reconciliation statement was prepared during the year under review.

3.2 Control Implication

This is a breach in internal control as DAEA 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 and reviewed by a senior officer.

3.4 Management's response

4.0 GENERAL OBSERVATIONS

4.1 Observations

We observed that:

- i. Deductions were made and remitted for NUT, LEA Gadabuke Staff Cooperative and Project Funds no schedule and supporting documents was made available to us to show the amount of loan taken, deductions made to date and the balance outstanding for each staff.
- ii. No fixed asset register was maintained by the DAEA in the year under review.

4.2 Control Implication

These are infractions on the internal control system of the DAEA.

4.3 Recommendation

Management should ensure that:

- i. All loan deductions are properly backed up by relevant schedule and remittances for loan, NUT deductions should be properly done and backed up with supporting documents.
- ii. All LGEA/DAEA should maintain asset register.

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.,



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

**UMAISHA DEVELOPMENT AREA EDUCATION
AUTHORITY, NASARAWA STATE**

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

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



Martin's Kutus Oloruntimeba & Co.

CHARTERED ACCOUNTANTS

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08033536669, 08166208063, 07088422077 email: martinskutus2006@yahoo.co.uk

Our Ref: _____ Your Ref: _____ Date: _____

3 June 2021

The Executive Chairman,
Toto Local Government Council,
P.M.B 1001,
Toto,
Nasarawa State,
Nigeria.
Dear Sir,

MANAGEMENT LETTER ON THE AUDITED FINANCIAL STATEMENTS OF UMAISHA DEVELOPMENT AREA EDUCATION AUTHORITY FOR THE YEAR ENDED 31 DECEMBER 2019

1.0 INTRODUCTION

We have recently concluded the audit of the accounts of your Umaisha DAEA 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 CASH PAYMENT OF SALARY

2.1 Observation

We observe during the audit that salaries were paid through cash/desk payment in Umaisha DAEA and also Mosque, AOPSHON and Project Fund deductions where made and remitted through cash of which no supporting document was sighted in the year under review.

2.2 Control implication

This may leads to misappropriation of funds and breach of internal control over cash.

2.3 Recommendation

Management should ensure that cash/ desk payment of salaries should be stopped going forward and all deductions should be remitted through the various bank account of the beneficiaries by issuing a mandate to the bank to effect payment.

2.4 Management's response

3.0 TRAINING FOR FINANCE STAFF

3.1 Observation

We observed that the finance staff at the DAEA were not trained on the contemporary issues in accounting.

3.2 Control implication

This may lead to redundancy and obsolence of finance staff.

3.3 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).

3.4 Management's response

4.0 GENERAL OBSERVATIONS

4.1 Observations

We observed that:

- i. Deductions were made and remitted for Mosque, AOPSHON and Project Funds no schedule and supporting documents was made available to us to show the total amount of deductions made for each staff.
- ii. No fixed asset register was maintained by the DAEA in the year under review.

4.2 Control Implication

These are infractions on the internal control system of the DAEA.

4.3 Recommendation

Management should ensure that:

- i. All deductions are properly backed up by relevant schedule and remittances for the deductions should be properly done and backed up with supporting documents (receipt).
- ii. All LGEA/DAEA should maintain asset register.

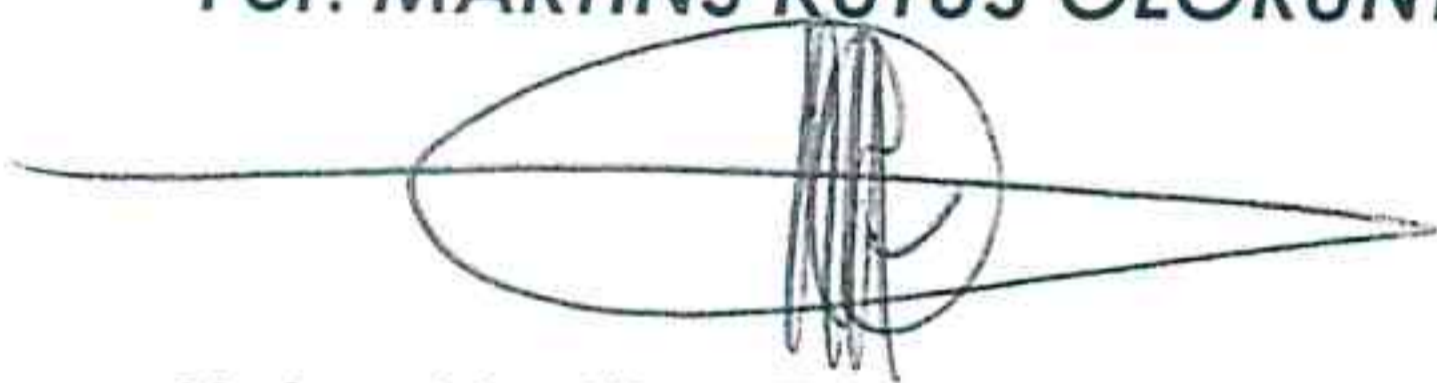
4.4 Management response

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, appearing to read 'Kutus Martins Oloruntoba', is written over a horizontal line. The signature is enclosed within a hand-drawn oval shape.

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