

**AFRICA CENTRE OF EXCELLENCE
CENTRE FOR PUBLIC HEALTH AND TOXICOLOGICAL
RESEARCH (PUTOR)**

UNIVERSITY OF PORT HARCOURT

**MANAGEMENT LETTER
FOR THE
YEAR ENDED 31ST DECEMBER, 2020**

**EDDY ETTE & CO.
(Chartered Accountants)**



TESTIMONY HOUSE
56 Enwe Street, Uyo
P. O. Box 1292, Uyo Tel/Fax: 084 557 848

EEC/PUTOR/2021.01

Monday, December 6, 2021

The Centre Leader
Africa Centre of Excellence
Centre For Public Health and Toxicological Research (PUTOR)
University of Port Harcourt
Choba

Dear Sir,

**MANAGEMENT LETTER ON THE FINANCIAL STATEMENTS OF AFRICA
CENTRE OF EXCELLENCE, CENTRE FOR PUBLIC HEALTH AND
TOXICOLOGICAL RESEARCH, UNIVERSITY OF PORT HARCOURT FOR THE
YEAR ENDED 31ST DECEMBER, 2020**

We are pleased to inform you that the audit of the accounts of Africa Centre of Excellence, Centre for Public Health and Toxicological Research (PUTOR), University of Port Harcourt for the year ended 31st December, 2020 has been concluded. It is therefore our pleasure to inform you of our observations during the audit, its effect on the Centre and our recommendations. Management is expected to comment on those observations as deemed necessary.

This report highlights only weaknesses observed in the internal control system during the audit. However, this report should not be relied upon to disclose all weaknesses in the system, which a more detailed investigation could reveal.

1. Internal Control System:

Internal control system refers to the whole system of controls financial and others, instituted by Africa Centre of Excellence, Center for Public Health and Toxicological Research (PUTOR), University of Port Harcourt, to safeguard its assets and secure as far as possible the reliability of its records.

Lack of controls and/or weaknesses in established controls could have serious financial implications on the Centre's operations and its financial statements.

1.1 Chart of Accounts

As previously highlighted in our reports, the chart of accounts at the time of audit was not detailed enough to accommodate all the financial transactions. Hence, expenses for which a suitable expenditure code did not exist were posted into the nearest expenditure code. For example, Printing of 2019 PUTOR annual report was posted to Telecom & Stationery.

Effect: A single code used for many transactions could cause confusion and could make financial analysis ineffective.

Recommendation: Chart of Accounts should be reviewed with the purpose of expanding it to accommodate variety of financial transactions of the Centre.

Management comments: Printing and stationery would be separated from Postages and Telecom.

2.0 Loans and Other advance

It was observed that the loans obtained from the College of Health Science, and the University of Port Harcourt remained unpaid in the period under review.

Effect: Long and un-serviced financial obligations may deter others from extending similar assistance to the Centre in future.

Recommendation: Management should consider the costs of long and un-serviced financial obligations in their financial planning. Efforts should be made to repay back loans collected by the Centre, even by installments to give assurance to future Lenders.

Management comments: These loans were obtained pending the receipt of World Bank funds. The procedures for refund are in progress since the first tranche of World bank funds were received this December.

3.0 Accounting Software

It was noted during the audit that the Centre was yet to computerize its accounting functions. Manual accounting system was used for processing financial information.

Effect: Manual processing of accounting information delays timely reporting of financial transactions, and may not be free from associated errors.

Recommendation: Management should consider computerizing the Centre's accounting processing system, by acquiring a tested and easy to use accounting software.

Management comments: The Centre is working seriously on getting the software.

4.0 Classification of Income

It was observed during the audit that income was not classified according to the various programs run by the Centre. For example, tuition fee from Post Graduate certificate, MSc and Ph.D. programs, etc.

Effect: Difficulty in ascertaining the amount realized from each of the programs run by the Centre, and makes financial analysis cumbersome.

Recommendation: The income of the Centre should be classified into their various sources and related programs.

Management comments: The software will accommodate the various classifications.

5. **Separation of Land from Building on Chart of Accounts**

It was observed that the value of land and buildings were merged as a single item in the Centre's chart of accounts.

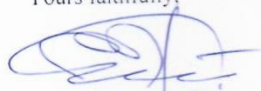
Effect: Inappropriate reporting. This is because land is not subject to depreciation, whereas buildings are. Therefore, merging the two could lead to depreciating land alongside buildings in the account thereby leading to understatement of assets.

Recommendation: Land should be separated from buildings in the chart of accounts.

Management comments: This will be separated as suggested.

Conclusion: We wish to express our gratitude to the leadership, management and staff of Africa Centre of Excellence, Centre for Public Health and Toxicological Research (PUTOR), University of Port Harcourt for the cooperation received during this audit. We like to indicate that this report is based only on the Internally Generated Revenue of the Centre as PUTOR was yet to receive funding from the World Bank for its activities, as at the time of our audit.

Yours faithfully,



For: EDDY ETTE & CO. (Chartered Accountants)

Uyo, Nigeria.

Engagement Partner: Ededet Ette