



NATIONAL ORIENTATION AGENCY
MANAGEMENT REPORT ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED

DECEMBER 31, 2018

JOINT AUDITORS TO THE AGENCY

OAK PROFESIONALS
(CHARTERED ACCOUNTANTS)

AGBO & ASSOCIATES
(CERTIFIED NATIONAL ACCOUNTANTS)

SIKIRU OLARIBIGBE & ASSOCIATES
(CERTIFIED NATIONAL ACCOUNTANTS)

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(Certified National Accountants)

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September 30, 2019

The Management
NATIONAL ORIENTATION AGENCY
Block B, Federal Secretariat
Area 1, Abuja

Dear Sirs,

MANAGEMENT LETTER ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2018.

We have completed the audit of National Orientation Agency (NOA) for the year ended 31st December, 2018 and have submitted to you our audit opinion on the Financial Statements. As part of our statutory requirement, we are now reporting to you, certain matters which came to our attention during the course of the audit.

The enclosed comments and recommendations serve as information to the benefit of Agency and the employees of the Agency. We are nonetheless aware of the fact that economic considerations may influence your implementing any of our recommendations.

All issues mentioned in this report relate only to those matters that we have found in the course of our audit or that were important for our audit, and about which we feel you should be informed. However, this report is not a comprehensive listing of our audit findings; specifically, we cannot be held responsible for not identifying all of the Institute's risks or all weaknesses of the internal control system.

This report was prepared for your exclusive use and may not be quoted either in whole or in part without our prior written consent. We do not accept any responsibility towards third parties, as this report was not prepared for any additional purpose.

We have discussed the issues mentioned with the persons involved and have integrated their response.

We would like to express our appreciation for the cooperation received from the management and staff of the Agency during the audit exercise. If there is any further clarification, which you may require in respect of this report, please do not hesitate to contact us.

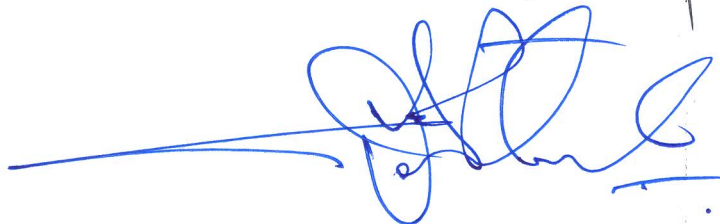
Yours truly,



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for: OAK PROFESSIONAL SERVICES



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for: AGBO & ASSOCIATE



.....
for: SIKIRU OLARIBIGBE & ASSOCIATES

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1.0 EXECUTIVE SUMMARY

Scope of the Audit

As Auditors of the Agency, we carried out the audit of the Agency's Financial Statements for the year ended 31st December, 2018 in accordance with the terms of our engagement.

During our audit, we examined the Agency's records and certain aspects of the Agency's accounting and internal control systems.

Overall assessment

On the basis of the audits that we performed, we hereby summarize our assessment as follows:

- We consider the control environment of the National Orientation Agency as requiring improvement in some areas.
- Material adjustments and reclassifications identified were discussed and agreed with Management
- We found no deviation to any accounting standards.

Details on findings and recommendations, as well as Management's response may be found in section 2.

Most pressing issues

The following summary shows which issues are the most pressing in our opinion.

- General Ledger not updated
- Adoption of International Public Sector Accounting Standards (IPSAS).

2.0 INTERNAL CONTROL ISSUES

The followings are internal control issues that were observed during our review of the accounting books and records of the Agency at its headquarters in Abuja and in respect of outstations not visited:

The issues identified have been ranked based on our assessment of the possible risk to the Agency. The ranking used is explained in the table below:

RISK	EXPLANATION
High	Issues which need to be addressed on an urgent basis
Medium	Issues which need to be addressed at the first available opportunity
Low	Issues which have impact on the operation but considered industry best practice if implemented

Observations

Observations	Priority	Responsible Officer	Page
Non-Adoption of International Public Sector Accounting Standards	Medium	The Director of Finance and Accounts	5
Need for Business Automation	Medium	The Director of Finance & Accounts	6
Inadequate Accounting Staff	Medium	The Director of Finance and Accounts	7
No Foreign and State Government Grant for the Year	Low	The Director of Finance and Accounts	8
Unsettled Payables	Medium	The Director, Procurement	9

DETAILED OBSERVATIONS AND RECOMMENDATIONS

1. NON-ADOPTION OF INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS		
Observation The Agency has not fully adopted International Public Sector Accounting Standards as required by the Accountant General and the IPSAS National Road Map.		Risk Rating Medium
Risk/Effect The Agency’s Financial Statement would not be fully reported in the required Accrual Method of Accounting and would not contain the elements of the Financial Statement as stipulated by IPSAS.	Recommendations i. The Agency should put necessary actions in place to ensure full compliance. ii. The Agency might consider procuring the services of an expert to convert its accounting processes and procedures to IPSAS.	
Management Response: Management is Already working on it.		
Responsible Officer The Director of Finance and Accounts	Deadline: Immediately	

2. NEED FOR BUSINESS AUTOMATION

The Agency is yet to adopt the implementation of Accounting Software in reporting and processing its Financial Data.	Risk Rating Medium
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Risks/Effects

The Agency relies partially on manual method of book keeping. This may give room for missing records, deliberate damage of records and poor disaster management planning process.

Recommendations

The Agency's accounting process should be fully automated to strengthen its internal control, accounting process and aid accurate, faster information processing and presentation.

Management Response:

The management has already commenced the work on this

Responsible Officer

The Director of Finance and Accounts

Deadline:

Immediately

3. INADEQUATE ACCOUNTING STAFF

It was noticed that there were few staff in the accounting department to perform accounting tasks.	Risk Rating Medium
Risks/Effects i. The work load of preparation and presentation would fall on few staffs of the department. ii. This may affect the effectiveness and efficiency of the existing staff.	Recommendation Technical capacity and numerical strength of the account department should be reviewed and strengthened (through outsourcing or in sourcing) towards meeting the expected standards in the maintenance of financial records of the Agency.
Management Response: <i>Actions has been taken and staffs has been transferred to the Department already.</i>	
Responsible Officer The Director of Finance and Accounts	Deadline: Immediately

4. NO FOREIGN AND STATE GOVERNMENT GRANT FOR THE YEAR	
There were no Grant from the State Governments or Foreign Partners either through the Headquarters or through the State Offices.	Risk Rating Low
Risks/Effects i. Reduction in fund inflow would limit the operations of the Agency.	Recommendation Management should intensify effort to attract fund from external sources to the Agency.
Management Response: <i>Most donors now execute their tasks by themselves while we supervise.</i>	
Responsible Officer Director, Special Duties/State Operations	Deadline: Immediately

5. UNSETTLED PAYABLES

Amount Payable remains ₦57,550,569.96 on Account. This amount was similar to previous year's balances.		Risk Rating Medium
Risk/Effect Where the Agency's debt remains unpaid, the reputation of the Agency might be at stake.	Recommendation The Agency should arrange to settle its debts.	
Management Response: As you observed on the Account Payables Ledger, payments were moving in the pace at which funds payments and budgets can accommodate.		
Responsible Officer Director, Procurement	Deadline: Immediately	

CONCLUSION

- We wish to express our appreciation to the management and staff of the Agency for their cooperation in the discharge of our duties.
- We shall be willing to give further information or explanation on the Financial Statements and the Management Report that you may require.