



**ANNUAL REPORT
OF THE
AUDITOR-GENERAL
FOR THE FEDERATION
ON THE ACCOUNTS OF THE
FEDERATION OF NIGERIA
FOR THE YEAR ENDED
31ST DECEMBER, 2008**

C/AR.2008/CONF.VOL.1/1

22nd Oct., 2009

The Clerk to National Assembly,
National Assembly Complex,
Maitama,
Abuja.

**SUBMISSION OF ANNUAL REPORT OF THE AUDITOR-GENERAL
FOR THE FEDERATION ON THE ACCOUNTS OF THE GOVERNMENT
OF THE FEDERATION OF NIGERIA FOR THE YEAR ENDED
31ST DECEMBER, 2008**

In accordance with Section 85(2) and (5) of the Constitution of the Federal Republic of Nigeria, 1999, I am pleased to submit to the National Assembly 2 (two) copies of my Annual Report on the Accounts of the Government of the Federation of Nigeria for the year ended 31st December, 2008.

Please, accept the assurance of my highest regards.

G. F. OGUNSINA
Ag. Auditor-General for the Federation

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- National Orthopaedic Hospital, Dala, Kano
- Rubber Research Institute of Nigeria, Iyanomo, Benin-city, Edo State
- Nigeria Export Promotion Council
- Federal Medical Centre, Nguru, Yobe State
- Nigeria Agricultural Insurance Corporation
- Auchi Polytechnic, Auchi, Edo State.

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- Nigeria civil Aviation Authority
- Central Bank of Nigeria
- Nigeria Social Insurance Trust Fund
- National Agency for Science And Engineering Infrastructure
- Corporate Affairs Commission
- Raw Materials Research and Development Council
- Federal Radio Safety Commission (FRSC)
- Security and Exchange Commission
- National Commission for Museum And Monuments
- Agricultural Research Council
- Joint Admission and Matriculation Board
- Petroleum Training Institute, Effurum
- Nigeria Postal Services
- Nigeria Customs Service
- National Population Commission, Asaba
- Nigeria Broadcasting Commission
- Alaba Integrated Tax Office
- Integrated Tax Office, Minna, Niger State
- Integrated Tax Office, Kaduna, Kaduna State
- Yaba Integrated Tax Office
- Agege Integrated Tax Office
- Victoria Island Integrated Tax Office
- Apapa Integrated Tax Office

► **ACKNOWLEDGEMENT**

13. SECTION 10: APPENDICES

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DECEMBER 2008)

- **“A” Loss Of Cash Of ₱10,000.00 And Above**
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- **2A – SCHEDULE OF UNCOLLECTED REVENUE
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FOR IN YEAR 2008.**

REPORT OF
THE AUDITOR-GENERAL FOR THE FEDERATION
ON THE ACCOUNTS OF THE
GOVERNMENT OF THE FEDERATION OF NIGERIA FOR THE
YEAR ENDED 31ST DECEMBER, 2008

The Accounts of the Government of the Federation of Nigeria for the year ended 31st December, 2008, have been examined in accordance with Section 85(2) and (4) of the Constitution of the Federal Republic of Nigeria, 1999.

Responsibility For The Financial Statements

In accordance with the provisions of the Finance Control and Management Act, Cap F26 LFN 2004, the Accountant-General of the Federation is responsible for the preparation of the Financial Statements of the Federal Government of Nigeria. The Accountant-General has thus prepared and submitted to me for audit, the Financial Statements as reproduced at section 2 of my Report, in accordance with Section 24 of the Finance Control and Management Act LFN 2004 and Section 85 (5) of the Constitution of the Federal Republic of Nigeria 1999.

Opinion

I have obtained all the information and explanations that I required and as a result of my audit, in my opinion, the accounting books and records were properly maintained so as to form the basis for the Statement of Assets and Liabilities, as at 31st December 2008 and the Consolidated Revenue Fund together with the supporting Statements for the year ended on that date. In my opinion the Financial Statements give a true and fair view of the state of affairs of the Government of the Federation as at 31st December, 2008 and of the financial transactions for the fiscal year ended on that date subject to the observations contained in my Domestic Report dated 22nd October, 2009.

G. F. OGUNSINA

Ag. Auditor-General for the Federation

Office of the Auditor-General for the Federation,
Plot 849, Koforidua Street,
Off Michael Okpara Way
Zone 2, Wuse,
P. M. B. 128,
Garki, Abuja,
Nigeria.

22nd October, 2009

SECTION 1

INTRODUCTION

1.0

INTRODUCTION

- 1.1** In accordance with Section 85(5) of the Constitution of the Federal Republic of Nigeria 1999, my Report on the audit of the Financial Statements of the Government of the Federation shall be submitted to the National Assembly within 90 days of the receipt of the Statements from the Accountant-General of the Federation. The Statements were submitted to me for audit by the Accountant-General on 17th June 2009 in accordance with Section 24 of the Finance (Control and Management) Act LFN 2004. My Report thereon was expected to be submitted by September 2009. However, the audited Statements to be endorsed by the Accountant-General of the Federation, and which will form a part of my Report, was re-submitted on October, 21st 2009.
- 1.2.** The Accounts of the Government of the Federation of Nigeria for the year ended 31st December 2008, have been examined under my direction in accordance with Section 85(2) and (4) of the Constitution of the Federal Republic of Nigeria 1999. The Accounts have been certified subject to the comments contained in this Report.
- 1.3** This Report has 9 other Sections after the Introduction; viz:-
- 1.4** **Section 2: Accountant-General's Financial Statements and Notes to the Account (Reproduced)**
- 1.5** **Section 3: Financial Statements**
- 1.6** This section contains observations made in the course of the audit of the Financial Statements of the Government of the Federation which were presented in four Statements, Nos 1-4 together with Notes and Schedules as reproduced in Section 2 of this Report.
- Section 4: Federation Account**
- 1.7** Section 162(1) of the Constitution of the Federal Republic of Nigeria provides that the "Federation shall maintain a special account to be called the 'Federation Account' into which shall be paid all revenues collected by the Government of the Federation, except the proceeds from the personal income tax of the personnel of the Armed Forces of the Federation, the Nigeria Police Force, the Ministry or Department of Government charged with responsibility of Foreign Affairs and the residents of the Federal Capital Territory, Abuja". The inflow into the Federation Account is shared monthly by the Federal, State and Local Governments. This section contains observations made in the course of the audit of this "Account".

Section 5: Losses of Cash, Stores, Plants, Vehicles and Equipment

1.8. This section deals with observations on losses of cash, stores etc arising from theft, fraud, negligence, death of government debtors, inadequate security and non-observance of existing regulations.

1.9 This Report covers the following Ministries, Departments and Agencies (MDAs):-

- i. National Identity Management Commission
- ii. '3' Squadron, Police Mobile Force, Enugu
- iii. Divisional Police Office, Ondo
- iv. The Nigeria Police, Abakpa, Nike Division
- v. Uwani Division
Uyo Police Command.

1.10 Section 6: Ministries, Departments and Agencies

1.11 This Section contains observations raised on the Accounts and Records of the underlisted Ministries, Departments and Agencies:-

- i. Federal Ministry of Agriculture and Water Resources
- ii. Federal Civil Service Commission
- iii. Federal Ministry of Culture, Tourism and National Orientation
- ii. Ministry of Defence
 - ♦ Nigeria Army
 - ♦ Nigeria Navy
 - ♦ Nigeria Air Force
- iii. Federal Ministry of Education
- v. Federal Ministry of Works, Housing And Urban Development
- vi. Federal Capital Territory Administration
 - ♦ Abuja Municipal Area council
 - ♦ Kuje Area council
 - ♦ Bwari Area Council
 - ♦ Gwagwalada Area Council
- vii. Federal Ministry of Finance
- viii. Office of the Accountant-General of the Federation
 - ♦ Federal Pay Office, Akure
- ix. Budget Office of the Federation
- x. Federal Ministry of Health
- xi. Ministry of Information and Communication
 - ♦ Nigeria Postal Service
- xi. Federal Ministry of Interior
 - ♦ Nigeria Immigration Service
 - ♦ Nigeria Prison Service
 - ♦ Customs, Immigration and Prison Pension Office (CIPPO)

- ♦ Nigeria Security And Civil Defence Corps
- xii. Judiciary:-
 - ♦ Federal Ministry of Justice
 - ♦ Federal Judicial Service Commission
 - ♦ National Judicial Council
 - ♦ Supreme Court of Nigeria
 - ♦ High court of Justice
 - ♦ Customary Court of Appeal
 - ♦ Court of Appeal
- xiii. Ministry of Mines and Steel Development
- xiv. Ministry of Police Affairs
- xv. Police Service Commission
- xvi. Nigeria Police Force
- xvii. National Bureau of Statistics
- xviii The Presidency:-
 - ♦ State House
 - ♦ Office of the Secretary to the Government of the Federation
 - ♦ Office of the Head of the Civil Service of the Federation
 - ♦ National Poverty Eradication Programme (NAPEP)
 - ♦ National Identity Management Commission
 - ♦ National Emergency Management Agency
 - ♦ Code of Conduct Bureau
 - ♦ Federal Government Staff Housing Loans Board
- xix Federal Ministry of Petroleum Resources
- xx. Public Complaints Commission
- xxi. Ministry of Science and Technology
- xxii. Federal Ministry of Transport
- xxiii. Federal Ministry of Aviation
- xxiv. Federal Road Safety Commission
- xxv. Federal Ministry of Women Affairs & Social Development

1.12 Section 7: Performance (Value-For-Money) Audit

1.13 This Section contains observations arising from the audit of various government programmes and projects. The overall audit objectives of Value-For-Money Audit are to evaluate the legality, economy, efficiency and effectiveness with which Government Agencies carry out their financial, management and programme responsibilities, to assist the officials of the Agency in carrying out their responsibilities by providing them with objective and timely information on how they can achieve better improvement in programmed activities. The Agencies covered in this section are:-

- i. University of Nigeria Teaching Hospital, Ituku – Ozalla, Enugu
- ii. Ahmadu Bello University Teaching Hospital, Zaria
- iii. National Orthopaedic Hospital, Enugu
- iv. University of Jos

- v. Nigeria College of Aviation Technology, Zaria
- vi. Federal Road Maintenance Agency (FERMA)
- vii. Abaji Area Council, Abuja
- viii. Kwali Area Council, Abuja
- ix. National Industrial Court
- x. National Inland Waterways Authority, Lokoja
- xi. Pharmaceutical Research and Development, Idu, Abuja
- xii. Cross River Basin Development Authority, Calabar
- xiii. Federal Medical Centre, Owerri
- xiv. Federal Ministry of Water Resources, Abuja
- xv. University of Agriculture, Umudike
- xvi. Ministry of Foreign Affairs
- xvii. Overseas Mission
 - ♦ Iran (Tehran)
 - ♦ Germany (Bonn)
 - ♦ Turkey (Ankara)
 - ♦ Italy (Rome)
 - ♦ Belgium (Brussels)
 - ♦ USA (Atlanta Georgia)
 - ♦ USA (Washington, D.C).
 - ♦ Saudi Arabia (Riyadh)

1.14 Section 8: Periodic Checks of Extra-Ministerial Department

1.15 This Section contains observations arising from the audit of various bodies in accordance with Section 85 (4) of the 1999 Constitution of the Federal Republic of Nigeria. The Report covers the following government statutory Corporations, Commissions, Authorities and Agencies, including all persons and bodies established by an Act of the National Assembly.

- i. Federal Road Maintenance Agency (FERMA)
- ii. National Health Insurance Scheme
- iii. Galaxy Backbone Plc
- iv. Lagos University Teaching Hospital
- v. University of Port-Harcourt
- vi. University of Benin, Benin-city
- vii. University of Jos
- viii. Abubakar Tafawa Balewa University, Bauchi
- ix. National Orthopaedic Hospital, Igbobi, Lagos
- x. National Orthopaedic Hospital, Enugu
- xi. National Orthopaedic Hospital, Dala, Kano
- xii. Rubber Research Institute of Nigeria, Iyanomo, Benin city, Edo State
- xiii. Nigeria Export Promotion Council
- xiv. Federal Medical Centre, Nguru, Yobe State
- xv. Nigeria Agricultural Insurance Corporation
- xvi. Auchi Polytechnic, Auchi, Edo State

1.16 Section 9: Revenue Audit:

1.17 This Section contains observations arising from the audit of main Government Revenue Collecting Agencies. The audit objectives are to ensure that there is timely collection of revenue to the Government and the amounts due are actually accounted for in accordance with Chapter 3 of the Financial Regulations. The Report covers the following Agencies:-

- i. Nigeria Civil Aviation Authority
- ii. Central Bank of Nigeria
- iii. Nigeria Social Insurance Trust Fund
- iv. National Agency for Science and Engineering Infrastructure
- v. Corporate Affairs Commission
- vi. Raw Materials Research and Development Council
- vii. Federal Radio Corporation of Nigeria
- viii. Federal Road Safety Commission (FRSC)
- ix. National Commission for Museum and Monuments
- x. Agricultural Research Council
- xi. Joint Admission and Matriculation Board
- xii. Petroleum Training Institute, Effurum
- xiii. Nigeria Postal Service
- xiv. Nigeria Customs Service
- xv. National Population Commission, Asaba
- xvi. Nigeria Broadcasting Commission
- xvii. Alaba Integrated Tax Office
- xviii. Integrated Tax Office, Minna, Niger State
- xix. Integrated Tax Office, Kaduna, Kaduna State
- xx. Yaba Integrated Tax Office
- xxi. Agege Integrated Tax Office
- xxii. Victoria Island Integrated Tax Office
- xxiii. Apapa Integrated Tax Office

1.18 Section 10: Appendices

- i. 1A - Losses of Government Funds Arising from Fraud, Theft or Negligence (January – December, 2008)
- ii. "A"- Loss of Cash of ₦10,000.00 and Above
- iii. "B" – Losses of Stores, Plant, Vehicles and Equipment valued at ₦10,000.00 and above.
- iv. 2A - Schedule of Uncollected Revenue by the Federal Inland Revenue Service in year 2008.
- v. 2B – Schedule of Revenue Unaccounted for in year 2008

SECTION 2

ACCOUNTANT- GENERAL'S FINANCIAL STATEMENTS AND NOTES TO THE ACCOUNT (REPRODUCED)

FINANCIAL STATEMENTS 2008

Responsibility for the Financial Statements

These Financial Statements have been prepared in accordance with the provisions of the Finance (Control and Management) Act CAP F26 LFN 2004. The statements comply with Generally Accepted Accounting Practice.

To fulfill Accounting and Reporting responsibilities, the Accountant-General is responsible for establishing and maintaining an adequate system of internal controls designed to provide reasonable assurance that the transactions recorded are within statutory authority and properly record the use of all Public Financial resources by the Government.

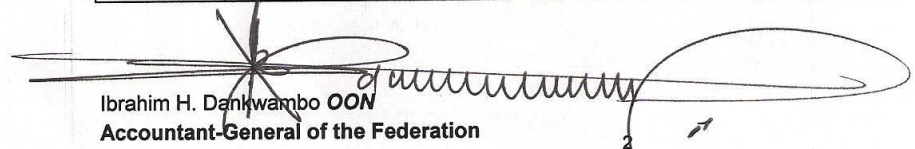
Responsibility for the integrity and objectivity of the Financial Statement rest entirely with the Government. Therefore these Financial Statements reflect the financial position of Government as at 31st December, 2008 and its operations for the year ended to that date.



Ibrahim H. Dankwambo FCA, OON
Accountant-General of the Federation

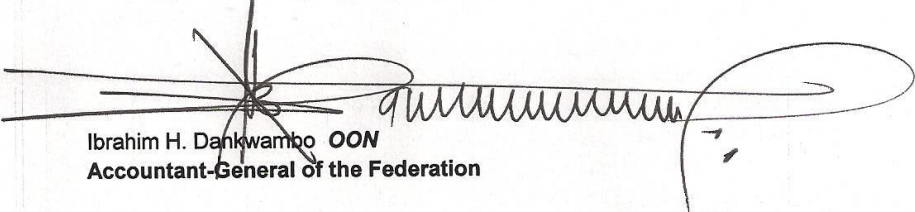
STATEMENT NO. 1**FEDERAL GOVERNMENT OF NIGERIA****CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2008**

	CURRENT YEAR 2008	PREVIOUS YEAR 2007
	N	N
CashFlows from Operating Activities:		
Receipts:		
Statutory Allocations:	2,153,623,636,535.00	1,586,431,283,404.73
Statutory Allocations:Other Agencies	58,219,038,859.62	58,725,657,428.59
Value Added Tax Allocation	54,368,540,572.28	40,549,774,977.57
Direct Taxes:	14,137,179,823.99	67,704,582.89
Licences and Internal Revenue:	201,304,642.23	345,701,525.15
Mining:	170,118,627.33	230,683,046.12
Fees:	4,503,158,448.46	4,910,370,499.96
Earnings and Sales:	33,573,886,692.57	1,050,869,175.84
Rent on Government Property:	594,751,495.66	1,033,155,539.78
Interest and Repayment-General:	217,507,869.41	140,007,211,681.26
Re-Imbursement:	105,069,883.21	99,343,446.10
Miscellaneous:	67,228,972,842.89	5,673,135,885.54
Total Receipts:-	2,386,943,166,292.65	1,839,124,891,193.53
Payments:		
Personnel Costs:	392,993,128,817.33	269,011,239,112.95
Federal Govt Contribution to Pension:	75,670,991,495.00	36,732,436,476.53
Overhead Charges:	257,729,949,935.80	198,840,055,107.27
Consolidated Revenue Fund Charges:	593,673,418,289.35	510,358,713,345.98
Subvention to Parastatals:	451,276,623,722.14	421,978,942,171.24
Total Payments:-	1,771,344,112,259.62	1,436,921,386,213.97
Net Cash Flow from Operating Activities:	615,599,054,033.03	402,203,504,979.56
CashFlows from Investment Activities:		
Purchase/Construction of Assets:	1,022,363,194,205.06	797,779,781,438.95
Net Cash Flow from Investment Activities:	-1,022,363,194,205.06	-797,779,781,438.95
CashFlows from Financing Activities:		
Proceeds from Loan & Other Borrowings(NTB):	1,036,971,333,034.32	1,479,864,777,926.47
Internal Loans:- Net of Adjustments	80,804,403,761.81	170,092,154,383.56
Repayment of Loans(NTB):	1,134,995,890,539.61	1,480,652,995,000.00
Net Cash Flow from Financing Activities:	-17,220,153,743.48	169,303,937,310.03
Net Increase/(Decrease) in Below-the-Line items:	-728,128,287,354.20	-137,345,640,539.58
Net Increase/Decrease in Cash & Its Equivalent:	304,143,993,438.69	-88,926,698,609.78
Cash & Its Equivalent as at 1st January, 2008	84,514,587,901.68	173,441,286,511.46
Cash & Its Equivalent as at 31st December, 2008	388,658,581,340.37	84,514,587,901.68


 Ibrahim H. Dankwambo OON
 Accountant-General of the Federation

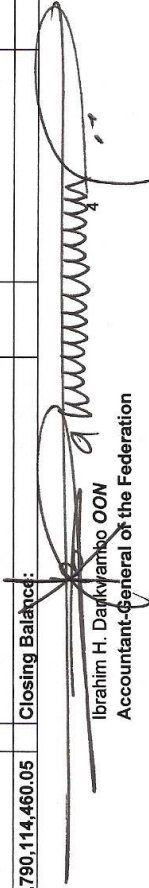
STATEMENT NO. 2
FEDERAL GOVERNMENT OF NIGERIA
STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST DECEMBER, 2008

	NOTES	CURRENT YEAR 2008	PREVIOUS YEAR 2007
		N	N
ASSETS:-			
Liquid Assets:-			
Cash Held by AGF:			
-CRF Balance:		-45,683,966,196.27	-3,769,936,474.54
-Pension Account:		55,245,482.40	55,245,482.40
-Other Funds:	2	308,443,607,602.30	2,121,648,478.37
-Federal Pay Offices:	3	60,574,584.01	47,598,901.74
Cash Held by Ministries:-	4	125,783,119,867.93	65,656,459,494.92
Remittances:-		0.00	441,822,465,755.04
Imprests:-	5	-69,694,588.73	-151,552,263.09
Cash -in - Transit:-		0.00	20,403,572,018.79
Investments:			
Federal Government Investments (MOFI)	6	297,529,256,094.32	
Advances:-	7	40,454,334,493.53	22,642,321,869.32
Treasury Clearance Accounts:-		0.00	2,190,597,780.74
Revolving Loans:-	8	9,057,565,815.98	5,340,207,145.64
TOTAL ASSETS		735,630,043,155.47	556,358,628,189.33
LIABILITIES:-			
Consolidated Revenue Fund:		-20,221,064,473.01	516,790,114,460.05
Capital Development Fund:		-2,282,225,432,047.50	36,997,864,659.68
Other Public Funds:		308,443,607,602.30	2,121,648,478.37
Police Reward Fund:		306,091,743.93	306,091,743.93
External Loans	9	269,342,270,982.08	
Internal Loans	10	2,459,917,166,836.97	
Development Loan Stock	11	520,000,000.00	
Other Liabilities:-			
Deposits:-	12	-452,597,489.30	142,908,847.30
TOTAL LIABILITIES		735,630,043,155.47	556,358,628,189.33


Ibrahim H. Dankwambo OON
Accountant-General of the Federation

STATEMENT NO. 3
FEDERAL GOVERNMENT OF NIGERIA
STATEMENT OF CONSOLIDATED REVENUE FUND
FOR THE YEAR ENDED 31ST DECEMBER, 2008

ACTUAL PREVIOUS YEAR(2007)		NOTES	BUDGET CURRENT YEAR(2008)	ACTUAL CURRENT YEAR(2008)	VARIANCE
			N	N	%
735,301,146,830.23	Opening Balance:			516,790,114,460.05	
	ADD: REVENUE				
1,586,431,283,404.73	Statutory Allocations:FAAC		2,085,420,000,000.00	2,153,623,636,535.00	103.27
58,725,657,428.59	FAAC Alloc to FIRS/CUSTOMS		49,400,000,000.00	58,219,038,859.62	117.85
40,549,774,977.57	Value Added Tax Allocation		43,410,000,000.00	54,368,540,572.28	125.24
67,704,582.89	Direct Taxes		14,325,886,527.08	14,137,179,823.99	98.68
345,701,525.15	Licences and Internal Revenue:		1,434,100,007.16	201,304,642.23	14.04
230,683,046.12	Mining:		2,838,271,665.40	170,118,627.33	5.99
4,910,370,499.96	Fees:		23,420,164,085.10	4,503,158,448.46	19.23
1,050,869,175.84	Earnings and Sales:		4,526,725,871.26	33,573,886,692.57	741.68
1,033,155,539.78	Rent on Government Property:		4,014,127,415.33	594,751,495.66	14.82
140,007,211,681.26	Interest and Repayment:General:		116,879,439,968.27	217,507,869.41	0.19
99,343,446.10	Re-imbusement		13,161,258,340.98	105,069,883.21	0.80
5,673,135,885.54	Miscellaneous:		55,780,026,119.41	67,228,972,842.89	120.53
1,839,124,891,193.53	TOTAL REVENUE:		2,414,610,000,000.00	2,386,943,166,292.65	98.85
	LESS:EXPENDITURE				
269,011,239,112.95	Personnel Costs:	13	467,366,167,972.00	392,993,128,817.33	84.09
36,732,436,476.53	Federal Govt Contribution to Pension:		100,185,000,000.00	75,670,991,495.00	75.53
198,840,055,107.27	Overhead Charges:	14	293,977,063,736.00	257,729,949,935.80	87.67
510,358,713,345.98	Consolidated Revenue Fund Charges:	15	587,952,471,980.00	593,673,418,289.35	100.97
421,978,942,171.24	Subvention to Parastatals:	16	511,068,111,150.00	451,276,623,722.14	88.30
1,436,921,386,213.97	TOTAL EXPENDITURE:		1,960,548,814,838.00	1,771,344,112,259.62	90.35
	OPERATING BALANCE:		454,061,185,162.00	1,132,389,168,493.08	249.39
	APPROPRIATIONS/TRANSFERS:				
620,714,537,349.74	Transfer to Capital Development Fund:		1,504,575,170,820.00	1,098,250,644,385.64	72.99
	Loan Repayment:	17	172,200,000,000.00	54,359,588,580.45	31.57
516,790,114,460.05	Closing Balance:			-20,221,064,473.01	

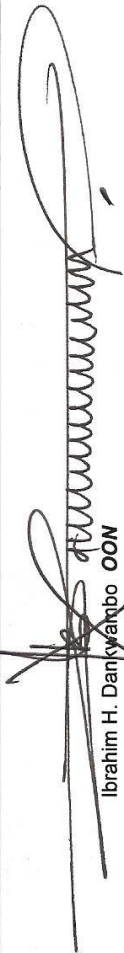

 Ibrahim H. Darkwambo OON
 Accountant-General of the Federation

FOR THE YEAR ENDED 31ST DECEMBER, 2008

[illegible]

3,128,921,251.59	CULTURE & TOURISM		6,525,789,922.00	4,441,063,200.51	68.05
52,636,014,817.40	CAPITAL SUPPLEMENTATION	20	329,869,085,855.20	329,854,888,925.54	100.00
	Social Service Sector:				
306,889,057.74	NAPEP		1,500,000,000.00	500,259,166.00	33.35
1,710,389,900.21	WOMEN AFFAIRS		1,323,194,479.00	507,679,638.59	38.37
28,572,082,093.26	EDUCATION		52,325,688,192.00	50,813,581,692.02	97.11
43,699,300,000.00	UNIVERSAL BASIC EDUCATION	21	44,000,000,000.00	44,000,000,000.00	100.00
50,979,061,148.74	HEALTH		55,204,574,952.00	41,972,591,879.71	76.03
985,108,286.41	LABOUR AND PRODUCTIVITY		1,922,448,000.00	1,706,704,678.51	88.78
466,156,085.49	NATIONAL SPORTS COMMISSION		4,401,383,294.00	180,178,791.30	4.09
4,884,654,088.66	HOUSING & URBAN DEVELOPMENT		9,773,673,913.00	8,433,847,805.03	86.29
	Law and Justice:				
14,593,062,443.87	POLICE AFFAIRS/POLICE FORCE		681,320,000.00	680,016,708.84	99.81
37,179,520.83	POLICE FORMATION & COMMAND		16,245,716,703.00	16,244,177,995.65	99.99
2,937,711,384.42	NATIONAL JUDICIAL COUNCIL		5,200,000,000.00	3,158,473,918.99	60.74
1,122,073,085.52	SUPREME COURT OF NIGERIA		3,818,000,000.00	964,711,736.34	25.27
4,397,576,431.37	COURT OF APPEAL, ABUJA		6,609,000,000.00	3,167,032,515.06	47.92
4,421,548,428.08	FEDERAL HIGH COURT-LAGOS		6,376,190,185.00	5,321,453,642.47	83.46
3,254,013,313.59	FCT. HIGH COURT OF JUSTICE, ABUJA		4,060,000,000.00	4,053,528,527.11	99.84
365,874,841.14	SHARIA COURT OF APPEAL, ABUJA		1,541,121,600.00	1,541,063,345.74	100.00
830,051,480.52	CUSTOMARY COURT OF APPEAL, ABUJA		3,010,160,000.00	1,795,767,508.49	59.66
4,861,482,595.18	NATIONAL INDUSTRIAL COURT		4,723,900,000.00	4,723,850,463.71	100.00
976,941,129.57	NATIONAL JUDICIAL INSTITUTE		1,800,000,000.00	1,659,055,537.98	92.17
757,166,234.21	FCT. JUDICIAL SERVICE COMMITTEE		1,577,100,000.00	1,577,047,774.11	100.00
764,223,918.74	FEDERAL JUDICIAL SERVICE COMMISSION		2,428,847,498.00	1,212,813,276.58	49.93
5,593,478,001.96	INTERNAL AFFAIRS		23,818,180,842.00	10,131,969,186.70	42.54
109,446,248.44	NATIONAL HUMAN RIGHTS COMMISSION		97,010,000.00	97,000,100.10	99.99
1,235,945,127.58	JUSITICE		2,282,084,262.00	1,268,563,196.43	55.59

Regional Development						
	Niger Delta Development Commission		21	40,570,000,000.00	40,570,000,000.00	100.00
	Administrative Sector:					
38,618,443,095.29	PRESIDENCY			64,021,248,006.00	62,063,551,064.04	96.94
2,242,358,746.18	NATIONAL ASSEMBLY OFFICE			1,300,000,000.00	1,269,579,736.80	97.66
3,185,018,833.58	SENATE			5,700,000,000.00	5,698,866,012.82	99.98
3,196,365,918.36	HOUSE OF REPRESENTATIVES			9,000,000,000.00	8,827,166,675.97	98.08
109,062,806.09	NATIONAL ASSEMBLY SERVICE COMMISSION			297,453,761.00	121,332,220.44	40.79
790,943,917.38	YOUTH DEVELOPMENT (INTERGOVT. AFFAIRS)			7,242,084,936.00	5,738,923,062.09	79.24
739,192,593.78	AUDITOR-GENERAL FOR THE FED.			1,800,000,000.00	334,000,008.00	18.56
25,930,542,674.40	DEFENCE/MOD/ARMY/AIRFORCE/NAVY			37,464,075,290.00	29,625,837,299.49	79.08
4,739,878,978.10	NATIONAL POPULATION COMMISSION			1,181,139,082.00	1,115,003,840.00	94.40
90,016,648,119.20	FEDERAL CAPITAL TERRITORY			50,858,110,000.00	35,758,823,116.51	70.31
6,242,588,499.76	FOREIGN AFFAIRS			7,759,534,795.00	1,385,725,372.49	17.86
1,110,564,692.53	FOREIGN AFFAIRS- OVERSEAS MISSIONS			1,388,465,205.00	1,086,648,632.52	78.26
3,051,518,284.93	INFORMATION & COMMUNICATION			5,055,020,000.00	5,049,889,969.57	99.90
4,154,892,223.55	OFFICE OF THE HEAD OF SERVICE OF FED			3,334,469,600.00	3,334,359,363.49	100.00
93,554,750.17	PUBLIC COMPLAINTS COMMISSION			0.00	0.00	0.00
55,112,313.00	FEDERAL CIVIL SERVICE COMMISSION			100,000,000.00	33,439,350.00	33.44
79,268,769.03	NATIONAL SALARIES AND WAGES COMM			131,015,369.00	129,468,498.50	98.82
146,128,314.20	FEDERAL CHARACTER COMMISSION			589,800,704.00	589,711,409.73	99.98
0.00	INDEPENDENT NATION ELECTORAL COMMISSION			1,392,936,000.00	1,044,702,000.00	75.00
638,037,681.80	REV MOB FISCAL & ALLOCATION COMM			500,000,000.00	499,266,278.96	99.85
35,000.00	CODE OF CONDUCT BUREAU			1,200,452,176.00	191,884,430.30	15.98
797,779,781,438.95	TOTAL EXPENDITURE:			1,273,454,256,675.20	1,022,363,194,205.06	80.28
	ADJUSTMENTS FOR PUBLIC DEBTS TRANSFERRED					
	TO ASSETS AND LIABILITIES ACCOUNTS		22		2,432,250,181,724.73	
36,997,864,659.68	CLOSING BALANCE:				-2,282,225,432,047.50	



Ibrahim H. Dankwambo OON
Accountant-General of the Federation

FINANCIAL STATEMENTS 2008

NOTE 1

Accounting Policies

(a) Basis of Accounting of the Financial Statements

The Financial Statements are presented in accordance with the Cash basis of Accounting. Expenditures incurred but not paid for, as well as Revenues due but not received, are not adjusted for in the Financial Statements.

(b) Compliance with relevant statutes

The Financial Statements presented comply with the provisions of the Constitution of the Federal Republic of Nigeria 1999, the Finance (Control) and Management Act CAP F26 LFN 2004, the Financial Regulations (2000) and the Standardized Reporting format as approved by the Federation Accounts Allocation Committee of the Federal Republic of Nigeria and other relevant rules and Regulations.

(c) Foreign Currencies

Assets denominated in foreign currencies are translated at the end of year ruling exchange rate of the Naira.

(d) Assets and liabilities

These are stated at their book values

NOTE 2**OFFICE OF THE ACCOUNTANT GENERAL OF THE FEDERATION****OTHER FUNDS POSITION AS AT 31ST DECEMBER, 2008**

S/NO.	SUPERVISING MINISTRY OR OFFICE	DESCRIPTION	CLOSING BOOK BALANCE AS AT 31ST DEC, 2008 N	CLOSING BOOK BALANCE AS AT 31ST DEC, 2007 N
1	Min. of Housing	Prototype Housing Units	67,821,110.00	67,821,110.00
2	Fed. Staff Hou. Loan Board	Staff Housing Loan Scheme	679,351,079.65	68,848,250.37
3	NIPOST	Post Office Saving Bank	0.00	0.00
4	MOFI (OAGF)	10% Cocoa Levy	0.00	1,984,979,118.00
5	Pet. Technology Dev. Fund (PTDF)	Pet. Technology Dev. Fund (PTDF)	0.00	0.00
6	FUNDS (OAGF)	1.00% Ecological Fund	47,825,615,257.44	
7	SUGAR DEV. COUNCIL	5 % Sugar Development Levy	6,045,680,986.47	
8	FUNDS (OAGF)	0.50% Stabilisation Fund	59,335,829,433.25	
9	FUNDS (OAGF)	1.68% Dev. of Natural Resources	110,478,622,893.71	
10	FUNDS (OAGF)	10% Rice Levy	11,004,164,736.26	
11	FUNDS	7% Port Levy	17,662,263,676.12	
12	FUNDS	2% Nat. Automotive Council Levy	292,992,197.94	
13	FUNDS	ECOWAS Levy	5,336,106,470.62	
14	FUNDS	CISS Levy	40,497,215,285.51	
15	FUNDS	NESS Levy	2,043,093,534.71	
16	FUNDS	STEEL Levy	290,776,968.84	
17	FUNDS	CIGARETTE Levy	3,961,658,774.80	
18	NAPEP	NAPEP FUNDS	2,922,415,196.98	
	TOTAL		308,443,607,602.30	2,121,648,478.37

NOTE 3

LIST OF CLOSING CASH BOOK BALANCE

OF FEDERAL PAY OFFICES AS AT 31ST DECEMBER, 2008

S/N	FEDERAL PAY OFFICE	CLOSING BALANCE 2008 ₦	CLOSING BALANCE 2007 ₦
1	STF (FPO ACCOUNTS) ABUJA	0.00	0.00
2	FPO ABAKALIKI	0.00	2,412.50
3	FPO AWKA	0.00	45,592.23
4	FPO CALABAR	0.00	0.00
5	FPO ENUGU	1,319,579.80	0.00
6	FPO LAFIA	41,244.97	40,914.43
7	FPO MAKURDI	0.00	0.00
8	FPO OWERRI	0.00	0.00
9	FPO PORT HARCOURT	0.00	0.00
10	FPO UMUAHIA	3,043,013.06	2,336,290.12
11	FPO UYO	13,325,360.34	0.00
12	FPO YENEGOA	14,257,829.74	15,324,844.93
13	FPO BAUCHI	4,000.00	0.00
14	FPO BIRNIN-KEBBI	106,184.92	47,967.39
15	FPO DAMATURU	-0.00	0.00
16	FPO DUTSE	0.00	0.00
17	FPO GOMBE	0.00	0.00
18	FPO GUSAU	12,000.00	0.00
19	FPO JALINGO	0.00	0.00
20	FPO JOS	0.00	151,240.92
21	FPO KADUNA	0.00	702,604.63
22	FPO KANO	0.00	0.00
23	FPO KATSINA	-0.00	0.00
24	FPO MAIDUGURI	0.00	0.00
25	FPO MINNA	0.00	0.00
26	FPO YOLA	0.00	0.00
27	FPO SOKOTO	700.00	0.00
28	FPO ABEOKUTA	-0.00	0.00
29	FPO ADO-EKITI	0.00	0.00
30	FPO ASABA	0.00	752,737.52
31	FPO AKURE	502,101.12	501,856.12
32	FPO BENIN	7,997,441.12	8,548,192.65
33	FPO IBADAN	1,455,737.98	16,436,739.16
34	FPO ILORIN	0.00	0.00
35	FPO LAGOS I	7,669,885.00	611,641.84
36	FPO LAGOS II	10,791,666.67	2,091,232.35
37	FPO LOKOJA	14,800.00	0.00
38	FPO OSHOGBO	33,039.29	4,634.95
	TOTAL CASH HELD BY FPOs:-	60,574,584.01	47,598,901.74

NOTE 4
LIST OF CLOSING CASH BOOK BALANCE
OF MINISTRIES AS AT 31ST DECEMBER, 2008

<u>MDAs</u>	CLOSING BALANCE 2008 ₦	CLOSING BALANCE 2007 ₦
STATE HOUSE	987,907.51	987,894.41
NATIONAL BOUNDARY COMMISSION	0.00	479,102,274.92
SECRETARY TO GOVERNMENT OF THE FEDERATION	1,612,869,079.41	0.00
NATIONAL PLANNING COMMISSION	0.00	122,828.83
FEDERAL OFFICE OF STATISTICS	0.00	-25,337,979.25
NATIONAL POVERTY ERADICATION PROGRAMME	1,213,567,984.21	1,695,743,556.69
CODE OF CONDUCT TRIBUNAL	0.00	0.00
OFFICE OF NATIONAL SECURITY ADVISER		
NATIONAL ASSEMBLY- MANAGEMENT	33,994,977.62	50,000.00
NASS- SENATE	708,369,076.61	110,734,323.40
NASS- HOUSE OF REPRESENTATIVES	2,040,642,804.40	875,560,121.42
NATIONAL ASSEMBLY SERVICE COMMISSION	0.00	484,720,663.36
FEDERAL MINISTRY OF INTER-GOV' TAL AFFAIRS	972,766,295.90	41,381.14
FEDERAL MINISTRY OF POLICE AFFAIRS	174,887,669.89	51.30
POLICE FORMATION AND COMMAND	4,947,674.15	72,216.35
POLICE SERVICE COMMISSION	0.00	0.00
POLICE PENSION OFFICE	6,351,708,386.49	2,823,679,186.74
FEDERAL MINISTRY OF WOMEN AFFAIRS	683,621,997.59	5,019,501.24
NATIONAL CENTRE FOR WOMEN DEVELOPMENT	0.00	0.00
FEDERAL MINISTRY OF AGRIC & RURAL DEV	17,269,913,815.67	7,160,785,734.24
OFFICE OF THE AUDITOR-GENERAL OF FED.	0.00	26,338.40
NATIONAL JUDICIAL COUNCIL	5,326,386.33	2,350,773.53
SUPREME COURT OF NIGERIA	1,237,445,352.74	0.00
COURT OF APPEAL, ABUJA	442,626,980.35	465,961,194.44
FEDERAL HIGH COURT-LAGOS	0.00	0.00
FCT. HIGH COURT OF JUSTICE, ABUJA	0.00	0.00
SHARIA COURT OF APPEAL, ABUJA	645,357,541.94	409,400,396.30
CUSTOMARY COURT OF APPEAL, ABUJA	0.00	0.00
NATIONAL INDUSTRIAL COURT	0.00	0.00

NATIONAL JUDICIAL INSTITUTE	34,101,973.01	198,353,888.69
FCT. JUDICIAL SERVICE COMMITTEE	320,891,373.50	84,506.81
FEDERAL JUDICIAL SERVICE COMMISSION	0.00	1,039,582,631.84
FEDERAL MINISTRY OF WATER RESOURCES	10,185,636,352.87	10,185,636,352.87
MIN.OF DEFENCE(ADD NA/NAF/NN CIVILLIAN SAL.)	4,995,122,482.71	53,755,582.36
DEFENCE HEADQUARTERS(DHQ)	0.00	0.00
NIGERIAN ARMY	0.00	138,634,311.79
NIGERIAN NAVY	2,805,994,869.72	211,987.09
NIGERIAN AIRFORCE	0.00	51,277,624.69
NIGERIA DEFENCE ACADEMY	0.00	0.00
NATIONAL DEFENCE COLLEGE	0.00	99.04
COMMAND AND STAFF COLLEGE, JAJI	103,685.30	47,332,206.44
NIG. ARMED FORCES RESETTLEMENT CENTRE	786,252,375.24	15,011,004.36
DEFENCE INTELLEIGENCE AGENCY	0.00	0.00
DEFENCE MISSIONS	-0.00	0.00
DIRECTORATE OF MILITARY PENSION	30,339,450.85	5,045,116,685.69
PRESIDENTIAL COMM. ON BARRACKS REHAB.	2,609,171.05	0.00
NATIONAL POPULATION COMMISSION	1,000.49	0.00
FEDERAL MINISTRY OF EDUCATION	0.00	0.00
UNITY SCHOOLS	0.00	
MINISTRY FOR FEDERAL CAPITAL TERRITORY	11,299,286,933.49	0.00
FEDERAL MINISTRY OF FOREIGN AFFAIRS	5,307,789,232.35	391,539,014.49
OVERSEAS MISSION	22,078,147,182.30	11,668,253,784.94
FEDERAL MINISTRY OF FINANCE	0.00	0.00
NIGERIA CUSTOM SERVICE	0.00	26,399,651.18
DEBT MANAGEMENT OFFICE	0.00	0.00
BUDGET OFFICE OF THE FEDERATION	1,163,200.21	0.00
FEDERAL INLAND REVENUE SERVICE	2,579,705,672.37	9,234,869,173.21
OFFICE OF THE ACCOUNTANT-GENERAL OF FED	173,801,866.52	554,946,516.94
INVESTMENT AND SECURITIES TRIBUNAL	0.00	6,225.51
FEDERAL MINISTRY OF HEALTH	2,792,467,008.46	0.00
FEDERAL MINISTRY OF INDUSTRY	0.00	0.00
FEDERAL MINISTRY OF INF & NAT ORIENTATION	69,524,979.08	14,111,770.40
MINISTRY IF INTERNAL AFFAIRS	1,262,225,398.04	66,755,606.04
NIGERIAN PRISONS SERVICE(NPS)	0.00	1,163,057,617.18

NIGERIAN IMMIGRATION SERVICE(NIS)	15,219,502.68	7,381,000.00
CUSTOMS, IMMIGRATION & PRISONS PENSION BD	4,864,291,173.83	2,930,513,257.63
IMMIGRATION, PRISONS & NSCDC BOARD	0.00	587.18
NATIONAL SECURITY & CIVIL DEFENCE CORPS	0.00	0.00
FEDERAL FIRE SERVICE	0.00	0.00
OFFICE OF HEAD OF SERVICE OF THE FEDERATION	-0.00	0.00
OHCSF(PENSION OFFICE)	6,065,436,145.51	4,086,721,583.84
FEDERAL STAFF HOUSING LOAN BOARD	0.00	0.00
FEDERAL MINISTRY OF JUSTICE	40,670,951.46	2,591,681.96
NAT.HUMAN RIGHTS COMMISSION	0.00	0.00
MIN. OF EMP, LABOUR AND PRODUCTIVITY	343,465,263.14	458,812,854.45
INDUSTRIAL ARBITRATION PANEL	0.00	0.00
MINISTRY OF POWER AND STEEL	0.00	0.00
FEDERAL MINISTRY OF SCIENCE AND TECHNOLOGY	33,748,381.91	7,546,027.03
NATIONAL SPORTS COMMISSION	3,145,164,205.71	2,576,220.00
PUBLIC COMPLIANTS COMMISSION	51,130.28	0.00
FEDERAL CIVIL SERVICE COMMISSION	0.00	0.00
FEDERAL MINISTRY OF COMMERCE	33,711,479.03	36,039,889.92
FEDERAL MINISTRY OF TRANSPORT	0.00	67,713,232.50
FEDERAL MINISTRY OF PETROLEUM RESOURCES	0.00	0.00
DEPARTMENT OF PETROLEUM RESOURCES (DPR)	2,433,567,842.60	81,172,595.57
FEDERAL MINISTRY OF WORKS	0.00	0.00
FEDERAL ROADS MAINTENANCE AGENCY	656,444,499.38	842,921,244.19
SURVEY-GENERAL OF THE FEDERATION	47,391,069.45	46,926,738.32
FEDERAL MINISTRY OF COMMUNICATION	661,882,281.72	0.00
NIGERIAN POSTAL SERVICE		
FEDERAL MINISTRY OF HOUSING AND URBAN DEVT.	0.00	2,001,795,778.24
INDEPENDENT NATION ELECTORAL COMMISSION	7,884,296,151.44	0.00
FEDERAL MINISTRY OF SOLID MINERAL DEVT	42,179,361.39	0.00
GEOLOGICAL SURVEY OF NIGERIA AGENCY	28,522,771.10	6,345,550.00
MINISTRY OF AVIATION	0.00	14,457.82
NATIONAL SALARIES, INCOMES AND WAGES COMM	0.00	0.00
FEDERAL CHARACTER COMMISSION	138,653,603.27	346,715,766.97
FEDERAL MINISTRY OF ENVIRONMENT	265,585,360.98	265,585,360.98
NATIONAL ENVIRONMENTAL STD AND REGULATION ENF. AGENCY	27,427,707.64	
MINISTRY OF CO-OP & INTEGRATION IN AFRICA	33,538,484.63	33,538,484.63
REVENUE MOB, ALLOCATION & FISCAL COMMISSION	0.00	0.00
FEDERAL MINISTRY OF CULTURE & TOURISM	489,332,704.71	0.00
CODE OF CONDUCT BUREAU	408,341,657.70	47,590,484.67
TOTAL:-	125,783,119,867.93	65,656,459,494.92

NOTE 5
LIST OF OUTSTANDING IMPRESTS OF
MINISTRIES AS AT 31ST DECEMBER, 2008

<u>MDAs</u>	<u>CLOSING BALANCE AS AT 31/12/2008</u> ₦	<u>2008 FIGURES</u> ₦	<u>BALANCE AS AT 12/31/2007</u> ₦
STATE HOUSE	0.00	0.00	
NATIONAL BOUNDARY COMMISSION	441,000.00	0.00	441,000.00
NATIONAL POVERTY ERADICATION PROGRAMME	-10,790,418.75	-598,108.75	-10,192,310.00
CODE OF CONDUCT TRIBUNAL	400,000.00	0.00	400,000.00
NATIONAL ASSEMBLY- MANAGEMENT	47,951,106.49	0.00	47,951,106.49
NATIONAL ASSEMBLY SERVICE COMMISSION	50,541,575.00	17,934,850.00	32,606,725.00
FEDERAL MINISTRY OF POLICE AFFAIRS	-6,858,330.79	0.00	-6,858,330.79
POLICE SERVICE COMMISSION	4,777,359.48	1,077,359.48	3,700,000.00
FEDERAL MINISTRY OF WOMEN AFFAIRS	19,714,230.00	0.00	19,714,230.00
NATIONAL CENTRE FOR WOMEN DEVELOPMENT	8,536,151.15	0.00	8,536,151.15
FEDERAL MINISTRY OF AGRIC & RURAL DEV	100,000.00	0.00	100,000.00
NATIONAL JUDICIAL COUNCIL	15,262,715.00	0.00	15,262,715.00
SUPREME COURT OF NIGERIA	-118,963,871.58	60,000.00	-119,023,871.58
COURT OF APPEAL, ABUJA	-131,868,583.05	627,000.00	-132,495,583.05
FCT. HIGH COURT OF JUSTICE, ABUJA	1,180,512.00	1,180,512.00	
SHARIA COURT OF APPEAL, ABUJA	33,884,020.00	5,165,000.00	28,719,020.00
CUSTOMARY COURT OF APPEAL, ABUJA	490,000.00	0.00	490,000.00
NATIONAL INDUSTRIAL COURT	100,000.00	0.00	100,000.00
NATIONAL JUDICIAL INSTITUTE	3,134,779.48	250,000.00	2,884,779.48
FCT. JUDICIAL SERVICE COMMITTEE	7,394,900.00	0.00	7,394,900.00
FEDERAL JUDICIAL SERVICE COMMISSION	50,000.00	0.00	50,000.00
MIN.OF DEFENCE(ADD NA/NAF/NN CIVILLIAN SAL.)	-4,051,798.91	0.00	-4,051,798.91
DIRECTORATE OF MILITARY PENSION	-187,256,442.76	0.00	-187,256,442.76
NATIONAL POPULATION COMMISSION	5,583,828.08	0.00	5,583,828.08
FEDERAL MINISTRY OF EDUCATION	35,276,571.25	0.00	35,276,571.25
FEDERAL MINISTRY OF FOREIGN AFFAIRS	12,754,912.50	2,880,662.50	9,874,250.00
OVERSEAS MISSION	-12,499,249.41	22,831.64	-12,522,081.05
FEDERAL MINISTRY OF FINANCE	89,000,000.00	0.00	89,000,000.00

DEBT MANAGEMENT OFFICE	200,000.00	170,000.00	30,000.00
OFFICE OF THE ACCOUNTANT-GENERAL OF FED	6,057,761.41	-570,000.00	6,627,761.41
INVESTMENT AND SECURITIES TRIBUNAL	13,120,523.56	5,847,179.56	7,273,344.00
FEDERAL MINISTRY OF HEALTH	1,741,940.27	1,251,940.27	490,000.00
FEDERAL MINISTRY OF INDUSTRY	26,560,000.00	0.00	26,560,000.00
MINISTRY IF INTERNAL AFFAIRS	2,650,000.00	0.00	2,650,000.00
NIGERIAN PRISONS SERVICE(NPS)	3,820,000.00	0.00	3,820,000.00
CUSTOMS, IMMIGRATION & PRISONS PENSION BD	3,851,160.66	0.00	3,851,160.66
IMMIGRATION, PRISONS & NSCDC BOARD	4,039,690.00	0.00	4,039,690.00
OFFICE OF HEAD OF SERVICE OF THE FEDERATION	65,137,700.00	10,287,700.00	54,850,000.00
FEDERAL MINISTRY OF JUSTICE	-146,453,658.84	0.00	-146,453,658.84
NAT.HUMAN RIGHTS COMMISSION	4,634,080.16	0.00	4,634,080.16
INDUSTRIAL ARBITRATION PANEL	48,000.00	0.00	48,000.00
MINISTRY OF POWER AND STEEL	18,523,998.66	17,183,998.66	1,340,000.00
FEDERAL MINISTRY OF SCIENCE AND TECHNOLOGY	1,047,590.00	0.00	1,047,590.00
NATIONAL SPORTS COMMISSION	-1,341,326.84	0.00	-1,341,326.84
PUBLIC COMPLIANTS COMMISSION	-662,875.95	0.00	-662,875.95
FEDERAL CIVIL SERVICE COMMISSION	11,483,742.00	2,340,000.00	9,143,742.00
FEDERAL MINISTRY OF COMMERCE	20,931,990.00	8,426,250.00	12,505,740.00
FEDERAL MINISTRY OF PETROLEUM RESOURCES	11,791,500.00	3,220,000.00	8,571,500.00
FEDERAL ROADS MAINTENANCE AGENCY	2,000,000.00	0.00	2,000,000.00
SURVEY-GENERAL OF THE FEDERATION	1,950,000.00	150,000.00	1,800,000.00
FEDERAL MINISTRY OF COMMUNICATION	1,278,250.00	0.00	1,278,250.00
FEDERAL MINISTRY OF HOUSING AND URBAN DEVT.	940,000.00	810,000.00	130,000.00
FEDERAL MINISTRY OF SOLID MINERAL DEVT	1,270,200.00	230,000.00	1,040,200.00
NATIONAL SALARIES, INCOMES AND WAGES COMM	-123,171.00	-69,501.00	-53,670.00
FEDERAL CHARACTER COMMISSION	2,590,000.00	1,630,000.00	960,000.00
FEDERAL MINISTRY OF ENVIRONMENT	1,920,000.00	0.00	1,920,000.00
NATIONAL ENVIRONMENTAL STD AND REGULATION ENF. AGENCY	1,460,000.00	1,460,000.00	
MINISTRY OF CO-OP & INTEGRATION IN AFRICA	3,166,800.00		3,166,800.00
REVENUE MOB, ALLOCATION & FISCAL COMMISSION	890,000.00	890,000.00	0.00
CODE OF CONDUCT BUREAU	1,496,552.00	0.00	1,496,552.00
TOTAL:-	-69,694,588.73	81,857,674.36	-151,552,263.09

NOTE 6
SUMMARY OF FEDERAL GOVERNMENT INVESTMENTS
AND LOANS TO GOVERNMENT COMPANIES AND OTHER
GOVERNMENT
AS AT 31ST DECEMBER, 2008

S/No.	DESCRIPTION	REF. NOTE	TOTAL VALUE AS AT 31/12/2007	ADDITIONAL	LESS	TOTAL VALUE AS AT 31/12/2008
	INVESTMENTS					
1	Investments in Manufacturing Industries	6 A	9,523,644,738.00			9,522,684,438.00
2	Investments in Service Companies/Agencies	6 B	52,330,285,694			48,890,285,694.00
3	Investments in Financial Institutions	6 C	47,837,949,219.00			49,800,895,967.00
4	Investments in /Insurance Coys	6 C	1,519,166,666.00			679,166,666.00
5	Investments: External Investments	6 D	519,530,919			519,530,919.00
6	Investments: Forfeited to Federal Govt. of Nigeria	6 E	1,230,287			1,230,363.00
	SUB-TOTAL		111,731,807,523.00			109,413,794,047.00

INVESTMENTS-CROWN AGENTS

1	Cash	6 F				92,518,547.48
2	Deposit	6 F				314,402,632.15
3	FGN Investments with Crown Agents	6 G				1,989,947,223.69
	SUB-TOTAL					2,396,868,403.32

GRANTS TO GOVERNMENT COMPANIES

1	Grants- Manufacturing Companies	6 H	1,413,615,779			1,413,615,779.00
2	Grants-Other Companies	6 I	5,633,446,495			5,364,216,791.00
3	Grants-Financial Institutions	6 I	10,361,000			10,361,000.00
4	Grants- River Basins Dev. Authorities	6 J	3,844,939,002			3,844,939,002.00
	SUB-TOTAL		10,902,362,276			10,633,132,572.00

LOANS TO GOVERNMENT COMPANIES

1	Loans to Companies - under Power & Steel	6 K	97,816,423,174			97,816,423,174.00
2	Loans to Companies - under Finance	6 K	5,554,290,373			3,079,290,373.00
3	Loans to Companies - under Works	6 K	9,263,643,570			9,263,643,570.00
4	Loans to Companies - under Information	6 K	153,435,499			153,435,499.00
5	Loans to Companies - under Transport	6 K	6,450,773,303			6,450,773,303.00
6	Loans to Companies - under Communication	6 K	42,395,300,872			42,395,300,872.00
7	Loans to Companies - under Science & Tech.	6 K	42,933,333			42,933,333.00
8	Loans to Companies - under Solid Mineral Dev.	6 K	3,800,179,280			3,800,179,280.00
9	Loans to Companies - under Agriculture	6 K	3,240,055,515			3,465,055,515.00
10	Loans to Companies - under Industry	6 L	8,562,094,882			8,618,426,153.00
	SUB-TOTAL					175,085,461,072.00
	GRANT TOTAL OF LOAN & INVESTMENTS		122,634,169,799.00			297,529,256,094.32

NB:

NOTES 6A to 6L are attached as Appendix 3

NOTE 7
LIST OF OUTSTANDING ADVANCES
OF MINISTRIES AS AT 31ST DECEMBER, 2008

MINISTRY/DEPARTMENT	CLOSING BALANCE N
STATE HOUSE	1,151,190,293.39
NATIONAL BOUNDARY COMMISSION	147,410,450.93
SECRETARY TO GOVERNMENT OF THE FEDERATION	882,074,300.27
NATIONAL PLANNING COMMISSION	-42,553,916.08
FEDERAL OFFICE OF STATISTICS	441,684,896.77
NATIONAL POVERTY ERADICATION PROGRAMME	301,712,044.66
CODE OF CONDUCT TRIBUNAL	7,606,067.19
NATIONAL ASSEMBLY- MANAGEMENT	2,187,654.22
NASS- SENATE	180,878,181.24
NASS- HOUSE OF REPRESENTATIVES	-82,689.63
NATIONAL ASSEMBLY SERVICE COMMISSION	-724,019.43
FEDERAL MINISTRY OF INTER-GOV' TAL AFFAIRS	322,471,774.63
FEDERAL MINISTRY OF POLICE AFFAIRS	13,817,379.45
POLICE FORMATION AND COMMAND	-34,790.09
POLICE SERVICE COMMISSION	6,145,065.72
FEDERAL MINISTRY OF WOMEN AFFAIRS	654,472,878.42
FEDERAL MINISTRY OF AGRIC & RURAL DEV	3,203,025,461.21
OFFICE OF THE AUDITOR-GENERAL OF FED.	-3,593,061.49
NATIONAL JUDICIAL COUNCIL	201,154,451.31
SUPREME COURT OF NIGERIA	-73,473,992.15
COURT OF APPEAL, ABUJA	2,500,553,578.34
FEDERAL HIGH COURT-LAGOS	492,847,373.26
FCT. HIGH COURT OF JUSTICE, ABUJA	373,161,758.25
SHARIA COURT OF APPEAL, ABUJA	50,537,979.01
CUSTOMARY COURT OF APPEAL, ABUJA	1,273,511.87
NATIONAL INDUSTRIAL COURT	43,878,842.03
NATIONAL JUDICIAL INSTITUTE	62,519,572.20
FCT. JUDICIAL SERVICE COMMITTEE	59,951,877.71
FEDERAL JUDICIAL SERVICE COMMISSION	90,467,016.48
FEDERAL MINISTRY OF WATER RESOURCES	40,631,595.64
MIN.OF DEFENCE(ADD NA/NAF/NN CIVILLIAN SAL.)	672,114,921.49

NIGERIAN NAVY	5.98
NIGERIA DEFENCE ACADEMY	7,361,432.20
DEFENCE INTELLIGENCE AGENCY	17,441,176.99
NATIONAL POPULATION COMMISSION	1,843,625,534.29
FEDERAL MINISTRY OF EDUCATION	1,592,401,267.76
UNITY SCHOOLS	1,350,000.00
FEDERAL MINISTRY OF FOREIGN AFFAIRS	174,699,038.60
OVERSEAS MISSION	-1,180,400,258.53
FEDERAL MINISTRY OF FINANCE	1,104,768,793.82
NIGERIA CUSTOM SERVICE	4,607,238,400.99
DEBT MANAGEMENT OFFICE	62,113,438.98
BUDGET OFFICE OF THE FEDERATION	528,653,429.25
FEDERAL INLAND REVENUE SERVICE	1,003,741,683.54
OFFICE OF THE ACCOUNTANT-GENERAL OF FED	72,401,457.52
INVESTMENT AND SECURITIES TRIBUNAL	809,466.35
FEDERAL MINISTRY OF HEALTH	3,426,824,211.42
FEDERAL MINISTRY OF INDUSTRY	292,044,668.64
FEDERAL MINISTRY OF INF & NAT ORIENTATION	633,594,770.20
MINISTRY IF INTERNAL AFFAIRS	-277,814,295.59
NIGERIAN PRISONS SERVICE(NPS)	482,731,290.31
NIGERIAN IMMIGRATION SERVICE(NIS)	94,015,103.95
CUSTOMS, IMMIGRATION & PRISONS PENSION BD	1,127,322.28
IMMIGRATION, PRISONS & NSCDC BOARD	27,484,360.24
NATIONAL SECURITY & CIVIL DEFENCE CORPS	347,407,534.44
FEDERAL FIRE SERVICE	22,110,000.00
OFFICE OF HEAD OF SERVICE OF THE FEDERATION	3,084,338,622.93
OHCSF(PENSION OFFICE)	21,413,575.90
FEDERALSTAFF HOUSING LOAN BOARD	-12,716,395.36
FEDERAL MINISTRY OF JUSTICE	241,531,446.75
MIN. OF EMP, LABOUR AND PRODUCTIVITY	538,350,699.60
INDUSTRIAL ARBITRATION PANEL	62,649,747.79
MINISTRY OF POWER AND STEEL	74,668,458.00
FEDERAL MINISTRY OF SCIENCE AND TECHNOLOGY	359,044,800.74
NATIONAL SPORTS COMMISSION	1,981,210,077.45
PUBLIC COMPLIANTS COMMISSION	27,487,252.94
FEDERAL CIVIL SERVICE COMMISSION	69,872,430.86

FEDERAL MINISTRY OF COMMERCE	577,519,951.56
FEDERAL MINISTRY OF TRANSPORT	35,291,923.00
FEDERAL MINISTRY OF PETROLEUM RESOURCES	92,660,458.60
DEPARTMENT OF PETROLEUM RESOURCES (DPR)	-1,385,482.79
FEDERAL MINISTRY OF WORKS	443,802,443.51
FEDERAL ROADS MAINTENANCE AGENCY	328,032,459.74
SURVEY-GENERAL OF THE FEDERATION	26,890,509.96
FEDERAL MINISTRY OF COMMUNICATION	-2,779,249.42
FEDERAL MINISTRY OF HOUSING AND URBAN DEVT.	411,746,025.46
FEDERAL MINISTRY OF SOLID MINERAL DEVT	153,068,660.00
GEOLOGICAL SURVEY OF NIGERIA AGENCY	-1,735,251.51
MINISTRY OF AVIATION	2,906,496,033.93
NATIONAL SALARIES, INCOMES AND WAGES COMM	3,337,346.62
FEDERAL CHARACTER COMMISSION	47,978,547.54
FEDERAL MINISTRY OF ENVIRONMENT	539,973,852.21
NATIONAL ENV AND REGULATION ENF. AGENCY	74,772,727.38
MINISTRY OF CO-OP & INTEGRATION IN AFRICA	150,237,734.92
REVENUE MOB, ALLOCATION & FISCAL COMMISSION	312,277,401.77
FEDERAL MINISTRY OF CULTURE & TOURISM	1,193,637,549.79
CODE OF CONDUCT BUREAU	45,623,843.21
TOTAL:	40,454,334,493.53

NOTE 8
REVOLVING LOAN ACCOUNT
AS AT 31ST DECEMBER, 2008

MINISTRY/DEPARTMENT	CLOSING BALANCE AS AT 31/12/2008 <u>N</u>	2008 FIGURES	BALANCE AS AT 12/31/2007 N
Federal Ministry of Agriculture	1,442,509,524.53		1,442,509,524.53
Federal Ministry of Agriculture-DRG	887,511,017.30		887,511,017.30
National Poverty Eradication Programme	5,752,653,687.03	3,106,925,841.06	2,645,727,845.97
Federal Government Staff Housing Loans	974,961,587.12	610,502,829.28	364,458,757.84
Federal Ministry of Health	-70,000.00	-70,000.00	0.00
TOTAL:	9,057,565,815.98	3,717,358,670.34	5,340,207,145.64

NOTE 9
SCHEDULE OF TOTAL EXTERNAL LOANS OF THE FEDERAL GOVERNMENT
AS AT 31ST DECEMBER, 2008

DESCRIPTION	NOTES	2007	CURRENT YEAR (2008)
		=N=	=N=
EXTERNAL DEBTS			
Funded			
Unfunded	SEE DETIALS BELOW	426,811,625,648.00	269,342,270,982.08
TOTAL EXTERNAL DEBTS		426,811,625,648.00	269,342,270,982.08

DETAILS OF UNFUNDED LOANS
FEDERAL GOVERNMENT ONLY

		\$		=N=
1	Multilateral	1,512,489,527.97		197,758,005,782.08
2	Paris Club	-		
3	Non-Paris	547,489,600.00		71,584,265,200.00
4	London Club	-		
5	Promissory Notes	-		
	TOTAL EXTERNAL DEBTS	2,059,979,127.97	426,811,625,648.00	269,342,270,982.08

EXCHANGE RATE

NOTE: DUE TO THE RESTRUCTURING OF THE PUBLIC DEBTS,

AS AT 31/12/2008

THE FIGURES FOR 2007 WERE NOT INCLUDED IN THE ACCOUNTS

\$1=N130.75

NOTE 10
SCHEDULE OF TOTAL INTERNAL LOANS OF THE FEDERAL GOVERNMENT
AS AT 31ST DECEMBER, 2008

DESCRIPTION	CURRENT YEAR (2008) =N=	LAST YEAR (2007) =N=
INTERNAL LOANS		
NIGERIA TREASURY BILL & OTHER LOANS	612,059,434,836.97	574,920,000,000.00
UNFUNDED (TR.BONDS)		407,930,000,000.00
UNFUNDED (1st FGN BONDS)	4,555,482,000.00	1,186,160,000,000.00
UNFUNDED (2nd FGN BONDS)	-	
UNFUNDED (3rd FGN BONDS)	357,082,802,000.00	
UNFUNDED (4th FGN BONDS)	682,000,141,000.00	
UNFUNDED (5th FGN BONDS)	401,961,157,000.00	
TREASURY BONDS CERTIFICATES	402,258,150,000.00	
GRAND TOTAL INTERNAL DEBTS	2,459,917,166,836.97	2,169,010,000,000.00

**NOTE: DUE TO THE RESTRUCTURING OF THE INTERNAL LOANS,
THE FIGURES FOR 2007 WERE NOT INCLUDED IN THE ACCOUNTS**

NOTE 11
SCHEDULE OF TOTAL DEVELOPMENT LOAN STOCK OF THE FEDERAL GOVERNMENT
AS AT 31ST DECEMBER, 2008

				2008
	DESCRIPTION	FUNDED =N=	REDEMPTION YEAR	AMOUNT =N=
	NIGERIA DEVELOPMENT LOAN STOCK			
1	23RD DEV. STOCK	12.5% 1985 FRN 23rd DEV. STOCK	2010	300,000,000.00
2	24TH DEV. STOCK	12.5% 1986 FRN 24TH DEV. STOCK	2011	220,000,000.00
	GRAND TOTAL DEVELOPMENT LOAN STOCK			520,000,000.00

NOTE 12
DEPOSIT ACCOUNT AS AT 31 DECEMBER, 2008

S/No	MINISTRY/ DEPARTMENT	CLOSING BALANCE AS AT 31/12/2008 ₦	2008 FIGURES ₦	BALANCE AS AT 12/31/2007 ₦
1	SECRETARY TO GOVERNMENT OF THE FEDERATION	0.00	225,000.00	-225,000.00
2	NATIONAL POVERTY ERADICATION PROGRAMME	100,353,943.24	0.00	100,353,943.24
3	CODE OF CONDUCT TRIBUNAL	1,117,705.89	0.00	1,117,705.89
4	NATIONAL ASSEMBLY SERVICE COMMISSION	12,454,701.00	(1,526,417.07)	13,981,118.07
5	FEDERAL MINISTRY OF INTER- GOV' TAL AFFAIRS	-35,149,816.00	(745,250.00)	-34,404,566.00
6	POLICE FORMATION AND COMMAND	-150,000.00	0.00	-150,000.00
7	NATIONAL CENTRE FOR WOMEN DEVELOPMENT	-400,000.00	0.00	-400,000.00
8	FEDERAL MINISTRY OF AGRIC & RURAL DEV	-509,947,124.40	0.00	-509,947,124.40
9	SUPREME COURT OF NIGERIA	-88,684,900.26	0.00	-88,684,900.26
10	COURT OF APPEAL, ABUJA	3,424,132.00		3,424,132.00
11	FEDERAL HIGH COURT-LAGOS	-100,006,637.88	-0.36	-100,006,637.52
12	NATIONAL JUDICIAL INSTITUTE	55,790,601.11	0.00	55,790,601.11
13	NIGERIAN AIRFORCE	54,262,349.44	43,997,141.00	10,265,208.44
14	NIGERIA DEFENCE ACADEMY	-2,274,667.20	0.00	-2,274,667.20
15	NATIONAL POPULATION COMMISSION	-24,718,712.13	0.00	-24,718,712.13
16	FEDERAL MINISTRY OF EDUCATION	189,609,842.88	60,000.00	189,549,842.88
17	FEDERAL MINISTRY OF FOREIGN AFFAIRS	-499,200.49	0.00	-499,200.49
18	FEDERAL MINISTRY OF FINANCE	3,509,000.00	0.00	3,509,000.00
19	OFFICE OF THE ACCOUNTANT- GENERAL OF FED	563,783.44	2,529,672.25	-1,965,888.81
20	FEDERAL MINISTRY OF INDUSTRY	-111,726.35	-14,586.62	-97,139.73
21	FEDERAL MINISTRY OF INF & NAT ORIENTATION	-21,237,159.08	-9,598,713.50	-11,638,445.58
22	NIGERIAN PRISONS SERVICE(NPS)	-3,548,018.28	0.00	-3,548,018.28

23	NIGERIAN IMMIGRATION SERVICE(NIS)	-101,270.00	0.00	-101,270.00
24	CUSTOMS, IMMIGRATION & PRISONS PENSION BD	-8,999,010.59	0.00	-8,999,010.59
25	OFFICE OF HEAD OF SERVICE OF THE FEDERATION	-38,336,709.00	0.00	-38,336,709.00
26	FEDERALSTAFF HOUSING LOAN BOARD	243,589,279.96	0.00	243,589,279.96
27	FEDERAL MINISTRY OF JUSTICE	-38,868,113.02	0.00	-38,868,113.02
28	MIN. OF EMP, LABOUR AND PRODUCTIVITY	2,383,566.00	0.00	2,383,566.00
29	MINISTRY OF POWER AND STEEL	-5,500.00	0.00	-5,500.00
30	NATIONAL SPORTS COMMISSION	138,139,313.47	-6,198,366.55	144,337,680.02
31	FEDERAL CIVIL SERVICE COMMISSION	-94.00	-94.00	
32	FEDERAL MINISTRY OF COMMERCE	-2,216,557.67	0.00	-2,216,557.67
33	FEDERAL MINISTRY OF TRANSPORT	-13,584,400.00	0.00	-13,584,400.00
34	FEDERAL MINISTRY OF WORKS	-3,042,683.80	0.00	-3,042,683.80
35	FEDERAL MINISTRY OF COMMUNICATION	2,141,921.71		2,141,921.71
36	FEDERAL MINISTRY OF HOUSING AND URBAN DEVT.	-31,454,114.00	0.00	-31,454,114.00
37	MINISTRY OF AVIATION	565,758,724.15	565,758,724.15	
38	NATIONAL ENV. STD AND REGULATION ENF. AGENCY	500,000.00	500,000.00	
	SUB-TOTAL MDAS:	450,262,450.14	594,987,109.30	-144,724,659.16

FEDERAL PAY OFFICES

1	FPO MAKURDI	-8,000.00	-8,000.00	
2	FPO OWERRI	283,200.00	283,200.00	
3	FPO BIRNIN-KEBBI	552.60	552.60	
4	FPO GUSAU	-2,356,593.42	0.00	-2,356,593.42
5	FPO JALINGO	173,399.70	173,399.70	
6	FPO JOS	43,950.00	0.00	43,950.00
7	FPO SOKOTO	70,075.00	70,075.00	
8	FPO ABEOKUTA	4,128,455.28	0.00	4,128,455.28
	SUB-TOTALS-FPOS	<u>2,335,039.16</u>	<u>519,227.30</u>	<u>1,815,811.86</u>
	GRAND TOTAL DEPOSIT	<u>452,597,489.30</u>	<u>595,506,336.60</u>	<u>142,908,847.30</u>

NOTE 13
PERSONNEL COSTS
FOR THE YEAR ENDED 31ST DECEMBER, 2008

<u>MDAs</u>	BUDGET ₦	ACTUAL ₦	EXCESS EXP. ₦	SAVINGS ₦
STATE HOUSE	1,146,406,889.00	946,285,049.32		200,121,839.68
NATIONAL BOUNDARY COMMISSION	167,201,913.00	163,801,778.55		3,400,134.45
SECRETARY TO GOVERNMENT OF THE FEDERATION	2,715,886,239.00	2,030,956,898.42		684,929,340.58
NATIONAL PLANNING COMMISSION	207,022,468.00	184,675,942.00		22,346,526.00
FEDERAL OFFICE OF STATISTICS	948,184,649.00	947,952,674.54		231,974.46
NATIONAL POVERTY ERADICATION PROGRAMME	1,064,108,325.00	1,063,729,350.80		378,974.20
CODE OF CONDUCT TRIBUNAL	137,405,877.00	118,812,186.44		18,593,690.56
NATIONAL ASSEMBLY- MANAGEMENT	2,619,369,777.00	2,432,343,465.74		187,026,311.26
NASS- SENATE	6,256,510,517.00	4,769,137,713.95		1,487,372,803.05
NASS- HOUSE OF REPRESENTATIVES	3,923,743,118.00	3,923,669,866.94		73,251.06
NATIONAL ASSEMBLY SERVICE COMMISSION	587,503,272.00	434,867,731.08		152,635,540.92
FEDERAL MINISTRY OF INTER-GOV' TAL AFFAIRS	238,286,508.00	216,022,694.56		22,263,813.44
POLICE FORMATION AND COMMAND	152,386,874,280.00	129,358,899,047.42		23,027,975,232.58
POLICE SERVICE COMMISSION	56,798,305.00	55,952,501.80		845,803.20
POLICE PENSION OFFICE	259,349,351.00	102,360,588.37		156,988,762.63
FEDERAL MINISTRY OF WOMEN AFFAIRS	449,123,442.00	313,183,754.33		135,939,687.67
NATIONAL CENTRE FOR WOMEN DEVELOPMENT	78,876,377.00	73,848,439.04		5,027,937.96
FEDERAL MINISTRY OF AGRIC & RURAL DEV	5,353,428,931.00	4,833,611,300.54		519,817,630.46
OFFICE OF THE AUDITOR- GENERAL OF FED.	952,350,941.00	952,297,925.66		53,015.34
NATIONAL JUDICIAL COUNCIL	120,258,293.00	57,740,020.03		62,518,272.97
SUPREME COURT OF NIGERIA	465,442,871.00	375,860,436.20		89,582,434.80

COURT OF APPEAL, ABUJA	800,706,452.00	795,171,003.17		5,535,448.83
FEDERAL HIGH COURT-LAGOS	615,986,180.00	615,588,691.72		397,488.28
FCT. HIGH COURT OF JUSTICE, ABUJA	1,017,981,872.00	878,962,943.03		139,018,928.97
SHARIA COURT OF APPEAL, ABUJA	121,421,600.00	105,013,726.53		16,407,873.47
CUSTOMARY COURT OF APPEAL, ABUJA	447,007,278.00	385,247,615.63		61,759,662.37
NATIONAL INDUSTRIAL COURT	313,738,383.00	218,383,027.31		95,355,355.69
NATIONAL JUDICIAL INSTITUTE	173,046,499.00	120,513,113.26		52,533,385.74
FCT. JUDICIAL SERVICE COMMITTEE	204,589,804.00	180,113,184.18		24,476,619.82
FEDERAL JUDICIAL SERVICE COMMISSION	102,381,054.00	101,744,841.18		636,212.82
MIN.OF DEFENCE(ADD NA/NAF/NN CIVILLIAN SAL.)	12,012,127,999.00	8,856,245,354.22		3,155,882,644.78
DEFENCE HEADQUARTERS(DHQ)	69,342,400.00	59,741,434.07		9,600,965.93
NIGERIAN ARMY	49,605,262,815.00	49,349,084,500.23		256,178,314.77
NIGERIAN NAVY	19,700,972,357.00	19,614,909,262.28		86,063,094.72
NIGERIAN AIRFORCE	26,088,771,537.00	26,087,539,250.42		1,232,286.58
NIGERIA DEFENCE ACADEMY	2,399,314,330.00	2,192,407,863.28		206,906,466.72
NATIONAL DEFENCE COLLEGE	388,768,263.00	334,877,939.18		53,890,323.82
COMMAND AND STAFF COLLEGE, JAJI	306,960,704.00	266,352,566.35		40,608,137.65
NIG. ARMED FORCES RESETTLEMENT CENTRE	679,383,591.00	679,383,588.00		3.00
DEFENCE INTELLIGENCE AGENCY	603,801,403.00	512,067,559.60		91,733,843.40
DEFENCE MISSIONS	1,770,029,362.00	1,072,264,797.96		697,764,564.04
NATIONAL POPULATION COMMISSION	2,754,562,004.00	2,511,174,501.33		243,387,502.67
FEDERAL MINISTRY OF EDUCATION	24,175,602,834.00	10,033,263,019.25		14,142,339,814.75
MINISTRY FOR FEDERAL CAPITAL TERRITORY	0.00	0.00		0.00
FEDERAL MINISTRY OF FOREIGN AFFAIRS	2,079,275,723.00	1,919,009,442.05		160,266,280.95
OVERSEAS MISSION	6,260,000,902.00	6,240,374,954.32		19,625,947.68

FEDERAL MINISTRY OF FINANCE	505,485,233.00	406,460,262.34		99,024,970.66
NIGERIA CUSTOM SERVICE	12,230,438,278.00	3,948,747,438.96		8,281,690,839.04
DEBT MANAGEMENT OFFICE	261,799,216.00	249,530,194.76		12,269,021.24
BUDGET OFFICE OF THE FEDERATION	269,834,427.00	223,899,301.00		45,935,126.00
FEDERAL INLAND REVENUE SERVICE	12,819,430,896.00	12,669,971,073.72		149,459,822.28
OFFICE OF THE ACCOUNTANT-GENERAL OF FED	1,832,748,590.00	1,664,427,188.87		168,321,401.13
INVESTMENT AND SECURITIES TRIBUNAL	133,096,920.00	131,530,029.86		1,566,890.14
FEDERAL MINISTRY OF HEALTH	3,587,301,938.00	2,584,573,454.61		1,002,728,483.39
FEDERAL MINISTRY OF INF & NAT ORIENTATION	1,913,823,734.00	1,900,405,810.19		13,417,923.81
MINISTRY IF INTERNAL AFFAIRS	4,228,331,904.00	1,780,801,679.65		2,447,530,224.35
NIGERIAN PRISONS SERVICE(NPS)	20,456,923,608.00	17,959,868,657.77		2,497,054,950.23
NIGERIAN IMMIGRATION SERVICE(NIS)	16,183,106,532.00	13,359,811,496.67		2,823,295,035.33
CUSTOMS, IMMIGRATION & PRISONS PENSION BD	90,635,725.00	80,590,592.28		10,045,132.72
IMMIGRATION, PRISONS & NSCDC BOARD	70,721,506.00	57,693,618.67		13,027,887.33
NATIONAL SECURITY & CIVIL DEFENCE CORPS	13,872,754,394.00	11,304,172,420.25		2,568,581,973.75
FEDERAL FIRE SERVICE	465,211,299.00	460,801,832.23		4,409,466.77
OFFICE OF HEAD OF SERVICE OF THE FEDERATION	1,542,191,041.00	1,361,930,560.62		180,260,480.38
FEDERALSTAFF HOUSING LOAN BOARD	83,394,182.00	27,516,799.23		55,877,382.77
FEDERAL MINISTRY OF JUSTICE	835,180,452.00	780,876,804.40		54,303,647.60
NAT.HUMAN RIGHTS COMMISSION	281,625,317.00	195,136,191.09		86,489,125.91
MIN. OF EMP, LABOUR AND PRODUCTIVITY	855,344,005.00	580,759,451.13		274,584,553.87
INDUSTRIAL ARBITRATION PANEL	458,140,648.00	387,138,615.84		71,002,032.16
MINISTRY OF POWER AND STEEL	521,540,942.00	459,375,763.39		62,165,178.61
FEDERAL MINISTRY OF SCIENCE AND	335,237,802.00	304,027,645.55		31,210,156.45

TECHNOLOGY				
NATIONAL SPORTS COMMISSION	909,220,500.00	510,335,145.14		398,885,354.86
PUBLIC COMPLIANTS COMMISSION	1,708,527,511.00	772,233,560.71		936,293,950.29
FEDERAL CIVIL SERVICE COMMISSION	167,579,189.00	166,312,501.52		1,266,687.48
FEDERAL MINISTRY OF COMMERCE	1,898,359,491.00	1,618,404,053.10		279,955,437.90
FEDERAL MINISTRY OF TRANSPORT	424,746,627.00	375,534,496.56		49,212,130.44
FEDERAL MINISTRY OF PETROLEUM RESOURCES	281,404,914.00	262,398,230.73		19,006,683.27
DEPARTMENT OF PETROLEUM RESOURCES (DPR)	13,846,096,220.00	12,710,922,722.32		1,135,173,497.68
FEDERAL MINISTRY OF WORKS	2,458,980,432.00	2,203,913,775.32		255,066,656.68
FEDERAL ROADS MAINTENANCE AGENCY	1,228,091,310.00	932,227,743.71		295,863,566.29
SURVEY-GENERAL OF THE FEDERATION	502,445,107.00	444,865,255.38		57,579,851.62
FEDERAL MINISTRY OF HOUSING AND URBAN DEVT.	5,212,113,896.00	3,867,242,920.92		1,344,870,975.08
INDEPENDENT NATION ELECTORAL COMMISSION	7,461,185,063.00	5,736,314,005.55		1,724,871,057.45
FEDERAL MINISTRY OF SOLID MINERAL DEVT	404,918,312.00	374,915,144.83		30,003,167.17
GEOLOGICAL SURVEY OF NIGERIA AGENCY	429,165,223.00	427,942,834.98		1,222,388.02
MINISTRY OF AVIATION	326,408,987.00	97,624,964.05		228,784,022.95
NATIONAL SALARIES, INCOMES AND WAGES COMM	226,273,551.00	150,443,444.59		75,830,106.41
FEDERAL CHARACTER COMMISSION	943,420,448.00	938,463,753.02		4,956,694.98
NATIONAL ENV. STD AND REGULATION ENF. AGENCY	418,735,400.00	229,241,829.45		189,493,570.55
REVENUE MOB, ALLOCATION & FISCAL COMMISSION	1,012,121,187.00	1,011,471,883.46		649,303.54
FEDERAL MINISTRY OF CULTURE & TOURISM	349,939,252.00	327,232,541.08		22,706,710.92
CODE OF CONDUCT BUREAU	496,969,074	469,597,583.55		27,371,490.45
TOTAL:-	467,366,167,972.00	392,993,128,817.33	0.00	74,169,517,180.54

NOTE 14
OVERHEADS COSTS
FOR THE YEAR ENDED 31ST DECEMBER, 2008

<u>MDAs</u>	BUDGET	ACTUAL	EXCESS EXP.	SAVINGS
	N	N	N	N
STATE HOUSE	9,743,789,566.00	8,285,849,602.98		1,457,939,963.02
NATIONAL BOUNDARY COMMISSION	148,001,130.00	147,804,671.99		196,458.01
SECRETARY TO GOVERNMENT OF THE FEDERATION	3,194,572,701.00	3,098,715,050.96		95,857,650.04
NATIONAL PLANNING COMMISSION	469,757,342.00	469,367,337.91		390,004.09
FEDERAL OFFICE OF STATISTICS	742,526,195.00	742,519,263.26		6,931.74
NATIONAL POVERTY ERADICATION PROGRAMME	432,872,775.00	416,434,868.85		16,437,906.15
CODE OF CONDUCT TRIBUNAL	255,853,273.00	250,253,200.84		5,600,072.16
NATIONAL ASSEMBLY- MANAGEMENT	14,196,552,858.00	12,561,387,637.34		1,635,165,220.66
NASS- SENATE	26,562,133,617.00	26,561,333,705.54		799,911.46
NASS- HOUSE OF REPRESENTATIVES	42,344,472,846.00	41,624,417,350.12		720,055,495.88
NATIONAL ASSEMBLY SERVICE COMMISSION	485,047,755.00	468,590,612.46		16,457,142.54
FEDERAL MINISTRY OF INTER- GOV' TAL AFFAIRS	985,657,324.00	672,006,221.85		313,651,102.15
POLICE FORMATION AND COMMAND	15,043,375,258.00	12,025,289,340.21		3,018,085,917.79
POLICE SERVICE COMMISSION	394,562,327.00	207,142,514.61		187,419,812.39
POLICE PENSION OFFICE	47,945,981.00	47,807,326.16		138,654.84
FEDERAL MINISTRY OF WOMEN AFFAIRS	854,811,486.00	854,794,077.28		17,408.72
NATIONAL CENTRE FOR WOMEN DEVELOPMENT	82,929,320.00	82,264,100.06		665,219.94
FEDERAL MINISTRY OF AGRIC & RURAL DEV	1,297,878,899.00	1,260,820,249.27		37,058,649.73
OFFICE OF THE AUDITOR- GENERAL OF FED.	2,171,584,848.00	2,003,806,554.42		167,778,293.58
NATIONAL JUDICIAL COUNCIL	3,332,900,000.00	786,859,113.36		2,546,040,886.64
SUPREME COURT OF NIGERIA	2,500,822,290.00	1,879,668,247.77		621,154,042.23
COURT OF APPEAL, ABUJA	2,727,850,041.00	2,727,719,477.60		130,563.40
FEDERAL HIGH COURT-LAGOS	1,996,499,887.00	1,847,921,155.68		148,578,731.32
FCT. HIGH COURT OF JUSTICE, ABUJA	3,233,633,343.00	3,233,066,473.22		566,869.78

SHARIA COURT OF APPEAL, ABUJA	543,000,000.00	499,239,117.02		43,760,882.98
CUSTOMARY COURT OF APPEAL, ABUJA	700,474,704.00	700,399,063.09		75,640.91
NATIONAL INDUSTRIAL COURT	1,830,962,387.00	1,685,361,695.55		145,600,691.45
NATIONAL JUDICIAL INSTITUTE	1,067,600,000.00	937,710,123.66		129,889,876.34
FCT. JUDICIAL SERVICE COMMITTEE	1,338,333,700.00	1,338,273,402.53		60,297.47
FEDERAL JUDICIAL SERVICE COMMISSION	819,457,590.00	661,367,068.94		158,090,521.06
MIN.OF DEFENCE(ADD NA/NAF/NN CIVILLIAN SAL.)	2,329,838,845.00	2,066,624,989.62		263,213,855.38
DEFENCE HEADQUARTERS(DHQ)	1,190,375,860.00	932,780,827.99		257,595,032.01
NIGERIAN ARMY	7,304,348,567.00	5,045,099,635.57		2,259,248,931.43
NIGERIAN NAVY	11,945,056,415.00	9,043,642,317.19		2,901,414,097.81
NIGERIAN AIRFORCE	4,552,927,886.00	3,885,229,903.69		667,697,982.31
NIGERIA DEFENCE ACADEMY	1,155,228,153.00	1,154,278,725.68		949,427.32
NATIONAL DEFENCE COLLEGE	1,349,984,269.00	1,349,841,186.08		143,082.92
COMMAND AND STAFF COLLEGE, JAJI	2,122,260,894.00	1,994,695,125.00		127,565,769.00
NIG. ARMED FORCES RESETTLEMENT CENTRE	769,830,142.00	144,201,480.49		625,628,661.51
DEFENCE INTELLIGENCE AGENCY	2,867,455,640.00	2,867,439,945.61		15,694.39
DEFENCE INTELLIGENCE SCHOOL	604,460,099.00	0.00		604,460,099.00
DEFENCE MISSIONS	2,649,432,847.00	2,446,137,806.16		203,295,040.84
DIRECTORATE OF MILITARY PENSION	526,033,394.00	525,776,741.62		256,652.38
PRESIDENTIAL COMM. ON BARRACKS REHAB.	110,923,300.00	100,112,828.45		10,810,471.55
NATIONAL POPULATION COMMISSION	457,469,548.00	457,439,880.34		29,667.66
FEDERAL MINISTRY OF EDUCATION	890,000,000.00	886,598,257.52		3,401,742.48
UNITY SCHOOLS	9,410,919,103.00	6,583,267,848.20		2,827,651,254.80
FEDERAL MINISTRY OF FOREIGN AFFAIRS	7,161,513,727.00	5,820,880,283.62		1,340,633,443.38
OVERSEAS MISSION	14,969,292,000.00	14,727,028,671.49		242,263,328.51
FEDERAL MINISTRY OF FINANCE	1,360,789,346.00	1,360,728,286.05		61,059.95
NIGERIA CUSTOM SERVICE	3,198,170,418.00	2,720,632,759.99		477,537,658.01
DEBT MANAGEMENT OFFICE	327,585,990.00	327,526,467.49		59,522.51
BUDGET OFFICE OF THE FEDERATION	838,146,787.00	737,645,652.61		100,501,134.39

FEDERAL INLAND REVENUE SERVICE	4,556,497,803.00	3,564,817,399.04		991,680,403.96
OFFICE OF THE ACCOUNTANT-GENERAL OF FED	1,592,390,471.00	1,592,129,774.32		260,696.68
INVESTMENT AND SECURITIES TRIBUNAL	700,660,631.00	527,078,991.45		173,581,639.55
FEDERAL MINISTRY OF HEALTH	1,049,059,049.00	722,269,740.89		326,789,308.11
FEDERAL MINISTRY OF INF & NAT ORIENTATION	2,492,684,655.00	1,899,033,366.82		593,651,288.18
MINISTRY IF INTERNAL AFFAIRS	1,235,721,900.00	402,830,954.77		832,890,945.23
NIGERIAN PRISONS SERVICE(NPS)	9,130,518,423.00	9,130,287,633.07		230,789.93
NIGERIAN IMMIGRATION SERVICE(NIS)	2,609,576,210.00	2,044,991,214.89		564,584,995.11
CUSTOMS, IMMIGRATION & PRISONS PENSION BD	77,819,514.00	77,766,994.73		52,519.27
IMMIGRATION, PRISONS & NSCDC BOARD	80,326,409.00	80,307,727.87		18,681.13
NATIONAL SECURITY & CIVIL DEFENCE CORPS	4,008,549,117.00	3,546,253,375.10		462,295,741.90
FEDERAL FIRE SERVICE	649,181,326.00	510,565,617.30		138,615,708.70
OFFICE OF HEAD OF SERVICE OF THE FEDERATION	2,241,670,705.00	1,498,291,864.59		743,378,840.41
FEDERALSTAFF HOUSING LOAN BOARD	37,177,639.00	37,171,503.11		6,135.89
FEDERAL MINISTRY OF JUSTICE	807,411,610.00	807,041,869.76		369,740.24
NAT.HUMAN RIGHTS COMMISSION	130,000,000.00	129,499,328.58		500,671.42
MIN. OF EMP, LABOUR AND PRODUCTIVITY	1,210,707,719.00	496,102,305.67		714,605,413.33
INDUSTRIAL ARBITRATION PANEL	76,301,566.00	70,800,379.65		5,501,186.35
MINISTRY OF POWER AND STEEL	1,044,856,502.00	1,044,611,197.38		245,304.62
FEDERAL MINISTRY OF SCIENCE AND TECHNOLOGY	258,528,675.00	233,892,433.04		24,636,241.96
NATIONAL SPORTS COMMISSION	7,047,516,613.00	3,962,086,833.24		3,085,429,779.76
PUBLIC COMPLIANTS COMMISSION	300,468,697.00	264,511,938.72		35,956,758.28
FEDERAL CIVIL SERVICE COMMISSION	468,934,891.00	468,817,549.60		117,341.40
FEDERAL MINISTRY OF COMMERCE	1,410,019,221.00	842,770,319.54		567,248,901.46
FEDERAL MINISTRY OF TRANSPORT	159,169,152.00	41,898,851.84		117,270,300.16

FEDERAL MINISTRY OF PETROLEUM RESOURCES	476,151,528.00	476,004,959.53		146,568.47
DEPARTMENT OF PETROLEUM RESOURCES (DPR)	1,061,636,043.00	1,061,444,970.36		191,072.64
FEDERAL MINISTRY OF WORKS	1,066,033,104.00	925,963,663.97		140,069,440.03
FEDERAL ROADS MAINTENANCE AGENCY	18,825,721,029.00	18,493,439,896.69		332,281,132.31
SURVEY-GENERAL OF THE FEDERATION	298,904,463.00	192,897,604.84		106,006,858.16
FEDERAL MINISTRY OF HOUSING AND URBAN DEVT.	1,512,546,939.00	1,141,723,628.25		370,823,310.75
INDEPENDENT NATION ELECTORAL COMMISSION	3,420,315,456.00	3,347,963,554.77		72,351,901.23
FEDERAL MINISTRY OF SOLID MINERAL DEVT	1,611,463,677.00	1,229,332,204.03		382,131,472.97
GEOLOGICAL SURVEY OF NIGERIA AGENCY	404,233,754.00	397,714,462.36		6,519,291.64
MINISTRY OF AVIATION	264,302,370.00	143,737,837.74		120,564,532.26
NATIONAL SALARIES, INCOMES AND WAGES COMM	114,058,653.00	113,819,465.22		239,187.78
FEDERAL CHARACTER COMMISSION	342,724,589.00	340,292,050.61		2,432,538.39
NATIONAL ENVI. STD AND REGULATION ENF. AGENCY	435,500,022.00	435,226,392.72		273,629.28
REVENUE MOB, ALLOCATION & FISCAL COMMISSION	497,698,010.00	497,611,551.72		86,458.28
FEDERAL MINISTRY OF CULTURE & TOURISM	2,210,319,953.00	1,259,825,721.10		950,494,231.90
CODE OF CONDUCT BUREAU	421,802,975.00	421,324,561.93		478,413.07
TOTAL:-	<u>293,977,063,736.00</u>	<u>257,729,949,935.80</u>	<u>0.00</u>	<u>36,247,113,800.20</u>

NOTE 15
CONSOLIDATED REVENUE FUND CHARGES
FOR THE YEAR ENDED 31ST DECEMBER, 2008

DESCRIPTION	BUDGET-2008 N	ACTUAL N	EXCESS EXPEND N	SAVINGS N
SALARIES AND WAGES-				
Auditor General of the Federation	3,500,000.00	3,500,000.00		0.00
Federal Civil Service Commission	189,176,810.00	189,176,805.21		4.79
Independent National Electoral Commission	419,081,266.00	419,081,265.96		0.04
National Population Commission	826,681,335.00	826,681,334.53		0.47
Police Command and Formation	11,561,372,302.00	11,561,372,302.00		0.00
Code of Conduct Bureau	7,552,982.00	7,552,871.76		110.24
Revenue Mobilisation Alloc. And Fiscal Commission	360,188,500.00	360,188,477.10		22.90
Federal Character Commission	510,000,000.00	509,103,915.24		896,084.76
Police Service Commission	57,549,443.00	57,549,442.95		0.05
Sub-total	13,935,102,638.00	13,934,206,414.75	0.00	896,223.25
Other CR F charges- Pension & Gratuity				
Pension and Gratuity-Civilian	21,270,000,000.00	29,899,294,242.69	8,629,294,242.69	
Pension and Gratuity-Civilian (Judiciary)	1,009,234,994.00	1,053,295,192.61	44,060,198.61	
Pension and Gratuity-Military	36,350,000,000.00	44,565,900,953.51	8,215,900,953.51	
Pension and Gratuity-Police	9,575,000,000.00	17,672,998,936.19	8,097,998,936.19	
Pension and Gratuity-CIPPO	4,240,000,000.00	11,201,337,537.76	6,961,337,537.76	
Pension and Gratuity-SSS	1,300,000,000.00	1,300,000,000.00		0.00
Pension and Gratuity-Universities	6,000,000,000.00	5,999,999,990.00		10.00
Pension and Gratuity-Parastatals	21,450,000,000.00	19,733,403,730.00		1,716,596,270.00
Service Wide Votes (Schedule Attached)	110,781,000,000.00	88,420,206,881.82		22,360,793,118.18
Capital Supplementation-Conditional Grant:	111,630,000,000.00	189,271,069,197.09		-77,641,069,197.08
Sub-total	323,605,234,994.00	409,117,506,661.67	31,948,591,868.76	-53,563,679,798.90

Other CR F charges- Judiciary:				
NATIONAL JUDICIAL COUNCIL	10,798,227,224.00	10,798,135,515.62		91,708.38
SUPREME COURT OF NIGERIA	310,734,839.00	146,133,530.88		164,601,308.12
COURT OF APPEAL, ABUJA	1,731,358,707.00	571,658,577.78		1,159,700,129.22
FEDERAL HIGH COURT-LAGOS	591,864,790.00	591,863,848.09		941.91
FCT. HIGH COURT OF JUSTICE, ABUJA	307,268,682.00	246,426,002.35		60,842,679.65
SHARIA COURT OF APPEAL, ABUJA	118,578,400.00	0.00		118,578,400.00
CUSTOMARY COURT OF APPEAL, ABUJA	56,018,018.00	55,870,343.14		147,674.86
NATIONAL INDUSTRIAL COURT	255,299,230.00	130,667,337.92		124,631,892.08
NATIONAL JUDICIAL INSTITUTE	9,353,501.00	2,148,079.89		7,205,421.11
FCT. JUDICIAL SERVICE COMMITTEE	61,076,496.00	24,714,786.25		36,361,709.75
FEDERAL JUDICIAL SERVICE COMMISSION	72,354,461.00	54,245,204.24		18,109,256.76
Sub-total	14,312,134,348.00	12,621,863,226.16	0.00	1,690,271,121.84
Other CR F charges- Public Debt Charges:				
Charges on NTB and Sinking Fund:	236,100,000,000.00	157,999,841,986.77		78,100,158,013.23
Grand Total	587,952,471,980.00	593,673,418,289.35	31,948,591,868.76	26,227,645,559.42

SERVICE WIDE VOTES SCHEDULE

DETAILS	AMOUNT ₦
PENSION REDEMPTION FUND	36,099,999,999.00
NHIS CONTRIBUTIONS	24,569,170,074.00
PUBLIC SERVICE WAGE ADJUSTMENTS	27,751,036,808.82
TOTAL	88,420,206,881.82

NOTE 16
SUBVENTION TO PARASTATALS
FOR THE YEAR ENDED 31ST DECEMBER, 2008

MDAs	BUDGET N	ACTUAL N	EXCESS EXP. N	SAVINGS N
Presidency	30,117,789,903.00	62,117,175,776.83		-31,999,385,873.83
Ministry of Youth Dev & Intergovt. Affairs:	40,802,117,353.00	40,802,117,311.97		41.03
Ministry of Agriculture and Natural Resources:	17,890,344,570.00	15,629,074,067.72		2,261,270,502.28
ICPC	2,100,000,000.00	1,992,815,209.58		107,184,790.42
Ministry of Defence	948,251,355.00	948,076,631.00		174,724.00
Education	134,172,620,663.00	126,366,025,090.63		7,806,595,572.37
Foreign and Intergovt. Affairs	2,905,604,335.00	2,905,519,393.08		84,941.92
Finance:	1,096,115,005.00	1,096,115,004.32		0.68
Heath:	84,818,721,193.00	75,142,505,424.07		9,676,215,768.93
Information and Communication:	15,276,868,114.00	13,337,293,791.20		1,939,574,322.80
Head of Civil Service of the Federation:	948,524,958.00	825,836,639.78		122,688,318.22
Justice	8,703,058,385.00	7,461,151,310.88		1,241,907,074.13
Ministry of Labour and Productivity:	3,069,692,445.00	3,069,691,460.39		984.61
Ministry of Energy:	12,512,493,795.00	9,584,325,343.05		2,928,168,451.95
Ministry of Science and Technology:	11,675,670,029.00	10,816,997,077.60		858,672,951.40
National Sports Commission	2,272,490,764.00	2,272,490,762.00		2.00
Ministry of Commerce and Industry:	5,992,484,265.00	5,992,484,215.40		49.60
Ministry of Transportation:	8,099,151,022.00	7,672,670,891.81		426,480,130.19
Ministry of Mines and Steel:	1,354,548,544.00	1,354,548,511.53		32.48
Ministry of Housing and Environment:	4,292,873,789.00	4,292,873,780.81		8.19
Ministry of Culture and National Orientation:	10,388,690,663.00	6,596,468,028.52		3,792,222,634.48
Service Wide Adjustments	111,630,000,000.00	51,000,368,000.00		60,629,632,000.00
TOTAL:	511,068,111,150.00	451,276,623,722.14	0.00	59,791,487,427.86

NOTE 17
LOAN REPAYMENTS FROM FEDERATION ACCOUNTS
(THROUGH DEDUCTIONS FROM ALLOCATION DUE TO FGN)

	EXTERNAL LOAN REPAYMENTS
MONTHS	₦
JANUARY	7,919,837,051.69
FEBRUARY	7,919,837,051.69
MARCH	7,919,837,051.69
APRIL	3,400,008,602.82
MAY	3,400,008,602.82
JUNE	3,400,008,602.82
JULY	3,400,008,602.82
AUGUST	3,400,008,602.82
SEPTEMBER	3,400,008,602.82
OCTOBER	3,400,008,602.82
NOVEMBER	3,400,008,602.82
DECEMBER	3,400,008,602.82
TOTALS	54,359,588,580.45

NOTE 18
TRANSFER FROM CONSOLIDATED REVENUE FUND (CRF)
TO CAPITAL DEVELOPMENT FUND (CDF) FOR CAPITAL PROJECTS.

S/N	MDA	AMOUNT OF FUNDING ₦
1	NATIONAL PLANNING COMMISSION	2,532,509,347.75
2	PRESIDENCY AND NATIONAL SECURITY ADVISER	35,431,979,133.29
3	NATIONAL ASSEMBLY	15,597,454,161.00
4	INTER GOVERNMENTAL AFFAIRS,	5,754,522,518.26
5	POLICE AFFAIRS AND POLICE COMMANDS	11,326,376,703.25
6	WOMEN AFFAIRS	1,715,909,305.13
7	AGRICULTURE	69,060,096,074.38
8	AUDITOR-GENERAL	334,000,000.00
9	ICPC	1,488,338,165.25
10	WATER RESOURCES	38,603,383,891.25
11	DEFENCE	24,420,530,114.11
12	NATIONAL POPULATION COMMISSION	1,181,139,080.75
13	EDUCATION	51,801,447,522.71
14	FEDERAL CAPITAL TERRITORY	47,058,109,999.72
15	FOREIGN AFFAIRS	7,569,684,996.75
16	FINANCE	4,613,547,352.10
17	HEALTH	55,640,473,040.88
18	INDUSTRY	2,263,277,549.31
19	INFORMATION	4,189,601,980.31
20	INTERNAL AFFAIRS	10,336,983,451.00
21	HEAD OF SERVICE	1,983,969,599.50

22	JUSTICE	1,424,264,156.58
23	LABOUR	1,158,959,712.93
24	POWER AND ENERGY	112,856,758,795.55
25	SCIENCE AND TECH.	10,855,668,003.65
26	NATIONAL SPORTS COMMISSION	2,673,383,294.00
27	TRANSPORT	6,933,388,423.95
28	PETROLEUM	10,887,973,687.00
29	WORKS	113,981,250,987.06
30	SOLID MINERALS (STEEL DEVELOPMENT)	2,595,450,000.00
31	AVIATION	14,992,536,414.00
32	WAGES AND SALARIES	109,660,977.06
33	ENVIRONMENT	7,692,886,746.25
34	CULTURE	1,941,051,395.39
35	CODE OF CONDUCT	255,452,176.00
36	CAPITAL SUPPLEMENTATION	560,975,803,070.34
37	FEDERAL CIVIL SERVICE COMMISSION	100,000,000.00
38	FEDERAL CHARACTER COMMISSION	570,800,704.00
39	INDEPENDENT NATIONAL ELECTORAL COMMISSION	1,392,936,000.00
40	REV. MOB. ALLOCATION COMMISSION	500,000,000.00
41	NIGER DELTA DEVELOPMENT COMMISSION	40,570,000,000.00
42	UNIVERSAL BASIC EDUCATION COMMISSION	44,000,000,000.00
	SUB-TOTAL	1,329,371,558,530.44
	LESS AMOUNT RECOUPED:	
	FROM CCA TO CRF (JULY 2008)	-165,777,278,754.83
	FROM CCA TO CRF ('DECEMBER 2008)	-65,343,635,389.97
	TOTAL FUNDING	1,098,250,644,385.64

NOTE 19
SCHEDULE OF NIGERIA TREASURY BILLS (NTB) INTERNAL LOANS
FOR THE YEAR ENDED 31ST DECEMBER, 2008

	REF.	ACTUAL	
		N	N
NTB ISSUED/RECEIPTS	A	1,036,971,333,034.32	
LESS NTB PAID	B	-1,134,995,890,539.61	
NET NTB			-98,024,557,505.29
		-	
INTERNAL LOANS RECEIVED	C	136,026,089,053.62	
LESS INTERNAL LOAN REPAID	D	-862,096,711.36	
NET INTERNAL LAONS			135,163,992,342.26
NET TOTAL			37,139,434,836.97

MONTHLY ANALYSIS OF NTB AND OTHER LOANS

REFERENCE NOS.		A	B	C	D
				OTHER LOANS	OTHER LOANS
MONTHS		NTB ISSUES	NTB PAYMENTS	RECEIPTS	REPAYMENTS
JANUARY		95,345,198,142.37	100,110,449,000.00	0.00	0.00
FEBRUARY		71,509,741,287.59	90,106,559,000.00	0.00	0.00
MARCH		75,403,996,154.89	65,173,060,109.29	0.00	0.00
APRIL		73,554,120,667.30	79,197,509,203.22	0.00	0.00
MAY		170,296,866,106.81	155,811,110,752.10	11,916,148.95	0.00
JUNE		73,026,167,999.24	75,356,174,000.00	0.00	788,463,161.00
JULY		92,891,280,397.63	99,455,366,000.00	135,470,000,000.00	0.00
AUGUST		53,208,219,352.44	85,106,559,000.00	0.00	0.00
SEPTEMBER		51,815,732,467.20	83,000,000,000.00	0.00	73,633,550.36
OCTOBER		131,566,322,091.36	101,466,695,000.00	0.00	0.00
NOVEMBER		81,255,416,647.72	85,761,642,000.00	11,731,779.98	0.00
DECEMBER		67,098,271,719.77	114,450,766,475.00	532,441,124.69	0.00
TOTALS		1,036,971,333,034.32	1,134,995,890,539.61	136,026,089,053.62	862,096,711.36

NOTE 20
DETAILS OF CAPITAL SUPPLEMENTATION
AS AT 31ST DECEMBER, 2008

SN	DETAILS	AMOUNT-₦
1	CONDITIONAL GRANTS (MDGs)	59,300,000,000.00
2	ADJUSTMENT FUNDING	600,015,333.96
3	COUNTERPART FUNDING	2,687,203,863.38
4	MILLENIUM DEVELOPMENT GOALS - MONITORING AND EVALUATION	2,000,000,000.00
5	MDGs CAPACITY BUILDING	1,000,000,000.00
6	PROVISION OF BANDWITH AND CONNECTIVITY BY GALAXY BACKBONE PLC	3,000,000,000.00
7	PRESIDENTIAL INTERVENTION ON NDDC (P.I.P. ROADS IN NIGER DELTA)	28,330,000,000.00
8	EVELOPMENT OF BAKKASI LOCAL GOVERNMENT	1,000,000,000.00
9	ENERGY: PHCN	3,400,000,000.00
10	ENERGY: Multi-Year Tarrif Order Support	32,500,000,000.00
11	ENERGY: Power Emergency Projects	288,223,474,500.00
12	AVIATION:FGN Counterpart Funding(Renovation of Yenogoa Airstrip Power Emergency Projects)	500,000,000.00
13	AVIATION: Purchase of Equipment for the Accident Investigation Bureau	810,000,000.00
14	CAP SUPP: Payment of Renegotiated Debts owed Various Contractors	49,997,942,402.00
15	CAP SUPP: Counterpart Funding for Mambilla Hydroelectric Project	87,627,166,971.00
	Less Recouped sum in July	-165,777,278,754.83
	Less Recouped sum in December	-65,343,635,389.97
	TOTAL	329,854,888,925.54

NOTE 21
STATUTORY TRANSFERS FOR CAPITAL DEVELOPMENT:

S/N	COMMISSION	AMOUNT-N
1	UNIVERSAL BASIC EDUCATION COMMISSION	44,000,000,000.00
2	NIGER DELTA DEVELOPMENT COMMISSION	40,570,000,000.00
	TOTAL	84,570,000,000.00

NOTE 22
ADJUSTMENTS/ SCHEDULE OF ASSETS AND LIABILITIES
BROUGHT INTO ACCOUNTS AS AT 31 DECEMBER, 2008

		N	N
AMOUNT OF LIABILITIES TRANSFERRED:			
EXTERNAL LOANS (see Note 9)		269,342,270,982.08	
INTERNAL LOANS (see Note 10)		2,459,917,166,836.97	
DEVELOPMENT LOAN STOCK (see Note 11)		<u>520,000,000.00</u>	
SUB-TOTAL			2,729,779,437,819.05
LESS:-			
AMOUNT TRANSFERRED AS ASSETS:			
FGN INVESTMENTS (MOFI):-see Note 6			<u>297,529,256,094.32</u>
NET AMOUNT CHARGED TO CDF STATEMENTS:-			<u>2,432,250,181,724.73</u>

*** CDF= Capital Development Fund**

Office of the Accountant - General of the Federation

Federal Ministry of Finance

APPENDIX 1

EXTERNAL UNFUNDED LOAN ON LENT TO FEDERAL AND STATES GOVERNMENTS OF NIGERIA AND STATUTORY CORPORATIONS
AS AT 31/12/2008

STATE	MULTILATERAL	PARIS CLUB	NON-PARIS BILATERAL	LONDON CLUB	PROMISSORY NOTES	TOTAL	NAIRA EQUIVALENT	Total in
N	\$	\$	\$	\$	\$	\$	=N=	%
ABIA	25,893,422.00	-	-	-	-	25,893,422.00	3,024,351,889.60	0.70
ADAMAWA	21,206,254.66	-	-	-	-	21,206,254.66	2,476,890,544.29	0.57
AKWA IBOM	60,364,679.75	-	-	-	-	60,364,679.75	7,050,594,594.80	1.62
ANAMBRA	18,892,185.82	-	-	-	-	18,892,185.82	2,206,607,303.78	0.51
BAUCHI	73,386,211.63	-	-	-	-	73,386,211.63	8,571,509,518.38	1.97
BAYELSA	25,788,797.44	-	-	-	-	25,788,797.44	3,012,131,540.99	0.69
BENUE	21,487,668.97	-	-	-	-	21,487,668.97	2,509,759,735.70	0.58
BORNO	15,077,862.30	-	-	-	-	15,077,862.30	1,761,094,316.64	0.41
CROSS RIVER	99,387,962.84	-	-	-	-	99,387,962.84	11,608,514,059.71	2.67
DELTA	21,570,329.07	-	-	-	-	21,570,329.07	2,519,414,435.38	0.58
EBONYI	30,088,193.24	-	-	-	-	30,088,193.24	3,514,300,970.43	0.81
EDO	31,679,524.18	-	-	-	-	31,679,524.18	3,700,168,424.22	0.85
EKITI	33,856,337.62	-	-	-	-	33,856,337.62	3,954,420,234.02	0.91
ENUGU	26,620,622.64	-	-	-	-	26,620,622.64	3,109,288,724.35	0.72
GOMBE	17,528,514.37	-	-	-	-	17,528,514.37	2,047,330,478.42	0.47
IMO	45,165,416.15	-	-	-	-	45,165,416.15	5,275,320,606.32	1.21
JIGAWA	16,889,226.34	-	-	-	-	16,889,226.34	1,972,661,636.51	0.45
KADUNA	109,102,333.29	-	-	-	-	109,102,333.29	12,743,152,528.27	2.93
KANO	39,824,177.00	-	-	-	-	39,824,177.00	4,651,463,873.60	1.07
KATSINA	77,700,535.30	-	-	-	-	77,700,535.30	9,075,422,523.04	2.09
KEBBI	45,310,617.91	-	-	-	-	45,310,617.91	5,292,280,171.89	1.22
KOGI	30,352,870.57	-	-	-	-	30,352,870.57	3,545,215,282.58	0.82
KWARA	24,972,143.08	-	-	-	-	24,972,143.08	2,916,746,311.74	0.67
LAGOS	270,840,818.98	-	-	-	-	270,840,818.98	31,634,207,656.86	7.28
NASARAWA	23,278,453.38	-	-	-	-	23,278,453.38	2,718,923,354.78	0.63
NIGER	27,634,748.90	-	-	-	-	27,634,748.90	3,227,738,671.52	0.74
OGUN	54,868,136.63	-	-	-	-	54,868,136.63	6,408,598,358.38	1.47
ONDO	41,874,347.84	-	-	-	-	41,874,347.84	4,890,923,827.71	1.13
OSUN	57,663,946.01	-	-	-	-	57,663,946.01	6,735,148,893.97	1.55
OYO	106,716,971.10	-	-	-	-	106,716,971.10	12,464,542,224.48	2.87
PLATEAU	29,255,196.92	-	-	-	-	29,255,196.92	3,417,007,000.26	0.79
RIVERS	32,338,802.05	-	-	-	-	32,338,802.05	3,777,172,079.44	0.87
SOKOTO	33,974,354.62	-	-	-	-	33,974,354.62	3,968,204,619.62	0.91
TARABA	19,642,836.94	-	-	-	-	19,642,836.94	2,294,283,354.59	0.53
YOBE	18,787,421.83	-	-	-	-	18,787,421.83	2,194,370,869.74	0.50
ZAMFARA	17,233,048.36	-	-	-	-	17,233,048.36	2,012,820,048.45	0.46
FCT	14,243,206.63	-	-	-	-	14,243,206.63	1,663,606,534.38	0.38
Sub Total	1,660,498,176.36	-	-	-	-	1,660,498,176.36	193,946,186,998.85	44.63
FGN	1,512,489,527.97	-	547,489,600.00	-	-	2,059,979,127.97	240,605,562,146.90	55.37
Grand Total	3,172,987,704.33	-	547,489,600.00	-	-	3,720,477,304.33	434,551,749,145.74	100.00

Exchange Rate @ 31. 12. 08 = N130.75/\$

OFFICE OF THE ACCOUNTANT-GENERAL
OF THE FEDERATION,
FEDERAL MINISTRY OF FINANCE ,
ABUJA.I. H. Dankwambo, OON
ACCOUNTANT-GENERAL OF THE FEDERATION

.....2009

SECTION 3

FINANCIAL STATEMENTS

SECTION 3

**FINANCIAL
STATEMENTS**

3.0 ANNUAL FINANCIAL STATEMENTS

SUBMISSION OF ACCOUNTS

- 3.01** The Financial Statements numbers 1 to 4 with Notes to the Accounts were first submitted by the Office of the Accountant-General of the Federation to my Office on 17th June, 2009 and re-submitted on 21st October, 2009.

CONSOLIDATED REVENUE FUND

SHORT FALL IN CONSOLIDATED REVENUE SUB-HEADS

- 3.02** Audit examination of the Statement of Consolidated Revenue Fund for the year ended 31st December, 2008, (Statement No. 3.0) revealed shortfall in revenue collection on 7 (Seven) Heads of Recurrent Revenue for amounts totalling ~~₦~~156,144,242,305.02 as stated hereunder:-

S/N	REVENUE SUB-HEAD	BUDGETED REVENUE	ACTUAL REVENUE	SHORT FALL	%
		₦	₦	₦	
i	Direct Taxes	14,325,886,527.08	14,137,179,823.99	188,706,703.09	98.68
ii	Licences & Internal Revenue	1,434,100,007.16	201,304,642.23	1,232,795,364.93	14.04
iii	Mining	2,838,271,665.40	170,118,627.33	2,668,153,038.07	05.99
iv	Fees	23,420,164,085.10	4,503,158,448.46	18,917,005,636.64	19.23
v	Rent On Govt Property	4,014,127,415.33	594,751,262.56	3,419,376,152.77	14.82
vi	Interest & Repayment: General	116,879,439,968.27	217,423,016.52	116,662,016,951.75	0.19
vii	Re-Imbursement	13,161,258,340.98	105,069,883.21	13,056,188,457.77	0.80
	Total	176,073,248,009.32	19,929,005,704.30	156,144,242,305.02	

The Accountant-General of the Federation has been requested to provide the details of the MDAs involved in the short-fall of revenue collection and the reason(s) for their inability to collect the revenue as budgeted.

- 3.03** Audit examination confirmed that in the month of January, 2008, there were two transfers into the CRF, made up of ~~₦~~1,000,000,000.00 termed “TRSF of Funds from Motor Vehicle Proceeds” and ~~₦~~6,500,000,000.00 termed Transfer of Funds from Fixed Asset Disposal Proceeds”.

The Bank Statement of the accounts from December, 2007 to December, 2008, for Motor Vehicle Proceeds where the sum of ~~₦~~1,000,000,000.00 and Fixed Assets Disposal Proceeds for the sum of ~~₦~~6,500,000,000.00 were transferred into CRF and the Statement of Affairs of each of them from January, 2008 to 31st December, 2008 should be made available.

- 3.04** In the audit examination of the Analysis Ledger and the Consolidated Transcripts of Accounts of the CRF and the Bank Statements, it was observed that there were returned cheques in the sum of ~~₦~~413,616,718.17, shown in the table below from January, 2008 to December, 2008.

MONTHS	MDAs AMOUNT N	FEDERAL PAY OFFICE N
JANUARY	103,671,246.12	-
FEBRUARY	15,839,301.99	-
MARCH	-	-
APRIL	1,459,477.09	1,695,760.00
MAY	-	540,105.48
JUNE	-	-
JULY	6,548,717.66	43,858.70
AUGUST	251,307,740.25	-
SEPTEMBER	2,714,609.81	-
OCTOBER	4,610,791.42	-
NOVEMBER	25,185,109.65	-
DECEMBER	-	-
TOTAL	411,336,993.99	2,279,724.18

The Accountant-General of the Federation has been requested to produce the names of the MDAs and evidence of making good the value of the returned cheques totaling ~~N~~413,616,718.17.

SERVICE WIDE VOTE

- 3.05** The records made available by Funds Department showed that the sum of ~~N~~5,000,000,000.00 for Group Life Insurance was cash backed in 2008 in favour of the Office of the Head of Civil Service of the Federation (OHCS). However, it was observed that the sum of ~~N~~4,000,000,000.00 was reflected in the Financial Statements and in the Consolidated Transcripts of the OHCS, whereas, Note 4 which is the "List of Closing Cash Book Balances as at 31st December, 2008", showed the closing balance of OHCS to be Nil. This closing balance did not account for ~~N~~1,000,000,000.00 difference between the cash backed figure of ~~N~~5,000,000,000.00 and N4,000,000,000.0 reflected in the Financial Statements and the Transcript of the Accounts.

The Accountant-General of the Federation has been requested to account for the difference of ~~N~~1,000,000,000.00.

- 3.06** Audit examination of the under-listed transactions under Service Wide Vote were over funded by ~~N~~86,059,910,905.39, contrary to the amount appropriated for each of them as contained in the 2008 Appropriation Act.

S/N	SUB-HEADS	FUND RELEASED (N)	APPROPRIATION (N)	EXCESS FUNDING (N)
i.	Public Service Wage Adjustment (PSWA)	54,336,943,021.75	10,000,000,000.00	44,336,943,021.75
ii.	Contingency	5,385,908,981.54	4,000,000,000.00	1,385,908,981.54
iii.	Contribution to International Organisation	7,703,178,811.70	4,000,000,000.00	3,703,178,811.70
iv.	Margin for increased cost	9,842,316,377.40	3,000,000,000.00	6,842,316,377.40
v.	Judgment Debts	9,737,453,600.00	9,000,000,000.00	737,453,600.00
vi.	ASSU/Other Unions Agreements	45,954,110,113.00	16,900,000,000.00	29,054,110,113.00
	TOTAL	132,959,910,905.39	46,900,000,000.00	86,059,910,905.39

The Accountant-General of the Federation has been requested to provide evidence of Supplementary Appropriation Act. to support the excess funding ₦86,059,910,905.39.

3.07 In the audit examination of the sub-heads relating to the Service Wide Vote, the sum of ₦25,614,551,162.00 made up of two tranches of ₦13,239,551,162.00 and ₦12,375,000,000.00, was released to the Office of the Accountant-General of the Federation for the payment, of “Terminal Benefits of 13,722 disengaged staff of various parastatals”.

It was however observed that the sum of ₦25,614,551,162.00 was not reflected in the Financial Statements.

The Accountant-General of the Federation has been requested to provide names of the Banks, the Account numbers and Bank Statements in which the sum of ₦25,614,551,162.00 was paid into. The balances from the various banks as at 31st December, 2008 should also be provided.

Also the Statement of Affairs and the Transcript of Accounts in respect of the payments should be produced.

3.08 In the course of the audit examination of the underlying records, documents, Appropriation Act 2008 and Financial Statements, it was observed that the Funding and Expenditure in respect of transactions under Service Wide Vote and Capital Supplementation did not provide a good and transparent disclosure of the activities. The present system creates confusion in the matching concepts, since the transactions under these Heads were not appropriated for any particular MDAs, yet the funds released and expenditure were reflected in the Transcripts of the individual benefiting MDAs.

As a result of this observation among others, it is hereby required that as a matter of urgency for the financial year 2009, a separate Transcripts and Consolidated Transcripts of Accounts should be introduced and implemented to

capture all the transactions under Service Wide Vote and Capital Supplementation.

Also it is important to provide disclosure in respect of transactions relating to Millennium Development Goals (MDGs)

The Accountant-General of the Federation has been requested to implement the recommendation in 2009 financial year.

- 3.09** In the examination of the Consolidated Transcripts of Accounts for the FPOs Lagos I and II, it was observed that neither of the two FPOs reported transactions of receipts and payments for Queen's College Lagos and Federal Government College, Ijanikin, Lagos and consequently not reflected in the Financial Statements..

The Accountant-General of the Federation has been requested to provide the amount of the disbursement to the two colleges and explain the apparent omission.

CONSOLIDATED REVENUE FUND CHARGES:

- 3.10** Audit examination of Note 15 to the Financial Statements in respect of "Consolidated Revenue Fund Charges", showed that there were items of excess expenditure over the amounts appropriated, as listed below:

Description	Appropriation (₦)	Actual Expenditure (₦)	Excess Expenditure (₦)
Pension & Gratuity -Civilian	21,270,000,000.00	29,702,863,824.49	8,432,863,824.49
Pension & Gratuity –Judiciary	1,009,234,994.00	1,053,295,192.61	44,060,198.61
Pension & Gratuity – Military	36,350,000,000.00	44,565,900,953.51	8,215,900,953.51
Pension & Gratuity – Police	9,575,000,000.00	17,672,998,936.19	8,097,998,936.19
Pension & Gratuity – CIPPO	4,240,000,000.00	11,201,337,537.76	6,961,337,537.76
TOTAL	72,444,234,994.00	104,196,396,444.56	31,752,161,450.56

The Accountant-General of the Federation has been requested to provide the authority for the excess expenditure of ₦31,752,161,450.56.

- 3.11** The audit examination of documents in respect of mandate Ref. FD/LP2008/133/I/14/DF dated 2nd May 2008, directed that the Central Bank of Nigeria (CBN) should debit the CRF Account No. 10002308-56- by an amount of ₦676,306,080.31, in favour of National Sugar Development Council, but the overleaf of the Mandate stated as follows;

- "Head – Sugar Levy.
- Sub-Head – 5% Sugar Levy Account".

It was, however, observed that similar cases like that of FAAN, Raw Material Research Development Council and Nigerian Shippers Council, the amounts in their favour, were debited to the relevant Special Fund Accounts and not CRF Account. Also it was observed that the appropriate Fund Account i.e. 5% Sugar Levy Account, had a closing balance of ₦6,045,680,986.47 as at 31st December, 2008.

The Accountant-General of the Federation has been requested to explain the reason for debiting the CRF Account instead of 5% Sugar Levy Account.

3.12 Audit examination of the Funds listed in Note 2 showed a Nil balance in respect of 10% Cocoa Levy compared with the 2007 balance of ₦1,984,979,118.00.

The Accountant-General of the Federation has been requested to provide the authority for the expenditure of ₦1,984,979,118.00 that resulted in the Nil balance as at 31st December, 2008..

3.13 It was observed overtime, that there was a serious Cash Management problem in the Consolidated Revenue Fund Account. This problem arose from the various “Debits Interests” and “Sinking Fund”, which ran into billion of naira being debited into CRF Account, which many a time without the advance knowledge of the Accountant-General of the Federation. The reasons being that, there were no mandates, no known programme or projection for daily, monthly, quarterly and yearly plans for these kind of debits prior to their being brought to the CRF Account. This had created serious cash flow in billions of naira out of the CRF Account without a prior projection.

A sampled audit examination of the CRF Bank Reconciliation Statements showed the sum of debits charged to CRF Account for;

i.	Debit Interests	=	₦183,456,910,913.16
ii.	Sinking Fund	=	₦ <u>11,255,171,560.64</u>
		=	<u>₦194,712,082,474.70</u>

It is of concern too that accounts where the credits for the sampled debits of interests of ₦183,456,910,913.16 and Sinking Fund of ₦11,255,171,560.64, were not known.

Also of concern is that, the criteria for determination or calculation of the “Debits Interests” and “Sinking Fund” for this large sum of Fund in billions of naira, was not known, for one to determine the correctness of these debits charged into CRF.

The Accountant-General of the Federation has been requested to disclose the beneficiaries of the various debits, in respect of the “Debit Interests on

Floatation, Stock, Bond, Treasury Bills and Sinking Fund accounts that are credited.

STATEMENT OF ASSETS AND LIABILITIES

- 3.14** During the audit examination of the Statement of Assets and Liabilities as at 31st December, 2008 (Statement No. 2.0), the following observations were made:-

LIABILITIES (PUBLIC FUNDS)

SPECIAL FUNDS

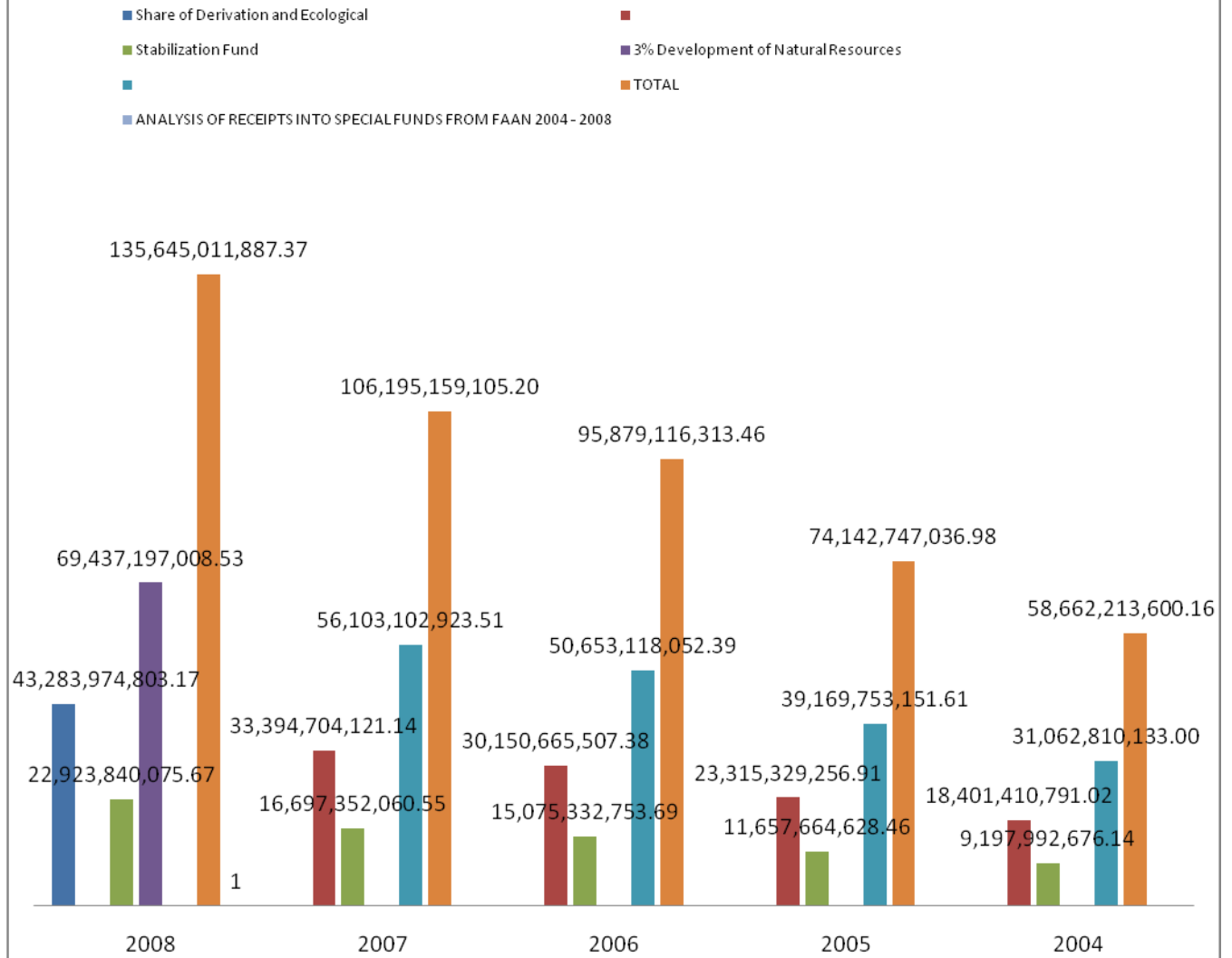
- 3.15** The Financial position of Special Funds such as Ecological Problems Fund, Statutory Stabilization, 3% Development of Natural Resources and 7% Port Levy among many others in the custody of the Office of the Accountant-General of the Federation, was reflected in the Financial Statements, but no Statements of Affairs were submitted to me in order to examine the movement in the Funds.

Below are the comparative figures for the 5 year from period 2004 to 2008.

ANALYSIS OF RECEIPTS INTO SPECIAL FUNDS FROM FAAC 2004 – 2008

NATURE OF FUNDS	AMOUNTS RECEIVED				
	2008 N	2007 N	2006 N	2005 N	2004 N
Share of Derivation and Ecological	43,283,974,803.17	33,394,704,121.14	30,150,665,507.38	23,315,329,256.91	18,401,410,791.02
Stabilization Fund	22,923,840,075.67	16,697,352,060.55	15,075,332,753.69	11,657,664,628.46	9,197,992,676.14
3% Development of Natural Resources	69,437,197,008.53	56,103,102,923.51	50,653,118,052.39	39,169,753,151.61	31,062,810,133.00
TOTAL	135,645,011,887.37	106,195,159,105.20	95,879,116,313.46	74,142,747,036.98	58,662,213,600.16

ANALYSIS OF RECEIPTS INTO SPECIAL FUNDS FROM FAAC 2004 – 2008



ANALYSIS OF RECEIPTS INTO THE FUNDS FROM FEDERATION

ACCOUNT IN 2008

- 3.16** The inflow into these Funds came directly from the Federal Government's share of the Federation Account during the year as follows:-

<u>NATURE OF FUNDS</u>	<u>AMOUNT RECEIVED</u>
	<u>N</u>
Share of Derivation and Ecology	43,283,974,803.17
Stabilization	22,923,840,075.67
3% Development of Natural Resources	69,437,197,008.53
TOTAL	<u>N135,645,011,887.37</u>

The figure for each fund represents the total receipts from January to December, 2008. Thus, the total receipts into the three Funds during the year was **N135,645,011,887.37**. It is important to make available the Statement of Affairs of each of the Funds and other Funds being managed by the Office of the Accountant-General of the Federation, showing the monthly receipts and the disbursements made there from. It is not enough to provide only the closing balances shown in Note 2 to the Financial Statements. It should also be noted that this issue has been subject of my reports from 2004 to 2007; without response apart from showing the closing balances without comparative figures.

ECOLOGICAL PROBLEM FUND

- 3.17** This is one of the Special Funds in the custody of the Office of the Accountant-General of the Federation in respect of which Statement of Affairs at the end of each fiscal year was not submitted for audit examination. The Accountant-General of the Federation has been requested to produce the relevant Bank Statements for the Fund for the period of 31st December, 2007 to 31st December, 2008 and also the Monthly Transcripts of Accounts for the Ecological Problem Fund for audit examination.

PETROLEUM TECHNOLOGY DEVELOPMENT FUND

- 3.18** The position of the Petroleum Technology Development Fund (PTDF) (Note 2 refers) is similar to the observations in respect of the Ecological Problem Fund raised above. The Statement of Affairs in respect of all other Accounts known to the Office of the Accountant-General of the Federation and/or managed by that Office on behalf of the Management of the PTDF should be disclosed. The **NIL** balance shown in the Statement as the true position of all the Accounts of PTDF is inadequate. Also the **NIL** balance which has remained stagnant due to no movement in the Fund has been recurring over the years.

Consequently, the Accountant-General has been requested to produce relevant Bank Statements on all PTDF foreign accounts from 31st December, 2007 to

31st December, 2008 for audit examination. Moreover, the Statement of Affairs on the PTDF Account together with the relevant Monthly Transcripts of Accounts for the periods of December, 2007 to 31st December, 2008 should be produced for audit examination.

POLICE REWARD FUND

- 3.19** The balance of ~~N~~306,091,743.93 shown in the statement which has remained stagnant due to no movement in the Fund and which has been recurring over the years is an indication of lack of proper management of the Fund.

Consequently, the Accountant-General of the Federation should request the Nigeria Police to produce relevant Statement of Affairs and Monthly Transcripts of Accounts for the Police Reward Fund for the period of twelve months ended 31st December, 2008 for audit examination.

REVOLVING FUND – PROTOTYPE HOUSING UNITS (FMW&H)

- 3.20** The balance of ~~N~~67,821,110.00 shown in the Statement (Note 2) which has remained stagnant due to no movement in the Fund and which has been recurring over the years is an indication of lack of proper management of the Fund. The actual preparation of proper Statement of Affairs of the Fund which should have disclosed the true position of the operations of the Fund as at 31st December, 2008 has never been done. In view of this, the Accountant-General of the Federation has been asked to liaise with the Ministry to submit all the accounting records from inception, including separate report of the establishment of the Fund. The report should also disclose the number of houses of each category built from the inception of the Fund, their locations, details of the revenue accruing into the Fund from the sale of the houses and other sources of the Revenue of the Fund. The beneficiaries of the sales from inception, defaulters and unit price of each category as well as the present position of each house should be disclosed. The accounting records relating to the operations of the Fund have never been audited, because the Office of the Accountant-General of the Federation has not been maintaining such records in his Office. Also, Monthly Transcripts of Accounts which would have shown the summary of the transactions were not made available. Consequently, the movement of fund during the period under review could not be examined.

It should also be noted that this issue has been subject of my reports from 2004 to 2007 without any response.

The Accountant-General has also been requested to furnish my Office with the relevant legal instrument which established the Fund.

STATEMENT OF PUBLIC DEBTS OF THE FEDERAL GOVERNMENT OF NIGERIA

- 3.21** During the audit examination of the summary of the Public Debts of the Federal Republic of Nigeria as at 31st December, 2008, it was confirmed that the public debt during the period under review was ₦2,729,779,437,819.05 and the details are as follows:-

S/N	Particulars	Amount in USD	Naira Equivalent
i	External Debt Stock	2,059,979,127.97	269,342,270,982.08
ii	Internal Loans	00	2,459,917,166,836.97
iii	Dev. Loan Stock	00	520,000,000.00
	TOTAL		2,729,779,437,819.05

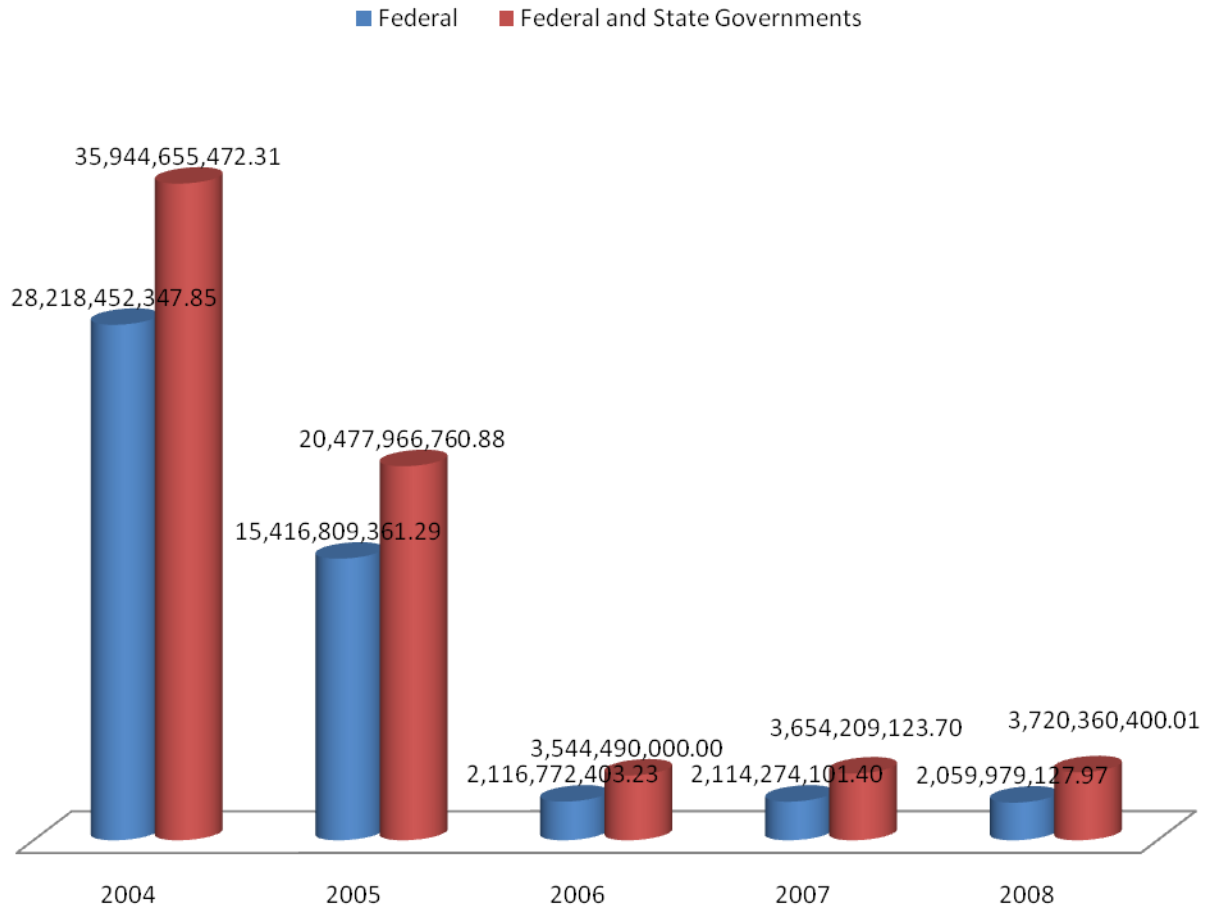
- 3.22** Out of the total External Debts Stock of ₦486,437,122,301.31 (i.e. US\$3,720,360,400.01), the Federal Government's share was ₦269,342,270,982.08 (i.e. US\$2,059,979,127.97). (See details in Notes 9 to 11 and Appendix 1).

FEDERAL GOVERNMENT AND STATE GOVERNMENTS EXTERNAL DEBT STOCK

- 3.23** Below are the comparative figures for 4 years of the above item.

	2004 \$	2005 \$	2006 \$	2007 \$	2008 \$
Federal	28,218,452,347.85	15,416,809,361.29	2,116,772,403.23	2,114,274,101.40	2,059,979,127.97
Federal and State Governments	35,944,655,472.31	20,477,966,760.88	3,544,490,000.00	3,654,209,123.70	3,720,360,400.01

FEDERAL GOVERNMENT AND STATE GOVERNMENTS EXTERNAL DEBT STOCK



STATEMENT OF LOANS AND INVESTMENTS

NON RECOVERY OF PRINCIPAL LOANS AND INTERESTS OVERDUE FOR REPAYMENT

- 3.24** Audit examination of Note 6 to the Financial Statements showed that many of the Companies and Agencies that were beneficiaries of loans from Federal Government of Nigeria failed to repay such loans as at when due. For instance, the Federal Housing Authority was granted the total sum of ₦7,291,336,930.09 in three tranches between 1997 and 2001. Although the agreement provided for a moratorium of two years only, neither the capital nor the accumulated interests has been paid as at 31st December, 2008.
- 3.25** As a result, the total sum of ₦7,291,336,930.00 and cumulative interest of ₦1,096,183,863.00 totalling ₦8,387,520,793.00 was still outstanding as at 31st December, 2008. Yet, this Organization was involved in massive sale of houses from which it could have easily liquidated the loan if the Management was desirous of doing so. This was one case out of many such defaulting Organizations shown in Note 6.

This has been subject of my reports since 2002 without any response.

The Accountant-General of the Federation has been advised to urgently summon a meeting of all the affected organizations, to work out repayment programme of the loans, including the accumulated interests.

COMPANIES WITH NON PERFORMING LOANS

3.26 Audit examination of records of the 20 (twenty) companies listed hereunder revealed that there was no repayment of Loans and cumulative interests amounting to ₦193,622,647,672.00 during the year under review.

S/N	Companies	Principal ₦	Cum. Interest ₦	Total ₦
i	National Iron Ore co.	1,529,720,542.00	1,785,785,581.00	3,315,506,123.00
ii	Delta Steel Rolling Co.	6,156,506,074.00	2,145,975,881.00	8,302,481,955.00
iii	NSPMC	1,511,665,373.00	1,740,380,022.00	3,252,045,395.00
iv	NERFUND	300,000,000.00	1,138,500,000.00	1,438,500,000.00
v	Ajaokuta Steel Company	72,756,239,000.00	0	72,756,239,000.00
vi	BOI	1,250,000,000.00	468,750,000.00	1,718,750,000.00
vii	NEPA (PHCN)	7,326,398,094.00	15,929,064,865.00	23,255,462,959.00
viii	Urban Dev. Bank	751,500,000.00	460,187,500.00	1,211,687,500.00
ix	Fed Housing Authority	7,291,336,930.00	1,096,183,863.00	8,387,520,793.00
x	Fed. Mortgage Bank	1,220,806,640.00	2,450,569,242.00	3,671,375,882.00
xi	New Nig Newspaper	153,435,499.00	125,041,543.00	278,477,042.00
xii	Nig. Railway Corporation	2,593,301,985.00	4,023,516,765.00	6,616,818,750.00
xiii	Nig Airways Ltd	984,205,251.00	678,159,253.00	1,662,364,504.00
xiv	Fed. Airport Auth. of Nig	2,017,121,725.00	1,991,731,910.00	4,008,853,635.00
xv	NITEL PLC	42,395,300,872.00	192,392,323.00	42,587,693,195.00
xvi	Nig. Build. & Rd. Res. Inst.	42,933,333.00	29,785,000.00	72,718,333.00
xvii	Nig. Coal Corp.	2,049,024,429.00	1,708,619,219.00	3,757,643,648.00
xviii	Nig. Mining Corp	1,720,406,851.00	951,487,329.00	2,671,894,180.00
xix	NACRDB	3,465,055,515.00	1,123,863,336.00	4,588,918,851.00
xx	Nig. Uranium Co.	30,748,000.00	39,947,927.00	70,695,927.00
	Total	155,542,706,113.00	38,079,941,559.00	193,622,647,672.00

- i The BOI figure of ₦1,718,750,000.00 is made up of a Merged Loan of NIDB of ₦1,250,000,000.00 and cumulative interest of BOI of ₦468,750,000.00. However, it was observed that the cumulative interest of ₦187,500,000.00 on NIDB as at 31st December, 2007 was not added to the merged loan of BOI
- ii There was no movement in the cumulative interest on the loans on all the twenty companies listed above which mean that no interests were charged for the financial year ended 31st December, 2008.

The Accountant-General of the Federation has been requested to explain the above anomalies.

PRIVATISED COMPANIES WITH OUTSTANDING LOANS

- 3.27** It was observed from Note 6 of the Financial Statements that a total sum of ~~N~~39,209,607,196.00 was in respect of outstanding loans with cumulative interest in 15 (fifteen) privatized companies listed below. Some of the Companies were either no longer in existence or had changed ownership. The under listed companies have already been privatized, but their new owners have failed to take-over the loans as part of liabilities inherited.

N	Companies	Principal	Cum. Interest	Total
S/N		₦	₦	₦
i	Aluminum Smelter Co.	8,551,139,713.00	12,248,270,692.00	20,799,410,405.00
ii	Jos Steel Rolling Co.	505,506,844.00	394,969,266.00	900,476,110.00
iii	Katsina Steel Rolling Co.	395,523,086.00	334,585,069.00	730,108,155.00
iv	Peugeot Automobile Ltd	850,000,000.00	106,250,000	956,250,000
v	Osogbo Steel Co. Ltd	595,389,094.00	291,093,430.00	886,482,524.00
vi	Calabar Cement Co.	10,800,000.00	5,345,000.00	16,145,000.00
vii	African Continental Bank	17,625,000.00	9,987,500.00	27,612,500.00
viii	Bricks Project	11,500,000.00	-	11,500,000.00
ix	Iwopin Pulp & Paper Co	1,825,957,829.00	1,706,816,512.00	3,532,774,341.00
x	Nig. Machine Tools Ltd	1,774,364,546.00	1,830,066,174.00	3,604,430,720.00
xi	Nig. Newsprint Man.	1,156,712,486.00	1,125,207,411.00	2,281,919,897.00
xii	Nig. Paper Mills Ltd	242,234,465.00	213,238,445.00	455,472,910.00
xiii	Nig. Sugar Co.	1,820,587,973.00	2,027,823,712.00	3,848,411,685.00
xiv	Nig. Nat. Shipping Line	856,144,342.00	246,137,336.00	1,102,281,678.00
xv	Benue Cement Co.	56,331,271.00	00	56,331,271.00
	Total	18,669,485,378.00	20,539,790,547.00	39,209,607,196.00

- 3.28** The Accountant-General of the Federation has been requested to carry out urgent review of the records of these companies in order to:
- ensure that the outstanding loans together with cumulative interests in the 15 (fifteen) privatized companies are recouped from the new owners of the companies.
 - make the records of loans together with the cumulative interests and any other investments in the companies that are yet to be privatized available to the Bureau for Public Enterprises (BPE) or in the case of African Continental Bank, the Nigerian Deposit Insurance Corporation.
 - In the case of Benue Cement Company, the Office of the Accountant-General of the Federation should reconcile the actual loan position.

LOANS CONVERTED TO EQUITY

- 3.29** The Loans converted to equity as earlier reported in Auditor-General's Reports for the years 2004 to 2006 had now been reconverted to loans without authority and the knowledge of the beneficiaries. The affected companies are:

	N
(i) Ajaokuta Steel Company	72,756,239,000.00
(ii) NITEL	<u>42,587,693,195.00</u>
Total	<u>115,343,932,195.00</u>

The Accountant-General of the Federation has been requested to:-

- (i) produce the authority for the re-conversion of the equity to loans of NITEL and Ajaokuta Steel Company including also the loan agreements and amortization schedules for repayment of the loans,
- (ii) communicate the re-conversion of the equity to loans to the affected companies accordingly.

INVESTMENTS

INVESTMENTS FORFEITED TO THE FEDERAL GOVERNMENT **– N1,230,363.00**

- 3.30** The Statement of Investments forfeited to the Federal Government given at Note 6 to the Financial Statements revealed that the sum of ~~N~~1,230,363.00 was in respect of investments in 25 (twenty-five) companies forfeited to the Federal Government. A close examination of these companies shown in the Statement revealed that there is need for the Accountant-General of the Federation to confirm the forfeiture of the investments, the dividends paid thereon. Many of the investments range between ~~N~~100.00 and ~~N~~400,000.00 and this raises the question as to the materiality of the forfeited investments.

Also efforts should be made by the Accountant-General of the Federation after due process to dispose off the investment, considering the materiality of the value of the investment and the current low stock price due to the Global Melt down.

EXTERNAL INVESTMENTS – ~~N~~519,530,919.00

- 3.31** The list of the 14 (fourteen) companies in the Statement of External Investments given at Note 6 to the Financial Statements showed that these are companies based outside Nigeria in which Federal Government has investment totalling ~~N~~519,530,919.00. However, the returns of revenue collected from Revenue and Investment Department revealed that only one company out of the fourteen companies paid dividend on investment during the year under review.
- 3.32** There is also the need to know the present Market value of each of the investment in these companies and the continued Nigeria's interest in them.

- 3.33** The Accountant-General of the Federation has been requested to investigate the present status of Nigeria's interest in these companies and to find out why there were no returns on the investment apart from Royal Swaziland Sugar Co. during the year under review.

LOANS GRANTED TO REPUBLIC OF GHANA (US\$40,000,000.00) AND GRANT TO SAO TOME AND PRINCIPE (US\$5,000,000.00) NOT REFLECTED IN THE STATEMENT

- 3.34** A Loan of US\$40,000,000.00 was granted to the Republic of Ghana on 3rd August, 2004 for financing Ghana's interest in West African Gas Pipeline Project at a zero-interest rate. The Loan agreement indicated that it would be repaid in five equal installments of US\$8,000,000.00 bi-annually. The figure for this loan was not reflected in the Note 6 to the Financial statements.
- 3.35** Similarly, a Loan of US\$5,000,000.00 was granted to Sao Tome and Principe by the Federal Government of Nigeria to enable the Democratic Republic of Sao Tome and Principe achieve the objective of establishing the treaty on the Exploration and Development of resources in the Joint Development Zone (JDZ). This loan was also not reflected in the Statement.

The Accountant-General of the Federation has been requested to furnish my Office with the present position of the repayment of the loans totaling US\$45,000,000.00 as at 31st December, 2008 for examination. It should also be noted that this issue has been subject of my reports since 2004 to 2007 without any response.

NOTES TO ACCOUNTS – AUDIT OBSERVATIONS

3.36 NOTE 2- OTHER FUNDS POSITION

- i The Funds listed from numbers 6 to 18 in Note 2 had no closing balances as at 31st December, 2007. The individual bank accounts of these Funds ought to show the closing balances.
- ii Also the closing balances provided by Revenue and Investment Department, did not agree with the balances stated in the Note 2 to the Financial Statements.
- iii The balance of 10% Cocoa Levy as at 31st December, 2008 was Nil compared with the 2007 balance of ₦1,984,979,118.00 representing an expenditure of ₦1,984,979,118.00.

The Accountant-General of the Federation has been requested to:-

- i provide the bank statements of the banks where these Funds are being operated.

- ii explain the reasons for the differences of the closing balances between the document provided by Revenue and Investment Department and Note 2.
- iii provide the authority for the expenditure of ₦1,984,979,118.00 that resulted in the Nil balance

3.37 NOTE 3.0 – CLOSING CASH BOOK BALANCES OF FPOs

It was observed that 16 (sixteen) Federal Pay Offices (FPOs) out of 38 (thirty eight) FPOs had cashbook closing balances totalling ₦60,574,584.01 which ought to have been paid to the Sub-Treasurer of the Federation as un-spent balances.

The anomaly has been conveyed to the Accountant-General of the Federation for his comments.

NOTE 4.0 – CLOSING CASH BOOK BALANCES OF MDAs

- 3.38** 57 (fifty seven) out of 114 (one hundred and fourteen) MDAs had closing cashbook balances totalling ₦125,783,119,867.93 as at 31st December, 2008. The present format of Note 4 does not provide for the disclosure of the nature of the accounts that have the closing balances totalling ₦125,783,119,867.93. The Accountant-General is therefore requested to classify the closing balances at the end of each year into type of the accounts for proper disclosure.

NOTE 5.0–OUTSTANDING IMPREST OF MINISTRIES/DEPTS/AGENCIES

- 3.39** 59 (fifty nine) MDAs had the net outstanding credit balances totalling ₦69,694,588.73 as at 31st December, 2008 instead of **NIL** balance in their imprest accounts, contrary to Financial Regulation No. 1111 which stipulates that “All standing imprests must be retired before the 31st December of the financial year in which they are issued, while Special Imprests shall be retired immediately the reasons for which they were granted cease to exist”.
- 3.40** Further audit investigation revealed that out of the 59 (fifty nine) MDAs, only 11 (eleven) recorded credit balances in their imprest accounts for amounts totalling ₦620,869,727.88. The affected MDAs are:

S/N	MDAs	Amount ₦
i	Ministry of Police Affairs	(6,858,330.79)
ii	Supreme Court of Nigeria	(118,963,871.58)
iii	National Sports Commission	(1,341,326.84)
iv	Ministry of Foreign Affairs- All Missions	(12,499,249.41)
v	Ministry of Justice	(146,453,658.84)
vi	National Poverty Eradication Programme	(10,790,418.75)
vii	Court of Appeal, Abuja	(131,868,583.05)
viii	Ministry of Defence	(4,051,798.91)

ix	Public Complaints Commission	(662,875.95)
x	Directorate of Military Pension	(187,256,442.76)
xi	National Salaries & Wages Commission	(123,171.00)
	TOTAL	(620,869,727.88)

The attention of the Accountant-General of the Federation has been drawn to the discrepancies and he has been requested to call on the affected MDAs to provide explanation for the discrepancies.

NOTE 7: OUTSTANDING ADVANCES – ~~N40,454,334,493.53~~

- 3.41** 86 (Eighty-six) MDAs had a net debit balance of ~~N40,454,334,493.53~~ as outstanding advances as at 31st December, 2008. These figures were higher than those reported in the previous year, a confirmation that no conscious efforts were made towards retiring advances granted by these MDAs contrary to the Financial Regulations 1704, 1705 and 1725.

This has been subject of my reports since 2004 without any response. A comparative column should be created for proper disclosure of movement of advances paid or not paid.

The Accountant-General of the Federation has been informed of the anomalies and was also advised to reconcile the huge outstanding advances with the affected Agencies.

NOTE 12: DEPOSIT ACCOUNTS WITH DEBIT BALANCES

- 3.42** 15 (Fifteen) MDAs and 6 (Six) FPOs listed hereunder recorded debit balances in their deposit accounts as at 31st December, 2008, instead of credit balances contrary to extant Regulation.

S/N	MDAs	Amount N
(i)	Code of Conduct Tribunal	1,117,705.89
(ii)	Ministry of Education	189,609,842.88
(iii)	Ministry of Labour and Productivity	2,383,566.00
(iv)	National Sports Commission.	138,139,313.47
(v)	NAPEP	100,353,943.24
(vi)	Federal Govt. Staff Housing Loans Board	243,589,279.96
(vii)	Ministry of Communications	2,141,921.71
(viii)	Federal Ministry of Finance	3,509,000.00
(ix)	Court of Appeal, Abuja	3,424,132.00
(x)	National Assembly Service Commission	12,454,701.00

(xi)	National Judicial Institute	55,790,601.11
(xii)	Nigeria Air Force	54,262,349.44
(xiii)	Office of the Accountant-General of Fed.	563,783.44
(xiv)	Federal Ministry of Aviation	565,758,724.15
(xv)	National Env. Std.& Reg. Enf. Agency	500,000.00
(xvi)	Federal Pay Office, Abeokuta	4,128,455.28
(xvii)	Federal Pay Office, Jos	43,950.00
(xviii)	Federal Pay Office, Owerri	283,200.00
(xix)	Federal Pay Office, Brinin-Kebbi	552.60
(xx)	Federal Pay Office, Jalingo	173,399.70
(xxi)	Federal Pay Office, Sokoto	70,075.00
	TOTAL	1,378,298,496.87

There is need for the Office of the Accountant-General of the Federation to maintain control ledgers for Advances, Imprests and deposits for each of the MDAs for proper disclosure and monitoring.

The Accountant-General of the Federation has been requested to investigate the causes of the discrepancies in the Deposit Accounts.

PENSION REFORM ACT SECTION 29 (1) TO (4) 2004 (ESTABLISHMENT OF RETIREMENT BENEFITS BOND REDEMPTION FUND)

3.43 It was observed that the provision of Section 29(1) to (4) of Pension Reform Act, 2004 was not fully complied with. This section stipulates that the “Central Bank of Nigeria (CBN) should establish, invest and manage fund to be known as the “Retirement Benefit Bond Redemption Fund” which shall be used by the CBN to redeem any retirement benefit bonds issued pursuant to section 12(1) of the Act.

3.44 During the year under review it was observed that the Account was opened in favour of the National Pension Commission instead of the CBN as stipulated by Section 29(1) to (4) of the Act. Further examination of the Consolidated Revenue Fund Account (CRF) Bank Statements for the year under review revealed the following:

- i Between January and December 2008, the sum of ~~N~~36,099,999,999.99 was paid into the fund as follows:-

MONTHS	AMOUNT (₦)
JANUARY	1,916,666,667.00
FEBRUARY	1,916,666,667.00
MARCH	1,916,666,667.00
APRIL	1,916,666,667.00
MAY	7,375,000,000.00

JUNE	3,008,333,333.00
JULY	3,008,333,333.00
AUGUST	3,008,333,333.00
SEPTEMBER	3,008,333,333.00
OCTOBER	3,008,333,333.00
NOVEMBER	3,008,333,333.00
DECEMBER	3,008,333,333.00
TOTAL	36,099,999,999.00

- ii There was no evidence of any corresponding investment made for this fund as required by section 29(1) of the Pension Reform Act, 2004.
- iii These payments in favour of PENCOM contravenes Section 29 (1) to (4) of the Pension Reform Act, 2004 which states that " The Central Bank of Nigeria shall establish, invest and manage Funds to be known as the Retirement Bond Redemption Fund-----"
- iv Appropriate Ledger for the payments into the Fund has not been opened by the Accountant-General of the Federation.
- v There was no evidence of compliance by FCT to the Section 29 (1) to (4) of the Pension Reform Act, 2004
- vi Also, investigation carried out revealed that Nigeria Custom Services (NCS) has not been contributing 5% of monthly wage bill of staff into the "Retirement Benefit Bond Redemption Fund" since 2005 when NCS started collecting 7% Cost of Collection. The Federal Inland Revenue Service (FIRS) has not responded to the Accountant-General of the Federation's letter on the same issue.

3.45 The Accountant-General of the Federation has been requested to:-

- (i) provide evidence that the funds were invested by CBN in accordance with Law;
- (ii) confirm that an appropriate ledger has been opened for the fund in his Office;
- (iii) provide evidence of the contribution of 5% Monthly Wage Bill of the employees of the Federal Capital Territory Administration (FCTA), into the Fund for the period of July, 2004 to 31st December, 2008. The Accountant-General of the Federation should closely monitor the regular obligation of FCTA as required by the Law.

The irregularity observed herein has been conveyed to the Accountant-General of the Federation for his comments.

NON-DISCLOSURE OF RETIREMENT BENEFITS BOND REDEMPTION FUND IN THE ACCOUNT

- 3.46** The figure for the Retirement Benefits Bond Redemption Fund was not disclosed in the Statement of Assets and Liabilities as at 31st December, 2008. The anomaly observed herein has been conveyed to the Accountant-General of the Federation for his comments.

NON-CO-ORDINATION OF FUNDS/GRANTS RECEIVED FROM INTERNATIONAL DONOR AGENCIES

- 3.47** During the year under-review, several International Agencies donated/granted funds running into millions of Naira to many Federal Ministries, Extra-Ministerial Departments and Agencies to assist them in the implementation of specific programmes which are beneficial to the nation as a whole. Similar observations were raised in my Annual Reports for the years 2005 and 2006. Unfortunately, the details of such funding were neither made available to the Accountant-General of the Federation nor formally reported by the International Donor Agencies to the Accountant-General of the Federation to enable him capture such financial assistance globally in his Annual Financial Statements.
- 3.48** In view of the impact of such funds from these Donor Agencies on Nigeria's economy, the Accountant-General of the Federation has again been requested to ensure that all forms of financial assistance are co-ordinated by his Office and formally disclosed in the Annual Financial Statements for audit examination. The Accountant-General of the Federation has been requested to ensure improvement in the present system of accounting for International Assistance.

SECTION 4

FEDERATION ACCOUNT

FEDERATION ACCOUNT

- 4.0** The following observations were made during the examination of Federation Account for the year ended 31st December, 2008:-

Non-Submission of Federation Account Statement for the year Ended 31st December, 2008 by the Accountant-General of the Federation.

- 4.01** The Federation Account Statement which comprises the source of revenue and the respective inflows and the disbursement of funds there from for the year 2008 which should have been presented for audit in compliance with Section 85(5) of the Constitution of the Federal Republic of Nigeria, 1999, which stipulates that: “the Auditor-General shall, within ninety days of receipt of the Accountant General’s financial statement, submit his reports under this section to each house of the National Assembly and each House shall cause the reports to be considered by a committee of the house of the National Assembly responsible for public account.” Consequently, the Auditor-General for the Federation was handicapped in certifying the appropriateness and completeness of the various payments made into and from the Federation Account.

The attention of the Accountant-General of the Federation has been drawn to this lapse for necessary action.

Federation Account Revenue

- 4.02** At the Office of the Accountant-General of the Federation, it was observed from the component statements of 2008 that Joint Venture Cash Calls (JVC) of the sum of ₦579,126,900,000.00, Excess Crude of the sum of ₦1,728,448,746,760.92 and Petroleum Product Subsidy of the sum of ₦360,184,606,409.99 were deducted from proceeds of crude oil sales, while the sums of ₦706,033,086,799.17 and ₦247,561,015,590.23 were excess proceeds deducted in respect of Petroleum Profit Tax (PPT) and Royalties respectively. These deductions were made before the net revenues were paid to the Federation Account contrary to the provisions of Section 162(1) of the 1999 Constitution of the Federal Republic of Nigeria which requires all such revenues to be paid directly into the Federation Account. The anomaly has been brought to the attention of the Accountant-General of the Federation for prompt action.
- 4.03** Concessional Rentals receivable in the months of March, May, June and July, 2008 were not collected and paid into the Federation Account. Records evidencing the amounts receivable were also not made available for audit

verification. The Accountant-General of the Federation has been requested to produce the required documents for audit verification.

- 4.04** It was observed that the FAAC has not been rendering the mandatory Annual Report as provided for under Section 5 (3b) of Allocation of Revenue (Federation Account, etc) Act 1982 which stipulates that FAAC is “To report annually to the National Assembly in respect of the functions specified in the Act”. The Accountant-General of the Federation has been notified of this omission for rectification.
- 4.05** States’ Contractual Obligations were observed to have been paid from the Federation Account. One of such cases is the payment of the sums of ~~₦~~310,098,000.00 in the month of March, 2008 as contractual Obligations to a contractor by the order of the Governor of Anambra State. This payment is contrary to the provisions of sections 162(1), 162(3) and 120(3&4) of the Constitution of the Federal Republic of Nigeria, 1999. The Accountant-General of the Federation has been informed and advised on this irregular payment from the Federation Account, and to ensure that henceforth payment of Contractual obligations from the Federation Account should cease.
- 4.06** Another case of irregular payments from the Federation Account was the sum of ~~₦~~17,243,723,929.26 deducted directly from the Account to States as Fertilizer Fund without certification of the Auditor General for the Federation. This practice constitutes a flagrant violation of the provision of Section 168(1) of the Constitution of the Federal Republic of Nigeria, 1999, which requires that such set-off fund by the Federal Government from the allocation of States shall be certified by the Auditor General for the Federation.
- The matter has been brought to the attention of the Accountant-General of the Federation, requesting him to ensure that such disbursements are made in compliance with the provisions of 1999 Constitutional.
- 4.07** Audit scrutiny of the Bank Statements from the Central Bank of Nigeria on Federation Account revealed that credit and debit entries totalling ~~₦~~4,388,238,936,000.81 and ~~₦~~4,319,179,525,891.77 were described as “multi/misc credit entries” and “ multi/misc debit entries” respectively. Records showing the breakdown of each multi/misc. credit/debit entries, and copies of credit /debit advices were also not made available for audit verification. The Accountant-General has been asked to produce these records for audit verification, and he was also advised to inform the CBN to desist from the use of such ambiguous narrations in its Bank statements.
- 4.08** The sum of ~~₦~~2,682,042,849,150.32 was classified as Excess Crude Oil/PPT/Royalty and deducted from total oil and gas revenue collected before the balance was paid to the Federation Account. These deductions were observed to contravene the provisions of Section 162 (1) of the Constitution of

the Federal Republic of Nigeria, 1999 which state that “The Federation shall maintain a special account to be called “The Federation Account” into which shall be paid all revenues collected by the Government of the Federation, except the proceeds from the personal income tax of the personnel of the armed forces of the Federation, the Nigeria Police force, the Ministry or Department of government charged with responsibility for Foreign Affairs and the residents of the Federal Capital Territory Abuja”.

This matter has been brought to the notice of the Accountant-General of the Federation for prompt action. He was also advised to ensure that the provision of the 1999 Constitution should be fully complied with.

4.09 In the year under review, sums totalling US\$190,408,553.00 and US\$25,879,455.89 were credited to the FGN Excess Proceeds of Crude Oil Sales Account as interest on Fixed Term Deposit and interest on Ordinary Deposit respectively. The authority for placing the funds which yielded the above interest in the deposit account was not made available for audit verification. The banks where the deposits were made, the principal sums deposited, the tenor and the rate of interest were also not made available for audit verification. The Accountant-General has been requested to produce these documents for audit verification.

4.10 Sums totalling US\$124,224,952.07 and US\$21,050,836.15 were credited to the FGN Excess Proceeds of PPT/Royalty Account as interest on Fixed Term Deposit and interest on Ordinary Deposit respectively. The authority for placing the funds which yielded the interest in deposit account was not made available for audit verification. The banks where the deposits were made, the principal sums deposited, the tenor and the rate of interest were also not made available for audit verification. The Accountant-General has been asked to produce these documents for audit verification.

Nigerian National Petroleum Corporation And Petroleum Products Pricing And Regulatory Authority

4.11 Audit examination of the accounting and other records revealed that NNPC had deducted at source the sum of ₦360,184,606,409.99 as petroleum product subsidy. This, when compared with the sum of ₦355,159,227,730.85 approved by PPPRA for the Corporation, gave rise to over-deduction of ₦5,025,378,679.14. The discrepancy has been brought to the attention of the Group Managing Director (NNPC) through the Accountant-General of the Federation for clarification.

4.12 At the NNPC, it was also observed that the Corporation had \$10,720,573.57 debt outstanding against some crude oil debtors. Age analysis of the debtors

- ranges between Eight (8) and Twenty (20) years. Further enquiries revealed that most of these Debtors were no longer trading with NNPC. The comment of the Group Managing Director (NNPC) has been sought on the efforts being made to recover the debt.
- 4.13** Audit examination of the accounting and other records revealed that, interest payable on delayed payments by crude oil customers was US\$28,636,780.00. This action contravenes the provision of the Contract Agreement between NNPC and the Crude oil customers, which requires that interest based on London Inter Bank Offer Rate (LIBOR) are charged on customers who failed to settle their crude oil costs after the payment due date. The comment of the Group Managing Director (NNPC) has been sought on the efforts being made to recover the debt.
- 4.14** Further audit scrutiny of the records of the NNPC showed that total of ~~N~~450,776,350,457.00 realized from domestic sales of crude oil and gas were not remitted to the Federation Account by NNPC. The attention of the Group Managing Director NNPC has been drawn to this anomaly through the Accountant-General of the Federation and has been requested to refund ~~N~~450,776,350,457.00 to the Federation Account.
- 4.15** Audit examination of the accounting and other records revealed that, Crude Oil and Gas Sales amounting to US\$435,915,548.44 which appeared on the Crude Oil Sales Profiles could not be traced to the Statement of Account of Crude Oil and Gas Proceeds with J P Morgan Chase. Also Sales proceeds amounting to US\$97,902,712.75 as stated in the Statement of Accounts of NNPC Oil and Gas Sales proceeds with J P Morgan Chase, New York could not be traced to the Crude Oil and Gas Receipts and Payments Statements. The attention of the Group Managing Director NNPC has been drawn to these anomalies through the Accountant-General of the Federation and has been requested to investigate these anomalies.
- 4.16** Audit examination of the Joint Venture Cash Call records at NAPIMS, Lagos, revealed that an amount of US\$100,000,000.00 was irregularly diverted in the year under review to execution of security payment for the month of May, 2008 which was not included in the approved budgets of the Joint Venture Operations. The Group Managing Director (NNPC) had been requested to produce the authority for the fund diversion of US\$100,000,000.00; otherwise refund the sum to the Federation Account.
- 4.17** A total sum of US\$21,515,258.35 was earned as interest on Joint Venture Cash Call Account in 2008. There was no provision for this amount as possible income receivable in the 2008 Joint Venture Cash Call budget. The Group Managing Director (NNPC) had been informed of this matter through the Accountant-General of the Federation and was asked to ensure that the

interest of US\$21,515,258.35 earned on the Joint Venture Cash Call account is refunded to the Federation Account.

- 4.18** Audit examination of Annual Returns from the Joint Venture Operators for the year under review showed that Joint Venture Cash Calls amounting to US\$1,047,912,955.00 and ~~N~~43,393,799,581.00 were in arrears. Inability of NNPC/NAPIMS to meet up with the Cash Calls obligations based on the approved Cash Call budget was observed to impede on the general performance of the operators and also reduce the revenue accruable to the Federation Accounts. The attention of the Group Managing Director NNPC had been drawn to this anomaly through the Accountant-General of the Federation.
- 4.19** Also it was observed during the examination of Bank Statements of Joint Venture Bank Accounts of Operators that, two Operators overdrew the Naira Joint Venture Bank Account on several occasions without authority the respective Operating Committee (OPCOM) of the affected Operators. The attention of the Group Managing Director NNPC had been drawn to this anomaly through the Accountant-General of the Federation.

Department of Petroleum Resources (DPR)

- 4.20** During the audit examination of accounting and other records at the Department of Petroleum Resources, for the Federation Account Revenue, it was observed that the computation of royalties payable by the Oil companies was based on actual crude oil lifted by them and not calculated on actual production figures contrary to the provisions of the MOU's with the relevant oil companies. The MOU's provide that payment of royalties should be based on production volume multiplied by the prescribed royalty rates.
- 4.21** Furthermore, the Department of Petroleum Resources (DPR) has since shirked its responsibility of raising the assessments on royalties and sending the demand notices to the various oil companies for prompt settlement. Rather the Oil Companies are allowed to engage in the self-assessment of royalties' payable by them. This compromise obviously is detrimental to the interest of the country. The Director of Department of Petroleum Resources has been informed of this anomaly through the Accountant-General of the Federation, and he is requested to ensure that computation of royalties is based on the production as contained in the MOU's for the benefit of the country.
- 4.22** Audit scrutiny of records revealed that a total sum of ~~N~~1,299,777,717.00 was owed by various oil companies for penalty for gas flared by the end of 2008 financial year.

The Director of Department of Petroleum Resources had been informed of this anomaly through the Accountant-General of the Federation, and he was

requested to intensify efforts to collect the outstanding balances from the affected companies.

- 4.23** Audit investigation revealed that a sum of ~~N~~1,203,815,367.00 for Penalty on Gas Flared, USD586,202,838.00 on Royalties on Crude Oil and USD857,921.28 on Concession Rentals owed by various oil companies were outstanding as at December, 2008. The Director of Department of Petroleum Resources had been informed of this anomaly through the Accountant-General of the Federation, and he was requested to intensify efforts to collect the outstanding balances from the affected companies.

- 4.24** The attention of the Director of Department of Petroleum Resources has been drawn to all the irregularities raised for prompt action through the Accountant-General of the Federation.

Federal Inland Revenue Service (FIRS)

- 4.25** Audit examination of the accounting records maintained for the Federation Account at the Federal Inland Revenue Service, revealed that the collecting banks were in the habit of late remittance of actual collections to CBN thereby contravening the agreement between FIRS and the Collecting Banks. Also there was no documentary evidence to authenticate the payment of Penalties and Interests totaling to ~~N~~69,628,984.19 to Federation Account. The Chairperson, Federal Inland Revenue Service has been notified of the discrepancy through the Accountant-General of the Federation for prompt action and had been requested to produce documentary evidence that the sum of ~~N~~69,628,984.19 was actually remitted to the Federation Account.

Nigeria Customs Service (NCS)

- 4.26** Audit examination of the Records maintained for the Federation Account at the Nigeria Customs Service, revealed that the total amounts generated and remitted by the Service for the year 2008 was ~~N~~281,520,094,391.92 while total amount received by FAAC as shown by the CBN Components Statement was ~~N~~281,255,388,562.21 thereby resulting in a discrepancy of ~~N~~264,705,829.71. This implies that the actual amount of revenue generated and remitted by NCS was more than the amount presented to FAAC for sharing as indicated by CBN Components. The discrepancy has been brought to the attention of the Controller-General of Nigeria Customs Service through the Accountant-General of the Federation for his explanation.

SECTION 5

LOSSES OF CASH, STORES, PLANTS, VEHICLES AND EQUIPMENT

5.0. LOSSES OF CASH, STORES, PLANTS, VEHICLES AND EQUIPMENT

5.01 Losses of cash and stores arising from theft, fraud, negligence, death of government debtors, inadequate security and non-observance of existing regulations that have come to the notice of this Office since the date of my last Report are tabulated in Appendix "I" of this Report.

5.02 In all, 16 (sixteen) cases of loss of cash and stores were reported. The following schedule shows the comparative position with regard to losses in the preceding five years:

YEAR	LOSS OF CASH		LOSS OF STORES
	NO	AMOUNT (₦)	NO
2003	2	25,582,745.00	6
2004	2	5,664,295.00	5
2005	3	44,316,186.07	4
2006	2	1,084,400.00	4
2007	2	10,225,940.00	2
2008	1	2,190,000.00	15

5.03 From the above schedule, the undulation in the number of reported cases is not an indication of a reduction in the yearly losses of Government funds and stores, but an outright disregard for the provisions of Chapters 15 and 21 of the Financial Regulations which enjoin all Accounting Officers to render reports of any loss of Cash, Stores, Plants, Vehicles and Equipment to my Office, the Office of the Accountant-General of the Federation and to the Federal Civil Service Commission.

The stated regulations require strict compliance.

5.04 No accident case, involving any Government vehicle, was reported during the year. This is not to say that it was a NIL situation in all the Ministries if the Quarterly Returns on Government vehicles had been promptly rendered. In fact, elsewhere in this Report, few cases of accident which came to light in the course of routine audit were reported against several Ministries, Departments and Agencies (MDAs).

NATIONAL IDENTITY MANAGEMENT COMMISSION

5.05 At the Headquarters of the Commission, loss of government stores valued at ₦2,190,000.00 was recorded. The loss occurred as a result of the fact that the items involved were not seen at their respective locations as indicated in the records of the Commission. The loss was not reported on the Treasury Form 146 and no reasonable

explanation had been given for the missing items nor has any action been taken against any of the erring staff of the Commission.

MINISTRY OF POLICE AFFAIRS

NO. '3' SQUADRON, POLICE MOBILE FORCE, ENUGU

5.06 During the audit survey of the arms and ammunition maintained at the Police Mobile Force, No. '3' Squadron, Enugu, in the year under review, the underlisted fire arms were not produced for audit inspection viz:-

- (i) AK 47 Rifle No. KT 348378 with 10 rounds of live ammunition booked and collected by one late Sergeant on 30th September, 2008;
- (ii) AK 47 Rifle No. KT5004916 with 20 rounds of live ammunition booked and collected by one Police Constable on 30th September, 2008;
- (iii) AK 47 Rifle No. 50010081 with 20 rounds of live ammunition booked and collected by one Police Constable on 6th July, 2008;
- (iv) AK 47 Rifle No. 19104 with 20 rounds live ammunition issued to one late Police Corporal AP198592 on 25th December, 2008.
- (v) AK 47 Rifle No. 547237 with 20 rounds of live ammunition booked by one Police Corporal on 19th December, 2008; and
- (vi) AK 47 Rifle No. KT348315 booked by one late Assistant Superintendent of Police on 20th September, 2007.

These firearms were said to have been lost to armed robbers during police operations for which investigations were still on-going.

The Permanent Secretary, Federal Ministry of Police Affairs and the Inspector-General of Police were requested to furnish me with the outcome of the investigations and efforts being made to recover the missing arms. However, I am yet to hear from them.

DIVISIONAL POLICE OFFICE, ONDO

5.07 During the examination of the arms and ammunition records maintained at Ondo Division, it was discovered that 2 Nos. of firearms issued to the officers of the Command were snatched by armed bandits during the period under review.

These losses had not been reported officially in line with the Financial Regulations chapter 15 and Treasury Form 146 had not been completed as required. The case has been taken up with the Permanent Secretary, Police Affairs and his reaction is being awaited.

THE NIGERIA POLICE, ABAKPA NIKE DIVISION

5.08 1 No Browning Pistol No. PZ50891 with 5 rounds of ammunition were not seen during the audit inspection of the arms and ammunition held at the Abakpa Nike Division. The rifle was said to have been lost by one Inspector of Police on t 13th February, 2007.

5.09 Similarly, 1 Smoke Pistol No. DO30265 issued to one Police Constable of the Abakpa Area Command was lost to armed robbers on 24th October, 2007.

The Permanent Secretary, Federal Ministry of Police Affairs and the Inspector-General of Police were requested to furnish me with explanations on the missing arms and to confirm recovery. However, their responses are yet to be communicated to me.

5.10 1 No FNC Rifle No. 051197 was not seen during the audit examination of the arms and ammunition store of the Distress Call Base, Enugu. The rifle was said to have been lost by one Police Constable on 1st May, 2008 while on guard duty.

The Permanent Secretary, Federal Ministry of Police Affairs and the Inspector-General of Police had been requested to furnish me with explanations on the missing arm and whether it had been recovered. They are yet to respond to this.

UWANI DIVISION

5.11 At Uwani Division of the Nigeria Police Command, 1 No Chief Revolver Pistol No. BD 91870 could not be found during the inspection of arms and ammunition store at the division. The Pistol with 12 rounds of ammunition was said to have been assigned to the former Divisional Commanding Officer (DCO) who had since left the unit without returning the pistol despite several efforts.

The Permanent Secretary, Federal Ministry of Police Affairs has been urged to ensure the recovery of the pistol.

UYO POLICE COMMAND

5.12 At the Uyo Command Headquarters, it was observed that 2 AK 47 Rifles No. 56-2500627 and K0358056 were missing on 18/04/08 and 20/12/08, respectively. Similarly on 20th November, 2008 an assault Rifle No. 16580 was also discovered missing.

However, all these anomalies have been reported to the Permanent Secretary, Federal Ministry of Police Affairs and the Inspector-General of Police and their reaction is being awaited.

5.13 During the period under review, it was observed that in 5 State Commands of the Nigeria Police, 15 arms and 107 rounds of ammunition (of different specifications and calibers) were found missing and some lost to armed robbers in the various states. The values of these arms and ammunition could not be ascertained at the time of writing this Report. It is worthy of note that none of these losses was reported to my Office on Treasury Form 146.

However, the graphic details of the losses are given below:

SUMMARY OF ARMS AND AMMUNITION MISSING AND LOST TO ARMED ROBBERS AT THE VARIOUS POLICE COMMANDS BETWEEN 2007 AND 2008

S/NO	POLICE COMMAND	NO. OF ARMS	ROUNDS OF AMMUNITIONS	DATE/PERIOD OF INCIDENT	REMARKS
1.	UYO	3	-	Between April, 2008 and December, 2008	Not yet Recovered
2.	ABAKPA NIKE	3	5	Between February 2007 and October, 2007	Not yet Recovered
3.	UWANI	1	12	-	Not yet Recovered
4.	ENUGU	6	90	May, 2008	Not yet Recovered
5.	ONDO	2	-	-	Not yet Recovered
	<i>TOTAL</i>	15	107	-	-

SECTION 6

**MINISTRIES,
DEPARTMENTS AND
AGENCIES**

6.0 MINISTRIES, DEPARTMENTS AND AGENCIES (MDAs)

FEDERAL MINISTRY OF AGRICULTURE AND WATER RESOURCES

6.01 At Federal Ministry of Agriculture and Water Resources, it was observed that:

(a) 807 different brands/types of tractors and 348 tractor implements purchased at a total sum of ~~N~~2,599,296,280.10 in the 2006/2007 cropping season meant to serve as agricultural supporting equipment to farmers throughout the country were found rusting away at the following Ministry of Agriculture field offices – Ibadan, Akure, Zaria, Owerri and Enugu. The reasons for abandoning the tractors in those locations were not satisfactorily explained.

(b) In spite of the existence of Specialized Departments in the Ministry, made up of well skilled and professionals in the various relevant technical agricultural fields and coupled with the existing regulations for the use of consultancy, the Ministry, with flagrant disregard of these rules, engaged consultants for various services to the tune of ~~N~~1,286,731,034.34 during the year under review. The sum so spent could have been saved if the services of staff within the Ministry had been made use of. No satisfactory explanation for disregarding the rule guiding the use of consultant services was given.

(c) 4 accounts maintained with 4 banks with a total sum of ~~N~~853,182,253.06 which was meant to serve the Presidential initiative activities of fish for all, tropical fruits, rubber and 3 commodity markets, were found to be dormant at the time of audit. No explanation was given as to why the accounts were dormant. This action has defeated the purpose of the Presidential initiative policy adopted by the Federal Government.

(d) The sum of ~~N~~485,445,452.59 representing 5% WHT, VAT and PAYE for year 2008 has not been remitted to the Federal Inland Revenue Service contrary to the provisions of the Financial Regulations. No satisfactory explanation was given for this development.

All issues raised herein has been taken up with the Permanent Secretary and his response is being awaited.

FEDERAL CIVIL SERVICE COMMISSION, ABUJA

6.02 At the Federal Civil Service Commission Abuja, the following observations were made:-

(a) 110 payment vouchers totalling ~~N~~102,611,936.60 were not made available for audit examination. It is therefore difficult to confirm that this expenditure was a legitimate charge against public fund.

(b) The sum of ~~N~~1,655,625.00 which was paid to an officer of the Commission through payment voucher of 7/02/08 to attend workshop in Kampala, Uganda could not be confirmed as the necessary supporting documents backing up the invitation for the workshop and the attendance list were not attached to the payment voucher.

(c) The total sum of ~~N~~700,000.00 which was claimed to have been paid to the Environmental Protection Board in February and May, 2008 could not be confirmed as the amount was not receipted neither were the bills through which the amounts were paid stamped by the receiving agent, as acknowledgement for receiving the money.

(d) It was also observed that the internet facilities which were installed in the office of the Commission could not be accessed after incurring the sum of ~~N~~778,800.00 through payment voucher dated 19th March, 2008 for 2 months subscription, thereby casting doubt on the competence of the contractor engaged for the service.

(e) It was observed that 200 intercoms in the various offices, still in good working condition, which were replaced with the new sets, purchased with the sum of ~~N~~1,579,800.00, were not returned to the stores. However, the extant regulation stipulates that money must not be expended because it is voted.

(f) The attendance of the International Civil Service Conference in Ethiopia in Uganda by 3 officers of the Commission for which they received ~~N~~4,465,080.00 through payment voucher of 28/3/08 as Estacode Allowance, Air ticket and DTA could not be confirmed as relevant documents in support of the approval and actual attendance list were not made available.

(g) On account of these irregularities, it was difficult to accept the expenditures as proper and legitimate charges against public fund. Consequently, the Permanent Secretary has been requested to:

- (i) Provide the vital documents in support of the expenditures incurred for verification;
- (ii) Provide means of accessing the internet facilities; and
- (iii) Return the replaced 200 intercoms in the various offices to the store for boarding.

All the issues raised herein have been communicated to the Permanent Secretary for his comment, and necessary action.

**FEDERAL MINISTRY OF TOURISM, CULTURE AND
NATIONAL ORIENTATION**

6.03 During the audit examination of the Accounting and other related records maintained at the Headquarters of the Ministry of Tourism, Culture and National Orientation, Abuja, the following observations were made:-

(a) 71 payment vouchers totalling ~~₦~~318,174,917.00 paid within the year were not produced for my audit examination. 52 of the outstanding vouchers were Recurrent Expenditure Payment Vouchers totalling ~~₦~~276,031,698.00 while the remaining 19 were Capital vouchers amounting to ~~₦~~42,143,219.26.

The Permanent Secretary has been requested to produce the payment vouchers for audit examination, otherwise the expenditures will not be accepted as legitimate charges against public funds.

(b) Without the authority of the Minister of Finance and Approved Modalities for refund as stipulated by Financial Regulation 1701 (i) the Ministry through 36 payment vouchers granted to 19 officers huge advances totalling ~~₦~~123,621,950.00 to enable them organize training, exhibitions, workshops, seminars and carnivals etc, contrary to Financial Regulation 1702. The sum of ~~₦~~123,621,950.00 was yet to be retired. 8 of the officers collected between 2 to 5 advances without retiring the previous ones.

The Permanent Secretary has been requested to explain the violation of the extant financial regulations and account for the sum of ~~₦~~123,621,950.00 as stipulated by Financial Regulation 1720. His response is being awaited.

(c) 6 contracts for various amounts totalling ~~₦~~31,872,350.00 were paid for without attaching the supporting Ministerial Tenders Boards Minutes as part of the evidence of passing through required tender board procedures and due process. The issue has been brought to the attention of the Permanent Secretary and his response is being awaited.

(d) The Ministry purportedly paid ~~₦~~1,000,000.00 as contribution to Non-governmental Organization through payment voucher raised in September, 2008, without attaching the receipt and acknowledgement from the beneficiary to authenticate the payment. Secondly, an officer of the Ministry signed and collected the ~~₦~~1,000,000.00 without a written authority.

The issue has been communicated to the Permanent Secretary and his response is being awaited.

6.04 Within the year, the Ministry paid a total sum of ~~₦~~5,983,967.00 through 6 payment vouchers as duty tour and estacode allowances to Personal Assistants to the Honourable Minister/Minister of State, contrary to Circular Ref. No. 59729/T.1/154 of

22nd October, 2007 from Office of the Secretary to the Government of the Federation which stipulates that “Personal Assistants of Political Appointees are non-eligible for such allowances”.

The Permanent Secretary has been requested to explain the violation of the extant circular.

6.05 32 stale cheques totalling ~~₦~~1,825,354.00 which lapsed to revenue as at 31st December, 2008 were still being reflected in the bank reconciliation statements as unpresented cheques, contrary to Financial Regulation 513 (1). 10 of the cheques totalling ~~₦~~366,157.00 and 22 others totalling ~~₦~~1,459,197.00 were issued out of the Personnel and Overhead Cost Accounts respectively.

The Permanent Secretary should pay back a total of ~~₦~~1,825,354.00 to chest and submit the receipts and payment particulars to my Office for audit examination.

6.06 Contrary to Financial Regulation 601, payment vouchers were not raised to facilitate 34 payments totalling ~~₦~~4,546,031.84 described in bank reconciliation statement as debits in bank not in cash. Relevant supporting documents necessary to authenticate the transactions were not produced and the payments were not recorded in the cash book. 18 of the payments totalling ~~₦~~4,371,118.06 and 16 others totalling ~~₦~~174,713.78 were paid out of the Overhead and Personnel Costs Accounts respectively.

The Permanent Secretary has been requested to account for these payments and his reaction is being awaited.

6.07 Amounts totalling ~~₦~~2,600,000.00 included as contingencies in the cost of local travels of the Honourable Minister and Minister of State paid through 22 payment vouchers for the year could not be retired. The Permanent Secretary has been requested to forward the authority for the expenditures classified as contingencies to my Office for verification. His response is being awaited.

MINISTRY OF DEFENCE

6.08 During the examination of the accounts and records maintained at the Ministry of Defence, Headquarters, Abuja, the following irregularities were observed:-

(a) 100 payment vouchers totalling ~~₦~~88,756,780.04 were raised to pay personal advances to members of staff of the Ministry for services that should have been contracted out through normal tendering procedures in consonance with Treasury Circular A5&B5/2001 of 7th September, 2001. The services rendered included procurement of equipment, stationery, repair of leakages, carpet underlay, printing etc.

(b) 7 payment vouchers totalling ~~N~~141,166,399.97 were final payments made on contracts worth ~~N~~1,227,739,241.00 without reference to my representative contrary to Financial circular No. 15775 dated 27th June, 2001 which stipulates that “as a condition for final payments for contracts exceeding ~~N~~5 million, the Auditor-General or his representative in the Ministry must co-sign the certificate releasing the final payment.

(c) 778 Recurrent Expenditure Payment Vouchers and 58 Capital Expenditure Payment Vouchers valued at ~~N~~26,776,650,206.51 and ~~N~~19,867,854,347.26, respectively could not be produced for audit examination as at the time of inspection in August, 2009. This is contrary to Financial Regulation 601 which states that “under no circumstances should a cheque be raised or cash paid for services for which a voucher has not been raised”. It was therefore not possible for me to establish whether or not the payments represent legitimate charges against public funds.

(d) 30 payment vouchers totalling ~~N~~40,028,457.35 were personal advances granted to staff of the ministry in December, 2008 for services such as printing, repairs, etc and procurements of store items that should have been contracted out through the tendering procedure contrary to Treasury Circular A5&B5/2001 of 7th September, 2001 which stipulates that “all local procurement of stores and services costing ~~N~~100,000.00 shall only be made through contracts”. Also, the Withholding Tax and Value Added Tax at the rate of 5% each totalling ~~N~~4,002,845.74 were the total revenue lost that was supposed to be generated by the government if the store items and services had been contracted out.

(e) The examination of the Bank Reconciliation Statements for the year under review revealed the following anomalies:-

- (i) 22 cheques totalling ~~N~~520,348.87 in respect of Personnel Account and 6 cheques worth ~~N~~414,620.50 under Overhead Account totalling ~~N~~935,005.37 issued between April, 2007 and June, 2008 had become stale and were not written back to the Cash Book as at December, 2008, contrary to Financial Regulation 207 which states that “Sub-Accounting officers will ensure that all outstanding items in the Bank Reconciliation Statement are cleared expeditiously”.
- (ii) Amounts totalling ~~N~~435,654,481.67 accumulated between August and December, 2008, described as credit in Bank not in Cash book”, were not captured in the cash book as at the end of the financial year in consonance with extant rules and regulations.
- (iii) Amounts totalling ~~N~~8,130,144,222.30 and ~~N~~7,878,579.44 for both Capital and Personnel Accounts respectively were described as debits in bank not in cash book”, which should have been investigated and cleared in accordance with existing Financial Regulations.

- (iv) The total sums of ~~N~~523,984,016.88, ~~N~~351,844, 898.97 and ~~N~~9,898,343.90 for Capital, Personnel and Overhead Accounts respectively, described as “receipts in cash book not in Bank” in the Bank Reconciliation Statement in December, 2008 ought to have been investigated and cleared.

6.09 During the examination of the accounting records maintained at the Office of the Defence Adviser of the Embassy of Nigeria, Washington D.C., the following observations were made:-

- (i) 71 payment vouchers totalling ~~N~~67,063,761.92 under Overhead Expenditure and 68 payment vouchers for Personnel Expenditure amounting to ~~N~~86,889,310.72, (both amounting to ~~N~~153,953,072.64) with equivalent value of \$523,935.64 and \$678,822.74 totalling \$1,202,758.38 were not produced for audit examination in accordance with extant regulation.
- (ii) 5 payment vouchers totalling ~~N~~10,521,600.00 with a corresponding value of \$82,200.00 were paid in January, 2008 to members of staff as personnel allowance without the list of the beneficiaries attached to the vouchers, contrary to extant regulations. The payees, however, did not append their signatures in acknowledgement of amounts paid to them in the payment vouchers.

The Permanent Secretary has been asked to submit the duly signed list of beneficiaries to my Office for verification.

- (iii) 45 payment vouchers totalling ~~N~~22,047,831.60 with an equivalent of \$172,864.57 at the rate of 128 per Dollar were paid without relevant supporting documents, contrary to Financial Regulation 603 which stipulates that “all vouchers will contain full particulars of each service, such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as LPOs, Invoices, Special Letters of Authority etc”. Without these documents, it is difficult to accept these payments as proper charges against public funds.

6.09 During the examination of the accounts and records maintained at the Office of the Defence Adviser, Embassy of Nigeria, Yaoundé, the following observations were made:-

- (i) 5 payment vouchers totalling ~~N~~11,140,000.00 with an equivalent value of \$90,000.00 were paid without the full description or details of the expenditures and relevant supporting documents being attached to the payment vouchers, contrary to Financial Regulation 603.

The Permanent Secretary has been requested to submit the supporting documents to my Office for verification to enable me accept the expenditures as legitimate charges to public funds. His response is being expected.

- (ii) Payment voucher dated 27/6/08 with amount totalling ~~₦~~4,285,714.00 which was an equivalent of 15,000,000FCFA was paid for the construction of 150m fence at SIC Hippodrome, HBSQ, Yaoundé without the relevant documents such as Contract Agreement, Tender Documents, Job Completion Certificate etc, contrary to extant regulations. Without these documents it is difficult to ascertain the genuineness of this payment. These issues have been brought to the attention of the Permanent Secretary whose reaction is being awaited.

6.11 During the examination of the accounts and records maintained at the Office of the Defence Adviser, Nigeria High Commission, Pretoria, South Africa, the following observations were made:-

- (i) 36 payment vouchers totalling ~~₦~~12,194,923.83, an equivalent amount of R279,533.21 were paid for purchases and services without the necessary supporting documents such as Invoices, Receipts, Delivery Notes, contrary to Financial Regulation 603.

The Permanent Secretary has been asked to produce the relevant documents for examination to enable me authenticate the expenditure as a legitimate charge against public funds.

6.12 During the examination of the accounting records maintained at the Office of the Defence Adviser, Nigeria High Commission, New Delhi, the following observations were made:-

- (i) 8 payment vouchers valued at ~~₦~~7,055,548.56, an equivalent amount of Rs2,385,000.00 were made to the Defence Adviser through various payment vouchers as operational expenses without any relevant documents, such as invoices, quantities, rates, receipts etc. being attached to the payment vouchers. There was no evidence to show the details of the disbursement of the expenditure contrary to Financial Regulation 603. The relevant documents should be produced, otherwise the payment would not be accepted as a legitimate charge against public funds.
- (ii) The sum of ~~₦~~275,037,037.03 was paid on payment voucher dated 26/09/08 which was an equivalent of \$2,227,800.00 to the Defence Intelligence Agency (DIA), Abuja as a refund of savings made after the procurement of a cheaper accommodation for the Defence Adviser. However, the payment voucher was not supported by any relevant document to confirm the receipt of such funds by DIA contrary to extant regulations. The treasury receipts ought to have been produced for audit examination.

6.13 An examination of the accounts and records maintained at the Office of the Defence Adviser, Nigeria High Commission in Harare, revealed that a sum of ~~₦~~1,878,637.65 which was an equivalent of \$15,968.42 was recorded in the cash book as a payment without any payment voucher, contrary to Financial Regulation 601

which stipulates that “all payment entries in the accounts must be vouched for on one of the prescribed forms and vouchers will be made out in favour of the person to whom the money is actually due”. The entry appeared to have been smuggled into the cash book with a view to forcing the cash book to balance. The Permanent Secretary has been requested to investigate and produce the Treasury Receipt for the refund.

6.14 At the Office of the Defence Adviser, Embassy of Nigeria, Beijing China, a total sum of ~~₦~~1,749,250.00 was wrongfully paid to the Defence Adviser as up-keep for January to December 2008, whereas a total of ~~₦~~15,787,655.48 had been paid to him as foreign service allowance for the same period.

The Permanent Secretary has been requested to comment and recover the sum of ~~₦~~1,749,250.00, forwarding recovery particulars to my Office for verification.

6.15 During the examination of the accounts and records maintained at the Office of the Defence Adviser, Nigerian Mission, New York, United States of America, the following observations were made:-

- (i) The sum of ~~₦~~1,497,105.37, an equivalent of \$12,126.92 was paid to the City of Yonkers as property tax without approving authority and supporting documents such as receipt from the tax authority and the assessment notice. These documents should be produced for audit examination, otherwise, the expenditure would not be accepted as a legitimate charge against taxpayers' funds.
- (ii) The sum of ~~₦~~978,562.96 which is an equivalent of \$7,800.00 was purportedly used for the purchase of security camera and digital video recorder. The payments were made without relevant supporting documents such as receipts, invoices, store receipt voucher, delivery notes, etc, contrary to Financial Regulation No. 603.
- (iii) Another sum of \$39,200.00, a corresponding value of ~~₦~~4,839,506.17 was paid as special agent allowance without the list of beneficiaries. It is therefore, doubtful whether the supposed beneficiaries actually received the money. As I cannot satisfy myself that the payments involved were legitimate charges against public funds, the Permanent Secretary has been requested to recover the various sums; otherwise he is to provide all the relevant documents for audit verification.

NIGERIAN ARMY

6.16 At the Command Secondary School, Ipaja, Lagos, the following observations were made:-

(a) The sum of ~~N~~476,550.00, being the mandatory 5% Value Added Tax due on payments to contractors was not deducted and remitted to the appropriate tax authorities as required by extant regulation.

(b) A total sum of ~~N~~3,325,880.29 was deducted as bank charges between 2005 and 2008, contrary to Financial Regulation No. 834 which stipulates that “No government organization or Agency shall place government funds in any commercial bank that will charge any commission on transaction”.

(c) Various store items purchased totalling ~~N~~6,048,500.00 could not be traced into the store. Relevant documents such as Store Receipt Vouchers were not raised to confirm that the items were actually purchased and taken on store ledger charge. The genuineness of the payments could not be ascertained. The relevant store documents should be produced for examination.

The attention of the Permanent Secretary has been drawn to all the issues highlighted above for necessary action.

NIGERIAN NAVY

6.17 At the Nigeria Navy School of Music, Otta, Ogun State, 7 payment vouchers prepared and paid between May and November, 2008 for various amounts totalling ~~N~~7,290,900.00 relating to feeding of trainees could not be produced for examination. Financial Regulation No. 601 states that “All payment entries in the accounts must be vouched for on one of the prescribed forms ... Under no circumstances should a cheque or cash be paid for services for which a voucher has not been raised”. As a result, it was not possible for me to accept the expenditures as genuine charges against public funds.

The Permanent Secretary has been requested to produce the payment vouchers for audit examination or refund the entire amount of ~~N~~7,290,900.00. His response is being awaited.

6.18 At the Western Naval Command, Apapa, 88 payment vouchers for various amounts totalling ~~N~~36,840,088.00, being payment to various ships were not supported with relevant documents to account for the expenditure incurred. This contravenes Financial Regulation 603.

The Permanent Secretary has been asked to comment and forward the relevant documents for verification. His reaction is being expected.

NIGERIAN AIR FORCE

6.19 At the Nigeria Air Force, Headquarters Camp, Abuja, (UCA NAF 37), it was noted that a sum of ~~N~~34,000,000.00 was paid as cash advances to 3 officers for the inauguration of Air Force Institute of Technology (AFIT), Kaduna and Nigerian Air Force Football Club requirement. At the time of audit, one year later, the relevant particulars, details and evidence of retirement could not be furnished to enable me ascertain the genuineness of the transaction.

Against the extant regulation, the amount of ~~N~~34,000,000.00 is outrageous to be entrusted in the hands of 3 officers of the Force, no matter their rank vis-à-vis the risk involved in excess cash-holding.

This issue has been brought to the attention of the Permanent Secretary for his comment.

6.20 At the Nigerian Air Force Flight Training School (FTS), Kano (UCA NAF 8), 4 payment vouchers of various amounts totalling ~~N~~7,258,000.00 were paid to some officers without the necessary supporting documents such as receipts, invoices, store receipt vouchers, etc as required by the provisions of Financial Regulations. In the absence of these documents, it is difficult to accept such expenditure as legitimate charge against public fund. The Permanent Secretary has been requested to provide the documents for audit verification in order to accept the payments as legitimate transactions.

6.21 During the examination of the accounts and other records maintained by the Nigerian Air Force, Pay and Accounting Group Headquarters, Ikeja, Lagos, it was observed that a sum of ~~N~~37,012,500.00 was paid under Recurrent Vote instead of Capital Expenditure Vote to a company for the purchase of vehicles without relevant supporting documents such as memo of approval from Nigerian Air Force Headquarters, directing release of funds, invoice and receipts indicating details of the vehicles purchased and the list showing the locations of the vehicles. In the absence of these documents, it is difficult to accept the payment as a proper charge against public fund. Value Added Tax and Withholding Tax at 5% each amounting to ~~N~~3,701,250.00 were not deducted and paid according to the extant regulations. The Permanent Secretary has been requested to:-

- (i) Explain the reason(s) for virement without approval/mandate from the National Assembly, Minister of Finance and Accountant-General of the Federation.
- (ii) Submit all the relevant documents mentioned in the earlier paragraph in order to authenticate the transaction.

6.22 A sum of ~~N~~8,995,230.55 was paid to a contractor in December, 2008 for the renovation of MQ 1 block at Nigerian Air Force Base, Makurdi. As at the time of

inspection in June, 2009, 6 months after the 100% payment was made, the contractor had not commenced work, while the project has been abandoned.

(b) Similarly, the sum of ~~₦~~11,000,000.00 was paid in December to a contractor for the procurement of Air Craft washing machine at 81 Air Maritime Group (AMG), Benin. However, as at June 2009, the contractor has not supplied the item.

The Permanent Secretary has been requested to recover the sum of ~~₦~~19,995,230.50 and explain why the Tenders Board presented a false premise for payment to be effected when the contractors had not even commenced work.

6.23 At the Nigeria Air Force Base, Yola, it was observed that 21 payment vouchers totalling ~~₦~~892,600.00 were raised and paid to an officer of the unit between February 2007 and January 2008 for the purchase of petrol and other lubricants.

However, the following vital documents relating to the transactions were not produced for audit examination:-

- (i) The store receipt and store issue vouchers were not produced for audit inspection
- (ii) Fuel requisition register was not produced; and
- (iii) Fuel coupons for the distribution of the items were not produced and maintained.

The Permanent Secretary has been requested to please, produce these documents for audit verification, otherwise, it will be difficult to accept these payments as proper charges against public funds.

6.24 At the Nigerian Air Force Unit, Yola, it was observed that 14 payment vouchers totalling ~~₦~~5,643,730.00 were raised and paid to an officer of the Unit in February 2008 for the renovation of the Commander's office by direct labour, contrary to extant rules and regulations on contract award of works and services.

The splitting of the payments into 14 payment vouchers was done ostensibly to circumvent the Financial Regulations on the approval limits. Furthermore, the payments were made in cash contrary to FR 616 which stipulates that "Payment to firms shall be only by cheques crossed "Not Negotiable" Account Payee only" in favour of the firms. Lastly, because the purported job was not contracted, government lost legitimate revenue of WHT and VAT at 5% each totalling ~~₦~~564,373.00.

The attention of the Permanent Secretary has been drawn to the flagrant violations of extant financial regulations enunciated above for his comments and necessary action.

FEDERAL MINISTRY OF EDUCATION

6.25 Contract for the supply of store items worth ~~N~~11,293,000.00 was split between 12 contractors in the month of May, 2008. This transaction contravenes Finance Circular No. 15775 of 27th June, 2001 and Financial Regulation 2928 both of which prohibit contract splitting. It was equally observed that the store items purportedly purchased were issued en block to the Permanent Secretary for his own use. Please, explain these anomalies.

6.26 Value-For-Money Audit conducted on supply of 3 Nos Sharp catridge toner Mx2700N black and white on 1 of the 12 split contracts of May, 2008 showed an over-invoicing amounting to ~~N~~906,000.00. The amount paid to the contractor was ~~N~~960,000.00 while the auditors' market pricing amounted to ~~N~~54,000.00. The Permanent Secretary has been requested to please, recover the excess sum of ~~N~~906,000.00 from the supplier and give details of the sanctions meted to the officer involved in this irregular act.

6.27 Examination of the vote book revealed that in June 2008, 18 payment vouchers amounting to ~~N~~31,824,036.00, paid in favour of the Permanent Secretary, the Protocol officer and 1 other, were not presented for examination despite several demands by the audit team in 2009. Another set of 99 payment vouchers amounting to ~~N~~55,326,007.36 paid under Recurrent Expenditure for the months of April and June 2008 were also withheld from the auditors. The Permanent Secretary has been urged to please, direct the officer in charge of the documents to release them to my Office for examination.

6.28 In May 2006, 4 consultants were hired and paid ~~N~~800,000.00 to study the financial implication of disengaging some officers of the Ministry. This contract lacked merit as the assignment could have been performed by the Accounts/Pension and Gratuity Section of the Ministry. The sum of ~~N~~800,000.00 should therefore be proportionately deducted respectively from the salaries of the officers who proposed, approved and paid for this transaction. Details of the deductions should be forwarded for my verification and confirmation.

6.29 A payment for PHCN bill amounting to ~~N~~2,805,997.00 for the month of November 2008 had no authenticating evidence of payment such as stamped Bank Teller, the bill machined or stamped as paid by PHCN. Curiously, the November bill was issued and paid as early as 19th November, 2008, before the month of November ended. The Permanent Secretary has been requested to forward authenticated stamped evidence of payment to PHCN to my Office for verification.

6.30 The sum of ~~N~~23,000.000.00 was paid in respect of accommodation for 2 officers of the Ministry in March and May, 2008. Auditors were denied access to the payment vouchers used for this transaction. However, examination of the file used for this transaction revealed 8 apartments were paid for the 2 officers during the period.

The sum of ~~N~~5,887,000.00 submitted for payment had earlier been taken care of in the payment voucher of 4th March, 2008. All these payments were being made at a time when monetization policy in the public service had abolished payment of rent for officers.

The Permanent Secretary has been urged to please, recover the total sum of ~~N~~28,887,000.00 from the beneficiaries and officers involved in the approval of expenditure. Details of recovery should be forwarded to my Office for my verification and authentication.

6.31 An officer was paid a cash of ~~N~~2,895,000.00 as settlement of OPE incurred on purchase of Sharp Cartridge toners and Sharp Developer MX27N and Sharp Cartridge SFZ02ET needed urgently in an office. It was observed that the money was paid in cash in contravention of extant regulations on due process on contract award. The Permanent Secretary has been requested to explain why extant regulations and due process on contract award were violated.

6.32 In the month of November, 2008 an annual subscription of ~~N~~4,954,522.00 was paid to a company, in respect of Internet connectivity to the Ministry. The service was very erratic that most of the time the Internet did not use to work. Hence, the Ministry could not obtain value for the money expended on internet service. The Permanent Secretary was advised to stop the payment of the annual subscription and should engage a better service provider. His reaction is being awaited.

6.33 Sequel to the directive of the Honourable Minister of Education that all unspent balances of year 2006 capital should be returned to chest, an officer issued a cheque for ~~N~~20,493,000.00 being a refund of unspent balance of 2006 capital, said to be the amount voted for “development of Instrument and Manual for whole School Evaluation” vide TRV G0016611889 of 21st of May, 2008. This action suggests that the money was withdrawn since 2006 and the amount was kept for 2 years in an unspecified account. This amount is expected to have yielded interest in the account, which is yet to be ascertained. The Ministry should therefore explain why the unspent balance was not returned as at when due and to account for the interest accrued and give the particulars of the account where this money was lodged.

6.34 Jobs and services worth ~~N~~13,804,422.00 were executed through cash advances granted to members of staff, in contravention to extant regulation which requires such jobs to be performed through contract awards. This practice has denied the government of the projected revenue in form of WHT and VAT at 5% each amounting to ~~N~~1,380,442.20. The Permanent Secretary has been requested to explain why cash advances were used instead of contract award procedures contrary to extant regulations.

6.35 169 payment vouchers paid from January to November, 2008 for amounts totalling ~~N~~76,332,230.00 were not released for audit examination. It would be difficult to accept the expenditures relating to these payments as legitimate charges against

public funds. The Ministry should release these documents for examination, and explain why these payment vouchers were withheld from the auditors.

6.36 Amounts totalling ₦2,429,834.00 paid, through 7 payment vouchers in the month of July, 2008, were not recorded in the cash book. The implication of this omission is that the expenditure was not included as part of the total expenditure for the month of July. This however, will render incorrect, the amount presented in the monthly transcript, which represents the final account of Government. Please, confirm that the amount was actually expended, if so, proceed to effect the necessary accounting entries.

6.37 During the year under review, amounts totalling ₦44,218,707.00 were granted to 120 officers in the Ministry as personal advances in the months of January to November, 2008. As at the time of writing this report in June, 2009, the beneficiaries were yet to retire the advances granted to them. However, the regulations allow for only seven days on completion of assignments for advances granted to be retired, otherwise, same will be deducted from the salaries of the officers. The Ministry should produce evidence of retirement of the advances for audit verification.

6.38 At the Federal Ministry of Education, it was observed that a sum of ₦3,500,000.00 was paid in the month of August, 2007 to a contractor, being the cost of repairs of 3 vehicles. Details of the vehicles and the nature of repairs carried out were not given. It is therefore difficult to accept these expenses as legitimate charges against public fund. Please, provide evidence that these repairs were actually carried out. .

All these anomalies have been brought to the attention of the Permanent Secretary and his reaction is being expected.

The following observations were made during the examination of accounting records maintained at the various schools:-

Federal Government College, Ido-Ani

6.39 The Bank Reconciliation Statement prepared by the Federal Government College, Ido-Ani, revealed that 22 cheques amounting to ₦7,759,493.33 issued between the year 2006 and 2007 were still featuring in the Bank Reconciliation Statements as unpresented, whereas stale cheques should have been written back to the cash book as stipulated by the extant rules. The irregularity has been brought to the attention of the Permanent Secretary for his comment.

Federal Government College, Buni-Yadi

6.40 At the Federal Government College, Buni-Yadi, Yobe State, it was observed that the school did not effect monthly Bank Reconciliation for 6 months (January – June, 2008) in respect of Feeding and Domestic accounts, contrary to Financial Regulation 816 which provides that “all officers authorized to keep bank accounts must compare weekly and at the close of each month, the entries appearing in the

bank statements with those in their cash books and effect early clearance of outstanding items”.

This issue has been taken up with the Permanent Secretary for his comments and necessary action.

Federal Science And Technical College, Michika

6.41 At the Federal Science and Technical College, Michika, it was observed that all the relevant accounting records such as vote books, payment voucher Register, Bank Statements etc. relating to the expenditure on Overhead Costs totalling ~~N~~4,316,076.00, on Authority to Incur Expenditure No. FME/ACCOUNTS/6/S.1V/001 of 28th January, 2008, were not produced for inspection as at the time of audit in April, 2009.

The Permanent Secretary has been requested to produce all the accounting records for inspection. His reaction is being awaited.

Federal Science and Technical College, Tungbo, Bayelsa State

6.42 At the Federal Science and Technical College, Tungbo, Bayelsa State, it was observed that:

(a) Payment vouchers were not posted promptly into the cash book and also Bank Reconciliation Statements were not prepared regularly by the College, contrary to the provisions of Financial Regulation 816. As at the time of audit on 4th February, 2009, the last entry in the Cash Book (Domestic Account) occurred on 5th December, 2008 with a cash balance of ~~N~~23,401,290.00 and bank balance of ~~N~~1,723,631.00. It was therefore difficult to ascertain the true balance of this account.

(c) Amounts totalling ~~N~~2,182,500.00 were allegedly spent on purchase of diesel and servicing the college generator during the period under review. A scrutiny of the payment vouchers revealed that relevant supporting documents were not attached. The signature of the officer authorizing the expenditure and those of the payees were also not appended on some of the vouchers thereby contravening the provisions of the Financial Regulations. The absence of these vital elements of a valid voucher makes it difficult to accept the expenditures involved as legitimate charges against public fund.

(d) Amounts totalling ~~N~~2,053,250.00 were paid to some members of staff for the purchase of various items between January and December, 2008. However, audit scrutiny of the 22 payment vouchers involved revealed that vital supporting documents such as Receipts, Store Receipt Vouchers (SRV), and other documents necessary to authenticate the payments were not attached. It was therefore difficult to establish that they were incurred in public interest.

(e) 34 payment vouchers for amounts totalling ₦2,846,720.00 were not produced for examination during inspection. The attention of the Permanent Secretary has been brought to the anomaly for necessary action.

Federal Government Girls' College, Tambuwal, Sokoto State

6.43 At the Federal Government Girls' College, Tambuwal, Sokoto State, it was observed that 18 contracts were awarded in the School between 2000 and 2008 fiscal year. 7 of these contracts were abandoned by the contractors handling them for undisclosed reasons. As a result of this abandonment, the school was still operating on a temporary site with little or no facilities. One of the contracts for the construction of a block of 5 hostels was re-awarded for completion at a total cost of ₦8,420,000.00. However, the plumbing, doors and windows, electrical fittings and flooring finishing works were still outstanding as at the time of audit inspection. Another contract for a block of 6 classrooms was awarded to a company at a total cost of ₦11,895,000.00 with a completion period of 8 weeks. The contractor was fully mobilized to the site as 25% of the total cost was promptly paid to him, but the contractor abandoned the job after excavation.

Similarly, the contract for the construction of 2 blocks of 3-bedroom flats was awarded on 8th September, 2008 with completion period of 10 weeks and at a total cost of ₦10,000,000.00. The contractor claimed to have completed the contract, whereas the Priced Bill of Quantities showed that various works valued ₦2,797,180.00 were not done.

The 3 contractors should be compelled to return to site and complete the works or refund the respective amounts paid to them for the unexecuted aspects of the contracts.

Federal Science and Technical College, Uromi

6.44 At the Federal Science and Technical College, Uromi, Edo State, it was observed that:-

(a) The amounts on 4 payment vouchers were different from the amounts recorded in the Cash Book, which resulted in a total difference of ₦1,096,242.50. The discrepancy could not be explained by the officer concerned. This officer should be made to account for the sum of ₦1,096,242.50

The discrepancy stated above has been communicated to the Permanent Secretary for his comments and necessary action.

MINISTRY OF ENERGY

Department of Power

6.45 Assorted items worth ₦13,059,000.00 said to have been purchased on behalf of the PHCN were duly received into the store of the Federal Ministry of Power on 2nd

December, 2008. The items include laptop computers, multimedia projectors, feeder pillars and accessories, digital camcorder etc. but all efforts made to know the source of funding for the procurements was not successful and relevant documents were not released for audit examination. I have asked the Permanent Secretary to produce all the documents relating to the procurement to enable me satisfy myself that the amount involved was expended in the interest of the public.

(b) 10% Withholding tax amounting to ₦1,563,250.00 were not deducted from payments made to 10 consultancy firms that were engaged in the training of the Ministry's personnel. The amount should be recovered from the companies and remitted to the relevant tax authority, while recovery particulars are forwarded for audit verification.

FEDERAL MINISTRY OF ENVIRONMENT

Establishment of Integrated Municipal Solid Waste Management Facilities for Ibadan and Aba Townships – Abandoned.

6.46 Under a tripartite contract agreement (Public Private Partnership Ventures) with the States and Private Sector Investors (the contractors), the Ministry awarded the contracts for the establishment of Integrated Municipal Solid Waste Management facilities for Ibadan in Oyo State and Aba in Abia State on 18th August 2006 to 2 different contractors at a contract sum of ₦1,541,129,000.00 for each of the projects totalling ₦3,082,258,000.00, with a completion period of 2 years from the date of award on a build, operate, and own basis. The scope of the projects involves mainly the acquisition of Assets and Equipment necessary for efficient collection, recycling, conversion and scientific disposal of wastes as profits. When completed and operational, the project will generate employment and convert wastes to wealth.

(b) To facilitate prompt commencement of the project, the Ministry paid part of the full contract sum termed "project development fund" totalling ₦235,200,000.00 to Ibadan project contractor and ₦274,400,000.00 to Aba project contractor totalling ₦509,600,000.00 to the 2 contractors through 2 payment vouchers dated August, 2006.

(c) As per the Agreement, to complete the projects and own 80% equity share, the 2 contractors will source the remaining balances of ₦1,305,929,000.00 and ₦1,266,729,000.00 for Ibadan and Aba projects respectively. The states will own 20% equity share subject to fulfilling some obligations which includes:

- (i) Allocate land for the projects within the town – 100 Acres for Aba and 55 Acres for Ibadan.
- (ii) Pay monthly subventions to the company (contractors) ₦28,000,000.00 by Abia State and ₦11,729,577.83 by Oyo State.

- (iii) Transfer numerous waste disposal equipment/vehicles to the contractors e.g. bulldozers, Pay loaders, tripping trucks etc (Agreement Refers).
- (iv) Pay to the company (contractors) initial demographic survey fee of ~~N~~3.5 million up-front upon signing the agreement.
- (v) Allow only the company access to wastes generated within the town.

6.47 Further examination of the contract documents revealed the following observations:

- (i) The technical details of the contract and agreements were not routed through due process office for proper scrutiny and there is no evidence that the contract was covered by due process certificate, contrary to Financial Regulations 2945 which stipulates that contracts above ~~N~~1,000,000.00 not covered by due process shall be Null and Void.
- (ii) There was no evidence that land for the projects had been properly acquired by the states before the Ministry awarded the contract, contrary to Financial Regulation 2903.
- (iii) The Ministry did not protect the interest of the Federal Government by paying in one tranche assistance fund totalling ~~N~~509,600,000.00 to PRIVATE INVESTORS (Contractors) without arrangement for recovery, contrary to Financial Regulation 515 which states that “government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted”.

Included in the amounts paid to the contractors were VAT and WHT elements totalling ~~N~~50,960,000.00.

- (iv) The Ministry deliberately introduced vitiating elements which skewed the contract heavily in favour of the Private Investors (Contractors) against the states and Federal Government.
- (v) 4 years after the award of the contract, audit verification revealed that work has not commenced on the projects, it is obvious the 2 state governments have repudiated the contract.

The Permanent Secretary was requested to offer explanations in respect of the irregularities and ensure the recovery of the sum of ~~N~~509,600,000.00 from the contractors and the officers involved in the award of the contract.

6.48 33 officers of the Ministry were paid a total of ~~N~~67,075,633.80 as estacode and other allowances through 27 payment vouchers for the year, 2008 to enable them travel to various countries abroad to attend conferences, trainings, workshops etc

without the approval of the Secretary to Government of the Federation, contrary to Circular Ref. no. SGF/OP/1/S.3/V/82. (Para. 7) which stipulates that officers who proceed on such trips without due authorization from the Office of the Secretary to the Government of the Federation will be disciplined and surcharged as appropriate.

The Permanent Secretary has been requested to explain the violation of extant regulation. His reaction is being awaited.

FEDERAL MINISTRY OF WORKS, HOUSING AND URBAN DEVELOPMENT

6.49 During the audit examination of the accounting and other related records at the Federal Ministry of Works, Housing and Urban Development Abuja, the following observations were made:-

(a) Store items such as stationery, computers, handsets etc. worth ~~N~~12,722,031.00 were purchased through cash advances granted to officers of the Ministry between September and November, 2008. It was however observed that the items purportedly purchased were not taken on store charge contrary to Financial Regulations No. 2206 and 2210 which stipulate that "proper store ledgers should be maintained to record receipts and issues of all articles of government property and stores...". Since it could not be ascertained that these items were purchased, the beneficiaries should account for the advances paid to them.

(b) Final payments for 78 contracts which valued more than ~~N~~5,000,000.00 totalling ~~N~~16,823,564,382.54 were paid to some contractors in December 2008 for various services such as Road Constructions and Rehabilitation, supply and installations of equipment and street lights nationwide etc without reference to my Office for inspection and co-signing the release of the final certificates and also to ensure that the retention clause in the contract agreements were complied with, contrary to Finance Circular Ref. No. 15775 of 27th June, 2001 and Treasury Circular Ref. No. TRY/A6&B6.2008 OAGF/CAD/026/VOL.IV/449.

The attention of the Permanent Secretary has been drawn to the issues for his comments and reaction. The matter is under correspondence.

FEDERAL CAPITAL TERRITORY ADMINISTRATION (FCTA)

6.50 The amount of ~~N~~200,000,000.00 was approved for the Federal Capital Territory Administration in 2007 as special grant for bidding for the hosting right of the 2014 Commonwealth games. The fund was specifically provided to cover costs associated with pre-bid activities, designs and models, mobilization and other related expenses.

Funds amounting to ~~N~~82,593,581.00 were released to the Social Development Secretariat (SDS) for this purpose.

(b) By 30th November, 2007 when Nigeria lost the bid for the hosting right, the SDS had committed amounts totalling ~~N~~56,333,801.84 to the project leaving a balance of ~~N~~26,259,779.16. It was apparent that the Federal Government had lost the committed sum of ~~N~~56,33,801.84 to preliminary expenses. However, the balance of ~~N~~26,259,779.16 on the account was not returned to the Central Capital Account of the FCT Treasury.

The Permanent Secretary has been asked to account for the outstanding sum of ~~N~~ 26,259,779.16.

6.51 At the Agriculture and Rural Development Secretariat (ARDS) of the FCTA, a thorough performance analysis of Fertilizer Procurements and Sales Activities for the fiscal years 2007 and 2008 could not be carried out because the policy files in respect of these activities were not made available. The documents were said to be in the custody of the External Auditors to the FCTA. The non-presentation of these files is a violation of Financial Regulation 105 which stipulates that the Auditor-General and Accountant-General shall have free access at all reasonable times to Books, Accounts and Information. Meanwhile, accounting documents scrutinized during the audit exercise revealed a drastic fall in sales of fertilizer in 2008. Total sales between January and July 2007 was ~~N~~132,141,100.00 whereas only a sum of ~~N~~14,371,620.00 was realized during the corresponding period in 2008.

The Permanent Secretary has been asked to produce the Policy files, the Performance Reports on fertilizers and other related documents on fertilizer procurement and sales for the years 2007 and 2008, as well as evidences of remittance of sales proceeds to the Consolidated Revenue Account of the FCTA.

6.52 5 cash withdrawals totalling ~~N~~7,269,000.00 were made in June and August, 2008 from the Fertilizer account maintained with a commercial bank. The authority and purpose of the withdrawals were not explained. No paid voucher or receipt was produced to justify the abnormal withdrawals. I have asked the Permanent Secretary, FCTA to investigate and explain the abnormal withdrawals.

6.53 5 payment vouchers for amounts totalling ~~N~~1,608,070.70 paid between May and June, 2008 under the Recurrent Expenditure vote were not produced for audit examination. I cannot therefore certify the expenditures as legitimate charges against public fund.

The attention of the Permanent Secretary of FCTA has been drawn to the issues raised herein for necessary action.

ABUJA MUNICIPAL AREA COUNCIL

6.54 During the examination of the accounts and other records maintained at the Abuja Municipal Area Council, Abuja, the following anomalies were observed;-

(a) An amount of ~~N~~1,500,000.00 was paid in February 2008 to a member of staff, following a report of an outbreak of communicable diseases within the Area Council. However, the notice of the outbreak was communicated on a small piece of paper, instead of a proper and duly signed letter headed paper of the Traditional ruler of the Area. This has raised doubts as to the genuineness and authenticity of the communication which makes it difficult to accept the expenditure as a proper and legitimate charge against public funds.

(b) A personal advance of ~~N~~6,141,213.75 was granted to an officer in March, 2008 for upgrading a new road in preparation for the opening/commissioning of Kpeyegyi Primary School.

(c) Similarly, sums totalling ~~N~~11,500,000.00 were paid to 2 members of staff of the Council in March and April 2008, in respect of waste evacuation. The provision of services such as these ought to have been done through tendering as required by extant regulations, instead of granting personal advances to members of staff through which value-for-money may not be guaranteed. The Council Chairman has been asked to explain the non-compliance with extant regulations.

(d) The mandatory 5% Withholding and 5% Value Added taxes totalling ~~N~~4,000,000.00 were not deducted from a part payment of ~~N~~40 million made to a contractor contrary to Financial Regulation 334 and VAT Act No. 102 of 1993.

The Chairman has been asked to recover the sum of ~~N~~4 million from the contractor, remit same to the appropriate tax authority and forward particulars of payment for audit verification.

6.55 Mosquito treated nets valued ~~N~~54 million were supplied to the Comprehensive Health Centre, Gida Mangoro by 6 contractors and paid for in September 2008, without reference to my Office for pre-payment audit as stipulated by the provisions of Finance Circular No. 15775 of June 2001 which requires my representative and the representative of the Council to co-sign the certificate releasing the final payments for contracts above ~~N~~5,000,000.00 before the final payment. It was further observed during inspection that the mosquito nets, were dumped on the floor of the Health Centre and not distributed for use towards achieving the Millennium Development Goal for which it was purchased.

The matters have been reported to the Chairman for necessary action.

KUJE AREA COUNCIL

6.56 The examination of the accounting records of Kuje Area Council revealed that an imprest for the sum of ~~N~~2,000,000.00, granted for running the affairs of the Kuje Legislative Council was retired by the Clerk to the Legislative Council in February 2008. The retirement details showed that the sum of ~~N~~1,880,000.00 was disbursed to 10 Councilors, the Clerk and the Deputy Clerk to the Legislative Council to enable them undertake a tour of the 10 electoral wards in the Council. The Council members received between ~~N~~180,000.00 and ~~N~~200,000.00 while the Clerk and his Deputy got ~~N~~30,000.00 and ~~N~~20,000.00, respectively. The basis or purpose of these payments was neither stated nor explained. Also, no documents, statements or receipts were produced to account for their subsequent disbursement. The payees are requested to produce relevant documents or receipts to account for the expenditure of the various amounts totalling ~~N~~1,880,000.00 or refund the amounts to Treasury and forward evidence of refund for verification.

6.57 The sum of ~~N~~3,848,600.00 which was paid on 9 payment vouchers to 7 members of staff of the Kuje Area Council to enable them embark on various assignments for the Council were not duly supported by relevant documents such as bills and receipts for the various services rendered, contrary to Financial Regulations. As a result, I find it difficult to accept the expenditure of the amounts totalling ~~N~~3,848,600.00 as a legitimate charge against public funds. The officers involved should produce relevant documents or other evidence to justify the expenditure, failing which the full amount should be recovered from them and recovery particulars forwarded for verification.

6.58 13 payment vouchers for amounts totalling ~~N~~28,933,496.62 raised and paid to twelve officers of the Council between January and March, 2008 were not made available for audit, contrary to the provisions of the Financial Regulations. It was therefore difficult to accept the expenditures on them as legitimate charges against public fund. The Honourable Chairman has been requested to produce the vouchers for inspection.

The observations have been forwarded to the Chairman for comment and necessary action.

BWARI AREA COUNCIL

6.59 During the audit examination of the accounting records maintained by the Bwari Area Council, Abuja for the year 2008, the following observations were made:-

(a) A contractor was paid the sum of ~~N~~2,282,500.00 on a payment voucher dated June, 2008 for the supply of Office furniture to Police Mobile Squadron 50, Kubwa, Abuja. However, a visit to the station revealed that the job was not executed.

The Chairman has been requested to recover the sum of ~~N~~2,282,500.00 from the contractor and forward recovery particulars for audit verification.

(b) A fake cash receipt No. 0211 of 25/6/08 for the sum of ~~N~~600,000.00 was used to retire a cash advance granted to an officer of the Council in respect of a crusade on Anti-Corruption by the EFCC at the grass root on 25th and 26th June, 2008 at the Area Council premises. The receipt was said to have been gotten from a Travel Agency at Berger Junction, Wuse. However, the company has denied any knowledge of such receipt.

The Chairman, Bwari Area Council has been asked to investigate the anomaly and inform me of the efforts made to recover the money.

6.60 A sum of ~~N~~2,545,200.00 was granted as cash advance to an officer of the Council on 26th June, 2008 for Agric. Show at Stone Leigh Warwick Coventry in the United Kingdom from 3rd to 6th July, 2008. A scrutiny of the payment voucher and relevant documents revealed that each Area Council according to the Federal Government policy were to sponsor 2 Grass Root Farmers and the Chairman's wife to the Show. But instead, the Council sponsored a Honourable member and 1 woman to the show, thereby defeating the aim of the project. It was further revealed that:-

- (i) Evidence of travel documents and
- (ii) Retirement particulars were not produced at the time of audit.

The Chairman has been asked to justify this expenditure otherwise, the sum of ~~N~~2,545,200.00 should be recovered from the officers with recovery particulars forwarded for audit verification.

6.61 A cash advance of ~~N~~6,870,000.95 granted to an officer of Bwari Area Council on payment voucher of May, 2008 for the clearing of Technology Village had not been retired as at the time of audit inspection in May, 2009. Considering the amount involved, this service should have been better rendered or executed through the award of contract after competitive tender procedures or through the issuance of job order. The Chairman has been asked to confirm that the advance is retired and furnish me with the retirement particulars. His reaction is being awaited.

6.62 7 payment vouchers for amounts totalling ~~N~~10,080,000.00 raised between March and December, 2008 in favour of a company for the cleaning of the Area Council revealed that:

- (i) No documentary evidence such as letter of engagement between the Area Council and the contractor was produced; and

- (ii) It was observed that the payment vouchers were raised to withdraw money for the Area Council officers in disregard of Financial Regulation 515 which requires all officers responsible for expenditure to exercise due economy.

The Chairman has been asked to comment on the irregularities.

6.63 A contract for the sum of ~~N~~13,036,000.00 was awarded to a company on a payment voucher dated February, 2008 for the provision and installation of the following:-

- (i) Internet Connectivity;
- (ii) LAN;
- (iii) Computerization, Supply of 20. Computer Sets
- (iv) Website and training.

6.64 Further scrutiny revealed that:-

- (i) The award did not go through due process in accordance with the Public Procurement Act of 2004;
- (ii) As at the time of audit in May, 2009, the project has not been executed. None of the computer sets was physically seen; and
- (iii) No officer had undergone any training.

The Chairman has been asked to refund the sum of ~~N~~13,036,000.00 involved; furnishing details of recovery.

6.65 Audit examination of the payment vouchers revealed that Bwari Area Council deliberately refused to remit all VAT and WHT deducted from contract payments made from year 2001 to July, 2007. Further scrutiny revealed that on 20th July, 2007, the Council approved and paid the sum of ~~N~~41.9 million for payment of outstanding VAT and WHT to the Federal Inland Revenue Service on installment of ~~N~~5 million monthly.

The Chairman has been asked to comment on the reasons for not remitting VAT and WHT to the appropriate Tax authority for the period of 7 years. Compute all VAT and WHT for 7 years and remit to the appropriate authority with relevant particulars forwarded for audit verification.

6.66 Cash advances totalling ~~N~~19,041,500.00 granted to 18 officers between January and February, 2008 for various services have not been retired as at the time of audit inspection in May, 2009. Several officers took subsequent advances without retiring the previous ones, contrary to the provision of the Financial Regulations. All the advances should be retired forthwith otherwise, they should be recovered from the emoluments of the defaulters with the recovery particulars forwarded for audit verification.

The chairman, Bwari Area Council has been notified of all the issues raised above for his comments and necessary action.

GWAGWALADA AREA COUNCIL

6.67 At Gwagwalada Area Council, Abuja, it was observed that:

(a) The cash book, a book of prime entry which is supposed to be maintained at the Area Council Central Pay Office in compliance with the Financial Regulation nos. 201-205 was not properly maintained. The entries in the cash book was made in pencil instead of indelible ink, contrary to the provisions of Financial Regulations.

The Chairman has been asked to comment on this anomaly.

(b) No Bank Reconciliation Statement was prepared to reconcile the cash book balances with the bank balances maintained at a commercial bank, contrary to the provisions of the Financial Regulation. It was therefore difficult to attest to the cash in and out flow of the Bank Account in respect of the sum of ~~N~~1,640,317,516.79 released into this account during the year under review.

The Chairman has been asked to produce this document for audit examination. His reaction is being awaited.

6.68 The payments for 35 contract jobs amounting to ~~N~~406,722,603.78 for various services was made without the attestation of the satisfactory completion/execution by the Resident Federal Auditor in compliance with the Federal Ministry of Finance Circular No. F15775 of 27th June, 2001.

The Chairman has been asked to comment on the irregularity.

6.69 The sum of ~~N~~30,344,863.18 being the Contributory Pension Fund deducted from the staff salaries of the Area Council in year, 2008 was not remitted to the various Pension Funds Administrators, contrary to the Pension Reform Act 2004.

The Chairman has been requested to remit the fund to the various Pension Funds Administrators forwarding the remittance particulars for audit inspection.

6.70 37 payment vouchers amounting to ~~N~~9,230,000.00 raised between February and December, 2008 were not made available for audit examination. It is therefore difficult to confirm that this amount so expended is a legitimate charge against public fund.

The Chairman has been asked to produce the payment vouchers for examination. .

6.71 The sum of ~~N~~10,462,500.00 being Personal Advances granted to 9 staff of the Area Council in the year 2008 remained unretired as at the time of this report in August, 2009. It was observed that 5 out of the 9 officers were given more than 3 personal advances without the retirement of the previous advances given to them, contrary to the provisions of the Financial Regulation.

The Chairman has been asked to ensure the retirement of the advances and forward retirement particulars for audit verification.

All issues raised herein have been taken up with the Chairman for his comments and necessary action.

FEDERAL MINISTRY OF FINANCE

6.72 The following observations were made during the examination of the books of account of Federal Ministry of Finance.

A non-personal advance of ~~N~~17,770,122.00 granted to an officer on 26th February, 2008 to enable him prepare for the official visit of the International Monetary Fund, was not retired in full, even up to the time of audit in April, 2009, contrary to Financial Regulation which stipulates that advances granted to officers should be retired immediately after the completion of the assignment for which the advances were granted. The payment voucher was neither checked nor pre-audited, and was paid on a photocopy, instead of the original. Relevant supporting documents such as approved letter and details of the IMF visit were not attached. The payment of such large sum of money to an individual is a gross violation of extant rules and regulations which should be discouraged.

6.73 The sum of ~~N~~24,944,935.00 was paid to a contractor on 8th April, 2008, as outstanding balance of 75% on a contract for general clearing and painting of the entire interior of the Ministry's phase 1 office. It was, however, observed that my representative in the Ministry did not co-sign the certificate releasing this final payment on the contract as demanded by Ministry of Finance Circular No. 15775 of 27th June, 2001.

6.74 2 non-personal advances totalling ~~N~~26,138,375.00 granted to an officer to enable him settle various payments relating to a 2-day retreat held at Kaduna between 11th and 12th January, 2008 were not properly accounted for. The schedule of payment of Duty Tour Allowances to the 250 participants duly signed by the recipients was not attached to the retirement voucher. Besides, the officer retired only the sum of ~~N~~10,318,890.00, leaving an outstanding balance of ~~N~~15,819,485.00. Furthermore, payment of such huge sums of money to a serving officer for disbursement is an infringement of the extant rules and regulation on cash advances to the officers. The

advances must be retired forthwith in accordance with Financial Regulation, failing which they should be recovered from the officer's emoluments.

6.75 A payment voucher dated 14/7/08 for the sum of ~~₦~~50,000,000.00 was for the completion of the African Development Bank Assisted Institutional support Projects for year 2008. It was however observed that payments made to beneficiary agencies and allowances made to trainees under training related activities, were not spelt out on the voucher, neither did the beneficiaries acknowledge receipt of such monies. Not even the evidence of payment of 15% counterpart contribution for the installation of Oracle Network for the Supreme Court of Nigeria was produced. Furthermore, the Auditor-General's representative was not invited to co-sign the certificate releasing final payment, since the contract exceeded the sum of ~~₦~~5,000,000.00

6.76 Similarly, the sum of ~~₦~~215,000,000.00 donated by the World Bank, was released to the Ministry through Authority to Incur Expenditure dated 05/05/08 for the purpose of meeting the counterpart funding requirements for some Donor – Assisted Projects. The 4 beneficiaries shared the allocation as follows:-

▶ Economic Management and Capacity Building Project (EMCAP)	₦	– 115,000,000.00
▶ Economic Reforms and Governance Project (ERGP)	-	50,000,000.00
▶ State Governance and Capacity Building Project (SGCBP)	-	25,000,000.00
▶ African Capacity Building Fund (ACBF)	-	<u>25,000,000.00</u>
TOTAL	=	<u>₦215,000,000.00</u>

However, none of them acknowledged receipt of these amounts of money, the payments were not properly accounted for, and details of expenditure were not produced for examination and verification.

6.77 The sum of ~~₦~~27,718,437.00 was granted on 15/7/08 as personal advance to a Deputy Director for the settlement of outstanding arrears and shortfall to members of the Economic Management Team. It was however observed that there was no documentary evidence to support his claims of overdue sitting allowances, hotel allowances and air fares incurred by the Economic Management Team. Moreover, it would have been proper for members of the Economic Management Team to have applied for their claims themselves, since most of them were public servants. Incidentally, the Deputy Director has not retired the advance as at the time of audit in July 2009, whereas Financial Regulation 1705 stipulates that "Accounting Officers are responsible for ensuring the prompt repayment of all advances by instalments or otherwise.

6.78 Financial Regulation 613 stipulates that "payments shall be made only to the persons named in the vouchers or their properly authorized representatives". Paying Officers must satisfy themselves that the person claiming the payment is the person authorized to receive the amount and it is the duty of the Ministry authorizing payment to furnish proof of identity if required. This provision was however, not adhered to in

the payment voucher dated 02/7/08 for the sum of ₦7,421,563.00, which was raised in the name of The Nigerian Infrastructure Summit Project, instead of the name of an officer who has part of the project. Also the voucher was raised as a payment, instead of a cash advance which ought to have been fully accounted for after the summit.

6.79 A scrutiny of the Bank Reconciliation Statements prepared as at 31st December, 2008, in respect of Recurrent Account showed that 31 unrepresented cheques for amounts totalling ₦10,454,645.26, raised between July and December 2008, were not shown on the Bank Reconciliation Statement. These items should be investigated and cleared in line with Financial Regulation 207 which states that Sub-Accounting Officers will ensure that all outstanding items in the Bank Reconciliation Statement are cleared expeditiously. In this regard unrepresented cheques which become stale after 6 months should be written back to the Cash Book.

6.80 The sum of ₦27,804,000.00 was paid to a company on 14th October, 2008, to print letters, newspapers and magazines for distribution, to show-case Nigeria's recent economic reform successes at the 2008 Annual Meeting of the Board of Governors of the IMF in Washington D.C. However, copies of these newspapers and magazines were not produced to authenticate the payment of such a large sum of money

6.81 The sum of ₦80,152,590.00 was paid to a company on 24th December, 2008, as 75% balance for the implementation of the Ultimus BPM software, a financial software. It was, however, observed that contrary to Financial Regulation 517 which states that expenditure shall strictly be classified in accordance with the Estimates, and that vote must be applied only to the purpose for which the money is provided, the payment for the software was charged to the Miscellaneous Sub-head (Recurrent Expenditure) instead of the Capital vote where it belonged. Also, contrary to Finance Circular No. F15775 of 27th June, 2001, the company was paid its final 75% without reference to my Office for verification and co-signing the certificate of release as required.

All the issues have been communicated to the Permanent Secretary and his reaction is being awaited.

OFFICE OF THE ACCOUNTANT-GENERAL OF THE FEDERATION

Federal Pay Office, Akure

6.82 During the audit examination of the accounting books and records of the Ministry of Police Affairs at the Federal Pay Office, Akure, it was observed that 9 stale cheques amounting to ₦720,005.40 issued between March 2007 and September, 2008 out of the Recurrent Vote charge of the Ministry had lapsed to Revenue as at the end of the 2007/2008 financial year but were still featuring in the Bank Reconciliation Statement as unrepresented cheques, contrary to Financial Regulation 513 (lapse of authority).

The total amount of ₦720,005.40 should be paid back to treasury and the appropriate receipts obtained be submitted for audit verification.

The issue has been communicated to the Accountant-General of the Federation and his response is being awaited.

6.83 It was observed that the sum of ₦501,856.12 being the cash book balance as at 31st December, 2008 of the account with Central bank of Nigeria had lapsed to revenue but there was no evidence to show that it has been paid back to Consolidated Revenue Fund (CRF), contrary to treasury Circular Ref. No. OAGF/CAD/026/Vol.II No. TRY/A7&B7/2008 paragraph 6.1. which provides that unspent balance of Capital as at 31st December 2008 automatically lapsed and cheques issued to pay the amount to Consolidated Revenue Fund Account.

The reaction of the Accountant-General of the Federation is being awaited.

BUDGET OFFICE OF THE FEDERATION

6.84 At the Budget Office of the Federation, it was observed that:-

(a) A sum of ₦139,688,388.23 being unspent balance under the Overhead Cost of the Recurrent Expenditure vote as at 31st December, 2008 claimed to have been paid into the Treasury could not be confirmed as the treasury receipt in support of this claim issued by the Sub-Treasurer was not made available for audit examination.

Issues raised herein have been brought to the attention of the Director and his reaction is being awaited.

(b) 110 payment vouchers totalling ₦17,351,212.15 raised between February and May, 2008 were not made available for audit examination as at the time of writing this report. It is therefore difficult to confirm that this expenditure is a legitimate charge against public fund.

(c) Final payments of 7 contract jobs amounting to ₦60,361,100.00 in 2008 were made without the Federal Auditor co-signing the final payment in compliance with the Federal Ministry of Finance Circular No. F15775 of 27th June, 2001.

The Director-General has been asked to comment on this anomaly and his response is being awaited.

6.85 3 Pick-up Toyota Hilux vehicles sent by the Special Senior Assistant to Mr. President on Millennium Development Goal (MDG) being part of 12 supporting items to the Budget Monitoring and Evaluation Department of the Budget Office to facilitate

their functions were diverted to other Departments, thus jeopardizing the purpose and intention of the Office of the President. These 3 vehicles were re-allocated by the Budget Office to the Director-General (Budget), Director (Expenditure) and Deputy Director (Expenditure).

As at the time of this report in August, 2009, 2 of these vehicles were not made available for sighting as they were in possession of the former Director and Deputy Director (Expenditure) both of whom have been posted away from the Budget Office.

The Director-General has been asked to retrieve the motor vehicles from the officers and inform me accordingly.

All the issues raised herein have been taken up with the Director and his response is being awaited.

MINISTRY OF FOREIGN AFFAIRS

6.86 During the examination of Stores Receipt Vouchers to ensure that all Store items procured by the Ministry have been properly documented and taken on ledger charge, it was observed that store items totalling ₦5,955,560.00 and supplied by 7 contractors between 18th and 23rd September, 2008 and on 29th December, 2008 were not entered into the stores books. The Store Receipt Vouchers and invoices were attached to the payment vouchers but the items were neither posted into the Stores Ledger nor entered on the Bin Cards, signifying that the items were not taken on charge. The Stores Officer has been asked to show evidence of supply of these store items with verifiable documents.

The matter has been communicated to the Permanent Secretary and his response is being awaited.

6.87 An officer in the Projects Department of the Ministry, was advanced the sum of ₦1,664,895.00 on 18/4/08, for renovating, furnishing and providing a new toilet to the Office of the Senior Special Assistant (SSA) to the President on Foreign Affairs.

6.88 Similarly, another officer was advanced the sum of ₦3,406,000.00 for direct purchase of 33,000 litres of diesel at ₦105.00 per litre for the generating plant. During the audit examination of the payment vouchers, there was no evidence of the retirement of these advances attached or presented for audit examination. The Permanent Secretary has been communicated on these matters and has been requested to furnish me with relevant evidence concerning the transactions and the retirement of the two advances otherwise, the affected officers should be asked to refund the sums involved. Evidence of recovery should be forwarded to this Office for audit verification.

The Permanent Secretary was also reminded of the dangers inherent in advancing huge sums of money to officers for disbursement instead of using registered contractors for these services. His response is being awaited.

6.89 During the audit examination of payment vouchers, 2 payments totalling ~~₦~~3,817,500.00 were made to a staff for sensitization seminars for Ministry of Foreign Affairs officers in Abuja and Lagos. A scrutiny of the payment vouchers revealed that there were no documents attached to support the disbursements of these amounts as there were no receipts for:

	₦
(i) Renting of halls	530,000.00
(ii) Lunch, Drinks, Coffee/Tea and snacks	820,000.00
(iii) Payment of Honorarium	306,000.00
(iv) Contingencies Provision	200,000.00
(v) 3 Days Room Accommodation	75,000.00
(vi) Purchase of 1 Sharp Photocopier	450,000.00
(vii) Purchase of Projector for Power Point	180,000.00
(viii) Purchase of Computer Desk Top	250,000.00
(ix) Purchase of Stationery	105,000.00
(x) Night allowances and return Air Ticket for undisclosed persons etc.	1,091,500.00

The Permanent Secretary was communicated and advised to furnish me with the relevant supporting documents for the disbursement of ~~₦~~3,817,500.00 for examination otherwise, the amount should be recovered from the officer responsible and particulars of recovery forwarded for audit verification.

6.90 During the audit examination of the books of accounts and other records maintained at the Federal Ministry of Foreign Affairs Headquarters, Abuja, the following observations were made:-

- (i) The contract for the supply of office equipment valued at ~~₦~~106,773,247.00 was deliberately split into 13 smaller bits for amounts ranging from ~~₦~~5,004,500.00 to ~~₦~~9,920,000.00 and awarded to 13 different contractors, apparently in a bid to circumvent extant regulations guiding procurement in Government establishments which require the approval of the Federal Executive Council for a contract of this magnitude and also to avoid advertising the contract in the Newspaper as required by the Public Procurement Act, 2007.
- (ii) Similarly, the contract for the supply of furniture and fittings worth ~~₦~~97,732,000.00 was fragmented into smaller bits of between ~~₦~~5,010,000.00 and ~~₦~~9,732,000.00 and awarded to 12 different contractors. This is another contravention of the provisions of the Financial Regulations and the Public Procurement Act, 2007 which prohibit the splitting of a single large order into smaller pieces.

- (iii) Another set of 5 contracts for the renovation of the Ministry's Headquarters under the "2nd phase of the Ministry's facelift", awarded to 4 different companies for amounts totalling ~~N~~38,202,850.00, were found to have been split into smaller bits of between ~~N~~5,248,000.00 and ~~N~~9,723,900.00. A contractor was awarded 2 bits amounting to ~~N~~13,631,250.00. This was obviously to avoid advertising the contract in the Newspaper as prescribed by the Public Procurement Act, 2007.
- (iv) Furthermore, on 16th September, 2008, the Acting Permanent Secretary single – handedly approved contracts for the supply of stationery and office equipment items amounting to ~~N~~13,902,805.00. In an apparent effort to circumvent the Permanent Secretary's approval ceiling of ~~N~~1 million, the order was fragmented into smaller bits ranging between ~~N~~785,000.00 and ~~N~~998,000.00 and presented separately for the Permanent Secretary's approval by the Director, Human Resources, Information and Management Services, on the same day 16th September, 2008. All the contracts were paid for in December, 2008.

I am worried about this seemingly total disregard for established procedures and controls. The practice of deliberately splitting contracts to circumvent the provisions of the Financial Regulations and the Public Procurement Act is considered a serious offence subject to disciplinary sanctions. Management should therefore address these areas of concern and initiate disciplinary proceedings against all the members of staff involved, in accordance with Financial Regulation 2928.

6.91 Section 85(2) of the Constitution of the Federal Republic of Nigeria 1999, entitles me to "have free access to Books, Accounts and Information at all reasonable times, to all files, safes, documents, books, and other records relating to the accounts of all Federal Ministries/Extra-Ministerial offices and other Arms of Government or Units". Furthermore, Financial Regulation 2924 specifically provides that certified true copies of all contracts will be sent to me for custody while Financial Regulation 2934(i) stipulates that "minutes of all Tenders Board meetings and the full records of all tendering processing shall be made available" for my inspection on demand. Despite all these provisions however, copies of contracts awarded by the Ministry of Foreign Affairs between January and December, 2008 were not forwarded to my office. Also, Tenders Board minutes and other documents were not presented for my inspection despite written and verbal requests made to the Director/PRS and his principal officers for their release. This constitutes a serious infringement of the provisions of the Financial Regulations and a breach of the 1999 Constitution.

The Permanent Secretary has been requested to produce these documents for examination to enable me satisfy myself that proper procedures were observed in the tendering, processing, execution and payment for the contracts awarded by the Ministry during the period under audit.

6.92 Unauthorized capital expenditure to the tune of US\$1,627,725.00 (about ~~N~~180 million) was incurred by a former Ambassador to the Hague, Netherlands. The

expenditure was allegedly incurred on the renovation/refurbishment of the Ambassador's residence, the chancery and some 8 Government properties in 2007. The act was uncovered by a new Ambassador. Preliminary investigations conducted by the Finance and Supplies Department of the Ministry revealed that:-

- (i) There was no prior approval from the Headquarters for the contracts.
- (ii) There was no capital allocation to the Mission for the huge renovation costs. Therefore, it was vital to establish how and from where the Mission got such a huge amount of money for the renovations.
- (iii) The renovations could have been financed from the Revenue account.
- (iv) The award of the renovation contracts valued at over ₦180 million required the approval of the Federal Executive Council.

Following this preliminary submission, an inspection team comprising the Director(Planning) and Assistant Director (Budget) was set up in December, 2008 to investigate the illegal expenditure and unauthorized renovations, establish the source of the funds and the roles of the Head of Chancery and the Finance Attaché in the scam.

The Honourable Minister directed on the recommendation of the Acting Permanent Secretary that the full weight of the law and Government Regulations should be visited on all the culprits to act as a deterrent.

The Permanent Secretary has been requested to furnish me with:-

- (i) The original report of the new Ambassador to the Hague.
- (ii) Report of the inspection team that investigated the matter.
- (iii) Details of disciplinary action taken against all the culprits

His response is still being expected.

6.93 An amount of ~~₦3,326,400.00~~ was paid to a company in December, 2007 for the supply of 10 units of sharp photocopier model AR 5320. The contract was awarded at the rate of ~~₦332,640.00~~ per unit. However, an independent market survey conducted in Abuja showed that the contract sum was grossly inflated as similar products of exactly the same specifications were selling for ₦90,000.00 per unit. Providing for a net profit of even 50 per cent, this contract should not have been awarded at more than 150,000.00 per unit and ~~₦1,500,000.00~~ for 10 units. The amount of ~~₦1,826,400.00~~ by which the contract was inflated constitutes money paid for value not received and should therefore be recovered from the contractor or those who awarded the contract at such inflated cost.

6.94 Financial Regulations 2004 and 2006 provide that the Head of Internal Audit shall forward copies of his annual Audit programme as well as his monthly, quarterly, half-yearly and special reports to me. However, the Internal Audit Unit of the Ministry of Foreign Affairs has persistently failed to forward copies of its Audit programmes and reports to my Office, as required by these regulations. Under the circumstance, it is difficult to confirm that the financial transactions of the Ministry were properly conducted, recorded and audited and that the Internal Control system of the Ministry is adequate and effective.

The Permanent Secretary has been asked to direct the Head of Internal Audit to forward the up-to-date Internal Audit reports and programme for my verification and follow-up action where necessary.

6.95 Financial Regulation 601 specifically stipulates that under no circumstances should a cheque be raised or cash paid for services for which a voucher has not been raised. But at the Ministry of Foreign Affairs Headquarters, Abuja, the amounts on 36 payment vouchers totalling ₦50,989,450.00 were paid in December, 2008 before the payment vouchers were raised. The payments were for contracts, estacode allowances/air tickets and other staff claims. The payment records revealed that cheques for most of these amounts were raised between 3rd and 12th December, 2008 while the relevant payment vouchers were raised several days later between 22nd and 31st December, 2008 and passed for payment by the Checking and Internal Audit Sections between 30th and 31st December, 2008. As these are vital components of the Internal Control System of the Ministry, the Permanent Secretary has been asked to explain the essence of the Checking and Internal Audit examinations conducted after payments had been effected. His response is still being awaited.

6.96 26 contracts for various sums ranging between ₦5,004,500.00 and ₦9,920,000.00, totalling ₦210,985,725.00 for the supply of 'office equipment' and 'furniture and fittings' were paid for in October and December, 2008 under the Capital Expenditure Vote. Similarly, 5 other contracts for sums ranging from ₦5,248,000.00 to ₦9,723,900.00 and amounting to ₦38,202,850.00 for the renovation of the Ministry's Headquarters under the "2nd phase of the Ministry's facelift" were paid for under the Recurrent Expenditure Vote in December, 2008.

All the payments were made without submitting the relevant documents and records to my representative in the Ministry of Foreign Affairs for pre-payment audit as stipulated by Ministry of Finance Circular No. F15775 of 27th June, 2001, despite concerted efforts made to draw the attention of the Ministry to this policy guideline.

The Permanent Secretary has been requested to explain this flagrant violation of the regulation and confirm that appropriate corrective action has been taken to forestall a re-occurrence.

6.97 2 contracts for the supply of Casio Desktop calculators (14 digits with printing facility) were awarded to different contractors on the same day (16th September 2008)

at different prices. The first contractor, was awarded the supply of 30 units based on a unit price of ~~N~~25,200.00, while the second contractor was awarded the supply of 25 units at the unit rate of ~~N~~35,280.00, thus resulting in a price differential per unit of ~~N~~10,080.00. No explanation was given for applying different rates to the two contracts.

The amount of ~~N~~252,000.00 representing the total overpayment to the second contractor should be recovered from him or those who awarded the contract.

6.98 47 payment vouchers for amounts totalling ~~N~~708,819,846.00 paid on 28th and 31st December, 2007 were not produced for audit inspection even up to the time of compiling this report in September, 2009, despite persistent requests. 37 of the vouchers amounting to ~~N~~667,304,200.00 were paid on 28th while the other 10 vouchers amounting to ~~N~~41,515,646.00 were paid on 31st December, 2007. The payments were for posting entitlements, estacode allowances, air tickets, out of pocket expenses etc.

6.99 Similarly, 436 payment vouchers raised between September and December, 2008 for amounts totalling ~~N~~5,226,203,966.00 were not produced for audit examination. The payments relate to foreign transfers, air tickets, training, estacode allowances, refunds of out of pocket expenses and assorted contracts.

The Permanent Secretary has been requested to produce the vouchers for examination as otherwise, the payments on them totalling ~~N~~5,935,023,812.00 would not be accepted as legitimate charges against public funds.

6.100 91 personal advances totalling ~~N~~165,804,230.00 were granted to members of staff of the ministry for various official purposes between January and December, 2008. 6 officers were granted subsequent advances without retiring the previous ones, contrary to Financial Regulations. It was disturbing to note at the time of audit in July, 2009 that none of the advances was retired. Concerted efforts should be initiated to ensure the retirement or recovery of all the advances forthwith, furnishing relevant documents for verification.

6.101 A personal advance of ~~N~~16,365,141.00 was granted to an officer in October, 2008 to enable him settle unpaid hotel bills and transportation expenses incurred in respect of the induction programme for newly appointed Ambassadors and their spouses at a Resort in Cross River State. The induction was held between 1st and 11th February, 2008. The examination of the retirement voucher dated 25th June, 2009 revealed that:-

6.102(i) A sum of ~~N~~10,949,336.00 purportedly paid as additional hotel bills was supported only by a cash receipt from the Resort. There was no breakdown of the number of guests involved and for what period. Detailed hotel bills should be produced to authenticate this expenditure.

- (ii) A sum of ~~₦~~1,624,805.00 was allegedly utilized to clear a previous debt owed by the Ministry in respect of the Regional Seminar held at the Resort in 2006. This claim could not be established.
- (iii) The sum of ~~₦~~3,500,000.00 said to have been paid to a transport company, for the hire of two Luxurious buses for 6 days was observed to exorbitant. A breakdown of this lump sum payment should be presented.
- (iv) Another sum of ~~₦~~156,000.00 was purportedly spent on the purchase of 40 cartons of SWAN water and fruit juice on 11th February, 2008; the last day of the programme. The rationale for this was not explained. Surprisingly, the expenditure was supported by a receipt issued by an Abuja based company dealing on stationery and electrical parts.
- (v) Most of the payments were made on 5th December, 2008 whereas the officer received the money since 31st October, 2008. The five-week delay in settling the outstanding bills was not explained.

On account of these lapses, the advance could not be said to have been properly retired. Authentic receipts and bills should be submitted to retire the advance, failing which the amounts should be recovered from the officer and recovery particulars furnished for verification.

6.103 An amount of ~~₦~~532,825.00 was paid to a contractor in October, 2008 for the supply of office equipment to the Presidential/VIP Lounge of the Nnamdi Azikiwe International Airport, Abuja. The payment voucher was supported with an old Invoice and Delivery note originally dated 29th December, 2007 and Store Receipt Voucher and Internal Audit Verification form originally dated 28th December, 2007. The original dates on all these documents were altered to read 10th March, 2008. The Invoice and Delivery note were computer printouts. No quotation was attached to the payment voucher. The letter of award dated 4th January, 2008 attached was a photocopy.

Audit verification revealed that the items did not pass through the Ministry's Store as there was no record of this transaction in the Store Books. The Internal Auditor and Store Officer who purportedly co-signed the Audit Verification Form were said to have been posted out of the Ministry. This fictitious payment of ~~₦~~532,825.00 should be recovered from the officers who processed this payment. In addition, all officers involved in processing the payment should be appropriately disciplined.

6.104 7 payments totalling ~~₦~~3,334,305.00 made to some members of staff between 10th and 17th October, 2008 were observed to have been duplicated. The payment vouchers were posted twice into the Recurrent Cash Book within the stated period. The duplicate entries were not supported by any payment voucher.

The Permanent Secretary has been requested to investigate the double payments and recover the amounts totalling ₦3,334,305.00 from the culprits and also take appropriate disciplinary action against them.

6.105 An amount of ₦347,271,845.00 meant for the on-shore and off-shore operations for the 2007 pilgrimage to Israel was wrongly credited to the account of the Ministry of Foreign Affairs in November 2007. This amount was not immediately released to the Department of Christian Pilgrims Affairs as expected. Instead, the amount and other “excess funds” were said to have been remitted to the “Intervention Account” maintained by the Ministry in Rome, at the end of the 2007 financial year. The total amount allegedly remitted to the Rome account was ₦502,000,000.00. This was obviously an attempt to exhaust the votes and prevent the funds from lapsing into revenue at the end of the financial year, as required by extant regulations. Curiously, the relevant bank statement presented for audit did not reflect this alleged remittance.

I have asked the Permanent Secretary, Ministry of Foreign Affairs, to furnish the following for my verification and follow-up action.

- (i) Verifiable evidence of the remittance of the sum of ₦502,000,000.00 to the “Intervention Account” in Rome.
- (ii) Verifiable evidence of the receipt of the remitted amount into the Rome account.
- (iii) The authority for this remittance which is obviously a violation of extant regulations.
- (iv) A detailed account of the disbursement of the remitted amount from the Rome Account.
- (v) The purpose and sources of funding the “Intervention Account” in Rome.

The response of the Permanent Secretary, Ministry of Foreign Affairs on all the issues is still being awaited.

NIGERIA CHRISTIAN PILGRIMS COMMISSION

6.106 At the Nigeria Christian Pilgrims Commission (formerly Department of Christian Pilgrims Affairs), the following observations were made:-

- (a) The off-shore component of the 2007 pilgrimage operation was handled through the Nigeria Mission in Israel. Available records show that amounts totalling ₦6,187,643,107.10 were remitted to the Mission for that purpose. The remitted funds included pilgrims’ funds for accommodation, feeding, transportation etc as well as the

Commission's budgeted operational funds. The funds were disbursed from the Accounts Section of the Nigeria Mission in Israel and all records of the transactions relating to the off-shore component of the 2007 pilgrimage exercise were said to be in Israel. It was not possible at the time of audit to visit Israel due to paucity of funds. As a result, I was unable to examine the accounts and other records relating to the off-shore operation of the Commission for 2007.

6.107 For the 2008 pilgrimage, the Commission opened a foreign account with a Bank in Tel Aviv, Israel. The signatories to this account are the Chairman, the Executive Secretary and the Director of Finance and Accounts of the Commission. Amounts totalling US\$39,233,794.29 were remitted to this account between 29th December, 2008 and 5th February, 2009. The balance on this account at the end of the 2008 pilgrimage on 15th March, 2009 was US\$737,354.81 (~~₦107,653,802.26~~). During the examination of the records relating to this account, it was discovered that:-

- (i) 6 payments totalling US\$524,799.00 (~~₦76,620,654.00~~) for which payment vouchers were duly raised, were not entered into the relevant Cash Book; an indication that the financial transactions of the Commission as far as this account was concerned, were not diligently recorded.
- (ii) 44 payment vouchers raised and paid on this account between January and March, 2009 for amounts totalling US\$2,442,957.00 (~~₦356,671,722.00~~) were not produced for audit. I could not therefore certify that the expenditures on them were legitimate charges against public funds.
- (iii) Amounts ranging between US\$50,000.00 (~~₦7,300,000.00~~) and US\$200,000.00 (~~₦29,200,000.00~~) and totalling US\$1,200,000.00 (about ~~₦175,200,000.00~~) were withdrawn in cash from this account in 13 separate transactions between 4th January and 15th March, 2009. The necessity for these large withdrawals should be explained while details of actual disbursement of the cash withdrawn should be furnished for my scrutiny.
- (iv) No Bank Reconciliation Statement was prepared for this account, contrary to Financial Regulations.

The matter has been brought to the attention of the Permanent Secretary, Ministry of Foreign Affairs whose reactions are still being expected.

6.108 Withholding and Value Added taxes totalling ₦1,640,882.80 were not deducted from payments made to various contractors in respect of contracts awarded and paid for by the Commission in 2007 and 2008. ₦1,032,574.80 of the amount relate to 2007, while the balance of ₦608,308.00 relate to 2008.

These amounts should be recovered from the contractors concerned and remitted to the appropriate Tax Authority, while recovery and remittance details should be forwarded for verification.

6.109 49 payment vouchers amounting to ~~N~~21,091,259.00 raised and paid between February and May, 2008 were not recorded in the Overhead Costs Cash Book as at the time of audit in August, 2009. 83 other payment vouchers raised and paid between October and December, 2008 under the Operations account for amounts totalling ~~N~~59,815,408.00 were also not entered into the relevant Cash Book as at August, 2009. None of the Cashbooks maintained by the Commission was up to date. For instance, the Cash Book for the Overhead Costs Account had not been posted since 31st December, 2008. Also, the Cash Book for the Operations account had not been posted since 30th March, 2009. Bank Reconciliation Statements could therefore not be prepared for any of the accounts.

All these lapses put together indicate that the financial transactions of the Commission for the period under audit were not diligently processed and recorded. As a result, the Accounts presented by the Commission could not be certified as a true and fair representation of its financial transactions for the period under review.

6.110 An amount of ~~N~~8,837,355.00 was paid to the Secretary, Presidential Committee on Christian Pilgrimage (PCCP) on 13th June, 2008 to enable him purchase air tickets for the Chairmen and Secretaries of 29 State Christian Pilgrims Welfare Boards who were on a pre-pilgrimage visit to Israel. These officials were ordinarily supposed to be sponsored by their respective Boards. However, the PCCP paid for their air tickets on the clear understanding that the amounts paid would be refunded by the respective State Christian Welfare Boards. These amounts have not been refunded as at the time of audit in August, 2009.

The Permanent Secretary has been asked to take urgent steps to recover the outstanding amounts from the concerned State Welfare Boards and forward recovery details for verification.

6.111 The sum of ~~N~~10,069,000.00 was paid to 6 members of the Pilgrims Committee to enable them visit the FCT Minister and 9 state Governors to express appreciation for their contribution and support for the success recorded on the 2007 pilgrimage and also brief them on preparations towards the 2008 pilgrimage. The payment was made on 25th May, 2008. The visits were undertaken between 3rd – 12th and 26th – 27th June, 2008.

However, it was observed that amounts of ~~N~~35,000.00 and ~~N~~20,000.00 per day were paid to each member for airfare and interstate transport respectively while the Secretary was paid ~~N~~35,000.00 and ~~N~~10,000.00 for airfare and interstate transport respectively. The payments were made for every single day of the 18 days applied in the computation. That means that the members collected both airfares and road transport fares for the same tours. Besides, only 4 out of the 9 states visited have operational airports. The remaining 6 states could only be accessed by road. Hence the total cost implication for airfares and interstate transport should have been ~~N~~1,560,000.00 as against the sum of ~~N~~5,760,000.00 claimed.

A total sum of ~~N~~4,200,000.00 representing amounts wrongly claimed for air fares and interstate transport should therefore be recovered from the members and recovery particulars furnished for verification.

6.112 Another sum of ~~N~~4,239,500.00 was paid on 15th January, 2008 to cover the airfare, interstate transport, Duty Tour Allowance and local transport for five members of the PCCP and four officers during the rescreening exercise for the 2007 pilgrimage.

- (i) The locations for the exercise were not specified, although amounts ranging between ~~N~~80,000.00 and ~~N~~190,000.00 and totalling ~~N~~1,360,000.00 were paid to them for interstate travel and airfare.
- (ii) The number of days spent on the assignment was not stated but amounts totalling ~~N~~1,879,500.00 were claimed as Duty Tour Allowances.
- (iii) "Interstate travel" and "Local travel" for which amounts totalling ~~N~~790,000.00 and ~~N~~800,000.00 respectively were provided was observed to be one and the same and as such a duplication. The excess payment of ~~N~~800,000.00 for "local travel" should therefore be recovered.

The total amount of ~~N~~4,239,500.00 collected by the Committee members should be properly accounted for in full. Details of the itinerary, dates, places visited, period spent, etc, should be provided to justify this huge outlay as otherwise, the expenditure may not be accepted as having been incurred in the interest of the public.

6.113 Amounts totalling ~~N~~1,230,000.00 were claimed and paid to officials of the Commission on various assignments and tasks for contingency. The authority for such payment was not explained. Meanwhile, none of the amounts involved has been accounted for even though no contingency was reported by the concerned officials. The various amounts should be recovered from the concerned officials forthwith, and recovery details forwarded for audit verification.

6.114 A sum of ~~N~~1,500,000.00 was budgeted for procurement of drugs for the 2008 pilgrimage. Based on the provision, an amount of ~~N~~1,488,250.00 was paid to the Head of Medical Team on 26th December, 2008. This amount was not accounted for. Surprisingly, two other payments in the sum of ~~N~~680,000.00 each, both totalling ~~N~~1,360,000.00, were also made to the Medical Team for "purchase of medical items in readiness for the 2008 pilgrimage". This brought the total amount paid to the Head of Medical Team in December, 2008 for medical items and drugs to ~~N~~2,848,250.00.

6.115 Furthermore, it was noted that:-

- (i) The payment of ~~N~~1,488,250.00 was duly approved by the Chairman but the two other payments of ~~N~~680,000.00 each were approved by the Executive Secretary whose authorized approval ceiling is one million naira.

- (ii) The list of drugs provided by the Medical Team contained all other medical items required. The additional payment of ₦1,360,000.00 should therefore be justified.
- (iii) A total sum of ₦2,848,250.00 was allegedly spent whereas the budgetary provision for drugs and medical items was ₦1,500,000.00. It seems there was an unauthorized over expenditure of ₦1,348,250.00 on this sub-head.
- (iv) There is nothing to show that the additional sum of ₦1,360,000.00 was actually expended on medical items as claimed by the Medical Team because the items purportedly purchased were not formally received by the Commission and no other document was attached to the payment voucher or made available during the audit to show that the money was spent for the intended purpose.

6.116 An unspent balance of ₦113,842,570.65 was discovered in the Operations account Cashbook of the Commission at the end of the 2008 pilgrimage exercise and closing of account books for the 2008 financial year. This amount should ordinarily have lapsed into revenue at the end of the 2008 financial year, as required by Financial Regulations. However, rather than allowing the money to lapse, the Commission cleared the entire amount through fictitious entries in the Cashbook. Paid vouchers which had earlier been posted into a Cashbook maintained for another account, were recycled and posted again into this Cashbook. Thus, there was a duplication as the same set of payment vouchers were charged twice to the accounts of the Commission. As the sole payee in the fictitious payments, amounts totalling ₦113,550,665.60 were paid from the Commission's bank account with one commercial bank into another account maintained with a different commercial bank. This amount should be paid to revenue as it ought.

6.117 Also, the Overhead allocation for December 2008 in the sum of ₦8,094,765.67 which was released to the Commission on 15th December, 2008 was neither brought into account in the Cashbook nor in the Bank account until January 2009; after the end of the 2008 financial year. The cheque was paid into the Commission's bank account with a commercial bank on 6th January, 2009. No entry was made in the Cashbook regarding this money, even up to the time of audit inspection in August 2009. Had this release been brought into account, the fund would probably have lapsed into revenue at the end of the 2008 financial year.

6.118 Furthermore, the sum of ₦6,000,000.00 released to the Commission in December 2008 as 2nd Quarter Capital Allocation through Central Bank of Nigeria cheque number 000868 of 31st December, 2008 was diverted and lodged into one of the Commission's bank accounts with a commercial bank on 15th January, 2009. As at the time of audit in August, 2009, this money had been spent on assorted items of recurrent nature such as payment of Duty Tour Allowances, estacodes, etc. The balance on the account as at 21st May 2009 was ₦59,528.86. This is an apparent case of misappropriation of funds and abuse of budgetary process for which the

perpetrators must be appropriately sanctioned for deliberately violating the provisions of the Financial Regulations.

6.119 Finally, amounts totalling ₦1,429,666.90 being the unspent balances on 3 Cashbooks at the end of the 2008 financial year were not paid over to the Sub-Treasurer of the Federation, as required by Financial Regulations. Although entries were made in the Cashbooks, the funds were not physically paid into the Treasury, even up to the time of this audit in August, 2009.

This brings the total amount to be refunded to revenue by the Commission under the 2008 financial year accounts to a total sum of ₦129,075,098.17. The receipt for the refund and details of the disciplinary actions taken against the officers involved in these schemes should be furnished.

6.120 Amounts totalling ₦2,054,950.00 were paid to 4 companies in May and July 2008 to render various services to the Commission. The services rendered included refilling of fire extinguishers in the office, supply of laser-jet toners, renovation of suspended ceiling and evacuation of septic tank/repair of toilets. No Bill or Invoice was attached to the payment vouchers. No Store Receipt Vouchers or Job Completion Certificates were attached. Quotations submitted by the respective companies were the only relevant documents attached to the vouchers. No other document was produced to substantiate the actual supply or execution of the contracts. It was therefore difficult to establish the genuineness of these payments. On account of this, the amounts totalling ₦2,054,950.00 should be recovered from the contractors or the officer who approved the payments.

The anomalies have been communicated to the Permanent Secretary whose reaction is being awaited.

NATIONAL HAJJ COMMISSION

6.121 An amount of ₦1,377,000.00 was paid on a payment voucher dated 3rd September, 2008 for 2 years rent on a Zonal office accommodation. Further examination revealed that 10% WHT totalling ₦137,700.00 were not deducted from the rent so paid by the Government to the company. The amount of ₦137,700.00 should be recovered from the company and paid to Government. The recovery particulars should be forwarded to this Office for audit verification.

The matter has been communicated to the Permanent Secretary and his reaction is being awaited.

6.122 During the audit examination of payment vouchers, amounts totalling ₦37,235,500.00 was paid to a firm in Maitama, Abuja for the supply of 9 brands of Toyota vehicles. It was revealed that 5% VAT and WHT which had earlier been

calculated and added to the contract price for the vehicles were not deducted on the payment vouchers to arrive at the net amount payable for the vehicles. The sum of ~~₦~~3,723,550.00 charged as VAT and WHT should be recovered from the company and paid to Government. The recovery particulars should be forwarded to this Office for audit verification.

The Permanent Secretary has been contacted and his response is being awaited.

6.123 It was observed that cheques totalling ~~₦~~16.8 million were raised and paid to officers of the NAHCOM as balance of Estacode Allowances owed to them when they traveled to Saudi Arabia during the Haji Operations, without raising payment vouchers for the payments. The cheques were entered into the Cashbook without payment voucher numbers quoted therein, in contravention of the provisions of Financial Regulation 601 which stipulates that “Under no circumstances should a cheque be raised or cash paid for services for which a payment voucher has not been raised”. Payment vouchers should therefore be prepared for these payments and forwarded for audit examination to determine the authenticity of the payments.

6.124 During the audit examination of Cash books, the sum of ~~₦~~16,800,000.00 in the revenue account was utilized by the Commission to pay staff without authority from the Federal Ministry of Finance as required by extant regulations. According to the provisions of the Financial Regulations, on no account shall any withdrawal be made from the revenue account other than for the purpose of transfer into the Consolidated Revenue Fund.

The issues raised herein have been communicated to the Permanent Secretary and his response is being awaited.

OVERSEA MISSIONS

THE NIGERIAN EMBASSY, LISBON, PORTUGAL

6.125 Contrary to the provisions of Financial Regulation 323 which require that on no account should deductions be made from revenue collections and that the gross amount collected must on all occasions be accounted for in full, the Nigerian Embassy in Lisbon, Portugal collected the sum of €101,902.82 (~~₦~~21,756,822.73) but did not remit this amount to the Federal Government Independent Revenue Account at J. P. Morgan Chase Bank, New York. The amount was spent by the Mission.

The Permanent Secretary has been informed of the irregularity for his comments and necessary action.

EMBASSY OF THE FEDERAL REPUBLIC OF NIGERIA MOSCOW, RUSSIA

6.126(a) The sum of US\$94,819.00 (~~₦~~138,443,515.16) was generated as revenue from Visa fees collection by the Mission between January and December, 2008 but was not remitted to the Federal Government Independent Revenue Account at J. P. Morgan Chase Bank, New York. This is a contravention of extant rules and regulations.

The Permanent Secretary has been informed of this anomaly. His reaction is being awaited.

(b) Financial Regulation 412 stipulates that the authority conveyed to officers controlling votes by recurrent warrants is limited to the amounts provided under each sub-head in the Approved Estimate and no expenditure on any sub-head of the Recurrent Estimates in excess of the provision in the Approved Estimates may be authorized by any officer controlling a vote, without approval of the National Assembly which will be sought by means of an application for virement or supplementary provisions. Contrary to the above provision, the Nigerian Embassy, Moscow, Russia, expended the sum of ~~₦~~227,822,248.84 in excess of the approved provision under the recurrent sub-heads of expenditure between 2006 and 2008 fiscal years.

The Permanent Secretary has been informed of this anomaly for his comments.

THE NIGERIAN EMBASSY, ATHENS, GREECE

6.127 Financial Regulation 302 makes it mandatory for every Sub-Accounting Officer or Revenue Collector to issue a receipt and under no circumstance shall temporary or private printed receipts be utilized for the collection of government revenue. Contrary to the extant regulations, the Nigerian Embassy, Athens, Greece collected the sum of €31,765.00 (~~₦~~6,782,005.38) without issuing Treasury Receipts. The mission issued temporary printed receipts. Hence, accountability could not be assured.

The Permanent Secretary has been informed of this irregularity for his comment.

(b) Financial Regulation 412 frowns at expenditure in excess of the Approved Estimates. The Nigerian Embassy, Athens, Greece, expended the sum of ~~₦~~41,188,307.30 in excess of the Approved Estimates on 17 various recurrent sub-heads during 2008 fiscal year.

The Permanent Secretary has been asked to provide the authority for the excess expenditure without the approval of the National Assembly as required by extant rules and regulations.

THE NIGERIAN EMBASSY, DAKAR, SENEGAL

6.128(a) The sum of CFA8,814,638.88 equivalent of ~~₦~~2,250,313.00 was paid to 18 contractors in cash. The payment of cash to contractors contravenes Financial

Regulation which requires that payment to firms shall be made only by cheques crossed "Not Negotiable" "Account Payee Only" in favour of the firm.

(b) The sum of ₦1,902,986.98 (CFA7,454,000.00) was collected as revenue and entered in the register, but Treasury Receipts were not issued to the payers even when the mission had the Treasury Receipts in abundance.

Hence, it was difficult for me to confirm that the sum of ₦1,902,986.98 as entered in the register was the actual revenue collected. Besides, it contravenes the Financial Regulation which requires that every Sub-Accounting Officer or Revenue Collector shall issue a receipt for each sum paid to him.

The Permanent Secretary has been informed of these irregularities for his comments and necessary action.

THE EMBASSY OF NIGERIA, PARIS, FRANCE

6.129(a) The sum of £1,273,059.60 (₦271,810,955.20) was collected as revenue by the Embassy. Instead of remitting this amount to the Federal Government Independent Revenue Account at J. P. Morgan Chase Bank, New York, the mission spent it on sundry items. This is a contravention of extant regulations.

(b) Contrary to Financial Regulation 302 which requires the issuance of Treasury Receipts by all Sub-Accountants or Revenue Collectors for all revenue collected by them, the Mission was issuing temporary receipts for revenue collected by them. The use of temporary receipts by the mission was as a result of the total non-availability of Treasury Receipts at the Mission coupled with the severe pressure from people in need of the Mission's services.

The Permanent Secretary has been informed to ensure the supply of adequate receipt to the Embassy. His comment is being awaited.

FEDERAL MINISTRY OF HEALTH

6.130 During the audit examination of accounts, records and stores maintained by the Ministry of Health for the period under review, the following observations were made:-

(a) Examination of Federal Ministry of Health capital payment vouchers for the year 2008 revealed that 11 contractors were overpaid to the tune of ₦26,517,102.32 in December, 2008. The overpayment was due to the difference between the amount on the payment vouchers and the amount on the cheques paid to the contractors.

(b) 10 of the 11 contractors later made cash refund totalling ₦22,288,169.32 between 2nd and 22nd January, 2009 as instructed by the Central Pay Office before the inflated cheques were released to them. It was observed that these contractors were

issued with the FGN Revenue Receipt TR6 instead of TR6A as required by Financial Regulation 308(i). Thus, the total money refunded by the 11 contractors amounted to ~~N~~26,517,102.32 (i.e. ~~N~~22,288,169.32 + ~~N~~4,228,933.00 bank draft), but only the sum of ~~N~~24,018,102.00 was accounted for leaving a balance of ~~N~~2,499,000.32.

There was no revenue receipt TR6A or Bank Teller to confirm that the sum of ~~N~~2,499,000.32 recovered from one of the contractors for which revenue receipt TR6 with No. F024633 of 8/1/09 issued, was paid into the Ministry's Revenue Account or Consolidated Revenue Fund.

6.131 Explanation should be given in respect of the following:-

- (i) The refund of ~~N~~2,499,000.32 paid by one of the contractors for which revenue receipt No. TR6 F024633 of 8/1/09 was issued which has not been accounted for;
- (ii) The reason for issuing Revenue Receipt TR6 and TR6A in January and March – May respectively to these contractors at different intervals instead of only TR6A allowed by extant regulations.
- (iii) The reason for not producing Revenue Receipt Book (TR6) with serial Nos. F024601 – F024650 for audit examination. This booklet should be produced for audit verification.

6.132 A contract for the refurbishing, modification and expansion of Demonstration Room, School of Psychiatric Nursing of the Federal Neuro-Psychiatric Hospital, Enugu under the Federal Ministry of Health special projects was approved and awarded to a contractor at a contract sum of ~~N~~7,464,838.50 on 27/11/08.

Audit examination of the payment vouchers and the Central Bank payment cheque stub of 29/12/08 as well as other documents revealed that the contractor was erroneously paid a sum of ~~N~~6,781,216.05 instead of ~~N~~6,345,112.73 on a payment voucher dated 29/12/08. This is one of the many cases of cheques written and issued out before payment vouchers were passed to Internal Audit Unit for checks. The over payment of ~~N~~436,103.32 made to the contractor has not been refunded to the Ministry or Sub-Treasury of the Federation as at the time of finalizing this report in July, 2009.

The over payment of ~~N~~436,103.32 should be recovered from the contractor. The recovery particulars and evidence of remittance to the government chest should be forwarded to this Office for verification.

6.133 During the audit examination of capital project payment vouchers for the year 2007, it was observed that a staff of the Ministry was paid a personal advance of ~~N~~5,696,400.00 for the Surveillance Survey Programme on National Health Promotion Policy Presentation to Focal Persons in Selected States. The programme was held at Enugu in November, 2007. However, audit scrutiny of the retirement voucher dated

23/10/08 revealed that a sum of ₦3,662,800.00 was spent on the programme, while the unspent balance of ₦2,033,600.00 was returned to chest by cash on 15th July, 2008. However, while reviewing the records of revenue receipts paid to the Federation Account between July 2008 and July 2009 by the Federal Ministry of Health, it was discovered that there was no trace of the refund of this money to chest. Attached to the retirement payment voucher was one leaf of an unapproved Federal Ministry of Health Departmental Receipt Booklet named Behavioral Surveillance Survey Programme with a Receipt No. 0004 of 15/7/08 instead of the approved FGN Revenue Treasury Book 6A for such refund as allowed by the extant regulations.

There was no bank teller or statement or any other document to suggest that this unspent money was paid into the Sub-Treasury of the Federal Government more than one year after the refund was made to the Central Pay Office (CPO).

6.134 It was further observed at the Central Pay Office (CPO) that the Ministry maintained some in-house accounts for some Departmental programmes of which Behavioral Surveillance Survey Programme was just one of them. Details of all monies paid into these in-house accounts from the three main accounts were not made available for audit at the time of inspection. These in-house-accounts are usually maintained for one programme or another to exhaust votes at the end of the year. Also, all used and unused receipt booklets and the bank statements in respect of these in-house accounts were not disclosed or made available for verification.

The Permanent Secretary has been requested to ensure that:

- (i) All documents relating to this Behavioral Surveillance Survey programme account and other In-house accounts maintained by the Federal Ministry of Health apart from the personnel, Overhead and Capital Accounts that are recognized by government should be produced for audit verification;
- (ii) The bank tellers and statement as well as the receipt booklets from where receipt 004 of 15/7/08 was issued should be produced for audit examination;
- (iii) Explanation should be given why the unspent Government monies were diverted to In-house account instead of paying them to the Sub-Treasury of the Federal Government with the approved revenue receipt TR6A issued for such purpose; and
- (iv) The unspent sum of ₦2,033,600.00 not paid back to chest since July, 2008 when it was refunded together with the interests on it since then to date should be computed and paid to Federal Government chest immediately. This Office should be notified with the evidence of remittance for audit verification.

6.135 Examination of 7 payment vouchers raised and paid between November and December, 2008 for the rehabilitation and equipping of Federal Neuro Psychiatric Hospital, Maiduguri revealed the following irregularities:-

- (i) Wrong addition of 10% VAT and WHT to inflate the contract sum;
- (ii) Payment of provisional sum for contingencies provided for in the priced BOQ without any approval for additional works or price variation to warrant the usage and payment of these contingency fees; and
- (iii) Transfer of wrong Priced Bill of Quantity (BOQ) page sub total figures to the final page summary figures.

The consequence of these is the over-payment of ~~N~~23,296,591.19 to 7 contractors among others that executed the special projects paid for by the Ministry. The unjustified contingencies paid coupled with the 5% WHT wrongly added and other irregularities observed in the Bills of Quantities of these 7 contracts that resulted to the loss of ~~N~~23,296,591.19 to the Government should be recovered from the contractors concerned. Evidence of recovery should be forwarded for audit verification.

6.136 The contract for the supply of Drugs and Medical Equipment to the Federal Ministry of Health was awarded to a contractor in September, 2008 at a fixed sum of ~~N~~49,250,000.00. The contract was fully paid for on a payment voucher dated 29/11/08. However, audit scrutiny of the contractor's quotation, BOQ and contract sum revealed an over-statement in the award price due to computation and arithmetical errors as stated below:-

- (i) Item 9 in the Priced Bill Of Quantity (BOQ) quotation; 25 Nos. refrigerator LG+170 @ ~~N~~100,000.00 per unit had its total amount wrongly written as ~~N~~4,500,000.00 instead of ~~N~~2,500,000.00, thereby resulting in an overpayment of ~~N~~2,000,000.00;
- (ii) Item 12 in the priced BOQ quotation; 100 packets of Ampiclox Tablets @ a unit price of ~~N~~1,500.00 had its total amount wrongly written as ~~N~~1,500,000.00 instead of ~~N~~150,000.00, which also gave rise to over-payment of ~~N~~1,350,000.00; and
- (iii) Item 16 in the quotation priced BOQ; 1212 numbers of Surgical face mask at a unit price of ~~N~~1,826.00 had its total amount wrongly written as ~~N~~2,256,744.00 instead of ~~N~~2,213,112.00, giving rise to overpayment of ~~N~~43,632.00.

Adjustment for these over-statement and computation errors gave the expected total contract sum of ~~N~~45,856,368.00 instead of the wrongly inflated award sum of ~~N~~49,250,000.00, thereby giving rise to over-payment of ~~N~~3,393,632.00 to the contractor, which could not therefore be accepted as a legitimate charge against public funds.

The over-payment of ~~N~~3,393,632.00 should be recovered from the contractor and paid to the Sub-Treasury. Evidence of recovery and remittance should be forwarded for audit verification.

6.137 During the examination of payment vouchers for January – December, 2008, it was observed that there was indiscriminate and irregular payment of Honorarium to the staff and Consultants/Resource persons to the Ministry who were engaged in committee and consultancy work for the Ministry. Most of the staff and consultants were noted to have been paid Duty Tour Allowance (DTA), local running cost and transport fare in respect of the assignment in addition to the Honorarium paid to them.

From the available records, the payment of the Honorarium did not follow any known government regulations and circulars but were based on the discretion of the officer who requested for the funds. The amount paid ranges from ₦10,000.00 to ₦30,000.00 per day for assignment and committee works.

The Permanent Secretary has been asked to streamline the payment of Honorarium in the Ministry with uniformity and in line with the extant rules and regulations.

6.138 Personal/Cash Advances totalling ₦782,768,026.58 were granted to 425 officers of the Federal Ministry of Health between January, 2007 and December, 2008 (₦143,223,873.64 to 166 officers in 2007 and ₦639,544,152.94 to 259 officers in 2008) for various purposes. It is, however, disturbing to note that these advances were not retired as at June, 2009 when this report was finalized. Also, some officers were granted multiple advances without retiring the previous ones granted to them, contrary to the extant Financial Regulations which forbid granting of further advances to officer who has not retired the previous ones.

The Permanent Secretary has been requested to direct the affected officers to retire the outstanding advances against them otherwise, the outstanding amount should be recovered from the salaries and entitlements of the affected officers. Evidence of retirements and other actions taken to enforce compliance should be forwarded to this Office for verification.

6.139 354 Capital payment vouchers for amounts totalling ₦4,779,567,807.89 raised and paid from the CBN capital account of the Federal Ministry of Health between January and September, 2008 were not produced for audit examination. It is necessary to produce these payment vouchers for audit, otherwise; the amounts involved would not be regarded as proper charges against public funds.

6.134 A contract was awarded to a contractor for the construction of 1 No. 40 bed twin ward at St. Patrick TB Hospital, Abakaliki at a total cost of ₦40,000,000.00. The contractor was paid a sum of ₦38,000,000.00 on a payment voucher dated 31st December, 2008. However, audit inspection of the project in May, 2008 revealed that it was abandoned at foundation level in January 2009, despite the payment of 95% of the contract sum to the contractor.

The Permanent Secretary has been asked to call the contractor back to site to complete the project otherwise, the contract should be terminated and the contractor

should be asked to refund the total sum of ₦38,000,000.00 paid to him, while appropriate sanction should be placed on him.

6.135 A contract for the construction of TB OPD at St. Patrick TB Hospital, Abakaliki was awarded to a contractor at the cost of ₦19,825,615.00. It was observed that the contractor constructed the building, roofed and painted it with fittings put in place like electrical installation and ceiling fans but plumbing work, drainage and landscaping were not done

Audit investigation from the hospital management revealed that the contractor has completed the phase I of the job leaving the phase II which comprises plumbing work, toilet facilities and drainage/landscaping work undone.

The Permanent Secretary has been advised to recall the contractor to site to complete the phase II aspect of the contract.

6.136 Examination of 11 payment vouchers revealed that the sum of ₦28,043,740.00 was vired from some sub-heads to others without authority. This is contrary to the provisions of the Financial Regulations which stipulate that “expenditure must be applied only for the purpose the money is provided for; an expenditure incorrectly charged to a vote will be disallowed”. Explanation on the virement without approval would be appreciated.

6.138 It was observed that contract for the repair of Access Roads and installation of existing incinerator at the Central Medical Stores, Oshodi, Lagos was awarded for a contract sum of ₦13,363,875.00. The contractor was paid the sum of ₦12,695,681.25 representing 95% of the total contract sum on a payment voucher in December, 2008, leaving only 5% retention fee.

However, an audit inspection of the project at Oshodi in April, 2009, revealed the following:-

That the:

- (i) Contract was not completed as some parts of the access road were not repaired;
- (ii) Portion of the access road claimed to have been repaired was poorly done with granite and chippings not properly mixed with asphalt to hold it firmly to the ground. Presently, most of the granite/chippings have started giving way;
- (iii) Contractor has not installed the existing incinerator which was part of the contract paid for; and
- (iv) Building to house the incinerator was not completed.

The Permanent Secretary has been asked to get the contractor back to site to complete the work that has been fully paid for. Also, the 5% retention fee should be withheld until the entire project is completed.

6.139 Audit inspection of the Central medical Store, Oshodi, Lagos revealed the following:-

- (i) Non-keeping of ledger record by the Store officers contrary to the provisions of Financial Regulation Nos. 2206 and 2207; and
- (ii) Some items received into the stores were not properly recorded or posted into the store ledgers in line with the provision of Financial Regulation 2210.

The Permanent Secretary has been requested to take immediate action to rectify and up-date all necessary books and records in the stores. The non-maintenance of store records is prone to fraudulent malpractices.

6.140 It was observed that in the Public Health and Hospital Equipment Stores, Abuja, some materials such as; Laboratory reagents, Hepatitis vaccine, etc, supplied to store valued at ~~N~~96,575,300.00 were not posted into the Store Ledger. I could not certify that the total expenditure of ~~N~~96,575,300.00 incurred on these materials was a legitimate charge against public fund.

The Permanent Secretary has been asked to investigate the irregularities and furnish details of their whereabouts to this Office for audit scrutiny.

All these irregularities have been communicated to the Permanent Secretary for necessary action.

MINISTRY OF INFORMATION AND COMMUNICATION

6.141 At the Federal Ministry of Information and Communications, it was discovered that:

- (a) Amounts totalling ~~N~~16,207,100.00 were vired from the Recurrent Expenditure vote meant for "Office Materials and Supplies" to settle outstanding Capital Expenditure liabilities, without the approval of the Federal Ministry of Finance and the National Assembly. The outstanding liabilities were in respect of "Purchase of Office Equipment" for which no appropriation was made in the Communication Sector's budget in 2008. The liabilities were carried forward from the previous year.
- (b) Similarly, the payment of ~~N~~6,357,018.49 on 30th December, 2008 for installation of V-SAT Equipment with wireless access devices and inverter-based stand-by power

supply, was made from the Recurrent Expenditure vote instead of the appropriate Capital vote.

These diversions of appropriated funds which were approved by the Honourable Minister on the advice of the Director of Finance and Accounts through the Permanent Secretary, constitute serious infringements of the Financial Regulation which stipulates that “Expenditure must be classified strictly according to the estimates and funds must be applied only to the purpose for which it was provided”. The explanation of the Permanent Secretary for the unauthorized virement has been called for.

6.142 A sum of ~~N~~1,978,920.00 was paid as estacode allowance, air fare, and registration fees to an un-named member of staff while attending a workshop on “Women in Leadership in san Francisco, California, in the company of 3 other named members of staff of the Ministry. The un-named member of staff was simply identified as “Resource Person” in official files while his/her entitlements were collected by one of the other three named members of the delegation.

The full identity of this “Resource Person” and verifiable evidence of his/her physical participation in this workshop should be forwarded to my Office for evaluation, failing which the full amount of ~~N~~1,978,920.00 should be refunded by the delegate who collected the payment.

6.143 The sum of ~~N~~46,380,000.00 was spent on International Training programmes involving 62 senior members of staff of the Ministry. The training programmes were conducted in the USA, Canada, Ghana, London and Dubai between January and December 2008. However, this amount which was released as a personal advance to a member of staff has not been retired by August, 2009.

The Permanent Secretary has been requested to ensure the immediate retirement or recovery of the personal advance, furnishing relevant details for verification.

6.144 The contract for the supply of assorted office equipment as laptop computers, filing cabinets, printers, refrigerators, television sets etc valued at ~~N~~21,539,927.00 was fragmented into 28 smaller packages for amounts ranging between ~~N~~352,800.00 and ~~N~~882,000.00 and awarded to 9 different contractors. This was apparently to circumvent the limit of authority as imposed on the officer controlling vote. 3 of the contractors were awarded 4 packages each, 4 others got 3 packages each, while the remaining two had 2 packages each. The contracts were simply awarded to the contractors without going through the competitive tender procedures, contrary to the provisions of the Financial Regulations and the Public Procurement Act. Moreover, audit investigations revealed that the 7 contracts awarded to 2 of the companies for amounts totalling ~~N~~5,472,180.00 were not actually executed. The amounts involved should be recovered from the two contractors. It is worrisome that this trend has continued unabated in the Ministry despite previous audit reports on the issue.

Meanwhile, the matter has been referred to the Permanent Secretary for explanation, recovery and imposition of appropriate disciplinary actions in line with the provision of Financial Regulation 2928.

6.145 The contract for the supply and installation of IPPIS software for payroll processing in the Ministry worth ~~₦~~9,139,750.00 was fragmented into smaller bits of between ~~₦~~715,000.00 and ~~₦~~866,500.00 and awarded to 11 different contractors, in flagrant violation of the provisions of the Financial Regulations. The contracts were awarded in December, 2007 but paid for in February 2008. Audit verification however, revealed that the contracts were not executed as claimed in the various certificates of completion attached to the payment vouchers. Worse still, the completion certificates used to support the payments were not prepared and signed by the appropriate designated officer.

Also, the contract for the repair of broken acoustic ceiling tiles in and around the Federal Secretariat Complex at a cost of ~~₦~~2,128,500.00 was not executed.

The total sum of ~~₦~~11,268,250.00 (~~₦~~9,139,750.00 + ~~₦~~2,128,500.00) involved, being payments made for which no value was derived, should be recovered from the contractors and recovery details forwarded for verification.

Also, various items worth ~~₦~~1,994,000.00, purchased and paid for on 5 payment vouchers in April 2008, were not taken on Store Ledger charge, contrary to extant rules. The attention of the Permanent Secretary had been drawn to the issues and his reaction is being awaited.

6.146 At the Headquarters of the Ministry, 78 payment vouchers for amounts totalling ~~₦~~43,263,752.18 which were raised and paid between April and June, 2008 were not presented for audit inspection, therefore, such payments could not be accepted as proper and legitimate charges against public funds.

INFORMATION SECTION

6.147 At the Federal Ministry of Information and Communication, Headquarters, Abuja, it was observed that:-

(a) Amounts totalling ~~₦~~23,051,865.23 were paid through 6 payment vouchers as grants and services rendered to the Ministry in February, 2008. A scrutiny of the payment vouchers revealed that vital supporting documents such as invoices, quotations and receipts were not attached as required by the Financial Regulations. It is therefore difficult to accept these payments as legitimate charges against public funds.

(b) Amounts totalling ~~₦~~27,452,791.25 were paid through 30 payment vouchers purportedly meant for supplies and other contracts executed at the National Institute of Public Information (NIPI), Kaduna in December, 2008. Audit scrutiny revealed that:-

- (i) Computer generated invoices/delivery notes were used thereby making the documents doubtful;
- (ii) The various letters of awards bear the same date and same reference number;
- (iii) The Stores Receipt Vouchers did not have ledger folios to confirm receipts of supplies into the stores;
- (iv) There were no quotations from the contractors;
- (v) The sum of ~~N~~27,452,791.25 was broken down into 30 units thereby side-tracking Tenders and due process; and
- (vi) Recommendations of the Procurement Planning Committee and approval from the Chief Executive were not produced

6.148 Also, amounts totalling ~~N~~1,675,000.00 paid on 4 payment vouchers to 4 members of staff of the Ministry in February, 2008 for the purchase of various office materials were not taken on ledger charge in the store.

6.149 Amounts totalling ~~N~~8,521,500.00 were paid to 11 officers of the Accounts Section of the Ministry in February, 2008 to travel to the 6 Geo-Political Zones to collect salary data. Audit investigation revealed that the journeys were not actually made but sub-receipt (Treasury 10) and honour certificates were merely raised to effect the payments.

6.150 22 payment vouchers for amounts totalling ~~N~~14,773,701.00 raised and paid between February and March, 2008 were not produced for audit inspection, contrary to the provisions of the Financial Regulations, therefore, such payments could not be accepted as proper and legitimate charges against public funds.

6.151 Amounts ranging between ~~N~~109,200.00 and ~~N~~4,790,000.00 totalling ~~N~~25,435,300.00 were paid to some members of staff for the procurement of assorted office materials and Treasury Forms. All the payments were made between 1st July and 26th August, 2008. The items purportedly procured could not be traced because they were not taken on Store Ledger charge nor were Stores Issue Vouchers raised to account for their consumption or distribution. In any event, the items should have been procured through contract awards as stipulated in the Financial Regulations and Public Procurement Act 2007. On account of these lapses, it is difficult to accept these payments as proper charges against public funds.

6.152 The Director, NIPI, Kaduna was paid a sum of ~~N~~1,673,620.67 on 26th August' 2008 for electricity consumed by the Institute for the month of May 2003. This payment should have been made directly to PHCN. The Director has been asked to produce acknowledgement or payment receipt from PHCN to authenticate this transaction. His response is being awaited.

FEDERAL GOVERNMENT PRESS

6.152 At the Federal Government Press, Apapa, Lagos, the following observations were made:-

- (a) Printing materials worth ~~N~~3,242,320.00 paid for in July 2008 through 12 payment vouchers were not received into the store and taken on charge.
- (b) A total sum of ~~N~~686,000.00 was paid through 7 payment vouchers to a staff on 31st July, 2008 as Duty Tour Allowance to enable him travel officially. Further investigation revealed that, the said officer never travelled out of station. The full amount should therefore be recovered from him and recovery particulars forwarded for verification.
- (c) The contract for the construction of access road to the new office of the Federal Government Press in Asokoro, Abuja, for a sum of ~~N~~18,106,679.06 was paid for in December, 2008. However, during an audit verification visit in April, 2009, it was discovered that the access road was only graded and not “excavated and back-filled with approved imported laterite and drainage” as contained in the priced Bill of Quantities.
- (d) Another contract for the landscaping of the new office premises for a sum of ~~N~~29,685,500.00 with a completion period of 8 weeks, was paid for in full on 30th December, 2008. Surprisingly, this contract which was fully paid for and expected to have been completed by 28th February, was still in progress in April, 2009. Besides, the landscaping was being poorly and unprofessionally carried out despite the 100 per cent up-front payment to the contractor. Apparently, the contractor had no technical resources and sufficient know-how to execute a contract of this nature.
- (e) The contract for the supply of 3 electricity transformers to the new office was awarded at a sum of ~~N~~23,194,500.00 on 8th October, 2008. Full payment for the contract was effected on 22nd December, 2008. Audit verification, however, revealed that only one transformer worth ~~N~~3,712,500.00 was supplied, but it was yet to be installed and tested by PHCN as contained in the contract agreement. The other 2 transformers were not supplied.

The Permanent Secretary, Ministry of Information and Communication has been asked to recover the sum of ~~N~~19,482,000.00, being the cost of the 2 transformers not supplied, from the contractor or those who processed the upfront payment.

6.153 44 Recurrent payment vouchers for amounts totalling ~~N~~81,882.730.95 paid between October and December, 2008 were not produced for audit inspection. It is therefore difficult to accept the expenditure on them as proper charges against public fund.

6.154 At the Federal Government Press (FGP) a sum of ~~N~~4,338,600.00 was paid on 17th June, 2008 through 87 payment vouchers to various officers as refunds of Out-of-Pocket Expenses. However, it was observed that all the necessary supporting documents were not attached to the payment vouchers to confirm the authenticity of the transactions. It is therefore difficult to accept these payments as proper charges against public funds.

All the issues raised above have been communicated to the Permanent Secretary whose reaction is being expected.

NIGERIA POSTAL SERVICE

6.155 Cash advances for amounts totalling ~~N~~272,307,901.60 granted to several officers between May and December, 2008, to enable them purchase motor vehicles, computers and their accessories and inverters were not retired even at the time of audit inspection in June, 2009. Surprisingly, two of the members of staff, together have unretired cash advances totaling ~~N~~157,908,379.75. Besides, the purchase of motor vehicle, computers and inverters should have better been rendered through the award of contracts after competitive tender procedures in line with extant regulations. Also, VAT and WHT at 5% each amounting to ~~N~~27,230,790.16 were not deducted being statutory revenue due to the Federal Government.

Furthermore, Financial Regulation 1720 states that it is the responsibility of all Accounting Officers to ensure that all advances granted to officers are fully recovered.

6.156 During the audit examination of the project account, it was observed that amounts totaling ~~N~~25,209,078.32 were incurred as over-expenditures on 8 various sub-heads/codes without the mandate from the National Assembly, whereas Financial Regulation 412 states that "The authority conveyed to the Accountant-General and to officers controlling votes by Recurrent Expenditure Warrants is limited to the amounts provided under each sub-head in the Approved Estimates and Supplementary Estimates....".

6.157 Audit scrutiny of VAT and WHT deductions from contract vouchers revealed that out of a total number of 418 transactions paid for from the capital cash book for which WHT and VAT ought to have added up to ~~N~~83,152,293.96, the sum of ~~N~~79,097,498.58 was paid to the Federal Inland Revenue Service, resulting in a shortfall of ~~N~~4,054,795.38.

6.158 Examination of the Revenue Account with First Bank revealed that the sum of ~~N~~1,264,416.67 and ~~N~~3,000,000.00 were paid into the account on 18th May, 2006 and 25th May, 2007 respectively, but were not reflected in the cashbook until 4th February, 2008. Also, the sum of ~~N~~254,620.79 which was purportedly paid into the bank on 12th

March 2008 had not been reflected in the cashbook up till the time of audit in June, 2009.

All the above mentioned irregularities have been brought to the attention of the Postmaster-General and his response is being awaited.

6.159 While examining the accounting records maintained at Nigeria Postal Training Institute, Egor, Benin City, the following lapses were noted:-

(a) It was observed that amounts totalling ~~N~~24,155,472.65, being unspent balances from various sub-heads in the overhead charges vote as at 31st December, 2008 were not returned to chest in accordance with the provisions of the Financial Regulations.

(b) Examination of payment vouchers at the Training Institute revealed an alleged payment of ~~N~~12,951,680.00 to participants. These payments could not be accepted as legitimate charges against public funds since they were not supported with relevant documents such as:-

- (i) approval for the training;
- (ii) names of those approved for the training; and
- (iii) signature of participants who received the allowances.

Until these relevant documents are produced, the transactions would not be accepted as legitimate charges against public funds. The Postmaster-General has been asked to produce the necessary documents for audit verification, otherwise, the sum of ~~N~~12,951,680.00 that was paid to participants should be recovered and recovery particulars forwarded to me for audit inspection.

6.160 It was observed during the audit exercise that ~~N~~1,884,770.00 was used to purchase Water while ~~N~~964,000.00 was diverted from utility vote to purchase fuel and kerosene. The Director failed to explain why such huge sum of ~~N~~1,884,770.00 was used to purchase water when there was a functional bore-hole in the Institute. He could not also explain the rationale for diverting vote meant for utility to the purchase of petrol and kerosene.

The Postmaster-General has been asked to comment on the above issues, otherwise; recover the sum of ~~N~~2,830,770.00 from the officer with the recovery particulars forwarded to my Office for audit verification.

6.161 Personal advances totalling ~~N~~1,692,400.00 which were granted to some officers of the Institution between March and November, 2007 remained unretired as at the time of writing this report. Furthermore, the advances were not recorded in the Advances Register maintained by the Institute.

The Postmaster-General has been asked to recover the advances immediately while relevant recovery particulars are forwarded for audit verification.

FEDERAL MINISTRY OF INTERIOR

6.162 At the Federal Ministry of Interior, Abuja, the following observations were made:-

(a) The sum of \$10,000.00 (~~₦~~1,180,000.00) paid by a company for up-grading its Managing Director's quota position to a Permanent Unit Review (PUR) status as per bank draft dated 22/01/08 could not be traced into the Ministry's account. This payment was confirmed to have been received as Treasury Receipt Voucher No. 6001496283 was only issued on 18/02/08. Nonetheless, the payment was not posted into the Ministry's Revenue account.

(b) Similarly, another company paid \$5,000.00 for the PUR issued to it instead of the official rate of \$10,000.00 charged; thus, resulting in the loss of \$5,000.00 (~~₦~~590,000.00) to government.

The Permanent Secretary has been requested to comment on the issue of the loss of revenue and provide evidence of payment into the Revenue account of the \$15,000.00 (~~₦~~1,770,000.00) already collected.

(c) Secondly, 2 supplies of 20,000 litres of diesel amounting to ~~₦~~1,980,000.00 in August, 2008, could not be traced into the records. Furthermore, supplies of diesel totalling 103,650 litres at the estimated value of ~~₦~~10,261.350.00 made to the Ministry by its various Agencies between February, 2008 and February, 2009 were not accounted for in the Diesel Consumption Ledger.

The Ministry should therefore produce the evidence of requisition and distribution of the 103,650 litres of diesel worth about ~~₦~~10,261,350.00, for audit verification.

6.163 During the audit examination of the Bank Reconciliation Statement prepared for the year under review, it was observed that:-

- (i) The Bank Statements for the period June – December, 2008 for one of the commercial bank accounts were not certified by the Bank Manager to authenticate its genuineness. Furthermore, vital information such as beneficiaries of paid cheques were omitted from the statements.
- (ii) Bank Reconciliation Statements prepared for the period January to April, 2008 for the CBN account revealed that the Cash Book balances quoted for each month differed from the actual balances in the Cash Book; and

- (iii) In the Bank Reconciliation Statement prepared for another commercial bank account, 2 cheques for amounts totaling ₦1,020,000.00 which featured as Debits in bank not in Cash Book in January and February, 2008, appeared fictitious. The cheques were found to have been paid earlier.

The Permanent Secretary has been requested to investigate these issues, impose disciplinary actions on any officer involved in the double payment and inform me of his findings.

6.164 At the Civil Defence, Immigration and Prisons Board, an Agency under the Federal Ministry of Interior, the following were observed:-

- (i) Bank Reconciliation Statement for the period under review was not prepared. This contravenes Financial Regulations 206 and 207 which require that “where a bank account is maintained, a Bank Reconciliation Statement will be prepared...”. The Board has been requested to prepare the reconciliation statement and make them available for audit.
- (ii) 6 payment vouchers for sums totalling ₦201,432.00 paid between September and December, 2008 were not released for audit examination. Hence, I cannot certify the payments on them as proper and legitimate charges against public funds.
- (iii) Amounts totalling ₦1,741,000.00 granted to 11 members of staff as cash advances to enable them carry out various services and purchases between August and December, 2008 remained unrecovered as at August 2009. The total sum of ₦1,741,000.00 should therefore be recovered from the defaulters and recovery particulars forwarded for audit verification.
- (iv) Library books procured for a total sum of ₦7,221,949.00 could not be verified due to poor indexing. Therefore I cannot certify that value was derived from the expenditure.

6.165 1,093 payment vouchers for amounts totalling ₦2,086,658,039.64 paid between the months of March and December 2008, were not released for audit examination. I cannot therefore certify the payments as legitimate charges against public funds.

6.166 Amounts totalling ₦13,131,000.00 comprising estacode allowances, course fees and Air tickets which was purportedly expended for a 12-day training workshop held between the 9th and 20th December, 2008, at a Hotel in Accra, Ghana could not be justified, since the beneficiaries signed for and collected the estacode allowance just 3 days to the end of the workshop. To authenticate the participation of the beneficiaries, the Ministry had been requested to produce; (i) certificates of attendance (ii) The approval of the Secretary to the Federal Government (iii) Copies of Immigration stamps to/fro Ghana from their International Passports, for audit

verification. Otherwise the total sum of ~~N~~13,131,000.00 should be recovered from the salaries of the beneficiaries and the officer that authorized the expenditures.

6.167 The mandatory 5% Value Added (VAT) and 5% Withholding Taxes for amounts totalling ~~N~~3,902,280.00 were not deducted from payments for 7 training consultancy contracts of ~~N~~26,015,200.00 paid between the months of July and December, 2008. This amount should be recovered and paid to the relevant tax authority, while the recovery particulars are forwarded for audit verification.

The Permanent Secretary, Federal Ministry of Interior, had been communicated on these issues and his comment is being expected.

NIGERIA IMMIGRATION SERVICE

6.168(a) At the Nigeria Immigration Service, Headquarters, Abuja various payments totalling ~~N~~5,208,000.00 were made to an Assistant Comptroller of Immigration as Duty Tour Allowances on behalf of 8 Zonal Co-ordinators, 36 States controllers and 4 Commandants of Training Schools as well as their drivers and orderlies between April and November 2008. Further examination of the payment vouchers revealed that the sum of ~~N~~3,432,500.00 was accounted for while the balance of ~~N~~1,775,500.00 was not properly accounted for as the payments were not receipted by the beneficiaries. Evidence of receipt of the various amounts by the beneficiaries should be produced for my verification, otherwise, it would be difficult to accept the payments as legitimate charges against public funds.

(b) The sum of ~~N~~1,872,500.00 was paid to an Assistant Comptroller of Immigration as Duty Tour Allowances for himself and 9 others to carry out a nationwide sensitization for the roll-out of the e-payment system in 4 states of the Federation. The break down and signatures of the recipients were not attached to the payment voucher as proof of receipt of the amounts.

(c) Similarly, the sum of ~~N~~400,000.00 paid to 6 officers of the National Orientation Agency as Honoraria in April, 2008 was not accompanied by the breakdown and signatures of the recipients. The relevant documents should be forwarded to my Office for verification, failing which the amounts involved totalling ~~N~~2,272,500.00 should be recovered from the Assistant Comptroller.

6.169 A total sum of ~~N~~3,068,400.00 was paid without accompanying cash receipts.

The amount includes:-

- (i) ~~N~~1,665,000.00 paid to a firm in Abuja for the renewal of Internet Band width for three International Airports – Abuja, Lagos and Kano at ~~N~~555,000.00 each;

- (ii) ~~₦~~550,000.00 paid to a firm in April, 2008 as part payment for “Immigration And You” a Nigerian Television Authority (NTA) programme” “AM – Express”.
- (iii) ~~₦~~155,000.00 and ~~₦~~698,400.00 out-of-pocket expenses claims for fueling of aircraft.

The various disbursements totalling ~~₦~~3,068,400.00 made without cash receipts as evidence of payment in contravention of extant Financial Regulations could not be accepted as legitimate charges against public funds, and should therefore be recovered from the officers responsible, forwarding recovery particulars for verification.

6.170 The former President of Nigeria on 6th December, 2006 approved the Pioneer Consumer Car Finance Scheme for public officers in the Armed Forces, Police and Para-Military Services including Immigration. The Federal Government was to pay 50% of the total cost of the cars directly to the Peugeot Company while the remaining 50% was to be paid by participating banks with the issue of Special Promissory Notes. The amount was to be recovered from the beneficiaries.

Consequently, the participating bank made a request for the issuance of Irrevocable Confirmed Payment Standing Order (ISPO) to transfer fund from the Personnel Account to the participating bank. The Nigeria Immigration issued a mandate Ref. No. IMM/S/1189/VOL.II dated 22/12/07 for the sum of ~~₦~~22,361,922.50 for the first batch, consisting of 1033 cars and subsequently, ~~₦~~44,723,845.00, for the 2066 cars allocated to the Nigeria Immigration Service.

6.171 The audit examination of payrolls for the year 2008 revealed that the total sum of ~~₦~~423,194,008.00 was deducted from staff salaries whereas a total Standing Order Payment of ~~₦~~536,686,176.00 was made to the participating bank resulting in an overpayment of ~~₦~~113,492,168.00 to the bank and an under-deduction of same amount from staff salaries.

The Comptroller-General was requested to explain the over-payment of ~~₦~~113,492,168.00 to the participating bank and under-deduction of same amount from the salaries of beneficiaries. He was advised to recover the under-payment from the affected officers and furnish me with details for audit verification. His response is being awaited.

6.172 During the audit examination of staff payrolls, salary vouchers and bank schedules for Edo State Command for the month of June 2008, it was observed that the names and identity of 41 staff members of the Command who were paid salaries totalling ~~₦~~4,847,632.05 could not be traced to the Staff Nominal Roll.

6.173 Also, the audit of payrolls of Anambra State Command for January, 2008 revealed that the names and identity of 55 Staff of the Command who were paid

salaries amounting to ~~N~~3,906,182.00 could not be traced into the Staff Nominal Roll maintained at the Headquarters.

(b) Similarly, the names of 10 members of staff who were paid ~~N~~567,496.00 in January, 2008 in Anambra State Command, according to information on the bank schedule, could not be traced into the Staff Nominal Roll. However, their Serial numbers and Ranks corresponded with those in the Staff Nominal Roll.

The Comptroller-General has been advised to investigate the discrepancies and furnish me with the result of findings for verification. His reaction is being awaited.

6.174 During the audit examination of Personal Emolument Record Cards, it was observed that the Nigeria Immigration Service entered into agreement with a company to supply motorcycles on loan to its officers. Immigration Service issued letter of Irrevocable Instruction to the company, accepting to pay a monthly sum of ~~N~~22,500,000.00 through the salary account with a bank.

As at the time of the audit, a total sum of ~~N~~210,000,000.00 has been paid to the company for 12 months (January – December, 2008) from Immigration Salary Account, whereas total deductions from Staff Salaries for same period amounted to only ~~N~~89,181,000.00 giving rise to an over-payment and under-deduction of ~~N~~120,819,000.00. The motorcycles involved were 6,861 valued at ~~N~~617,580,000.00

The Comptroller-General has been requested to explain the over-payment of ~~N~~120,819,000.00 on the side of the bank and the equivalent under-deduction from the staff, and furnish me with efforts to correct the anomaly. His reaction is being awaited.

6.175 An audit scrutiny revealed that the sum of ~~N~~10,742,014.00 was paid through 3 payment vouchers. The payments were made without the signatures of the recipients being appended to acknowledge that they actually received the amount claimed to have been paid to them. This was contrary to the provisions of Financial Regulation 606 which requires that certifying officers and payee should sign the originals of payment vouchers.

The Comptroller-General was advised to produce the signatures of the beneficiaries of the sum for audit verification or the amount be paid back to chest with evidence forwarded for audit verification. His response is being awaited.

6.176 During the audit examination of the Advances Register maintained at the Nigeria Immigration Service, it was observed that a total sum of ~~N~~26,631,250.00 granted to various officers as advances have not been retired.

The Comptroller-General has been advised to ensure that the outstanding advances are retired or recovered from the staff salaries; and evidence of retirement or recovery furnished for my verification. His response is being awaited.

6.177 An audit examination of a payment voucher dated 23rd December, 2008 showed that a total sum of ₦5,954,008.00 was paid to an Aviation company for the replacement of R.H. Break Assembly on Aircraft No. DO-228 5N-AUW and mandatory Air-frame Inspection carried out on the aircraft.

Approval was given by a Deputy-Comptroller of Immigration to the company for the replacement of the Break Assembly in December, 2007. A Proforma Invoice No. 2060 dated 29th November, 2007 attached to the payment voucher showed that the value of the replaced item was ₦4,050,722,810.00, VAT inclusive and another proforma invoice of 4th December, 2007 valued at ₦1,903,286,180.00 acknowledged the total amount paid. The actual invoices used for the supply and other contractual documents were not attached.

The Comptroller-General was requested to furnish me with evidence of due process followed for the replacement of the items from the initiation to the payment stage as well as the location of the replaced parts for verification. Also, to be furnished are the actual invoices used for the balances. Otherwise, the disbursement cannot be accepted as bona fide expenditures of the government. His response is being awaited.

6.178 Audit examination of paid vouchers revealed that a company was paid ₦8,078,420.42 to construct a maintenance workshop, another was paid ₦4,767,095.35 to construct a generator house and the other was paid the sum of ₦7,142,686.55 to construct an auto mechanic workshop.

All these contracts were awarded in December, 2006, and completed in 2007. It was observed that few months after the contractors were said to have completed the jobs, another contractor (the fourth contractor) was paid ₦1,969,500.00 on a payment voucher dated November, 2008 for the construction of new roof coverings, ceilings and repairs of auto mechanic, maintenance workshops and generator house based on the letter of award No. IMM/ABJ/MU/638 of 4/7/2008.

Physical audit inspection carried out revealed that the auto mechanic maintenance pit was shallow and the aluminum roofing sheets used were substandard. Instead of Immigration Service to call back the former contractors if they actually existed to correct the obvious defects in accordance with defects liability period normally allowed in a contract, the Service invited another contractor to effect repairs to poor jobs done by these contractors. It is recommended that an investigation be conducted into the award of the 3 contracts, their execution, certification and payment, as well as circumstances that warranted the award of the fourth contract. The outcome of the investigation should be forwarded to my Office for scrutiny and audit verification.

The Comptroller-General has been communicated and his reaction is being awaited.

6.179 At the Passport Office, Bayelsa State Command, it was observed that 650 Machine Readable passport booklets valued at ~~N~~3,315,000.00 were issued between 13th August, 2007 and 4th April, 2008. However, the audit of the relevant Cash book and utilization schedules showed a shortfall of 22 machine readable passport booklets valued at ~~N~~112,200.00. The passports appeared to have been issued but the amounts were not reflected in the Cash book. The Officer In Charge had been instructed to produce evidence of payment of this amount of ~~N~~112,200.00 into the government coffers or refund same to government, furnishing relevant details for audit verification.

6.180 At the Nigeria Immigration Service, Yobe State Command, Damaturu, the following observations were made:-

- (i) Out of a total revenue of ~~N~~100,680.00, being re-entry visa fees realized between 31st July, 2006 and 12th December, 2008 only ~~N~~47,945.00 was lodged with the designated bank, leaving a balance of ~~N~~52,735.00 unaccounted for.
- (ii) At the Passport Section, the following irregularities were noted:-
 - (i) Between 5th June, 2006 and 10th November, 2008 5,694 Machine Readable Passport booklets were sold for amounts totalling ~~N~~29,039,400.00 partly through payment to a bank and partly through E-payment method out of which only ~~N~~22,597,400.00 was accounted for, leaving a balance of ~~N~~6,442,000.00. The shortage should be investigated with a view to recovering the ~~N~~6,442,000.00, imposing disciplinary sanctions where necessary and forwarding recovery particulars for verification;
 - (ii) There was no documentary evidence that the 1,433 Booklets claimed to have been forwarded to the Abuja Office, were duly received; and
 - (iii) The unused stock of 88 passport booklets valued at ~~N~~448,800.00 were not presented for audit inspection.
- (iii) Financial Regulation 302 provides that all revenue collected must be supported with Treasury Receipts. However, it was observed that revenue totalling ~~N~~29,039,400.00 collected from the sale of 5,694 Machine Readable Passport (MRP) booklets at a unit price of ~~N~~5,100.00 between 5th June, 2006 and 10th November, 2008 and purportedly paid to the Treasury, were not backed-up with the relevant Treasury Receipts as evidence of payment.

6.181 At the Passport Office, Ilorin, the following observations were made:-

- (i) A total sum of ~~N~~48,419,400.00 generated as revenue between January 2006 and December, 2007, which was remitted to the Nigeria Immigration Service

Headquarters, Abuja was not officially acknowledged on Treasury Receipt as required by the Financial Regulations.

- (iii) Between January and August 2008, a total sum of ~~₦42,848,500.00~~ was generated as revenue on e-payment, out of which ~~₦1,020,000.00~~ was duly receipted by issuance of Treasury Receipts to the payers while ~~₦41,828,500.00~~ was collected without issuing Treasury Receipts to the payers, in contravention of Financial Regulations 308 and 309.
- (iii) Also, out of a total sum of ~~₦993,200.00~~ generated from renewal of passports, amounts totalling ~~₦847,400.00~~ were not receipted.

Consequently, the sum of ~~₦91,095,300.00~~ should be paid to chest while the treasury receipts are forwarded to this Office for verification.

6.182(i) At the Nigeria Immigration Service, Maiduguri, Borno State, revenue collected during the year amounting to ~~₦527,095.00~~ could not be verified into the relevant bank account maintained because of the failure of the Unit to produce the relevant bank statements for audit. I cannot therefore confirm that the amounts generated have been properly accounted for.

(ii) At the Passport Office, Maiduguri, Bank Statements were also not produced in respect of two commercial bank accounts into which amounts totalling ~~₦61,289,740.00~~ generated as revenue for the years 2007 and 2008, were paid. Hence it was difficult to confirm that all the amounts realized have been fully accounted for. In addition, no Bank Reconciliation Statement was prepared for the two accounts throughout the year 2008.

6.183 At the Nigeria Immigration Service, Lokoja, 233 passport booklets worth ~~₦1,188,300.00~~ were not accounted for. Out of the 2,200 passport booklets issued to the Command, 1,827 were sold out while 140 were returned to the Headquarter, Abuja, leaving a difference of 233. There was no explanation regarding the whereabouts of the 233 booklets. The Comptroller-General of Immigration has been asked to account for the 233 booklets by producing them for my verification or accounting in full for the sum of ~~₦1,188,300.00~~, being the value of the booklets.

All the issues raised herein have been reported to the Comptroller-General of Immigration whose reactions are still being awaited.

NIGERIA PRISONS SERVICE

6.184 The audit examination of the accounting records maintained at the Nigeria Prison Service, Headquarters, Abuja revealed that:-

(a) 47 payment vouchers for amounts totalling ~~N~~82,574,574,896.99 were not produced for audit examination. I could not therefore certify that the expenditure on such payment vouchers were legitimate charges against public funds.

(b) A payment voucher for the sum of ~~N~~694,440.00 was raised and paid in June, 2008 to a member of staff for the purchase of 5,787 Prison Social Case Files embossed with Prison Logo. The items were not taken on Store Ledger charge. No Store Receipt Voucher was raised to show evidence of the receipt of the items in the store. The items were not produced for physical inspection and no Store Issue Voucher was produced to account for their distribution or consumption. Moreover, the items could have been procured directly from the Prisons Printing College in Lagos. I am still awaiting the comments of the Comptroller-General of Prisons on the issues raised herein.

(c) The sum of ~~N~~17,840,023,441.00 was allocated to Nigeria Prison Service for salary payment in 2008. Out of this, a sum of ~~N~~266,023,125.00 was transferred to a company between January and December, 2008 to pay for the supply and distribution of motorcycles to officers on loan.

A scrutiny of the payment revealed that the:-

- (i) List of beneficiaries indicating their names, ranks, Command and station was not provided;
- (ii) Records showing the distribution of the motorcycles were not provided; and
- (iii) Contract agreements showing the number of motorcycles procured and terms of repayment were not produced.
- (d) 4 vehicles belonging to the Nigeria Prisons Service were accidented in 2008.

However, it was observed that the:-

- (i) Police Report and evidence of query issued to the drivers of the vehicles and their representations were not made available for audit.
- (ii) Treasury Form 146 (TF 146) was not completed to report the accidents officially to the Federal Ministry of Finance, the Accountant-General and the Auditor-General for the Federation, as required by the Financial Regulations.

6.185 A cheque for the sum of ~~N~~621,784.18 meant for remittance of Pay As You Earn (PAYE) taxes to Yobe State Government was converted and cleared from the Bank by the Nigeria Prison Multipurpose Co-operative Society (Yobe Command) on 22nd April, 2008. The Comptroller-General has been requested to explain the anomaly.

6.186 An over-payment of ~~N~~938,022.00 was discovered in Ekiti State Command accounts. A cheque for the sum of ~~N~~611,800.00 payable to the Prisons Thrift and Cooperative Society was cleared in the bank as ~~N~~1,549,822.00.

(b) Another overpayment of ~~N~~169,535.25 was discovered when the sum of ~~N~~176,526.03 was debited to the Nigeria Prison Service Salary account on 6th October, 2008 as against the actual amount of ~~N~~6,990.78 on cheque number 00006751 raised and entered in the salary Cash book as Pay As You Earn (PAYE) taxes accruable to Benue State Government. These unauthorized debits should be investigated with a view to recovering the amounts involved.

6.187 Out of the appropriated amount of ~~N~~451,075,302.00 under Head 039, Sub-head 0308 (Uniform and Other Clothing) the sum of ~~N~~172,286,326.00 was expended to purchase berets, badges and uniforms which were sold to officers in various State Prison Commands between January and December, 2008. Proper records were not maintained for the sales and the proceeds from the sales of the uniforms were not remitted by most Commands. As at the time of audit in July, 2009 only two States; namely, Ondo and Benue made returns totalling ~~N~~50,310.00 to the Headquarters, leaving a total sum of ~~N~~172,236,016.00 unremitted.

6.188 The sum of ~~N~~374,000.00 was paid to a contractor in April 2008 for the supply of twenty 4-drawer steel filing cabinets. No Store Receipt Voucher was attached to the payment voucher as evidence of receipt into the store and the items could not be produced for physical inspection on demand. I could not therefore accept this expenditure as a legitimate charge against public funds.

6.189 At the Maximum Security Prison Gumel, Jigawa State, a loss of one Arsel Rifle No AE41598 with 9 rounds of life ammunition was reported. The Comptroller-General, Nigeria Prisons Service has been requested to furnish my Office with the following:-

- Treasury Form 146;
- The Police Report; and
- Queries issued to the culprits and their representations.

6.190 At Zamfara State Prison Service, an audit inspection of some satellite Prisons revealed that the sum of ~~N~~3,465,000.00 was overpaid to contractors between January and September, 2008. This was perpetrated through the inflation of figures on payment vouchers. The number of inmates as reflected in Chief Warders and Daily State Register were not in consonance with the figures quoted on payment vouchers.

The Comptroller-General has been requested to recover the sum of ~~N~~3,465,000.00 from the culprits and furnish my Office with the recovery particulars for verification.

(b) At the Maru Satellite Prison in Zamfara State, the Chief Warders journal and the Daily State Register of inmates were not produced for audit inspection. The Officer-In-Charge absconded upon receipt of the notice of the proposed Audit visit.

The attention of the Comptroller-General, Nigeria Prisons Service has been drawn to all the issues raised herein and his response is still being awaited.

CUSTOMS, IMMIGRATION AND PRISONS PENSION OFFICE (CIPPO)

6.191 During the audit examination of the accounting records maintained at the Customs, Immigration and Prison Pension Office, Federal Ministry of Interior, Gwagwalada, Abuja, it was observed that:-

(a) 9 different payments, 6 of which were made to the Federal Inland Revenue Service (FIRS) and the others to various individuals, amounting to ₦11,887,886.41 were made without raising any payment voucher, contrary to Financial Regulation 601, which states that “all payment entries in the accounts must be vouched for on one of the prescribed forms. Vouchers shall be made out in favour of the person or person to whom the money is actually due. Under no circumstances should a cheque be raised or cash paid for services for which a voucher has not been raised”.

(b) Cash advances for amounts totalling ₦2,284,900.00 granted to 7 officers between June and December, 2008 had not been retired at the time of audit inspection in June, 2009, whereas Financial Regulation 1720 stipulates that “it is the responsibility of all Accounting officers to ensure that all advances granted to officers are fully recovered”.

The anomalies mentioned herein have been brought to the attention of the Permanent Secretary and his response is being awaited.

NIGERIA SECURITY AND CIVIL DEFENCE CORPS

6.192 During the audit examination of the accounts and other records maintained at the Nigeria Security and Civil Defence Corps, Maiduguri, the following observations were made:-

(a) A total sum of ₦8,365,485.01 was paid to 2 officers of the Command for the supply of materials, library books, fuel and printing of security documents. There was no supporting documents such as Invoice, Receipt, Store Receipt Voucher, Store Issue Voucher and other relevant documents for the supplies. It is therefore difficult to certify the expenditure as a proper charge against public fund. The contracts should

have gone through competitive bidding to enable the government earn a revenue of ₦836,548.50 in form of each of 5% Withholding and Value Added Taxes.

(b) 14 payment vouchers amounting to ₦2,376,000.00 could not be produced for my inspection, contrary to the extant regulation. Hence, I cannot satisfy myself that the payments on them were legitimate charges against public funds.

The Permanent Secretary has been requested to produce the payment vouchers for my examination.

FEDERAL MINISTRY OF JUSTICE

6.193 The audit inspection of motor vehicles at the Federal Ministry of Justice, Headquarters, Abuja revealed that 10 vehicles were not officially registered with the Vehicle Inspection Office. Instead, they were being driven with the plate numbers of accidented or auctioned vehicles from the Ministry's pool. The vehicles comprise 6 Nos. Peugeot 307 vehicles, 2 Nos. Peugeot 406, 1 No. Toyota Hillux and 1 No. Toyota Camry. These vehicles should be registered at once to protect them from theft and diversion. Also, relevant records such as Vehicle Control Register, Log book and Maintenance Register were not being maintained, contrary to the provisions of the Financial Regulations. In addition, individual files were not opened for the utility and project vehicles at the time of audit

(b) 35 paid vouchers for amounts totalling ₦15,150,458.36 were not receipted by the beneficiaries, to confirm that they actually received the payments. As a result, it was difficult to certify that the amounts were spent in the interest of the public.

These shortcomings have been communicated to the Solicitor-General of the Federation and Permanent Secretary of Ministry of Justice and his response is still being awaited.

FEDERAL JUDICIAL SERVICE COMMISSION

6.194 At the Federal Judicial Service Commission in the year under review, audit examination of payment vouchers revealed that final payments in respect of 10 contracts for amounts totalling ₦243,478,399.31 were made to various contractors without reference to the Auditor-General's representative to co-sign the final payment. This is contrary to the provisions of Finance Circular No. 15775 of 27th June, 2001 which stipulates that "as a condition for the final payment for contracts of works, goods and services whose value is ₦5 million and above, the Auditor-General for the Federation or his representative and the representative of the MDA shall co-sign the certificate releasing final payments".

The Executive Secretary has been requested to comment and justify the circumvention of the circular stated above.

(b) In the months of February, April and June, 2008, it was also observed that 6 payment vouchers for amounts totalling ~~N~~1,570,500.00 incurred for various services were not accompanied by receipts as evidence of acknowledgement, contrary to extant regulations.

The Executive Secretary has been advised that the relevant receipts should be forwarded to my Office for verification to enable me accept the expenditures as legitimate charges against public fund.

(c) The award of contract amounting to ~~N~~506,756.25 in May 2008 for the supply of various store items was not competitively bidden for in compliance with the provision of Financial Regulation No. 2902 which states that "A contract should be awarded as a result of competition by tender..."

(d) 43 members of staff of the Commission granted Personal Advances totalling ~~N~~5,327,500.00 between April and December, 2008 had not retired them as at June, 2009. 3 of the officers were granted more than 3 consecutive advances without retiring the previous ones contrary to Financial Regulations.

(e) 33 payment vouchers for amounts totalling ~~N~~24,739,578.05 were not made available for audit examination. Consequently, it was difficult to certify these expenditures as legitimate charges against public fund.

The Executive Secretary has been informed of all the anomalies raised herein and his reaction is being awaited.

NATIONAL JUDICIAL COUNCIL

6.195 During the examination of the accounts and other records maintained at the National Judicial Council, Abuja, the following observations were made:-

(a) Store items worth ~~N~~42,879,658.55, purchased between October and November, 2008 were not posted into the Store Ledger, contrary to extant regulations. Also, items worth ~~N~~58,856,745.00, supplied to the Transport and Maintenance stores were not taken on store ledger charge.

(b) The sum of ~~N~~73,479,000.00 was paid to a company on 26th November and 1st December, 2008 to supply the following vehicles:-

- 3 Nos. Toyota Hilux;
- 3 Nos. Honda Accord 2.4;
- 1 No. Toyota Coaster Bus; and
- 1 No. Mercedes Benz Water Tanker.

- (i) The vehicles were not taken on charge in the Plant and Equipment Ledger.
 - (ii) The Council did not maintain any Plant and Equipment Ledger contrary to Financial Regulations
 - (iii) Withholding and Value Added Taxes totalling ₦7,347,900.00 were not deducted from the contract sum of ₦73,479,000.00.
- (c) An over-payment of ₦25,785,897.36 was discovered. Pay As You Earn taxes deducted under the Personnel Cost and Consolidated Salaries Cash books for 2007 and 2008 were remitted to the Federal Inland Revenue Service twice. The first was on 18th December, 2007 while the second was on 23rd April, 2008. A reconciliation of the discrepancy has been recommended.
- (d) 5 payment vouchers for amounts totalling ₦380,000,000.00 raised between June and October, 2008 were not recorded in the Departmental Vote Expenditure Allocation Book.
- (e) An unspent balance of ₦1,204,809,278.00 for the year ended 31st December, 2008 was not paid back to chest, contrary to the provisions of Financial Regulations.
- (f) 24 Nos laptop computers valued at ₦356,400.00 per unit and totalling ₦8,553,600.00, property of the National Judicial Council were reportedly stolen from the Store on 17th December, 2007. The loss was not formally reported in accordance with the Financial Regulations.

The Secretary, National Judicial Council has been requested to submit the following documents:-

- ▶ Duly completed Treasury Form 146;
- ▶ Report of the Management explaining the circumstances surrounding the loss
- ▶ Police Report; and
- ▶ Queries issued to the Store officers and their responses;

The attention of the Secretary has been drawn to the lapses. His response is being awaited.

SUPREME COURT OF NIGERIA

6.196 The sum of ₦2,508,880.00 granted as Personal Advances to 55 officers of the Supreme Court in 2008 has remained unretired as at the time of this report in July 2009. 11 officers were granted more than 3 subsequent Personal Advances without retiring the previous ones, contrary to Financial Regulations.

Furthermore, 15 payment vouchers for amounts totalling ~~N~~189,657,635.56 were not produced for audit examination. It was therefore difficult to certify such expenditures as legitimate charges against public funds.

(b) 20 units of laptop computers valued at ~~N~~14,800,000.00 paid for through payment voucher dated 23rd December, 2008 were not taken on Store Ledger Charge. Furthermore, it was observed that the unit cost of ~~N~~740,000.00 was highly inflated. Extant circulars compelled that money must not be spent merely because it is voted and every officer controlling expenditure must exercise due economy.

(c) The final payments for 24 contracts totalling ~~N~~426,420,467.29 were made without the attestation of their satisfactory completion by the Resident Federal Auditor in compliance with the Federal Ministry of Finance Circular No. F15775 of 27th June, 2001.

These anomalies mentioned herein have been communicated to the Chief Registrar and his response is being awaited.

NATIONAL INDUSTRIAL COURT

6.197 At the National Industrial Court, Lagos, a company was awarded several contracts between March and November, 2008 for amounts totalling ~~N~~143,176,460.00 for the supply of electric generating sets to various locations of the Court across the country. The same company was also awarded the contract for maintenance of these generators.

Audit scrutiny revealed that:

- (i) The company was awarded multiple contracts worth millions of naira on the same day and for the supply of identical items;
 - (ii) The contracts were split to avoid due process such as advertisement for tender in National Newspapers that would have enabled wider competition.
 - (iii) The provision of Financial Regulation 151 on the exercise of due economy in the expenditure of public funds was not observed; and
 - (iv) The generators were supplied and installed with one year guarantee by the contractor. Meanwhile, a maintenance agreement was entered into with the contractor for the same period already covered by the guarantee.
- (b) 13 payment vouchers for amounts totalling ~~N~~164,956,450.00 paid between March and October, 2008 to various contractors for purchase of motor vehicles had no

vital supporting documents such as payment receipts, sales invoice and warranty issued by the dealers.

(c) Since 2006 the Court has not submitted for audit the contract files for major building projects in some states namely; Enugu, Kano, Plateau, Borno, Cross River and Abuja which is a gross violation of the Financial Regulation 105 and the Nigeria Constitution of 1999 Section 85(2) which grant me or my representative free access to books, records returns etc kept by all the Accounting Officers of all the MDAs in Nigeria.

(d) 60 payment vouchers for amounts totalling ~~N~~435,970,107.54 raised and paid between March and July, 2008 were not submitted for audit inspection. I can not therefore accept these payments as legitimate charges against public funds.

(e) Amounts totalling ~~N~~3,291,865.00 and described as "Debits in Bank not in Cash book" had accumulated between March and December, 2008 in the Bank Reconciliation Statement. These should be investigated for clearance action.

All the issues have been communicated to the Chief Registrar, National Industrial Court, and his response is still being awaited.

HIGH COURT OF JUSTICE

6.198 Examination of the Personnel Emolument records maintained by the High Court of Justice, Abuja revealed that:-

(a) Salaries amounting to ~~N~~996,571.00 were paid to 5 officers whose ages were above 60 years and were still in service and appearing on the payroll of the Abuja High Court. The Chief Registrar was advised to recover the over-payment of salaries from the over-aged staff and retire them in line with the provisions of the Public Service Rules.

(b) A total sum of ~~N~~13,326,813.00 was wrongfully paid as salaries to 117 officers of the High Court of Justice, Abuja due to wrong placement on salary steps when they were promoted. The Chief Registrar has been asked to ensure that the Department of Administration and Human Resources prepare well certified salary progressions and forward them to the Finance and Accounts Department for the correct salary placement of the affected officers. The over-payments should be recovered from their salaries and particulars of deductions forwarded for audit verification.

(c) 32 payment vouchers raised in March, 2008 for amounts totalling ~~N~~35,985,140.00 were not produced for audit in May, 2009, hence the expenditure on them could not be certified to have been incurred in the public interest. The Chief Registrar has been requested to produce the vouchers for audit examination.

(d) It was observed that a total of ₦143,493,957.61 and ₦205,539,863.00 were expended through 9 Capital and 10 Recurrent Expenditure Payment Vouchers respectively as final payments to contractors for contracts valued above ₦5 million.

These payments were supposed to be made after the Auditor-General or his representative has co-signed the certificate releasing the payments. The payments were therefore made in contravention of Treasury Circular Ref. No. 15775 of June 2001 which stipulated that “As a condition for final payment of contracts exceeding ₦5 million the Auditor-General for the Federation or his representative shall co-sign the certificate releasing the final payment.

The Chief Registrar has been requested to explain the reasons behind the contravention of the Treasury provision; and her response is being awaited.

6.199 15 Capital Expenditure Payment Vouchers for ₦953,407,844.13 and 75 Recurrent Expenditure Vouchers for the sum of ₦1,028,718,008.01 for the year 2008 were not presented for audit examination. The non-presentation of these payment vouchers violated the provisions of Financial Regulations 103 which stipulates that the Auditor-General for the Federation or his representatives shall have free access at all reasonable times, to all files, safes, documents, books, and other records in relation to the accounts of all Federal Ministries/Extra-Ministerial Departments or Units.

The Chief Registrar was advised to furnish these payment vouchers for audit examination and his response is being awaited.

6.200 It was observed that 2 Court Registrars, the Senior Magistrate Court II Karu and Chief Magistrate Court 1 Karu refused to render account on government revenues collected by them for the years 2006, 2007 and 2008. They also failed to handover all the revenue records like the Cash Books, and Treasury Receipt Books to the new Revenue Officers posted to their courts. This was viewed as a flagrant disobedience to the provisions of Financial Regulations and rule of law, and has consequently frustrated the timely collection and rendition of government revenues in their respective courts.

This matter was communicated to the Chief Registrar, and her reaction is being awaited.

6.201 At the Grade 1 Area Court Tungan-Maji, Grade 1 Area Court Jiwa and Upper Area Court Zuba, it was observed that the Court Registrars refused to produce their revenue Cash Books and Treasury Book 6A which they used in collecting revenues for government for the years 2006, 2007 and 2008.

In view of the seriousness of the issues raised herein, the Chief Registrar was advised to set up a panel of inquiry to investigate the activities of these Court Registrars as it is mandatory to all revenue collectors to promptly and properly

account for all forms of revenue which they collect on behalf of the government. Her response is being awaited.

6.202 10 contracts valued at ~~N~~166,637,300.00 were irregularly awarded. The related payments were effected on various payment vouchers between February and June 2008. The highlights of the observations include:-

- (i) The contracts did not go through open competitive tendering procedures;
- (ii) There were no Ministerial Tenders Board minutes attached;
- (iii) Certificates releasing final payments were not co-signed by the Auditor-General or his representative; and
- (iv) There were no Due Process Certificates attached to the voucher.

With the above anomalies, the processes of award of the contracts and subsequent payments to the contractors violated the extant treasury circulars. The disbursements were not seen as bona fide expenditures of the government.

This matter was communicated to the Chief Registrar who was advised to recover the contract sums from the officers who approved the payments and furnish particulars of recovery for verification. Her response is being awaited.

6.203 A contract for the supply of various law books was awarded to a company for the sum of ~~N~~8,887,200.00 and payment was made on payment voucher of 30/04/2008. A scrutiny of the transaction documents revealed that:

- (i) The law books were not taken on ledger charge;
- (ii) There was no store issue voucher or evidence indicating the release of the books for use in the library; and
- (iii) Due Process Certificate was not attached to the payment voucher.

The absence of the above documentary evidences made it difficult for me to accept that the law books were actually procured. Consequently, no value was derived from the money expended.

This situation was communicated to the Chief Registrar and her reaction is being awaited.

6.204 88 numbers of Recurrent Expenditure Payment Vouchers for the sum of ~~N~~174,333,916.49 for the period of July to December, 2008 were not presented for audit examination. The non-presentation of the vouchers violated the provisions of extant regulations which stipulate that the Auditor-General for the Federation or his representatives shall have free access, at all reasonable times, to all files, safes, documents, books and other records relating to the accounts of all Federal Ministries/Extra-Ministerial Departments or units.

The Chief Registrar was communicated on this matter and was required to explain why these payment vouchers were not released to Federal Auditors for examination. Her response is being awaited.

6.205 A Toyota Camry Car with Engine and Chassis Nos. A453003 and OTIBEN 42K 77x453808 respectively and Registration No FJ II-CT belonging to the Federal Capital Territory, High Court of Justice, Abuja, was reported stolen. The value of the vehicle at the time of purchase in 2007 was ~~N~~5,950,000.00. According to investigation, the car was snatched from the Honourable Justice, a High Court Judge in Gwagwalada on his way to visit his house at Karu Site, Abuja at gunpoint, by a gang of armed robbers on 21st May, 2008, near Bolingo Hotel.

The case was reported to the Nigeria Police. The theft has not been properly reported on the prescribed Treasury Form 146.

The matter has been communicated to the Honouable Chief Registrar and her comment is still being awaited.

CUSTOMARY COURT OF APPEAL

6.206 At the Court of Appeal, 36 payment vouchers amounting to ~~N~~66,467,462.36, paid between April and September, 2008 under the Recurrent, Capital and Personnel votes were not produced for audit examination. I therefore find it difficult to accept the expenditures as legitimate charges against public fund.

The Chief Registrar has been requested to produce these payment vouchers for audit examination.

COURT OF APPEAL

6.207 During the examination of the accounting and other financial records maintained by the Court of Appeal, Abuja, it was observed that:-

(a) The sum of ~~N~~4,614,650.00 was paid to 5 contractors between March, 2008 and July, 2008 for servicing of generating set at the Headquarters and maintenance work at a Division of the Court. The amount was observed to be outrageous. Financial Regulation 515 enjoins "all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted".

Furthermore the maintenance was carried out before the contract was awarded. The Chief Registrar has been asked to explain why approval for payment was given before the contract was awarded and his response is being awaited.

6.208 A total amount of ~~N~~502,433.57 was paid on 4 payment vouchers for the settlement of NEPA and NITEL bills for Ibadan, Benin and Lagos Divisions. The original bills were not attached and there was no further evidence indicating that the actual payment was made. I have requested that the original bills and evidence of actual payment be forwarded to my Office for audit verification.

20 unpresented cheques for amounts totalling ~~N~~4,983,344.88 issued between July 2004 and June 2006 have become stale and were long overdue to be written back to the Cash book.

6.209 At the Federal Court of Appeal, Benin, it was observed that a total sum of ~~N~~852,000.00 meant for the Court was lodged into the Deputy Chief Registrar's personal account in a commercial bank. The Bank Statement could not be produced for audit. It was therefore difficult to accept the expenditure under the sub-heads as legitimate charges against public funds. The Deputy Chief Registrar should be made to refund the sum of ~~N~~852,000.00. Also the total sum of ~~N~~442,600.00 being cash at hand was not produced for verification during the audit inspection. The officer should immediately pay ~~N~~442,600.00 back into the Federal Government Treasury and forward the particulars to this Office for confirmation.

The issues raised above have been communicated to the Deputy Chief Registrar and his response is being awaited.

FEDERAL MINISTRY OF LABOUR AND PRODUCTIVITY

6.210 Advances totalling ~~N~~96,206,540.00 granted to 114 officers to render various services to the ministry were not yet retired. The Permanent Secretary has been requested to ensure the retirement of the advances and forward the retirement particulars for my verification and his response is being awaited.

(b) The Ministry paid ~~N~~27,917,333.32 in August, 2008 to 4 contractors as final payment for contracts exceeding ~~N~~5 million without the Auditor-General or his representative co-signing the certificate releasing the payments, contrary to Ministry of Finance Circular No. F15775 of 27th June, 2001. The Permanent Secretary has been requested to explain this violation of the extant circular.

(c) It was observed that the sum of ~~N~~2,713,380.96 was paid in October, 2008 for the supply of 28 different law books to the Ministry. The unit prices of the books were neither stated in the receipt nor in the Store Receipt Voucher. The average price of these books (~~N~~96,906.46) was observed to be exorbitant. The genuine receipt with unit prices should be produced to authenticate the transaction else, it will be difficult to accept the payment of ~~N~~2,713,380.96 as a legitimate charge against public funds. The Permanent Secretary's reaction is being awaited.

(d) 82 payment vouchers for amounts totaling ~~N~~127,990,010.09 were not submitted for my examination. Therefore, I could not certify that the expenditures on such vouchers were legitimate charges against public funds. The Permanent Secretary has been requested to produce them for audit examination. The matter is under correspondence.

MINISTRY OF MINES AND STEEL DEVELOPMENT

6.211 The audit examination of the Revenue Account for the year 2008, revealed that the sum of ~~N~~1,800,000,000.00 Royalty due for payment by a company to the Government for the dredging of Igbakodo Ilaje Local Government of Ondo State for the reclamation project of OSOPADEC covering 2km Area had remained unpaid as at the time of this report in June, 2009. This should be recovered with the recovery particulars forwarded for audit verification.

(b) Revenue totalling ~~N~~26,738,446.54 was collected between January and December, 2008 at Ebonyi State's Branch Office whilst the total lodgments as per the bank statements and tellers amounted to ~~N~~23,204,509.74, leaving a balance of ~~N~~3,533,936.80 that could not be accounted for. This should be investigated and recovered. The recovery particulars and actions taken against the erring officer should be forwarded for audit verification.

(c) A total revenue of ~~N~~10,619,260.00 was collected between January and December, 2008 at Abia and Imo States Mines Offices whilst the sum of ~~N~~10,384,060.00 was lodged into the bank, leaving a balance of ~~N~~235,200.00 unaccounted for. This should be recovered and paid to chest.

(d) Similarly, a total of ~~N~~4,053,110.00 was collected between January and December, 2008 at Enugu State Mines Office whilst the sum of ~~N~~3,902,910.00 was paid to chest. The difference of ~~N~~150,200.00 between the revenue receipts for the period and the actual lodgement into the bank could not be explained. This should be recovered with recovery particulars forwarded for audit verification.

(e) 11 motor vehicles of different makes with unknown value, assigned to former officials of the Ministry were taken away by them when they were deployed to other Ministries. There was no record to show that these vehicles were sold to these officers by auctioning or by the monetization policy of the Government. An immediate step should be taken for the retrieval of these vehicles with recovery particulars forwarded for audit verification.

(f) The sum of ~~N~~5,009,710.00, being revenue generated between September, 2007 and July, 2008 said to have been lodged into the Ministry's Account with a commercial bank was not supported by Treasury Receipt Book 6 from the Ministry's Headquarters in acknowledgement of receipt of the fund.

The Permanent Secretary has been asked to forward all copies of Treasury Receipt Book 6 in respect of the purported lodgements for verification.

All the issues above had been taken up with the Permanent Secretary for necessary action.

MINISTRY OF POLICE AFFAIRS

6.212 24 payment vouchers raised between March and May, 2009 for amounts totalling ~~N~~5,180,492.23 were not produced for audit inspection. It was therefore difficult to certify the expenditure on them as legitimate charges against public funds.

(b) Advances totalling ~~N~~21,646,927.00 granted to 49 officers of the Ministry in 2008 had not been retired as at the time of this audit report in July 2009, contrary to Financial Regulations. All the advances should be retired forthwith failing which the amounts outstanding should be recovered from the defaulters.

POLICE SERVICE COMMISSION

6.213 It was observed that a sum of ~~N~~4,117,647.06 was paid on 12th May, 2008 for year 2007/2008 rent on a former Commissioner's un-occupied residence. The Commissioner's tenure in service ended on November 2006. No satisfactory explanation was given for this expenditure.

(b) Furthermore, the sum of ~~N~~6,308,250.00 was expended vide payment voucher of 20th December, 2008 used to engage private legal services for various cases which could have been handled by Federal Ministry of Justice (FMJ). There were no evidence to show that the Commission consulted the Federal Ministry of Justice before employing these private consultants.

(c) A total sum of ~~N~~4,710,500.00 was given to the transport officer as fueling allowances. Within the same period, the drivers of same vehicles were given a total sum of ~~N~~4,930,050.00 for fueling. This was observed to be double payment for the same fueling. The transport officer should therefore refund the sum of ~~N~~4,710,500.00 he collected and pay same to government.

(d) A personal advance of ~~N~~2,303,450.00 was claimed to be spent on the purchase of sporting items. As at the time of this report that advance had not been retired and non of the items claimed to have been purchased could be traced to the store records.

(e) Between March and December, 2007, another sum of ~~N~~17,311,720.00 was also expended on various store items. Furthermore, ~~N~~1,266,000.00 was yet

expended in March 2008 on store items without any trace of such items in the store records. It would appear that the store records and the internal control for store items are not functional in this Office. It is therefore difficult to accept the three expenditures above, totalling ₦20,881,170.00 as legitimate charge on public funds.

(e) Furthermore, Plant Ledger/Asset Register was not maintained. As a result, it was difficult to trace and confirm the existence and location of assets worth ₦74,506,974.00 purchased during the year 2006 and 2007.

(f) A contract for redesigning and restructuring office website was made for the sum of ₦6,000,000.00. Full payment was made without the confirmation of the user department or the representative of Auditor-General for the Federation.

(g) It was observed that a pick-up Toyota Hilux, double cabin No. FG 10 PSC and Chassis No. D71078NET was involved in a road accident along Calabar – 1km Road on official assignment. This accident has not been officially reported meanwhile the Auditors observed that the vehicle was not comprehensively insured contrary to the Government Circular No. CM87/177 of 22/2/01.

All the issues raised herein have been communicated to the Permanent Secretary, and his response is being awaited.

NIGERIA POLICE FORCE

6.214 At the Nigeria Police Force, Headquarters, 'E' Department (Training), Abuja, the following observations were made:-

(a) The audit scrutiny of the payment vouchers revealed that an Aviation Consultant received the sum of ₦4,500,000.00 on 27th August 2008 as refund of taxes allegedly deducted on a previous payment. A gross amount of ₦30,000,000.00 was paid to the consultant without deducting the mandatory 5% Withholding tax amounting to ₦1,500,000.00. As such, there was no basis for the refund which negates the principle of accountability and transparency.

The Permanent Secretary has been requested to recover the total sum of ₦6,000,000.00 from the consultant.

6.215 A total sum of ₦76,433,250.00 was paid in cash directly to 3 Police Pilots and 3 Flight Engineers for overseas training course in USA. No reason was given as to why cash was paid to the individual beneficiaries instead of remitting the money directly to the Institution in America. Relevant details showing the individual entitlements and signatures as signs of acknowledgement were not produced for verification thereby casting doubts on the genuineness of the transaction. The Permanent Secretary has been requested to produce the acknowledgement of the cash collected by the

beneficiaries, the photocopy of the America Visa and evidence of payments to the Institution in America.

6.216 At the Nigeria Police Command, Damaturu, the following observations were noted:

- (i) Amounts totalling ~~₦~~9,924,380.50 were withdrawn between January and December, 2008 and paid to contractors for the supply of goods and services. The practice of payment for contracts in cash is a serious violation of government rules. It also deprived the government its legitimate revenue in form of Withholding Tax (WHT) and Value Added Tax (VAT) to the tune of ~~₦~~992,438.05. The various contractors should be contacted to refund the amount of ~~₦~~992,438.05 to the coffers of the relevant tax authority.
- (ii) 7 sub-heads had various balances totalling ~~₦~~648,543.00 as at 31st December, 2008 representing unspent balance at the end of the financial year. However, there was no evidence in the cash book to show that the amount was paid to chest. The Permanent Secretary has been requested to furnish me with evidence of payment to the Federal Pay Office.
- (iii) Treasury Receipt Book 6 numbers E097451-E097500 and Treasury Receipt Book 6A numbers Z007022801-Z007022850 were not produced for audit examination despite my repeated request.

6.217 The Police Training School, NONWA, Rivers State received a total sum of ~~₦~~59,621,028.00 as Trainee Course Allowance for the 5th Batch, 2008, which had a total number of 1,877 recruits. The payment was split into two, that is, the first three months and the last three months with a total sum of ~~₦~~29,810,514.00 each. Each recruit was to receive ~~₦~~6,882.00 for the first three months, but only ~~₦~~5,000.00 was irregularly paid to each, leaving a balance of ~~₦~~1,882.00 which was deposited in a Bank. The Bank deducted ~~₦~~383.00 COT contrary to extant regulations, from each recruit's stipend, leaving a balance of ~~₦~~1,499.00 for each recruit, and totalling ~~₦~~2,813,623.00 in the Bank. The COT charges for these trainees should be paid back to them in compliance with the existing regulations.

All the issues raised herein have been communicated to the Inspector-General of Police and his response is being awaited.

NATIONAL BUREAU OF STATISTICS

6.218 At the National Bureau of Statistics, the audit of accounting records revealed the following:-

(a) Amounts totalling ~~N~~97,606,622.51 under Capital account, were paid as cash advances through 84 payment vouchers to members of staff between July and August, 2008, whereas payments from capital vote could only be made by cheques to corporate bodies. The jobs which ought to have been awarded to contractors through competitive bidding process were purportedly carried out by members of staff without any evidence that market survey was conducted to establish appropriate pricing of the items. It was thus observed that due economy was not exercised as enjoined by Financial Regulation No. 515 which states that “government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it had been voted” Government was also deprived a revenue of ~~N~~9,760,662.25 from the 5% each of Withholding and Value Added Taxes which could have been generated, if the jobs had been contracted out. None of the advances had been retired as at June 2009.

(b) Funds totalling ~~N~~15,275,281.19 were misapplied from the Overhead Costs Account of the Bureau. Expenditure on 4 capital projects which included renovation, construction and purchase of flats were wrongly charged to the Overhead account between February and June, 2008. This is an infringement of the provisions of Financial Regulation 517 which stipulates that “Expenditure will be classified strictly in accordance with the Estimates and votes must be applied only for the purpose for which the money is provided. Expenditure incorrectly charged to a vote will be disallowed by the Accountant-General”.

(c) Cash advances for sums totalling ~~N~~37,354,463.00 were paid to carry out various purchases and services between April and December, 2008. Contrary to Financial Regulations, the advances had not been retired as at the time of audit in June 2009.

(d) Financial Regulation 105 provides that all accounting documents in respect of all government establishments shall be made available to the Auditor-General or his representative on demand. However, 36 payment vouchers of Tax deductions for amounts totalling ~~N~~3,323,786.00 paid between January and December, 2008 were not released for audit examination. The payment vouchers should be released, otherwise the payments on them would not be accepted as legitimate charges against public funds. Furthermore, the FIRS receipts should also be produced for verification.

The issues raised herein have been communicated to the Director-General and his response is being awaited.

STATE HOUSE

6.219 At the State House, Abuja, it was observed that:-

(a) A sum of ~~N~~4,101,762.00 was paid to a contracting firm on 4th July 2008 as reimbursement of expenses for medical treatment of a member of staff of the State House and his wife. The status and office occupied by the officer was not disclosed, neither was any prior approval for the treatment to be carried out abroad produced. Also, bills from the hospital, stating the exact cost of the medical treatment were not attached to the payment voucher.

(b) A sum of ~~N~~1,262,500.00 was granted to an officer of the Presidential Air Fleet (PAF) on 12/05/08 as Duty Tour Allowance for 3 pilots to attend a training programme conducted by an Air Line in Lagos, with 1 officer spending 33 days and the other 2, 17 days each. No invoice showing cost of training by the Air line was attached neither was there a letter of intent to prove that the Airline carried out the such training programme. Also, there was no evidence to show that the 3 pilots attended any training programme.

(c) Similarly, another officer of PAF was granted Duty Tour Allowance in the sum of ~~N~~2,300,000.00 on 24/12/08 for himself and 6 other pilots flying the Presidential BBJ aircraft to attend mandatory hands – on training with an Airline. An examination of the voucher revealed that the Airline company training programme, invoice or cost implication and letter of intent were not attached to the payment voucher. Also, no evidence of attendance of the 7 pilots was produced.

(d) Contracts for supplies totalling ~~N~~79,866,800.00 awarded and paid for by the State House were not submitted for counter-signing by the representative of the Auditor-General, as stipulated by Finance Circular F15775 of 27th June, 2001, which stipulates that the Auditor-General or his representative must, in conjunction with the paying Ministry, co-sign certificates of final payment of contracts exceeding ~~N~~5 million. It was therefore difficult to ascertain that the amounts paid for these supplies were proper charges against public funds.

(f) A sum of ~~N~~5,050,899.14 was paid to an officer of the Presidential Air Fleet (PAF) on 6/10/08 in order to ferry crew members on a maintenance tour to Germany for the annual periodic maintenance of DO 228 Aircraft NAF 029. Although 2 companies from Germany were requested to quote for the maintenance job, neither quotations nor invoices from these companies were produced for audit verification, contrary to extant regulations.

(g) The Commander, Presidential Air Fleet was granted the sum of ~~N~~2,451,635.62 on 06/10/08 as estacode allowance for 5 pilots to attend simulator Recurrent Training for the Aircraft, Augusta AW 139, from August to September, 2008. Although the Commander contacted the firm and requested for the cost implication for the training programme, no quotation to that effect was produced. Instead, the sum of €152,800.00 (~~N~~33,088,000.00) was put forward by the Commander (PAF) as course fee, which was approved. The approved course fee was not authenticated neither was there evidence of attendance of the course.

(h) Personal advances totalling ~~N~~24,860,577.80 granted to 40 members of staff of the Office between February and December, 2008 to enable them render some services and execute some projects were not retired even at the time of audit inspection in June, 2009. Incidentally, 10 of the members of staff were granted between 2 and 7 separate advances without retiring the previous ones.

All these infringements have been communicated to the Permanent Secretary and his reaction is being awaited.

NATIONAL ASSEMBLY
- SENATE

6.220 At the National Assembly – Senate, the following observations were made during the audit inspection of the accounting and other related records in the year under review:

(a) A total sum of ~~N~~380,000,000.00 was transferred from Salary Vote to overhead account without the appropriate authority.

(b) The Bank Reconciliation Statement of the Senate Salary Account revealed that a total sum of ~~N~~3,209,444.93 was classified as Bank Charges/COT. However, these charges contravened the Federal Treasury Circular Ref. No. TRY/AB and B3/2001 OAGF/PRS/005/III/185 dated 26th June, 2001 forbidding such charges. It is advised that the content of this circular should be brought to the attention of the Bank Manager with a view to ensuring the refund of the said amount forwarding the details of recovery particulars to my Office for verification.

(c) Amounts totalling ~~N~~11,500,000.00 were paid to an Honourable member and other 2 Senators of the Federal Republic of Nigeria to redeem pledges made to some foundations. However, there were no proof of acknowledgement to authenticate these payments from the centres which can enable me accept the transactions as legitimate charges against public funds.

(d) A total amount of ~~N~~7,258,922.17 was paid to an officer who was below the rank of a Permanent Secretary as contingency allowance, contrary to extant regulations. The details of the transactions that constituted contingency allowance could not be produced for audit verification.

However, all the observations mentioned above had been communicated to the Clerk to the National Assembly (CNA) and his reaction is being awaited.

MANAGEMENT

6.221 12 Nos of cheques for amounts totalling ~~₦~~44,994,172.51 issued between 28/12/07 and 29/06/08 had become stale as at October, 2008 but were yet to be written back to the cashbook in compliance with the relevant provisions of the Financial Regulations.

(b) 2 official vehicles, a Peugeot 307 saloon car with Registration No. FL 115 MGF 33 CN 6A684346323 and a Toyota Hilux Pick-up FL 83 MGT AHTEX 12 G80 951492/040EE10-B05 AR 150 were found rotting away at the premises of the National Assembly. However, it was explained that the vehicles got involved in an accident during one of their official trips.

Moreover, the accident was not reported formally as required by the Financial Regulations chapters 15 and 21. It was advised that the Management should expedite action to ensure that the vehicles do not suffer further deterioration and depreciation.

(c) The payment vouchers and other vital necessary documents to authenticate the payment of ~~₦~~54,520,000.00 to 3 officers of Management staff were not produced for audit examination. Consequently, it was difficult to confirm the authenticity of the transactions. Without producing the payment vouchers and other related documents, the disbursement cannot be regarded as bona fide expenditures chargeable against the taxpayers' funds. However, the Management had been advised to forward the payment vouchers and the related documents to my Office for verification

(d) 2 cheques dated 30/04/08 and 30/07/08 for the amounts of ~~₦~~113,641,050.68 and ~~₦~~32,902,450.28 respectively, totalling ~~₦~~146,543,500.96, were paid to the Power Holding Company of Nigeria (PHCN) without payment vouchers, bills, or bank slips as evidence of a legitimate transaction. However, the Management had been requested to furnish my Office with the payment vouchers and other relevant bills to enable me authenticate the transactions as legitimate charges against government funds.

All the above irregularities had been brought to the attention of the Clerk to the National Assembly (CNA) whose reaction is being awaited.

HOUSE OF REPRESENTATIVES

6.222 192 payment vouchers of Recurrent Expenditures totalling ~~₦~~8,096,473,368.77 were not produced for audit examination. Also, 327 payment vouchers for Capital Expenditures amounting to ~~₦~~7,022,505,555.62, raised between July and December 2008, were not produced for audit examination. I could not satisfy myself that the

payments of this magnitude relating to these vouchers were legitimate charges against public funds.

(b) The sum of ~~₦~~1,127,870,219.00 was transferred from salary account to recurrent account. Efforts to get the explanation and the authority for the transfer proved abortive.

(c) The sum of ~~₦~~43,823,800,456.47 was spent under Personnel cost for the period of January to December 2008, while the total releases for the same period for Personnel cost was ~~₦~~42,224,472,846.00 This resulted in an over-expenditure of ~~₦~~1,599,327,610.47, contrary to Financial Regulation 412.

(d) 4 brand new Peugeot 407 cars belonging to House of Representatives were involved in serious accidents at different times. The values of these vehicles could not be determined. The accidents were not reported to the Police and Auditor-General for the Federation, contrary to Financial Regulation 2128.

All the irregularities mentioned above have been communicated to the Clerk to the National Assembly and his response is being awaited.

LEGISLATIVE AIDES' ACCOUNT

6.223 Amounts totalling ~~₦~~165,126,559.00 were described as debit in Bank not in Cashbook. These could be illegal debit into the Legislative Aide's Account. The Clerk to the National Assembly has been requested to investigate and confirm that the account was not debited illegally.

(b) Amounts totalling ~~₦~~71,043,500.00 were shown as credit in cash book not in Bank. These might be cheques that had not been presented to the Bank for payments. The Clerk to the National Assembly had been asked to investigate and write the staled cheques back to cash book in accordance with the extant rules and regulations.

(c) The sum of ~~₦~~24,305,904.00 which was received as shortfall of Personnel cost in November, 2007 was expected to lapse at the end of 2007 fiscal year. However, it was posted into the cashbook in January 2008 and spent contrary to Financial Regulation 513.

The Clerk to the National Assembly had been asked to explain the contravention of the Financial Regulations. His reply is being awaited.

6.224 A total sum of ~~₦~~2,028,276,949.92 was spent as personnel cost of Legislative Aides between January and December 2008. The releases for the Personnel Cost for the same period was ~~₦~~1,632,011,360.00, resulting in an over-expenditure of

~~₦~~396,265,589.92, contrary to Financial Regulation 412. The authority for the excess expenditure was not produced.

The Clerk to National Assembly had been requested to investigate and produce the authority for the over-expenditure and his response is being awaited.

6.225)(i) An amount of ~~₦~~60,000,000.00 was transferred to a commercial Bank for unknown transaction or purpose.

(ii) Also, amounts totalling ~~₦~~75,000,000.00 were withdrawn with 3 cheques in the name of an officer. The purpose for the withdrawals was not stated.

The Clerk to the National Assembly had been requested to produce the authority and documents for the transfer of ~~₦~~60,000,000.00 and explain why the sums of ~~₦~~75,000,000.00 were withdrawn without payment vouchers contrary to Financial Regulation 601 and his response is being awaited.

(f) Amounts totalling ~~₦~~139,795,033.60 were withdrawn in the name of an officer through 8 cheques. It was not clear why huge amounts were withdrawn instead of paying the consultants by cheque. The list of the beneficiaries was not produced.

The Clerk to the National Assembly has been asked to explain the rationale behind the huge withdrawals and produce the list of the beneficiaries. His reaction is being awaited.

(g) Audit examination of records maintained for Legislative Aide's Salary Account with a commercial Bank revealed that a total sum of ~~₦~~2,076,835,123.00 was released between January and December, 2008. However, a total expenditure of ~~₦~~3,133,107,572.04 was incurred for the same period resulting in excess expenditure of ~~₦~~1,056,272,449.04, contrary to Financial Regulation 412.

The Clerk to National Assembly had been requested to produce the authority for excess expenditure, and his response is being awaited.

**OFFICE OF THE SECRETARY TO THE GOVERNMENT
OF THE FEDERATION**

6.226 At the Office of the Secretary to the Government of the Federation, the following observations were made:-

(a) During the audit verification of balances in the cash books and bank statements, it was observed that the unspent capital balance of ~~₦~~1,612,869,079.41 as at 31st December, 2008, was not paid back to Chest as required by the provisions of the Treasury Circular No. TRY/A7&B7/2008 dated 4th December, 2008. This balance

which lapsed by 31st December, 2008 was not transferred to the Consolidated Revenue Fund.

(b) Examination of recurrent Vote bank Account statements and cash books revealed that three cheques amounting to ~~N~~11,004,450.00 were debited to a Commercial Bank without corresponding entries in the cash book and Cheque Summary Register, contrary to Financial Regulations.

(c) An examination of Bank Statements and Bank Reconciliation Statements relating to the accounts of the Office of the Secretary to the Government of the Federation showed that 3 banks reconciliation statements featured a total sum of ~~N~~5,218,596.06 as debits in bank not in cash book. Most of these debits were described as Charges for Cheques, Commissions and Value Added Tax on current accounts. These charges are contrary to extant circulars forbidding banks from charging commissions on turnover (COT) on government accounts. Some of these transactions dated back to September, 2000 had been carried forward up to March, 2008, instead of investigating and reconciling them.

These anomalies have been communicated to the Permanent Secretary (GSO) for necessary action.

6.227 37 cheques issued between October 2002 and April 2006 totalling ~~N~~23,027,040.72 which had become stale were still featured as unrepresented. These cheques and their amounts carried forward as unrepresented did not portray the true and fair view of the financial position of the accounts.

6.228 A total sum of ~~N~~88,950,361.00 was disbursed on purchases, supplies and works executed in the Office of the Secretary to the Government of the Federation. Attempts to verify the existence or otherwise of these capital items and jobs abortive as several visits to the departments concerned yielded no result.

Out of the total sum of ~~N~~88,950,361.00, payments above ~~N~~5 million to single contractors totalling ~~N~~70,433,731.00 were not certified by the Auditor-General for the Federation or his representative in line with Treasury Circular No. F.15775 of 27th June, 2001, which provided that "Final payment of all contracts/supplies above ~~N~~5 million must be co-signed by the Auditor-General or his representative". Previous observations and verbal discussions on this matter had been consistently ignored.

6.229 An officer was granted a Special Imprest amounting to ~~N~~3,600,000.00 in May, 2007 to conduct an In-House Training Workshop on Security Awareness for 150 Security Personnel in the Office of the Secretary to the Government of the Federation. A scrutiny of the relevant retirement voucher revealed the following irregularities:-

(i) No information on the venue and dates of the workshop even though the retirement was made eight months after the exercises;

- (ii) Receipt No. 102 for ~~N~~3,000,000.00 dated 31/5/07 purported to have been issued by the Trainer was a mere computer print-out;
- (iii) There was no evidence of correspondence between the officer on behalf of the government and the Trainer.
- (iv) The payment of the sum of ~~N~~3 million to the firm was in cash contrary to extant regulations;
- (v) The 150 personnel list submitted as participants of the workshop, portrayed some repeated names and similar signatures.

In view of these irregularities, it was difficult to accept the disbursements as having been made in the public interest.

6.230 An officer was granted an advance to the tune of ~~N~~5,444,820.00 for servicing of the meeting of the Presidential Committee on Affordable Houses. The retirement voucher showed the following anomalies.

- (i) Store items totalling ~~N~~1,222,000.00 were not taken on Ledger charge and no Store Receipt Voucher was attached to the payment voucher;
- (ii) Receipt for the sum of ~~N~~930,000.00 disbursed on snacks, Tea/Break and lunch did not show details of quantity supplied. Some receipt Nos. followed serially despite the long intervals in dates; and
- (iii) The rates and details of the various adverts costing ~~N~~1,079,820.00 were not attached for scrutiny.

These anomalies were communicated to the Permanent Secretary (GSO) for necessary action and his response is being awaited.

NATIONAL POVERTY ERADICATION PROGRAMME (NAPEP)

6.231 At the National Poverty Eradication Programme Office, Maiduguri the following observations were made:-

- (a)(i) No Bank Reconciliation Statements were prepared by the Office contrary to the provisions of the Financial Regulations, whereas the Office maintains accounts with 2 commercial banks into which amounts totalling ~~N~~245,488,181.36 were deposited in 2008 alone. This could lead to non-detection of possible fraudulent practices. Concerted efforts should be made to up-date the Bank Reconciliation Statements.

- (ii) 8 payment vouchers raised between March and December, 2008 for amounts totalling ~~₦~~7,678,650.00 were not produced for audit inspection. The payments on them could not therefore be certified as legitimate charges against public funds.
- (iii) The scrutiny of the Departmental Vote Expenditure Account Book (Vote Book) for year 2008 revealed a discrepancy on the Overhead costs balance. Amounts totalling ~~₦~~2,462,178.54 were received while total expenditure was ~~₦~~2,254,640.00. There should have been a balance of ~~₦~~207,538.54 as at 30th December, 2008. However, the balance shown in the Vote Book as at 30th December, 2008 was ~~₦~~3,604.00. Efforts should be made to trace and reconcile the difference of ~~₦~~203,934.54 between the two balances.
- (iv) FEP loans granted to 5 co-operative Societies in June, 2006 amounting to ~~₦~~4,500,000.00 were still outstanding as at February, 2009. Efforts should be intensified to commence recovery of the loans since the 2-year moratorium granted the societies had expired since June 2008.

6.232 At the National Poverty Eradication Programme, Dutse, Jigawa State, it was observed with dismay, that only amounts totalling ~~₦~~13,447,182.62 had been recovered out of the total sum of ~~₦~~69,082,230.80 disbursed as loans between 2000 and 2007, leaving outstanding loans totalling ~~₦~~55,635,047.38. Efforts should be made to improve the recovery process and furnish me with relevant details for verification.

6.233 At the National Poverty Eradication Programme, Asaba, Delta State, various types of loans for amounts totalling ~~₦~~200,700,000.00 were granted to different registered groups between September, 2006 and November, 2008 but only ~~₦~~8,217,500.00 had so far been recovered, leaving an outstanding balance of ~~₦~~192,482,500.00. The loans were not guaranteed and the recovery rate is too slow, thereby making non-sense of the objective of the programme which was intended to be revolving in nature.

All the issues raised herein have been brought to the attention of the National Co-ordinator and his response is being awaited.

NATIONAL EMERGENCY MANAGEMENT AGENCY (NEMA)

6.234 The examination of the Bank Reconciliation Statements in respect of an account maintained by NEMA with a commercial bank in Abuja, revealed that:-

- (i) 5 cheques for amounts totalling ~~₦~~325,702.70 issued between November, 2007 and May, 2008 under Personnel and Overhead Costs still featured as “Un-

presented” in December, 2008. These cheques have become stale and should be written back to chest.

- (ii) 6 items for amounts totalling ~~₦~~1,444,107.81 described as “Debits in Bank, not in Cash Book” had accumulated between April and December, 2008.
- (iii) 10 items for amounts totalling ~~₦~~71,138,508.42 described as “Credits in Banks not in Cash Book” remained un-cleared up to December, 2008.

The Director-General has been asked to investigate and clear the outstanding items.

6.235 Records available at NEMA headquarters showed that 5 brand new Perkins Generators (comprising of 1 No. 20KVA & 4 No. 30 KVA) with value totalling ~~₦~~11,265,000.00 had been issued to the private residences of 5 Directors of the Agency, contrary to government monetization policy as contained in Circular Reference No. SGF/19/S.47/C.1/11/371 of 27th June, 2003. The Director-General has been requested to recover the total sum of ~~₦~~11,265,000.00, being the value of the generators from the Directors concerned, and his response is being awaited.

CODE OF CONDUCT BUREAU

6.236 A contract for the printing of 25 copies of the Bureau’s profile was awarded for the sum of ~~₦~~3,000,000.00 in September, 2008 to a contractor without passing through the competitive tendering procedure as required by the Public Procurement Act, 2007. Minutes of meetings of the Procurement Planning Committee and the Tenders Board were not produced for inspection. Original copies of the contract agreement and other addendum to the contract such as Bill of Quantities were also not produced. Finally, there was no evidence that the items were duly received in the store as no Store Receipt Voucher was produced. I could not therefore accept the expenditure as a proper and legitimate charge against public funds.

6.237 Amounts totalling ~~₦~~3,877,500.00 were paid in April, 2008, to members of staff for purchase of office equipment and law books. The items purportedly procured were not taken on ledger charge. Store documents such as Store Receipt Vouchers and Store Issue Vouchers were not raised to account for the receipt and distribution of the items in accordance with the provisions of the Financial Regulations.

6.238 A personal advance of ~~₦~~1,557,500.00 granted to a member of staff to host State Co-ordinators Retreat/Workshop in August, 2008 was not properly retired. The names and addresses of the Resource Persons with their signatures and amounts paid were not stated. Receipts for hotel accommodation were not attached and the breakdown of how the contingency/incidental expenses provision of ~~₦~~435,000.00 was disbursed, was also not attached.

6.239 2 payment vouchers raised in April, 2008 for amounts totalling ~~N~~1,246,562.00 were not adequately supported by relevant documents. The amounts were paid to an Hospital in Abuja to provide refreshment during a workshop for principal officers of State Assemblies and for using the Hotel's Boardroom. The payment vouchers were devoid of such documents as the list of the principal officers involved, the State Assemblies involved and detailed bills and receipts from the Hotel. It is inevitable that these details should be produced before the payments could be accepted as proper charges against public funds.

All the issues raised herein have been brought to the attention of the Chairman, whose response is still being expected.

FEDERAL GOVERNMENT STAFF HOUSING LOANS BOARD

6.240 99 beneficiaries from various Ministries, Departments and Agencies who were granted housing loans between February and December, 2008, for amounts totalling ~~N~~92,295,461.58 had not made any repayment to the Board at the time of audit inspection in March, 2009.

(b) 22 Ministries, Departments and Agencies did not remit amounts totalling ~~N~~5,398,874.06 being deductions from the salaries of housing loan beneficiaries to the Board, thereby depriving prospective borrowers from enjoying the loan facility.

The issues have been taken up with the Director, Federal Government Staff Housing Loans Board whose reaction is still being expected.

MINISTRY OF PETROLEUM RESOURCES

6.241 10 payment vouchers for amounts totalling ~~N~~126,664,465.34 raised and paid in June, 2008 were not released for audit examination, contrary to Financial Regulation 105 which states that "All accounting documents in respect of all government establishments shall be made available to me or my representative on demand at all reasonable times". Consequently, I cannot certify the payments on them as legitimate charges against public funds.

6.242 A total sum of ~~N~~2,124,000.00 was paid to 3 officers in July 2008 in respect of a 3-day retreat organized in preparation for the Medium Term Sector Strategy (MSS) meeting held at an Abuja Hotel. Out of the ~~N~~2,124,000.00 provided, a sum of ~~N~~1,620,000.00 was proposed for Hotel accommodation, while ~~N~~504,000.00 was for feeding and contingency for 9 officers. However, under existing regulations, officers on official duty outside their stations are paid Duty Tour Allowances (DTA) to cover expenses of accommodation and feeding, while officers on course, seminars or

retreats within their stations are paid allowances to cover their transportation expenses to the venue. As this particular retreat took place in Abuja, the payment was observed to be irregular in view of the fact that all the participants are stationed within Abuja. The Ministry should justify these payments, failing which the amounts involved should be recovered.

6.243 Course fees for amounts totalling ~~₦~~3,056,506.00 were paid to 7 consultancy firms between April and September, 2008 for courses held in Nigeria and Ghana. However, the vouchers were without supporting documents, such as invoices, letter of award and receipts from the consultants or their representatives to authenticate the genuineness of the payments. Hence, I could not certify the payments as proper charges against public funds.

6.244 Cash Advances totalling ~~₦~~6,562,600.00 granted to 15 members of staff between January and December, 2008 were not retired as at the time of inspection in June, 2009. The Permanent Secretary has been asked to recover the advances from the salaries of the affected staff and furnish me with evidence of recovery for verification.

6.245 Contrary to Ministry of Finance Circular No. F15775 of 27th June, 2007, which provides for pre-payment audit of contracts worth above ~~₦~~5 million by my Office, 4 contracts totalling ~~₦~~32,527,017.00 were paid for without adhering to the Policy Guideline. As a result I was unable to carry out my statutory oversight function in this Ministry as far as the above-mentioned payments were concerned.

6.256 Only 5% instead of 10% mandatory withholding tax was deducted from the consultancy fees of ~~₦~~216,360,552.54 paid to 8 consultants in December, 2008. The balance of ~~₦~~10,818,027.51 should be recovered from the affected companies and be paid to the relevant tax authority forwarding necessary particulars to me for verification.

6.257 The contract for the supply and laying of ceramic tiles on the 7th and 8th floors of the Ministry's office Block D NNPC Towers, Abuja was awarded at a contract sum of ~~₦~~14,751,980.00 and paid for in November, 2008. The examination of the payment voucher however, revealed that:-

- (i) The contract did not pass through the Tenders Board and competitive bidding;
- (ii) Photocopies of letter of award and letter of request for payment were attached to the vouchers instead of original copies; and
- (iii) The receipts and invoices attached were computer print outs, and are therefore not acceptable. I could not accept this transaction as a legitimate charge against public funds since the anomalies highlighted above have cast doubts on the genuineness of the payment.

The anomalies mentioned above have been reported to the Permanent Secretary, Ministry of Petroleum Resources whose reaction is still being awaited.

PUBLIC COMPLAINTS COMMISSION

6.258 Amounts totalling ~~N~~717,500.00 were paid between February and March, 2008 for the supply of various store items. Store documents such as Store Receipt Vouchers and Store Issue Vouchers were not issued for the receipts and issuance of the items in accordance with the provisions of the Financial Regulation. Hence, it was not possible to ascertain the location of the store items.

(b) 61 payment vouchers raised by the Commission between January and December, 2008 for amounts totalling ~~N~~8,272,559.92 were not produced for audit examination. Hence, I could not satisfy myself that the payments involved were legitimate charges against public funds.

(c) Personal advances granted to members of staff between January and December, 2008 for amounts totalling ~~N~~4,744,096.00 were yet to be retired as at the time of audit in July 2009, contrary to the Financial Regulation which stipulates that all advances taken must be retired immediately after the service for which they were granted have been completed.

All the irregularities have been brought to the attention of the National Secretary whose comment is being awaited.

MINISTRY OF SCIENCE AND TECHNOLOGY

6.259 A sum of ~~N~~5,700,000.00 was spent on 18 Commissionaires deployed to the residences of serving and former officers of the Ministry from 2006 to December, 2008 despite the fact that all benefits had been monetized in the Civil Service. The sum of ~~N~~5,700,000.00 expended on the Commissionaires should be recovered from the officers.

(b) A sum of ~~N~~4,049,000.00 was paid as "Special Duty Allowance" to 145 officers but only ~~N~~3,710,000.00 was accounted for leaving a balance of ~~N~~339,000.00 unaccounted for. It was directed that the amount of ~~N~~339,000.00 should be fully accounted for or otherwise be paid back to the treasury, forwarding evidence of payment to my Office for verification.

These issues raised herein have been communicated to the Permanent Secretary whose response is being awaited.

FEDERAL MINISTRY OF TRANSPORT

6.260 The sums of ~~₦~~5,951,000.00 and ~~₦~~4,049,000.00, both totalling ~~₦~~10,000,000.00 were paid on 28/12/07 to a member of staff of the Ministry on Grade Level 09 as personal advances for carrying out 2 training programmes between 11th and 13th December, 2007 in Abuja. Although quotations were invited from consultants, no contract was awarded as expected. Instead, a total sum of ~~₦~~10,000,000.00 was paid to the officer who retired the amount on 23/04/08, mostly with computer-print out receipts totalling ~~₦~~5,280,000.00. These receipts were in the name of registered companies who could have presented their invoices for direct cheque payments as specified by Financial Regulation 616, which states that, "Payment to firms shall be made only by cheques crossed 'Not Negotiable'. 'Account Payee Only', in favour of the firm" Furthermore, it was worrisome to note that a grade level 09 officer was saddled with the onerous task of handling such a large amount as ~~₦~~10,000,000.00.

(b) A total sum of ~~₦~~31,442,269.19 was paid to Federal Inland Revenue Service (FIRS), Abuja between April and September, 2008 as settlement of outstanding tax liabilities incurred by the Ministry between 1999 and 2004. When the FIRS demanded for its outstanding taxes and also slammed a penalty of ~~₦~~28,264,915.23 on the Ministry to bring the total outstanding taxes which included WHT and VAT to the sum of ~~₦~~69,421,547.98, a Deputy Director in the Ministry suggested to the management that the Ministry could use the various balances in its Bank Accounts to off-set part of the tax liability. This was generally accepted. Subsequently, the sum of ~~₦~~4,908,754.08 was mopped up from the Ministry's Capital balance with the Central Bank of Nigeria and ~~₦~~4,826,231.05 from the Salary Account. Also on 09/06/08, another sum of ~~₦~~18,697,722.01 was paid to the FIRS from the balance left after April salaries had been paid.

Either due to non-remittance or negligence in the deduction of Pay-As-You-Earn taxes from staff salaries, the total amount owed FIRS on PAYE was ~~₦~~28,162,519.74. However, the recovery of the said amount from the Capital vote and Sub-head 1 (Salaries) negates the provisions of Financial Regulation 517, which states that "Expenditure shall strictly be classified in accordance with the estimate, and votes must be applied only to the purpose for which the money is provided. Expenditure incorrectly charged to a vote shall be disallowed".

(c) Personal advances totalling ~~₦~~111,977,622.11 granted to 34 officers between July 2005 and December, 2008 had not been retired at the time of audit examination of the Advances ledger in April, 2009. Further scrutiny of the ledger revealed that 13 officers were granted between 2 and 5 separate advances without the previous ones being retired. Also, 4 officers of the Ministry still had outstanding advances totalling ~~₦~~572,000.00, dating as far back as 2005, contrary to Financial Regulation 1705 which states that "Accounting Officers are responsible for ensuring the prompt repayment of all advances by installments or otherwise".

These anomalies have been brought to the attention of the Permanent Secretary and his response is being awaited.

FEDERAL MINISTRY OF AVIATION

6.261 33 payment vouchers for sums totalling ~~N~~2,509,508.00 were not stamped "PAID" as required by Financial Regulation 622.

(b) Similarly 49 payment vouchers for sums totalling ~~N~~3,301,008.00 also paid during the period under review did not comply with the extant regulation which provides that vouchers should be stamped "entered into the vote book and signed by the officer responsible for keeping the Vote book".

(c) A consultancy fee of ~~N~~9,582,125.00 was paid for the sensitization workshop for frontline Airport works at 4 airports in December, 2008. Included in this payment was a sum of ~~N~~3,282,125.00 meant for logistics, and which remained unaccounted for as at the time of writing this report in August, 2009, due to lack of documentary evidence to show that the sum involved was utilized for its intended purpose. I cannot certify the disbursement as a legitimate charge against public fund.

(d) Amounts totalling ~~N~~160,876,362.00 were transferred from the Capital account to the Recurrent account in violation of the Appropriation Act, which requires the prior approval of the National Assembly before any virement can be effected.

(e) Records relating to amounts totalling ~~N~~3,642,111,679.88 paid to assist 5 State governments for the construction of Airports in the States, were not released for audit. Hence, I cannot certify the amounts expended as proper and legitimate charges against public funds.

(f) 30 payment vouchers for sums totalling ~~N~~9,256,669,353.00 paid in the year 2008, were not produced for audit. I cannot therefore certify the payments as legitimate charges against public funds.

These issues raised herein have been communicated to the Permanent Secretary and his response is being awaited.

FEDERAL ROAD SAFETY COMMISSION

6.262 At the Federal Road Safety Commission (FRSC), Maiduguri, it was observed that revenue totalling ~~N~~10,492,428.00 posted into the Cash book between September, 2007 and December, 2008 could not be traced into the bank. Relevant bank

statements should be produced to confirm that the collected fees were paid to the Bank in accordance with the provisions of the Financial Regulation 206.

(b) Various store items valued at ~~N~~908,810.00 said to have been supplied between February and September, 2008 were not taken on ledger charge. The items could not be produced for audit verification and there were no Store Receipt Vouchers and Store Issue Vouchers to indicate that they were received into and issued out of the stores.

6.263 At the Federal Road Safety Corps, Moniya, Ibadan, payment vouchers for amounts totalling ~~N~~2,325,204.85 were not presented for examination. It was therefore difficult to accept the expenditures on them as legitimate charges against public funds.

The Corps Marshall has been requested to produce the vouchers for audit.

6.264 At the Federal Road Safety Corps, Abakaliki, Ebonyi State, amounts totalling ~~N~~22,177,318.87 were generated as revenue from fines, drivers licenses and information processing fees between November 2006 and July 2008. However, no Treasury Receipt Book 6 was produced as evidence of the payment of the revenue to Government coffers.

These issues raised herein have been communicated to the Corps Marshall and his response is being awaited.

**FEDERAL MINISTRY OF WOMEN AFFAIRS
AND SOCIAL DEVELOPMENT**

6.265 138 payment vouchers totalling ~~N~~91,359,948.71 paid between February and July 2008 were not produced for audit examination. It is therefore difficult to accept the expenditures on them as proper and legitimate charges against public funds. The Permanent Secretary has been asked to produce the relevant vouchers for audit examination.

(b) 11 officers of the Ministry who were granted Personal Advances totalling ~~N~~4,664,334.00 between April and September, 2008 had not retired them as at the time of audit in July 2009. More worrisome, was the fact that some of the officers were granted subsequent advances without retiring the previous ones in contravention of the provisions of the Financial Regulations. The Permanent Secretary has been asked to ensure that these advances are retired immediately or refunded en-bloc from the beneficiaries.

(c)(i) 25 cheques totalling ~~N~~4,374,000.00 which had become stale were recorded as un-presented under the Recurrent expenditure Cash Book, while 4 stale

cheques amounting to ~~N~~671,852.00 were also featured as unrepresented under the Capital Expenditure cashbook.

- (ii) 35 items amounting to ~~N~~1,813,203.69 were debits in banks not in cash books. Most of these transactions were long overdue for proper reconciliation and clearance. ~~N~~46,344.74 of this amount is related to Capital Expenditure; and
- (iii) 8 items totalling ~~N~~742,416.69 were credits in banks not in cash book. Of this amount, ~~N~~244,265.27 related to 2008 while the balance belonged to 2006 and 2007. An item for ~~N~~1,320,083.48 was credit in bank not in cash book under the Capital Expenditure .

The stale cheques, and other outstanding items should be expeditiously cleared in accordance with the provisions of the Financial Regulations.

6.266(i) A total sum of ~~N~~345,848,034.83 was observed as differences between figures recorded on 56 revenue heads in the Analysis Book and figures recorded in the Transcripts for the same period.

- (ii) Amounts totalling ~~N~~128,486,190.72 were also observed as differences on 43 expenditure heads, between figures recorded in the Analysis Book and figures in the Transcripts. Analysis Book and monthly Transcripts derive their information from the same source and therefore should agree. These anomalies have been communicated to the Permanent Secretary and his response is being awaited.

6.267 A store audit conducted, revealed the following anomalies:-

- (i) The supply of various store items valued at ~~N~~4,800,000.00 was contracted to a firm based in Kaduna. These items were to be supplied to the Akwa Ibom State Government, in favour of the Centre for Trafficked Children at Uyo, However, instead of Uyo, the items were delivered to Abuja and were found lying fallow at the Creche Store as at the time of audit inspection in February, 2009. The money expended on the procurement of these items could not be said to have been spent in public interest until the items are delivered to the centre at Uyo;
- (ii) Various store items such as electrical and electronic accessories valued at ~~N~~540,300.00 had expired without being utilized. The wastage is a proof that the Ministry had no need for the accessories that were procured. It should be emphasized that funds should not be spent on purchases not needed just because they have been budgeted for. Necessary steps should be taken to write off these items in line with the provisions of the Financial Regulations.

The Permanent Secretary has been informed of these lapses and his response is being awaited.

OFFICE OF THE SURVEYOR-GENERAL OF THE FEDERATION

6.268 Various payments totalling ~~N~~48,898,900.00 made to eight contractors were not supported by invoices and Store Receipt Vouchers contrary to the provisions of Financial Regulation 603 (i)

(b) On 1st December, 2008, a company was awarded a contract to supply 1 no Honda CR-Vi-Vtec 2008 Elite vehicle for a sum of ~~N~~7,800,000.00. But at the time of payment on 29th December, 2008, the company which is a Real Estate Consultancy firm, submitted an undated Computer Printout Invoice in the sum of ~~N~~5,395,000.00 for settlement, an indication that the contract was over-priced at the time of award. Regardless of the amount on the contractor's invoice, the Surveyor-General paid the award sum of ~~N~~7,800,000.00

The Surveyor-General has been requested to explain the basis of the award to the Real Estate firm, the reason for over-paying the contractor's invoice and to recover the overpaid sum of ~~N~~2,405,00000 from the firm, and his response is being awaited.

SECTION 7

**PERFORMANCE
(VALUE FOR MONEY)
AUDIT**

PERFORMANCE (VALUE-FOR-MONEY) AUDIT

UNIVERSITY OF NIGERIA TEACHING HOSPITAL, ITUKU – OZALLA, ENUGU

7.01 During the examination of the books of account and other records maintained at the University of Nigeria Teaching Hospital, Ituku-Ozalla, Enugu for the period 2005 – 2007, the following observations were made:-

(a) A contract for the construction of Access Road 'Lot A' at the Hospital was awarded to a contractor for a contract sum of ₦20,161,384.43. While examining the parameters for Tender Analysis including Priced Bill of Quantity to ensure arithmetic accuracy, it was observed that the total figure on the Bill submitted by the contractor was ₦11,389,318.50. However, it was not possible to obtain an answer for the staggering variation figure of ₦8,772,065.93. There were also no variation authorities produced for my verification.

The Chief Medical Director had been requested to explain the reason for contract variation of ₦8,772,065.93 and to produce the authority for same.

7.02 During the examination of the capital payment vouchers, contract files and other records produced by the authorities of University of Nigeria Teaching Hospital, Ituku Ozalla, Enugu for the year 2005, it was also discovered that the 2005 appropriation figures for the various contracts were different from the actual contract sum of the projects vis-à-vis the total executed costs by the total amount of ₦67,896,488.00. (See Table A).

Table 'A'

S/No	PROJECT/SUPPLY	2005 APPROPRIATION ₦	ACTUAL COST/ CONTRACTS SUM ₦	VARIATION ₦
1.	Supply and Installation of X-Ray Unit with Fluroxopy	23,746,580.00	49,992,800.00	26,246,220.00
2.	Supply and Installation of Equipment to Hematology Immunology Laboratory	16,576,908.00	34,898,764.00	18,321,856.00
3.	Supply and Installation of 2 No. Diathesary Machine Eschaman Model TD.411	4,000,000.00	7,600,000.00	3,600,000.00
4.	Supply and Installation of Heart Lung Machine and Chest Saw	10,657,688.00	23,618,100.00	12,960,420.00
5.	Compound Clearing, Leveling and Destumping of cleared areas.	2,732,000.00	9,500,000.00	6,768,000.00
	TOTAL			₦67,896,488.00

The reasons for the escalated costs of these projects were not adduced neither were the authorities for the variations produced for my inspection.

The Chief Medical Director had been urged to investigate the circumstances that led to the variations which amounted to a staggering figure of ~~N~~67,896,488.00 and produce relevant financial authorities for the actions. Otherwise, the amount should be recovered from the affected contractors and forward recovery particulars for audit verification.

AHMADU BELLO UNIVERSITY TEACHING HOSPITAL, ZARIA

7.03 During the examination of the books of account and other records maintained at the Ahmadu Bello University Teaching Hospital, (ABUTH), Zaria for the period 2005 – 2008, the following observations were made:-

(a) It was observed that on 21st May, 2008 the sum of ~~N~~233,861,113.23 which was credited in the Hospital's capital account was cleared off from the account with a debit entry captioned "Multi Debit entry, Transfer of Balances of MDA accounts".

The transfer was observed to have affected the Hospital's ability to pay its contractors since May, 2008. The result was that 20 recorded different contracts for supplies and services to the Hospital, of which 7 were completed and 13 were on-going, totalling ~~N~~16,351,481.05 and ~~N~~122,168,378.73 respectively awarded in November, 2007 remained unpaid as at the time of audit in December, 2008.

The Hospital Management has been requested to:-

- (i) Comment on the initial delay in the settlement of the contractors, the prompt payment of which could have averted the mop-up exercise of the Accountant-General of the Federation.
- (ii) Arrange and obtain the treasury receipt in respect of the ~~N~~233,861,113.23 from the Sub-Treasurer of the Federation as evidence of a direct payment to the treasury and furnish this Office for verification and
- (iii) Re-submit the total liabilities caused by the Accountant-General of the Federation's mop-up action for issuance of fresh capital allocation to pay the contractors in order to avoid litigations.

7.04 A contract was awarded in November, 2006 in the sum of ~~N~~29,903,937.00 to construct basement of steel tank pump room, control room and offices. However, examination of the contract records revealed that a total sum of ~~N~~20,972,548.28 had been paid so far . This figure represents 70% of the contract sum. But the physical inspection of the project showed that the pumping machine which was part of the

contract was yet to be provided by the contractor as at the time of audit. The contractor was noted to have since abandoned the project and vacated the site.

The ultimate objective of the contract is the provision of water to the surface tank and other designated spots. In this circumstance, this has not been achieved as the pump was neither provided nor installed. The result of the above situation is that Government has not realized value for the total sum of ₦20,972,548.28 paid so far on the contract.

The management had been advised to ensure that the contractor re-mobilizes to site for specific performance of his contractual obligation, otherwise the company should be black-listed. In the alternative, the remaining aspect of the contract, provision of pumping machine and installation should be re-assessed and awarded to another contractor provided that the new contract sum is within the remaining balance of ₦8,931,388.72.

7.05 A contract was awarded in November, 2006 in the sum of ₦9,491,559.00 for installation of Central Air Conditioner at Ward 'K'. The sum of ₦6,361,257.00 representing 67% of the contract sum was observed to have been paid to the contractor as the supervising engineer had certified the contract as 100% completed.

Physical inspection of the project showed that the installed central air conditioner in Ward "K" never functioned from the installation day till date. Meanwhile, the contractor had since left the site having collected the sum of ₦6,361,257.00. In the prevailing circumstance, Government has not derived any value from the sum of ₦6,361,257.00 paid to the contractor since the ultimate aim of providing central air-conditioner in Ward 'K' remained unachieved.

It has been recommended that:-

- (i) The contractor should return to site and complete the work satisfactorily.
- (ii) Alternatively, the management should assess the outstanding work to be done and re-award same to a more competent contractor ensuring that the cost of re-award does not exceed the remaining balance of ₦3,130,302.02.
- (iii) The management should forward to my Office the nature of disciplinary action taken against the Supervising Engineer that certified the job as being 100% completed.

7.06 A contract was awarded to a contractor at a sum of ₦712,500.00 for metal enclosure and cladding of 1 unit of 800 KVA Generator situated at the ABUTH permanent site in Shika, Zaria. The purpose of the metal enclosure/cladding on the generator was to make it sound proof.

The contract was paid for in July, 2005. Physical inspection on the cladded generator showed that the metals for the cladding and enclosure had since fallen apart, and the aim of making the 800 KVA Generator sound-proof was not achieved at all. In this circumstance, Government did not achieve value for the sum of ₦712,500.00 spent for the purpose of making the generator noise-free.

The management had been requested to comment and confirm that the contract has been properly executed otherwise the entire sum of ₦712,500.00 should be refunded to government chest forwarding recovery particulars to my Office for audit verification.

The above analysis revealed lack of prudence in the management of the scarce resources of the tax payers. The Hospital management has been requested to recover from the contractor a total sum of ₦633,200.00 (₦179,200.00 + ₦304,000.00 + ₦150,000.00) being the amount at which the various items were overpaid and present the recovery particulars for audit verification.

7.07 4 contracts for various rehabilitation works totalling ₦2,604,561.00 were awarded to various contractors at the University Teaching Hospital, School of Nursing. Files relating to these contracts showed that there were no priced Bill of Quantity in respect of the said contracts to enable me ensure value for the money expended. It was therefore difficult to carry out proper evaluation of the jobs done for this purpose neither was it certain that the value for the total sum of ₦2,604,561.00 spent on the various rehabilitation works merited the payments.

The hospital management had been requested to comment on this obvious flaw in award of contracts and to forward a well priced Bill of Quantity (BOQ) to my Office for proper evaluation.

All the infractions of the regulations mentioned above had been communicated to the Chief Medical Director and his response is being awaited.

NATIONAL ORTHOPAEDIC HOSPITAL, ENUGU

7.08 The award of contract for the supply of X-ray digitizer was made to one X-ray Equipment company at the cost of ₦16,569,000.00 on 28th November, 2007. A total of ₦11,215,141.87 has been paid to date. Sadly, the equipment has developed a fault, which has resulted in stoppage of its use and the contractor has promised to replace the faulty part. Being a very important tool, its immediate replacement is very crucial.

The Chief Medical Director had been contacted and his comments are being awaited.

(b) Various sums expended as contingency and administrative costs of project execution in the Hospital listed below should be duly accounted for:-

- (i) Contingency of ~~N~~2 million was earmarked and included in the contract sum of ~~N~~40,773,765.90 for the construction of a Conference Hall Block.
- (ii) Contract for rehabilitation of 1 unit Block was awarded in 2007 at a contract sum of ~~N~~2,243,502.77 with a contingency, contract management and documentation fee of ~~N~~150,000.00
- (iii) Settlement and Renovation of OPD block which was executed at a contract sum of ~~N~~6,594,714.50 attracted a contingency sum of ~~N~~300,000.00 while management and documentation cost was ~~N~~700,000.00.
- (iv) Completion of walkway in Burns Unit was awarded at a total contract sum of ~~N~~5,918,206.00 in 2006 attracted contingency fee to the tune of ~~N~~350,000.00 while contract management/documentation fee was ~~N~~250,000.00. These expenditure items were never allowed as part of contract costs.

The Chief Medical Director had been contacted to explain why disallowable expenditure items such as contingency, management and documentation fees of a total colossal sum of ~~N~~3,750,000.00 were deliberately embedded in the various contracts awarded.

His response is being awaited.

UNIVERSITY OF JOS

7.09 During the audit Monitoring and Evaluation of Capital Projects carried out by my Office in respect of contracts executed by the University of Jos, Plateau State, the following observations were unveiled:-

- (a) The contract for the completion of Faculty of Education, Block 19 was awarded to a company at a contract sum of ~~N~~22,832,902.00 on November 15th 2005. The contract was expected to be completed on 23rd February, 2006. However, after achieving 50% level of job completion, a total sum of ~~N~~12,689,094.54 was paid to the contractor leaving a balance of ~~N~~10,143,807.46 to be settled.
- (b) Surprisingly, as at July 8th, 2009 during the physical inspection of the project, it was observed that the contractor had abandoned the job. The Vice Chancellor had been intimated with this anomaly and had been advised to ensure that the contractor returns to the site and complete the job to enable the students enjoy the benefit intended by government for awarding the contract. Otherwise, the remaining part of the job should be re-awarded to another contractor at a cost not more than the

balance of ₦10,143,807.46, while the former contractor is blacklisted. His reaction is being awaited.

7.10 At the University of Jos, the contract for the construction of access road to the Faculty of Environmental Sciences was awarded to a company on 18th September, 2008 at a contract sum of ₦6,548,713.50. As at April, 2009, it was discovered that the job was yet to commence while the contractor was noticed to have abandoned the project after collecting the part-payment of ₦2,329,833.70. In this wise, no value has been derived from the access road as a result of its abandonment by the contractor.

In order for the student community to derive benefit required from the construction of this access road, the Vice Chancellor had been advised:

- (i) To ensure that the contractor return to site and complete the job or
- (ii) To ensure the total recovery of the sum of ₦2,329,833.70 and blacklist the contractor.
- (iii) Re-award the contract to another capable contractor in the sum not exceeding ₦6,548,713.50, an amount earlier agreed upon in the contract agreement and
- (iv) Re-invite my Office for evaluation after the job might have been completed. His response is being awaited.

7.11 A contract for the rehabilitation of Access Road 12 Bauchi Road, Senior Staff Quarters was awarded to a construction company on 29th August, 2007 at a contract sum of ₦4,892,685.00. But as at April, 2009 during my visit for physical inspection, it was discovered with surprise that the job has not commenced at all. Therefore, the supposed road users could not benefit any value from the road as the rehabilitation of the road was not carried out at all. The purchasing power of the contract sum must have reduced as a result of inflation. However, the Vice Chancellor has been advised to terminate the contract and be re-awarded to another competent contractor at a contract sum not exceeding ₦4,892,685.00 to enable the people of the community derive value from the rehabilitation of the access road.

Also, I requested that my Office should be re-invited after the completion of the rehabilitation of the access road in order to carry out Value-for-money audit exercise to enable me form an opinion. The matter is still under correspondence.

7.12 Also, a contract for the rehabilitation of access road to the permanent site of the University campus was awarded to an investment company for an amount of ₦5,487,195.00 on 29th August, 2007. But as at April, 2009 during my visit for physical inspection, the job was yet to commence at site. However, it had been advised that the contract be terminated and be re-awarded to another competent company for an amount not exceeding ₦5,487,195.00

(e) Again, a contract for the rehabilitation of water replication to Bauchi Road, Senior Staff Quarters was awarded to a company at a contract sum of ~~₦~~13,471,274.25 on 29th August, 2007. Though the job commenced on 17th January, 2008 but it was later abandoned. In order to enable taxpayers derive value from this project, the Vice Chancellor had been advised to terminate the contract and re-award same to another contractor with proven ability to perform. The matter is under correspondence.

NIGERIA COLLEGE OF AVIATION TECHNOLOGY, ZARIA

7.13 During the examination of the books of accounts and other records maintained at the Nigeria College of Aviation Technology, Zaria, the following observations were made:-

(a) Audit Monitoring and Evaluation of Capital Projects at the Nigerian College of Aviation Technology (NCAT) Zaria showed that the contract for the construction of an Auditorium Complex, valued at ~~₦~~200,968,456.50 awarded to a contractor since June, 2002 and which was supposed to be completed within one year from the date of award has since been abandoned. Examination of files relating to the Auditorium Complex contract showed that the contractor was paid the sum of ~~₦~~50,242,114.13 as Mobilization fee.

The project had barely left the DPC level when in October, 2002 the contractor submitted an Interim Payment Certificate for the payment of the sum of ~~₦~~23,307,230.70 and immediately vacated the project site for a simple reason that he had not been paid the sum stated in his first interim certificate.

Physical inspection and evaluation of work done on the project showed clearly that Government had not got the value for the sum of ~~₦~~50,242,114.13 paid to the contractor as Mobilization fee. The vacation of the project site immediately after submission of first interim certificate for payment could be seen as a calculated ploy to abandon the project. By this abandonment, the cost of the completion of the Auditorium Complex has gone up with the trend of inflation.

The management had been advised to ensure that the contractor should return to site for the completion of the project or use all legal means available to recover the entire sum of ~~₦~~50 million paid to him as mobilization fee and forward the recovery particulars for audit verification.

7.14 A contract in the sum of ~~₦~~45,000,000.00 was on 10th December, 2007 awarded to a contractor for the procurement of Helicopter Mock-Up for the College's Maintenance Training. Mobilization Fee of 25% amounting to ~~₦~~11,250,000.00 was subsequently paid to the contractor on a payment voucher dated, 7th February, 2008. However, it was revealed at the time of physical inspection in February, 2009 that the

College was yet to receive or take delivery of the Helicopter Mock-Up, 12 months after the payment of mobilization fee.

The management had been asked to explain why the Helicopter Mock-Up had not been received in spite of the contract performance period of twelve weeks from the date of award. It was further directed that the sum of ~~₦~~11.25 million paid as mobilization fee for the unexecuted contract should be recovered and forward the particulars for audit verification.

7.15 2 payment vouchers for amounts totalling ~~₦~~5,734,261.00 were prepared and paid to a staff of the College as cash advance for the completion of Air Craft Spare Part Store. Physical inspection of the Spare Part Stores building showed that the 6 items listed in the priced Bill of Quantities (BOQ) amounting to ~~₦~~822,100.00 have not been executed, 7 months after the payment of the cash advance.

The affected officer should explain why the job remained uncompleted long after the payments of the cash advance. It has been recommended also that the management should cause the officer to complete the job without further delay, otherwise, recover from her the sum of ~~₦~~822,100.00 and furnish this Office with the recovery particulars.

All the issues raised herein have been communicated to the Rector, Nigeria College of Aviation Technology, Zaria and response is being awaited.

FEDERAL ROADS MAINTENANCE AGENCY (FERMA)

7.16 During the examination of the books of account and other records maintained at the Federal Roads Maintenance Agency, Abuja for the period 2006 – 2008, the following observations were made:-

(a) A retainership contract No. FRC-AL 01 was on 7th December, 2006 awarded to a contractor for massive repair of Lagos Metropolitan roads. The contract award letter specified that the duration of the contract should be 1 year from the date of the award, renewable subject to satisfactory performance and progress. It also stated that interim statement for work done should be submitted monthly.

Against the above conditions, a total number of 53 interim statements valued at ~~₦~~954,567,644.08, showed that interim payment certificates were submitted weekly during the period of the contract. Included in the sum of ~~₦~~954,567,644.08 submitted by the contractor and paid by FERMA in various payment vouchers was an administrative expenses of ~~₦~~45,455,602.10 which was not supported by any receipt or invoice showing the nature of expenses claimed by the contractor for services rendered to the supervising engineers of the contract.

Against this background, the Managing Director had been requested to explain and submit relevant bills, receipts, invoices to justify the huge sum of ₦45,455,602.10 purportedly described as administrative expenses.

7.17 Records examined at the Headquarters of FERMA showed that it procured 7 units of super Black Mobile Asphalt Plants from a company in 2004 at a total cost of ₦1,085,000,000.00 (₦155,000,000.00 per unit). The Asphalt Plants were said to have been installed in seven locations as follows:-

<u>S/NO</u>	<u>ZONE</u>	<u>LOCATION</u>
1.	North - Central	Kuje, Abuja
2.	North – West	Funtua
3.	North – East	Bauchi
4.	South – East	Enugu
5.	South – West	Oshogbo
6.	South – South	Ahoda
7.	Lagos	Ijora

Our visit to the States and Zones located showed that not even 1 of the Asphalt Plants has been installed long after 4 years they were procured with the objective of removing the high cost of Asphalt concrete in the road maintenance programmes.

Also, FERMA procured 40 units of mini Mobile Asphalt Plants each for the 36 States and Abuja and 3 for the 3 high-ways Training Schools in Badagry, Kaduna and Ogonike, all at a total cost of ₦561,640,000.00 (₦14,041,000.00 per unit) for the purpose of producing Asphalt concrete mix for small scale pothole patching.

Inspections in the States showed that these Mini Asphalt Plants have been abandoned in preference to road-mats. It is therefore observed that by the non-installation of the 7 Super Black Asphalt Plants and the non-effective use of the Mini Mobile Plants, government has not realized the value for the total sum of ₦1,646,640,000.00 spent on their procurement.

The management of FERMA had been requested to:-

- (i) Explain why the super black and mobile Asphalt Plants could not be installed for use in spite of the huge cost of purchase as government now resorts to waste of resources through outsourcing of Asphalt Concrete Mix for road maintenance.
- (ii) Explain the rationale for the procurement of the Mini Asphalt Plants which has virtually been abandoned in preference for road mats.

7.18 Records examined at the FERMA Headquarters between 2006 and 2008 showed that out of the total regular contracts of ₦6,639,058,674.33 for 2006 and ₦6,849,456,382.17 for 2007 respectively, ₦791,766,079.51 was spent on Vegetation

Control in 2006 while the sum of ~~N~~2,541,805,620.86 was for the same Vegetation Control in 2007

The astronomical increase in vegetation control contract from 12% in 2006 to 37% in 2007 showed a shift in emphasis from maintenance of road surface and pothole patching nationwide to vegetation control against the backdrop of Federal Government's Green-Belt Programmes especially in the arid regions which may lead to serious desertification.

Audit opinion on this scenario is that by emphasizing more on vegetation control to the detriment of road surface maintenance is tantamount to misplacement of priorities, inefficiency in the application of public funds and hence a loss of value for money appropriated for road maintenance.

The management of FERMA has been urged to justify the rationale behind this shift of emphasis from Road Maintenance to Vegetation Control especially in the arid Northern zones of the country.

7.19 2 payment vouchers dated 31/01/06 for ~~N~~3,370,000.00 each totalling ~~N~~6,740,000.00 were raised in favour of the Special Assistant to the Hon. Minister (Special Duties) as wages to the street light security personnel for the months of July and September, 2005 respectively. Included in the documents attached to support the payment were unreceipted expenses of ~~N~~1,158,342.00 that were not related to wages of the street light security personnel nor to road maintenance programmes.

It was recommended that the Special Assistant to the Hon. Minister (Special Duties) should be made to account fully for the sum of ~~N~~1,158,342.00 or refund same to Federal Government Treasury and the particulars of the refund be forwarded to this Office for audit verification.

All the above irregularities had been brought to the attention of the Managing Director and his reaction is being awaited.

ABAJI AREA COUNCIL, ABUJA

7.20 During the audit examination of the project executed by the Abaji Area Council, Abuja, the following observations were made:-

(a) A contract for the construction of motorized borehole at Abaji new Motor park was awarded on 25th February, 2005 to a company for a total sum of ~~N~~15,387,949.50. This amount was fully paid to the contractor without reference to due process on contract award. During the audit inspection of the project, the borehole was said to have functioned for about 3 months, pumping out sand instead of water which was an evidence that the contract was poorly executed.

Since the community did not receive the desired value from the project, the chairman had been requested to call the contractor back to site for proper completion of the borehole or to recover the total sum of ~~₦~~15,387,949.50 from the contractor or the officials who authorized the payment without certifying that the job had been properly done, and the particulars of recovery forwarded for audit verification.

7.21 A contract for the repair of 4 tractors was awarded on 2nd June, 2005 at the cost of ~~₦~~3,931,420.17. This amount was fully paid. The tractors are as follows:-

- | | | | |
|-------|---------------|---|----------|
| (i) | Steyr Tractor | - | CT 5508 |
| (ii) | Steyr Tractor | - | CT A08 |
| (iii) | Steyr Tractor | - | CT 768 c |
| (iv) | Steyr Tractor | - | MP 3900 |

(b) During the audit inspection of the equipment at the Local government premises, it was observed that the tractors purportedly repaired were grounded for the past 4 years and appeared unserviceable. The chairman of the Council had been requested to board the equipment to avoid further deterioration and recover the sum of ~~₦~~3,931,430.17 from the contractor since no value was received from the purportedly repaired tractors, forwarding recovery particulars to my Office for verification.

7.22 A contract for the rehabilitation of Abuja/Agyana road which is about 7-8 kilometers was awarded on 4th September, 2007 to a company at a cost of ~~₦~~220,030,775.00 with a completion period of 5 months. During the audit inspection of the project the following observations were made:-

- (i) The contract provided for 60 culverts for item A and 24 culverts for item B but only 17 culverts were constructed for items A and B. This indicates an excess payment of ~~₦~~2,632,142.86 to the contractor.
- (ii) The following items in the Priced Bill of Quantity (BOQ) were not carried out during the construction of the road:

Item C: Demolish existing black drain on both sides of the road, 1575M at ~~₦~~8,000.00 each totalling ~~₦~~12,600,000.00.

Item D: Concrete on both sides of the road trapezoids concrete drain, 2500M at ~~₦~~11,500.00 each amounting to ~~₦~~28,750,000.00.

Item E: Provide and lay reinforced concrete crossing slab as an access 300 number at the cost of ~~₦~~11,000.00 each valued at ~~₦~~3,300,000.00

- (vi) Item G: Provide and place 150mm tick stone pitching set in 1 to 4 cement mortar at culverts inlets and outlets as directed, 1330m² at ~~₦~~2,900.00 each aggregating to the sum of ~~₦~~3,770,000.00

In view of the foregoing anomalies, the chairman had been requested to recover the total sum of ~~N~~51,052,142.86 being the total value overpaid and the amount of the part of the contract not executed from the contractor, forwarding the recovery particulars for audit verification

All the above irregularities had been communicated to the chairman and his reaction is being awaited.

KWALI AREA COUNCIL

7.23 The sum of ~~N~~5,450,000.00 was paid as cash advance to a staff of the Internal Audit of Kwali Area Council on 10th September, 2008 for the purchase of 1 No. of Mitsubishi Bus 200 fully air-conditioned. It was not clear why this huge sum of money should be given to an officer as cash advance, when contract should have been awarded after normal competitive tender procedure as prescribed by the Circular Ref. No. F15775 of 27th June, 2001 and Financial Regulation 2902.

Therefore, this faulty procedure caused the government to lose revenue amounting to ~~N~~545,000.00 as Value Added Tax (VAT) and Withholding Tax (WHT). The chairman Kwali Area Council has been informed to ensure that a total amount of ~~N~~545,000.00 be recovered and paid in form of VAT and WHT to Federal Inland Revenue Service and forward the receipt/particulars to my Office for audit verification.

Also, to explain the circumstance that warranted the circumvention of the due process on the award of contracts. His comment is being awaited.

7.24 During the physical inspection of Capital projects carried out by Kwali Area Council from 2006 – 2008, which were both on-going and executed ones, it was observed that two Double Cell Culvert awarded to 2 contractors at Yangoji Village at the sum of ~~N~~4,638,768.75 and ~~N~~4,638,768.75 respectively, totalling ~~N~~9,277,537.50 were found to have collapsed due to poor quality of work.

The Head of works was asked to re-invite the 2 contractors back to site and their retention fee should not be paid until the repairs are effected. The chairman has been informed of the poor job and his response is being awaited.

NATIONAL INDUSTRIAL COURT

7.25 During the examination of a payment voucher dated 14th December, 2007 which was prepared and paid to an Automobile company at Kingsway Road, Ikoyi Lagos, it was observed that the sum of ~~N~~10,000,000.00 was irregularly vired from the sport sub-head vote in paying the contractor, contrary to Financial Regulation No 517

which states that “Expenditure shall strictly be classified in accordance with the estimates, and vote must be applied only to the purpose for which the money is provided...”

(b) Furthermore, there was no mandate authorizing the virement in line with Financial Regulation No. 415(iv) which stipulates that “all application for virement shall be collated by the Minister of Finance and submitted to National Assembly for approval before virement warrant could be issued. Moreover, there was no evidence showing that the ₦10,000,000.00 vired has been returned to the sports sub-head vote.

The anomaly had been brought to the notice of the Chief Registrar and his reaction is being awaited.

NATIONAL INLAND WATERWAYS AUTHORITY, LOKOJA

7.26 A contract for the supervision of a rehabilitation work on 4 floors of 5 Nos. Ferry Boats was awarded to a company for a contract sum of ₦7,536,000.00. This was sighted on a capital payment voucher dated 22nd November, 2005, which had no number. The audit team, however, observed that:-

- (i) NIWA with competent and qualified Marine Engineer are in a better place to carry out the supervision exercise without resort to contracting the job out.
- (ii) The contractors who carried out the rehabilitation job could not be identified.
- (iii) The contract documents could also not be sighted.

It was recommended that the Managing Director of NIWA should explain:

- (i) Why Marine Engineers were not engaged to supervise the rehabilitation works on the Ferry Boats.
- (ii) Provide the contract details of the rehabilitation work.
- (iii) Recover the sum of ₦7,536,000.00 from the contractor or from whosoever awarded the contract.

The comments of the Management of NIWA are still being awaited.

7.27 A contract for the refurbishment of Motor Ferry Adaku located in Yenagoa was awarded to a Marine Engineering company for a contract sum of ₦25,599,175.00. This payment was sighted during the examination of a capital payment voucher dated 25th May, 2005, the number of which could not be ascertained as at the time of audit.

(b) The project monitoring and evaluation team on a visit to Yenagoa Jetty observed that the said M. E. Adaku vessel was in a terrible state of disrepair. The team could not imagine how a whopping sum of ₦25,599,175.00 was paid for a job which could not be confirmed even by the engineers on site. Consequently, it would not be possible to accept the disbursement of ₦25,599,175.00 as a proper charge against public funds.

The Managing Director of NIWA was requested to explain this blatant waste of public funds and to recover the sum of ₦25,599,175.00 from the contractor for job not done, forwarding recovery particulars for audit verification.

All the issues raised above had been brought to the attention of the Management of NIWA and the reaction is being awaited.

CROSS RIVER BASIN DEVELOPMENT AUTHORITY, CALABAR

7.28 The contract for Agriculture land clearing at Ijegu Yala Dam/Irrigation Project Cross River State was awarded to a company at a total contract sum of ₦11,602,500.00 in year 2006. Examination of the payment voucher revealed that the major contractor ceded an amount of ₦6,888,000.00 to another contractor as evidence of sublet of contract. This is a contravention of Financial Regulation No. 2931 which states that "Contracts once entered into may not be assigned or sublet and their conditions may not be varied except on the authority of the Tenders Board concerned".

However, there was no evidence in the contract file to show that the Tenders Board approval was obtained before the subletting of this contract. The Authority was informed of this anomaly and its comment is being awaited.

FEDERAL MEDICAL CENTRE OWERRI

7.29 The construction of the new theatre which was awarded since November, 2006 to a company at a contract sum of ₦44,728,459.50 was still on-going as at the time of project inspection. This was owing to the protest by the Consumer Protection Council, Owerri who alleged the use of substandard materials in the project execution, which led to the eventual termination of the contract. However, the Federal Ministry of Health intervened and took over the funding and the supervision of the project which was still being handled by the same company at a new project cost of ₦49,335,306.25

The Permanent Secretary, Federal Ministry of Health had been contacted to give the true position of the new theatre under construction, and his response is being awaited.

FEDERAL MINISTRY OF WATER RESOURCES

7.30 In 1981, the Federal Government of Nigeria established 2 irrigation training schools at Hadejia and Abeokuta under the Hadejia-Jama'are and Ogun-Osun Basins Development Authority respectively. The purpose was to develop middle level manpower in the field of irrigation and general agriculture. The Jigawa State Government wrote the Federal Ministry of Agriculture and Water Resources vide the Hadejia-Jam'are Basin Authority for the school of irrigation to be released to it to form part of Jigawa State Polytechnic when it was newly established in 1992.

(b) The Board of Directors of the Basin Authority deliberated on the issue and advised the Ministry to release the school at a token sum of ~~N~~5 million being 1/3 of the value which was used to establish alternative training facilities at its Headquarters. Contrary to the boards recommendation, the school was handed over to Jigawa State government at no cost at all.

(c) The Auditor's physical inspection revealed that prior to the release of the school at Nil cost to the State government, additional facilities like connection to National grid by NEPA, functional borehole, junior and senior staff quarters, hostels, laboratories, administrative office blocks etc. increased the value of the school to ~~N~~1.2 billion. It was observed also that apart from releasing the school at no cost contrary to the recommendations of the Board of Directors, the approval of the Federal Executive Council was not obtained for the release of the school.

The Permanent Secretary has been informed of these anomalies and has been asked to recover the paltry sum of ~~N~~400 million from Jigawa State Government being the 1/3 of the current value of the property recommended by the then Board of Directors.

His response is being awaited.

UNIVERSITY OF AGRICULTURE, UMUDIKE

7.31 During the examination and posting of paid vouchers into the cashbook, it was observed that between June 2007 and August 2008, 16 paid vouchers for amounts totalling ~~N~~91,528,817.95 were not produced for audit examination in accordance with Financial Regulation No. 601 which states that "under no circumstances should a cheque be raised or cash paid for services for which a voucher has not been raised". Efforts made to get these outstanding paid vouchers proved abortive.

(b) The contract for the supply of laboratory equipment was awarded to a company at a contract sum of ~~N~~49,836,400.00 and was paid 25% of the contract sum which amounted to ~~N~~12,459,100.00. The contract commenced on February, 2007 and was

expected to be completed in November, 2007. However, as at the time of the visit in April, 2009, nothing was achieved to derive Value-for-Money against the expenditure of public funds.

(c) The contract for University Secondary School Phase 1 was awarded to a company at a contract sum of ~~N~~9,987,651.25. The job commenced on 4th April, 2006 and was expected to be completed on 11th December, 2006. The sum of ~~N~~4,012,756.01 was paid to the contractor to facilitate early completion but failed to meet up the completion date hence value could not be derived from the money expended.

(d) The contract for the construction of a Farm House/Hatchery was awarded at a contract sum of ~~N~~4,510,276.20. Though the contract commenced in 2005, it was expected to be completed in 2006. However, the contractor was paid the sum of ~~N~~2,497,162.20 to move to site yet as at the time of our visit in April, 2009 nothing was achieved.

(e) The contract for the supply of laboratory equipment was awarded to a company at a contract sum of ~~N~~33,276,632.98. The contract was expected to commence in April, 2005 and to be completed in February, 2006. The contractor was paid the sum of ~~N~~12,829,400.00 which was above the statutory 25% mobilization fee as at that time. Whereas the actual 25% sum to be paid should have been ~~N~~8,344,158.25, the contractor was over paid by ~~N~~4,485,241.76. When the audit team visited the University in April, 2009 the supply has not been completed.

All the above mentioned anomalies have been brought to the attention of the Vice Chancellor and his response is being awaited.

MINISTRY OF FOREIGN AFFAIRS (MFA)

7.32 The contract for the construction of Ministry of Foreign Affairs, Headquarters was originally awarded to a construction company on 29th November, 2000 by the Federal Executive Council (FEC) at a contract sum of \$6.099 billion and with 24 months completion period. The company was declared insolvent along the line, and as a result, it was incapable of continuing with the contract and this led to the termination of the contract in May, 2004 by the Ministry with a letter dated 22nd May, 2004.

(b) Earlier, the Ministry had paid a total sum of ~~N~~1,812,018,694.50 to the contractor for the importation of materials, plants and equipment for the construction work. The commercial bank which stood as guarantor to the company to the tune of ~~N~~1,812,018,694.50 declared through a letter dated 9th June, 2003 that the bonds issued in favour of the company as a guarantee for the advance payments for those materials, plants and equipment had expired.

The Permanent Secretary had been urged to forward evidence of the recovery of the sum of ₦1,812,018,694.50 from the company to my Office for verification.

Payments noted so far with regards to the Headquarters contract as extracted from the payment vouchers include:-

S/N	Date	Details	Amount Paid ₦	Total ₦	Total Tax Expected from contractor ₦	Actual Tax paid ₦
1.	29/12/05	Mobilization	1,000,000,000.00			
2.	05/04/06	"	905,421,887.00	1,905,421,887.00	190,542,188.7	106,230,872.07
3.	01/08/06	Installment	393,447,674.33			
4.	01/08/06	Retention	39,344,767.43	432,792,441.76	43,279,244.1	37,471,208.08
5.	24/01/07	Installment	528,849,072.19	528,849,072.19	52,884,907.2	36,502,231.50
6.	04/05/07	"	1,223,278,893.10	1,223,278,893.10	122,327,889.3	116,502,751.74
7.	28/01/08	"	455,299,138.77	455,299,138.77	45,529,913.8	43,361,822.74
8.	22/07/08	"	930,426,233.72	930,426,233.72	93,042,623.3	90,662,982.45
9.	10/12/08	"	671,717,316.28	671,717,316.28	67,171,731.6	63,973,068.22
				6,147,784,982.82	614,778,498.28	494,704,936.80

(c) A total sum of ~~₦6,147,784,982.82~~ was paid to the contractor as noted above. The total amount of WHT and VAT at the rate of 5% each expected to be deducted upfront was ~~₦614,778,498.28~~. While an amount of ~~₦494,704,936.80~~ was deducted so far, leaving an outstanding balance of ~~₦120,073,561.48~~ as tax liability. However, the Permanent Secretary had been requested to recover the sum of ~~₦120,073,561.48~~ from the company and remit same to the Federal Inland Revenue Service. Also, forward the particulars of recovery to my Office for verification.

(d) The contract was later re-awarded by the Federal Executive Council during its 21st meeting of May, 2005 to another company with a completion period of 72 weeks. A memorandum by the Minister of Foreign Affairs dated 29th April, 2005 to the Federal Executive Council (FEC) after tender analysis, requested that the contract be awarded to a construction company after due consideration of its overall price advantage at a contract sum of ~~₦7,621,687,468.00~~ with 72 weeks completion period, over the quotation, submitted by a different company for amount of ~~₦8~~ billion which was considered overall best because of its technical competence.

However, the award was made to an International company without documentary reason to justify why the contract was not awarded to the most qualified, using price as a benchmark. The Permanent Secretary had been required to explain the justification for not awarding the contract to the construction company which had the least quotation.

(e) An Associate company was the sole consultant engaged for the Headquarters building. The 1st fee claim was submitted in December, 2005 by the consultant in the sum of ~~₦64,226,042.62~~. The Technical Committee of the Ministry of Foreign Affairs vetted the claim and reduced it to ~~₦31,795,185.77~~. Further examination of the fee

claim in accordance with professional scale of fees (revised edition) of April, 1996 and CBN's inflation index by the Director (PRS) revealed that the consultants were only entitled to ~~N~~19,946,181.96 and not even the ~~N~~31,795,185.77 recommended by the technical committee.

(f) In a minute addressed to the Permanent Secretary and Director (PRS) MFA by an Assistant Director (Projects) on 6th October, 2006, he called the attention of the management to the fact that no provision was made in the budget for consultancy services on the contract for the MFA Headquarters Complex. On 30th December, 2004, vide bank cheque No. 00007098, the company was paid the sum of ~~N~~9,047,619.04 net of WHT and VAT. The consultant made a case to be paid its outstanding balance of ~~N~~21,795,185.77 on its letter to the Honourable Minister/Permanent Secretary dated September 5, 2005 and another 1 dated 4th January, 2005.

(g) It was noted however, that 2 claims were computed and both are issues to be considered very critically. The sum of ~~N~~31,795,185.77 was the amount arrived at by the Technical Committee which was vetted and reduced from the initial computation of the consultant from ~~N~~64,226,042.62 to ~~N~~31,795,185.77 which was more than 50% reduction. The sum of ~~N~~19,946,181.96 was computed in line with the professional scale of fees (Revised Edition) of April, 1996 and CBN's inflation index.

(h) Ideally, payment should have been based on the later sum of ~~N~~19,946,181.96 in accordance with professional scale of fees and CBN inflation index but this computation was ignored and the total claim of ~~N~~31,795,185.77 was fully settled by the Ministry of Foreign Affairs i.e. ~~N~~10,000,000.00 was paid as stated above on 30th December, 2004 vide CBN cheque No. 00007098 through a commercial bank. This is a case of misapplication of fund since there was no provision for consultancy services in the budget or virement which is a violation of the provision of the Financial Regulation No. 517. The balance of ~~N~~21,795,185.77 was settled as loan from the International company later when fund became available. In all the payments to the consultant, there was no evidence of due process compliance.

The issues at stake include:-

- (i) There was no provision for consultancy in the budget as noted in the minutes signed by an Assistant Director (Projects).
- (ii) The consultant was entitled only to ~~N~~19,946,181.96 according to professional scale of fees and CBN's inflation index, and not ~~N~~31,795,185.77, therefore the excess payment of (~~N~~31,795,185.77 – ~~N~~19,946,181.96) ~~N~~11,849,003.81 should be recovered and paid back to chest as it is not a proper charge to government purse. The particulars of the recovery should be forwarded to the Office of the Auditor-General for the Federation for verification.

- (iii) The loan collected from International Company was irregular as no individual or corporate body has the right to borrow money on behalf of Government. Financial Regulation No. 2929 stipulates that “it shall be a very serious offence for any public officer to award contract when funds are not available”.
- (iv) The consultant’s 1st claim for the sum of ~~N~~64,226,042.62 on 05/11/04 which was later vetted and reduced to ~~N~~31,795,185.77, showed that the bill covered the months of June, 2002 to May, 2004. It should be noted that the first company became insolvent and the contract was terminated in May, 2005. Between June, 2002 to May 2005, no construction work was embarked on. Surprisingly, associate company claimed to have been supervising the job when work at site was at a halt. So far, a total sum of ~~N~~31,795,185.77 has been paid to this consultant made up of:
 - ♦ The misapplied ~~N~~10 million from overhead.
 - ♦ The borrowed sum of ~~N~~21,795,185.77 from the contractor.

However, the Permanent Secretary had been asked to produce evidence showing that the consultant was actually engaged between June 2002 and May, 2005, otherwise the total sum of ~~N~~31,795,185.77 paid to him (as against the professional scale of fees of ~~N~~19,946,181.96) should be recovered and paid back to chest with evidence of recovery forwarded to my Office for audit verification.

- (iv) Also, explain why there were no due process certification backing the total payment made to the consultant in line with extant regulation, otherwise the sum of ~~N~~31,795,185.77 will be regarded as an improper charge to government fund and should be recovered fully from the consultant.
- (v) The authority for the loan was not seen, its position and interest rate could not be determined. If interest is paid on the loan, the individuals who contracted it should be responsible for the refund of the interest element in consonant with the government regulation. There is no evidence to show that the loan has been fully refunded to the contractor. The Permanent Secretary had been required to comment and react on this development. His response is being awaited.
- (vi) The ~~N~~10,000,000.00 initial settlement was paid out of overhead account on 30/12/04. This was a misapplication of fund whereas the Financial Regulation 517 provides that Expenditure shall be strictly classified in accordance with the Estimates, and votes must be applied only for the purpose for which the money is provided. “Expenditure incorrectly charged to a vote shall be disallowed”. Financial Regulation No. 415(iii) also provides that virement from one Head of Account in the Recurrent Expenditure to another Head of Account in the Capital Expenditure shall not be allowed and vice versa and if it must be allowed, approval for virement must be received from the National Assembly.

- (vii) No provision was made for consultancy service in the budget. The Permanent Secretary had been requested to explain why expenditure item without provision in the budget was embarked upon without appropriate authority.
- (viii) One of the reasons given for upward review of the contract to the company was that there were 2 serious fire incidents. The financial implication of the extent of damage could not be ascertained because of dearth of information. Also there was no evidence of insurance cover for a building that is worth billions of naira.

The Permanent Secretary had been advised to provide

- (i) The insurance particulars of the building.
- (ii) Evidence that this incident took place and was reported in line with the provision of extant regulation to both the Accountant-General of the Federation and the Auditor-General for the Federation.

7.33 It was discovered that computerization of the Ministry was carried out in the year 2007 and various contractors were engaged for different computer related jobs ranging from consultancy to supply and installation etc.

- (i) A total sum of ~~N~~74,383,540.67 was paid as mobilization fee for all the 11 (eleven) transactions relating to the computer installation of the Ministry. It was noted that the 5% WHT and 5% VAT amounting to ~~N~~7,438,354.07 was not deducted, whereas Financial Regulation No. 334 (i-v) stipulates that "Accounting officers should ensure that VAT and WHT are provided for and remitted to the FIRS within 21 days after the end of the month of Account as laid out in Appendices 19 and 20 of the Financial Regulations. Any loss resulting from failure to do so shall be recovered from the statutory allocation of the defaulting Ministry/Extra-Ministerial Office and defaulting officers shall be sanctioned under the applicable VAT Act No. 102 of 1993 which may include fines and/or imprisonment.
- (ii) All the items supplied amounting to ~~N~~242,654,163.24 were not taken on charge and this act contravened the provision of the Financial Regulation which requires store keepers to certify on all payment vouchers, for the purchase of stores that the store items have been received and taken on charge in the stores ledger quoting the SRV number. It cannot be ascertained that these supplies were actually made unless proved otherwise. It is therefore not certain that government derived full value from these contracts.
- (iii) There was no evidence of competitive bidding, newspaper and other form of advertisements in line with the requirement of BM & PIU. The Permanent Secretary had been requested to comment on the matter. His response is being awaited.

7.34 On 09/03/07 the sum of ~~N~~2,282,978.84 was paid to an organization for the completion of luggage store, lock up shops, remodeling of clinics etc. at the transit camp in Port Harcourt with a payment voucher and a CBN cheque. It was observed that instead of 25%, 50% was paid as mobilization fee totalling ~~N~~637,773.50 out of ~~N~~9,275,547.00. This is a contravention of the Financial Regulation No. 2930 which states that “where it is necessary to make advance payment exceeding 25% of the total contract sum, the request for such payment must be approved by the President”. This act places government at a higher risk of losing part of its scarce resources to dubious contractors.

The Permanent Secretary had been asked to comment on the lapses. His response is being awaited.

OVERSEA MISSIONS

IRAN (TEHRAN)

7.35 The sum of ~~N~~43,513.972.50 was released to the Embassy of Nigeria in Tehran for the renovation of the Ambassador’s residence on 26/9/07. The residency building in which this huge sum was expended had a legal dispute which had not been settled as at the time of this payment. From the available record, it was discovered that the residence was purchased for \$1.25 million in 1994 and the title document was with the former owner who was in court to repossess the property because of unsettled amount agreed to by the mission. In order to regain possession of the property, the former owner claimed that there was no sale initially and that the agreement was a tenancy agreement and the mission did not have any concrete document to defend this case.

Similarly, it was observed that the sum of ~~N~~91,674,825.25 was sent to Tehran on 04/09/07 for the settlement of debt for which had no detailed analysis.

GERMANY (BONN)

7.36 Bonn used to be the capital of Germany and following the movement of the capital to Berlin, all the diplomatic missions in Bonn had to follow suit, the Nigerian mission inclusive. With this movement the mission left behind a chancery and residence that is worth €3.2 million amounting to ~~N~~600 million as at 2005, according to independent valuer. The approval of the then President was sought for to dispose of the property without the involvement of the Accountant-General and the notification of the Auditor-General according to Financial Regulations 2519, 2520, 2902. However, the approval of the then President was not explicitly given as the write up says “Minister of Foreign Affairs your necessary action” and not “approved” as there is a difference between “necessary action” and “approved”. The property was later put up for sale and there was no record to show the receipt of proceeds or the remittance as

the case may be. The Permanent Secretary had been requested to provide documentary evidence as to whether the property had been sold or not.

If the property had been sold, the evidence that the proceed had been paid into the Consolidated Revenue Fund Account should be forwarded for audit verification.

TURKEY (ANKARA)

7.37 The examination of the records of Nigeria Mission in Ankara, Turkey maintained with the Ministry of Foreign Affairs Headquarters, revealed that the Nigeria Mission at Turkey made a saving of \$194,775.00 equivalent of ~~N~~22,983,450.00 from the Recurrent Expenditure from the year 2007 financial budget. The money should have been paid back to government chest, instead, a revote was approved by the Ministry for the money to be used to carry out repairs of the chancery and residence. This is contrary to the provisions of Financial Regulations 321 & 413 on the treatment of surplus of government fund.

The Permanent Secretary had been requested to comment on this issue and his reaction is being awaited.

ITALY (ROME)

7.38 The sum of ~~N~~63,127,905.57 was sent to Rome for the rehabilitation of the electrical systems in the mission for the year 2007. It was discovered that the consultant who was engaged to carry out the job had dealing with the mission previously in the year 2000 which involved the misapplication and misappropriation of the mission's capital fund. The matter was yet to be concluded before the mission engaged the consultant again for the rewiring of the Chancery when the members of staff were still under the action of the ministry's disciplinary committee. The mission should have allowed the case to be concluded before re-engaging the company for another job. It is obvious that the credibility of the company is doubtful..

BELGIUM (BRUSSELS)

7.39 The Nigerian Embassy owns a property at No. 19 Irislaan, 3080 Vossem/Tervuren which was revalued at €270,000.00 totalling ~~N~~43,643,556.00 as that was the highest bid when placed on public bidding in August 16, 2006. The Embassy and the Ministry did not seek the approval of the President or notify the Accountant-General or the Auditor-General of the proposed sale. The amount realized was not known and if sold, there was no evidence that it was appropriately lodged into the appropriate account. There was also no evidence of due process compliance and receipt issued for the property sold, contrary to the provisions of the Financial Regulations Nos. 2519, 2520 and 2902 of 2006. The Permanent Secretary had been requested to please, furnish the necessary documents for verification and to comment on the lapses.

U.S.A. (ATLANTA GEORGIA)

7.40 The consulate had the sum of \$450,000 amounting to ~~N~~57,825,000.00 being balance of funds for missions indebtedness which had been fully liquidated and the amount was paid as deposit for the mortgage facility for the purchase of a residence for the Consul General which was expected to cost \$967,000.00 equivalent of ~~N~~124,259,500.00. The intention of the Ministry was to use the \$3,500.00 (~~N~~449,756.00) monthly rent for the house of Consul-General to service the mortgage. The transaction was entered into in the year 2005. Evidence of due process compliance should be produced as there was no such evidence amongst the records made available to me, otherwise the transaction will be regarded as not properly conducted and full value for money could not have been derived from it. It was observed that there was no formal notification of the Department of State and also evidence of authorization of the Director of the Office of Foreign Missions who was supposed to process the lease or purchase of any real property in the United States before the purchase of the property located at No. 9650 Robert Drive, Atlanta, GA 30350.

The Permanent Secretary had been requested to provide the following evidence:

- ♦ Due Process compliance in the purchase transaction;
- ♦ Involvement of professional valuers to ensure that realistic value was placed on the property purchased and to ensure that due economy was exercised in line with the provision of the Financial Regulation No. 515.

USA (WASHINGTON D.C.)

7.41 The Nigeria Embassy in Washington D.C. possessed 3 houses and these were disposed of by the Embassy without any evidence to show that professional valuers were involved to ensure that the sales prices were realistic in accordance with the extant regulation. It was noted that the Ambassador sought the approval of the former President to dispose of the properties although no reference was made to the Accountant-General of the Federation and Auditor-General for the Federation. The sales proceed from the 3 properties was \$20,586,497.84 at the rate of ~~N~~126.51 valued at ~~N~~2,604,397,841.71. The amount realized was paid into an unknown special bank account. This transaction took place in year 2006.

The Ambassador sought approval to use the proceeds to purchase another house but approval was not given on the ground that due process was not complied with.

In order to ascertain whether full value was derived from the sales transaction, the following documentary evidences are required.

- (i) Authority to open the bank account where the sum of \$20,586,479.84 was lodged, in line with the provision of Financial Regulation 801 which provides that “No” official bank accounts shall be opened unless authorized by the Accountant-General; and that each approved account shall be maintained under an official designation.
- (ii) Evidence of the involvement of professional valuers in the determination of appropriate sales proceeds for the buildings that were disposed of;
- (iii) Name and address of the bankers in question together with the cheque booklets, teller and bank statement(s);
- (iv) Due process compliance in every aspect of the sales;
- (v) Evidence that approval was given for the purchase of another property, approval of a well constituted board and evidence to show that due process was followed to the letter.

If the building was later purchased, evidence of the involvement of professional valuer to ensure that due economy was exercised in the purchase transaction.

SAUDI ARABIA(RIYADH)

7.42 The chancery and Residence of Nigeria Ambassador in Saudi Arabia, Riyadh was constructed and commissioned in 1994 by an International consulting organization. The building cost \$9.6million and 8 years later that is in year 2002 major cracks were noticed on the wall. Over ₦10,720,000.00 has been expended on the building that is supposed to be under warranty from the company that constructed it. The defect reported on the building must have resulted from the fact that there was no professional from the home country to supervise the construction. It is therefore obvious that full value has not been derived from the project.

LIMITATION TO SCOPE OF AUDIT

Payment Vouchers:-

7.43 49 payment vouchers relating to year 2005/2006 transactions worth ₦251,130,075.71 were not presented to the audit team for the purpose of value for money audit. Payment vouchers numbering 12 that worth ₦74,563,290.48, relating to year 2007 were also not presented for audit exercise. Again for year 2008, 30 payment vouchers worth ₦183,462,502.00 were not presented for audit.

Altogether, 91 payment vouchers worth ₦509,155,871.19 relating to the years under review i.e. 2006, 2007 and 2008 were not presented to the team for audit. This represents about 2.7% of the total capital releases of ₦18,962,881,519.08 for the 3

years under review. Without the payment vouchers, the expenditures cannot be accepted as proper charges against taxpayers funds.

OVERSEA MISSIONS' FILES:

7.44 Out of over 100 files in the overseas mission, less than 50 Nos were made available to the team for audit, implying that more than 50% of the total missions files were not presented for audit.

All the above mentioned anomalies have been brought to the attention of the Permanent Secretary and his reaction and comments are being awaited.

NIGER DELTA DEVELOPMENT COMMISSION

7.45 600 units of tractors costing ~~N~~7.89 billion were procured by the NNDC for distribution to the 9 Niger Delta States for Agricultural enhancement programme between 2003 and 2005. Mobilization fees for these contracts were paid at 80% as against 25% stipulated by extant rules and regulations.

(b) Audit verification of the procurement and distribution of the tractors to the 9 states in June, 2007 revealed that only 135 Tractors were distributed to the States at the rate of 15 units for each State. The remaining 465 Tractors were yet to be assembled as their parts were littered in the warehouse, while some were still in the container.

(c) Management has been asked to explain why 80% Mobilization fee was paid instead of 25% and why such valuable items should be left to rot away as it is obvious that Government did not derive value for the cost of 465 units of tractors equipment procured and paid for. The reaction of the Commission is being awaited.

7.46 NDDC contracted 8 companies to supply 236 units of Boats under its Mass Transit (Marice) Scheme for a total cost of ~~N~~755,956,000.00. Among these 8 contractors 3 were fully paid but failed to supply a total number of 15 boats valued at ~~N~~83,377,500.00 while those supplied at the remaining value of ~~N~~675,578,500.00 were left to rot away under harsh weather condition.

(b) Management has been requested to recover the sum of ~~N~~83.3 million from the defaulting contractors or cause them to complete the supply and also to explain why 121 boat units valued at ~~N~~675,578,500.00 were left to rot away. The matter is under correspondence.

7.47 A consultancy firm engaged for the training of Niger Delta Youths under the Commission's skill acquisition and training programme was paid a total sum of ~~N~~176,000,000.00 as consultancy fees. This payment would have attracted a 10%

Withholding tax but only 5% valued at ~~N~~8,800,000.00 was deducted, leaving the sum of ~~N~~8,800,000.00 as under-taxation.

Management has been asked to recover the sum of ~~N~~8.8 million from the contractor. The reaction of the Management is being awaited.

7.48 The Afam Water Project in Oyigbo Local Government Area of Rivers State was contracted out by the Commission during the period under review at a total cost of ~~N~~17,169,928.11. 25% mobilization fee amounting to ~~N~~4,292,482.03 was paid to the contractor after which he failed to execute the contract.

Meanwhile, this project was taken over by another company after the contractor was paid the 25% mobilization fee and no recovery was made from him subsequently. Management has been asked to recover the sum of ~~N~~4.29 million from the contractor, otherwise relocate the project to another site for the contractor's execution. The comment of the Management is being awaited.

7.49 The Commission invested a total sum of ~~N~~36,914,000.00 on the cultivation of 20 hectares of rice farm through a contractor in Akwa Ibom State. Audit inspection of the rice farm revealed that only 18 hectares was cultivated and not 20 hectares as claimed and paid for, resulting in the loss of ~~N~~3,791,400.00 for the two uncultivated hectares.

(b) Similarly, the Bill of Quantity (BOQ) drawn up for the project, made provision for the following items which were not carried out by the contractor:-

- (i) Diesel and Lubricant for ~~N~~2,080,000.00;
- (ii) 33,000 litre water tank for ~~N~~325,000.00; and
- (iii) 33,000 litre Diesel tank for ~~N~~325,000.00

7.50 It was equally discovered that only 500 bags of rice estimated at ~~N~~3,500,000.00 were harvested in the farm resulting in the loss of ~~N~~33,414,000.00 on the investment.

(b) Management has been asked to recover the total sum of ~~N~~6,441,400.00 from the contractor as the cost of unexecuted provisions in the B.O.Q. and to explain the inefficient and uneconomical investment of public funds resulting in such a colossal loss of ~~N~~33,414,000.00. The matter is under correspondence.

7.51 Contract for the cultivation, maintenance and harvesting of 80 hectares of rice farm was in 2006 awarded by the Commission at a total cost of ~~N~~74,130,000.00 and was expected to be completed in 26 weeks. Included in the B.O.Q. were items of equipment, borehole drilling and pump at ~~N~~12,820,000.00 which were not seen during inspection as well as ~~N~~3,530,000.00 not accounted for, even though a 100% (~~N~~74,130,000.00) payment was made to the contractor. Management has been requested to recover the sum of ~~N~~12,820,000.00 from the contractor and account for

the sum of ~~N~~3,530,000.00 being Contingency Provision in the contract. The reaction of the Management is being awaited.

7.52 The Commission engaged a contractor to clear 100 hectares of land for ~~N~~30million, another 50 hectares for ~~N~~7.5 million and to plant cassava stems in 100 hectares for ~~N~~22.3 million, all amounting to ~~N~~59,829,300.00.

(b) Examination of the Commission's directorate of Agricultural and Fisheries status report on the project revealed that the contractor did not carry out work valued at ~~N~~25,048,185.00 even though he was fully paid for the contract. The project site was a swamp and no single cassava stem existed there because they could not thrive in the swamp, meanwhile this has resulted to the loss of the sum of ~~N~~59.8 million invested on the project.

(c) 1 week before this inspection in June, 2007, a Commissioner representing a State in the Commission collected the sum of ~~N~~4.9 million for the weeding of the swamp farmland that never was. Management has been requested to explain why full payment was made for work not executed and to recover the sum of ~~N~~25,048,185.00 from the contractor.

(d) Equally requested of the Management was the recovery from the Commissioner, the sum of ~~N~~4.9 million for weeding that did not take place and justification of this inefficient and unprofitable investment of public fund.

The anomalies mentioned above have been communicated to the Managing Director whose response is being awaited.

SECTION 8

**PERIODIC CHECKS
OF STATUTORY
BODIES**

PERIODIC CHECKS OF STATUTORY BODIES

FEDERAL ROAD MAINTENANCE AGENCY (FERMA)

8.01 A sum of ₦2,089,905.17 was paid as advance to a non-staff of Federal Road Maintenance Agency (FERMA) for the procurement of Rugs, Electric Kettle, Panasonic Copier Machine (DP-3030), etc. in Honourable Minister of transportation's Office. However, this cash advance was not recorded in the Agency's (FERMA) advances ledger and there was also no evidence of utilization of the fund for the purported items such as Receipts, SRV, etc made available for our check.

(b) The irregularity observed herein has been brought to the attention of the Managing Director who has been requested to:-

- (i) Provide explanation for granting cash advance to a non-staff of the Agency in contravention of extant financial regulation. Granting of cash advance to a non-staff is a total breach of Government laid down financial rules, as it will be difficult to control and monitor proper use of such funds.
- (ii) Ensure the retirement of the cash advance granted, while evidence of purchased items taken on store charge of the Agency's (FERMA) records should be provided. Otherwise the amount should be recovered from the officer who authorized the advance, forwarding recovery particulars for audit scrutiny.

8.02 A sum of ₦3,460,000.00 was paid to a company for the accommodation and feeding of Governing Board and Committee members of FERMA without relevant supporting documents such as; hotel bills, list of participants as well as evidence of acknowledgment from the Hotel for the total sum paid.

(b) The Managing Director has been asked to confirm the genuineness of the disbursement, by providing the following documents for audit scrutiny.

- (i) Copies of Hotel bills regarding each of the payment made.
- (ii) List and evidence of the participants at the meeting.
- (iii) Hotel receipts acknowledging all the disbursements.

(c) The Agency is in the habit of granting cash advances to staff for procurements and jobs execution instead of awarding contracts to third parties in line with extant rules and regulations. However, further review of the entire transactions revealed the following:-

- (i) Some officers were granted cash advances without retiring the previous ones as required by the Financial Regulations which discourage the accumulation of public funds in the hands of staff for a long period of time.
- (ii) Also, some officers were granted cash advances for purchases in excess of ₦100,000.00 contrary to the provision of extant regulations.
- (iii) Cash Advances Ledger was not updated as at the time of audit visit which resulted in huge outstanding cash advances granted to staff.

The Managing Director has been requested to comment.

8.03 The Agency has State offices in all the States of the Federation for enhancing its aims and objectives. Audit review showed that these offices were only given funds to carry out Direct Labour, Regular Contract as well as Retainership without any fund given for the day to day running of the office activities. Absence of dedicated funds for the running of the office will no doubt, leave the Chief Maintenance Engineers/Zonal Directors (CME/ZD) to use unofficially the funds meant for dedicated jobs such as Direct Labour, Retainership and regular contract. This will definitely have negative impact on the execution of the jobs and proper accountability of the funds. For instance, each CME/ZD is allocated with utility vehicle without any release of fund for the maintenance of such vehicle. Also, each State Office paid monthly bill for Electricity consumed and casual drivers engaged during the year without any fund being released from the Headquarters for such expenses. The Managing Director has been asked to allocate adequate funds for office maintenance and day to day activities of the Agency to prevent unauthorized use of dedicated funds meant for road maintenance.

8.04 The Agency paid a total sum of ₦176,400,000.00 as consultancy fees to 35 consultants commissioned to assist the Chief Maintenance Engineers (CEMs) in taking charge of measurements and quality control aspects of supervisory activities on FERMA projects in all the 36 States of the Federation and FCT, Abuja. Agreement for the fees paid was reached at the meeting held with the consultants at the Agency Board room on the 14th July, 2006, in which a total of ₦450,000.00 was paid monthly to each of the consultants between November, 2006 and October, 2007. In reviewing the contract agreement with the consultants, it was observed that the monthly fee payable to the Consultants should have been based on the work done for each month.

The Managing Director has been requested to explain why the fee payable to the consultants was not based on the work done for the month measured by time spent, staff strength engaged on the job, etc. Also, he is to furnish this Office with the basis of determining the agreed monthly consultancy fees of ₦450,000.00, including monthly reports of the consultants on work done and duly certified by CME of each of the State offices for audit checks.

8.05 The sums of ~~₦~~1,000,000.00 and ~~₦~~5,000,000.00 totalling ~~₦~~6,000,000.00 were paid as pledges and donations to Drivers Welfare Club of Nigeria and Nigeria Association of Public Highway Transportation (NAPHTO) respectively.

However, it is necessary to emphasize that funds allocated to the Agency were basically for maintenance of roads within the country as well as payment of staff salaries and overheads. Therefore, the use of the Agency's funds for pledges and donations that are not included in Annual Budget Appropriation is contrary to the provisions of the Financial Regulations.

The Managing Director has been called upon to exercise restrictions on the use of the Agency funds as donations to Associations and justify the above expenditure showing evidence of its budgetary provisions.

8.06 During the review of the Agency's internal control system on the assets maintained, it was observed that drivers were engaged at individual C.M.E's discretion to drive Government utility vehicles. This action could expose the Agency's vehicles to greater risk as these drivers are not on the employment list of the Federal Government and have no benefits or entitlements which can serve as collateral security for the Agency to fall back on in case of any misconduct or loss of Government property.

The Managing Director has been asked to stop the use of casual drivers from driving government vehicles in order not to expose government vehicles to unwarranted risks such as theft, damage, avoidable accident etc rather, their engagements may be formalized in line with Government regulations.

8.07 A sum of ~~₦~~7,972,000.00 was paid out from the funds of the Zonal Director, South-South for vegetation control in North-West. Also serious internal control weakness over the use of vegetation control sub-head was observed.

The Managing Director has been requested to ensure that:-

- (i) Utilization of fund for vegetation control should be properly documented.
- (ii) The North-West Zonal Director should acknowledge receipt of the sum of ~~₦~~7,972,000.00 from the South-South Zonal Director.
- (iii) Management of FERMA should urgently look into the way the fund for vegetation control is utilized and put more controls in place to ensure, judicious economic, effective and efficient use of taxpayers' funds.

8.08 During the review of the payment voucher amounting to ~~₦~~15,000,000.00 made to a company for Demurrage on the 13 Nos. 40 feet container housing vital component parts of 60-70 TPH Asphalt plant at Tin-can Island Port, Lagos; the following irregularities were observed:-

- (i) The Agency deliberately left the goods at the Tin Can Port for 2 years, ignoring several demands of the Clearing Agent;
- (ii) The sum of ₦15,000,000.00 paid to the company could have been avoided if management responded urgently when the first demand note was issued.
- (iii) It was observed that the purported goods were not needed as at the time of the award because the containers were allowed to stay for too long at the Port for between 22nd May, 2005 and June, 2007 despite notification by the Clearing Agent on the need to move the imported goods from the Wharf. Management should have considered the means of delivering the items to the final destination during the course of awarding the contract if actually the goods were needed.
- (iv) The payment was approved by the Managing Director without reference to the Agency's Board of Directors since the amount involved was above his approval limit.
- (v) The payment was not acknowledged with the official receipt of the Clearing Agent.

The Managing Director has been asked to explain:-

- (i) The need for the goods and equipment
- (ii) Why the goods were left in the Wharf for more than 2 years after clearing, thus attracting demurrage.
- (iii) Provide relevant documents of importation including foreign exchange approval from Central Bank of Nigeria and duties paid, (if any)
- (iv) Provide distribution documents to the user location
- (v) Furnish records of due process followed in the award of the contract and appropriate approving authority.
- (vi) Give details of the Clearing Agent including name, address, amount paid, acknowledgement receipt, etc.

NATIONAL HEALTH INSURANCE SCHEME

8.09 A sum of ₦255,000.00 was paid to an officer of the National Health insurance Scheme on a payment voucher dated 10th July, 2006 as sitting allowance, tea and snacks for 5 members administrative Committee on missing Laptop and other Security Matters. Information as to the circumstances that led to the theft of the laptop and the Committee Report could not be produced to the Audit Team for perusal.

The Secretary has been requested to furnish this Office with the following:-

- i. The circumstances that led to the theft and the effort now put in place to forestall such occurrence.
- ii. The police report to that effect.
- iii. The report of the Administrative panel set up by the Management of the Agency and the disciplinary measures taken on the culprits.
- iv. Completed Treasury Form 146.

8.10 Payments totalling ~~N~~1,930,013,280.29 made for the Scheme HMS capitation, Administrative charges, service charges, etc. were not acknowledged by the payees as the beneficiaries did not sign the payment vouchers and no official cash receipt was issued as required by extant Financial Regulations.

(b) Payments made to Zonal Co-ordinators as monthly recurrent costs were not acknowledged by them in the space provided for that purpose on the payment vouchers. Also, multiple beneficiaries of lump sums, such as touring advances paid to an individual on behalf of many officers were not acknowledged by the affected staff in the list provided.

(c) Payment vouchers totalling ~~N~~5,714,769.95 were not signed by the payees to acknowledge receipts of the payments thereon. It therefore becomes difficult to certify that the payments were actually made to the beneficiaries.

The prescribed control measures for the payment and receipt of Government monies were purposely designed to prevent lapses and sharp practices and should therefore be strictly observed.

8.11 Mobilization fees ranging up to 50% of contract sums were paid on the contracts awarded by the agency to some contractors as against the maximum ceiling of 25% stipulated in Federal Government Circular Ref. No. SGF/OP/1/172 of 11th October, 1999. The contractors concerned did not produce any Bank Guarantee so as to prevent any consequential losses, should the contractors fail to execute the contracts after the collection of the mobilization fees. This practice endangers public funds because the contractors had no performance bonds for the fees collected.

8.12 A total amount of ~~N~~103,417,915.78 was paid on 2 payment vouchers dated 18th December, 2006 for the sum of ~~N~~81,511,915.78 and 8th December, 2006 for the sum of ~~N~~21,906,000.00 into Sub-Treasury in fulfillment of the requirement of Ministerial Implementation Committee without relevant supporting documents to facilitate proper audit. These vital documents must be produced before the expenditure can be regarded as chargeable against public funds.

8.13 Some staff of the Authority were over paid leave transportation grants in 2007 financial year. It was observed that calculation of leave grants to these officers were based on their basic salary as at when they proceeded on leave, instead of their basic salary as at 1st January of that year, contrary to Public Service Rule 132 which

stipulates that “annual leave grant” should be calculated on basic salary of the staff as at 1st January of every financial year.

The Secretary has been requested to forward the schedule of the leave transport grants and all affected staff be made to refund the overpayments. Evidence of recovery should be forwarded to this Office for verification.

8.14 Cash advances totalling ₦14,644,306.61 granted to some officers of the Agency remained unretired as at the time of audit inspection of the Agency months after they were granted. Some members of staff were granted multiple advances ranging from 2 to 19 times while the previous ones had not been retired. Efforts made to retire these advances should be forwarded to this Office for verification.

8.15 Receipt Book Issue Note (RBIN) was not being used by the Headquarters to issue Revenue Receipt booklets to all the Zonal Offices, instead, the booklets were listed without a standardized format. For example, in Ibadan Zonal office, 50 booklets were received from the Headquarters on 12th September, 2005 without RBIN, rather a computer printer schedule/list was used to effect the issuance. The Ibadan Zonal Office had no standardized Issuing Note to issue the booklets to revenue collectors instead a computerized requisition form was being used to issue out the booklets.

This lack of proper control could lead to loss of revenue receipt booklets.

These issues have been communicated to the Secretary of National Health Insurance Scheme whose reaction is being awaited.

GALAXY BACKBONE PLC

8.16 During the periodic checks carried out on accounts of Galaxy Backbone Plc, Wuse 2, Abuja in compliance with section 85, Sub-Section 4, of the Constitution of the Federal Republic of Nigeria 1999, the following observations were made:-

(a) There was no statutory authority such as the Act of Parliament establishing the Company. The Act would have prevented the anomalies observed in the operation of the company as it would have stated the functions, powers and responsibilities, conditions for the appointment and tenure of Managing Director, Board Members, Secretary to the Board, rendition of annual accounts, etc in order to safeguard the Public Funds invested in the company. From all available records and reliable information the company was not initially planned to be a Government owned Corporation hence the need to register with the Corporate Affairs Commission.

The Managing Director of Galaxy Backbone Plc., has been asked to look into the need for an Act of National Assembly which will formalize the existence of this Agency as a legitimate government corporation, state clearly the company's objective

and vision as well as how to manage the finances and regulate the operation of the Agency. His reaction is being awaited.

(b) According to note 5 page 3 of the contract agreement on the tenure of the Managing Director, it was stated inter alia that “the appointment is for 4 years renewable for a further tenure of 4 years” by the Board. It was observed that the Board could decide to renew the tenure of the Managing-Director’s appointment every 4 years as many times as it wants. There should have been a limit to the number of time that the tenure could be renewed by Mr. President and not the Board of the Galaxy Backbone Plc. It appears that the Board is given unlimited powers to hire and fire the Managing Director.

The Managing Director has been asked to ensure that the:-

- (i) Conditions of employment of the Managing Director is in line with similar government agency in the same industry.
- (ii) Tenure and renewal of employment of the Managing Director should not be the Board’s responsibility but that of the Presidency.
- (iii) Proper definition of the Managing Director’s tenure should be obtained from the appropriate authority for future clarification and to avoid ambiguity in case of litigation. His reaction is being awaited.

8.17 It was observed from the minutes of the meeting held on ‘ICT BACKBONE’ in the State House on Tuesday 9th May, 2006 vide Ref. No. SH/COS/70/A/6188 dated May, 2006 that 10 members including Jigawa State Government were approved by the former President as Board members of Galaxy Backbone Plc. However, it was noted from payment documents that 13 members of Board of Directors were listed and paid sitting allowance and Directors fees.

The Managing Director has been asked to furnish explanation on the additional 3 Board members not originally on the list approved by the Presidency to this Office for verification. His response is being awaited.

8.18 Galaxy Backbone Plc engaged a consultant to evaluate its strategic plans in acquiring government infrastructures across the country. Based on this intent, Galaxy Backbone Plc listed among its interest ICT Companies, Galaxy IT & T (a State Government owned ICT firm which operates in the Federal Capital Territory (FCT). Incidentally, Galaxy IT&T has an office address in the same place where the present Galaxy Backbone Plc is now situated. The Consultant commenced its Due Diligence on the 11th of April, 2007 and completed over a two-week period. Its evaluation report on Galaxy ITT was discouraging, about 4.5% of the company’s total asset including its goodwill was certified by the Consultant. It is pertinent to note that Galaxy Backbone Plc proposed to acquire the company (Galaxy IT&T) with no versed expert staff or any

advantage such as equipment, strong financial base and inadequate information about some of the major assets of the company.

The Managing Director has been asked to explain what inform the decision to absorb the staff of Galaxy IT&T including the Managing Director and the outright acquisition of the Galaxy IT&T by Galaxy Backbone Plc. Audit checks revealed that the new company, Galaxy Backbone, has no goodwill or benefit to derive from the acquisition of Galaxy IT&T except the building it is using as temporary Headquarters. His explanation is being awaited.

Building:

8.19 This building is presently the company's Head Office building at Wuse 2, Abuja. However, this asset was not recognized in the company's asset book. The building was said to be owned by Galaxy Information Technology, a company wholly owned by a State Government. It was also observed that no rent was paid for this building to the State Government.

Equipment:

8.20 A Data Centre, located inside the twin building of the Head Office at Wuse 2, was said to worth millions of Dollars. The team was informed by the Managing Director of Galaxy Backbone that the equipment were paid for from direct disbursement made by PTDF for an approximate cost of 10 Million US Dollar. Details of the award of contract for the equipment, date of supply, terms of contract, contractor's name, actual cost, etc, were not made available to the audit team.

8.21 The Information Centre Equipment located along Federal Secretariat complex was acquired from a direct disbursement made by NNPC for an approximate cost of 18 Million US Dollar as disclosed by the Managing Director of Galaxy Backbone Plc. The contract was awarded by NNPC and was said to be on-going. However, the equipment was installed on the land purchased by Galaxy Backbone Plc from a company for a sum of ₦20,101,143.00 with first installment paid in December, 2007. While the cost of the land was recognized in the company's assets register, the equipment installed on the land were neither recognized nor documented in any book and record of the company as there was no evidence to show the buyer, supplier, date and cost of purchase. During audit visit to the location of the equipment, it was observed that a staff of Galaxy Backbone Plc was presently assigned to man the equipment, showing that the company was still in the possession of the equipment. However, without the title documents and other related documents to the purchase of the equipment it is difficult to ascertain Galaxy Backbone's ownership of these assets.

Motor Vehicles:

8.22 The company's asset include also 2 Honda Accord, 2.0 Elegance AT, supplied by The Honda Place on the 28th of June 2006 at a value of ₦5,990,000.00 each. The source of funds for the procurement of these motor vehicles could not be traced to the company's account made available for audit review. However, financial records relating to these assets were disjointed; hardly could one find reliable records relating

to the fixed assets of the company, having been acquired by various bodies such as NNPC, PTDF, Jigawa State Government, etc, before the existence of the company. The supply and installation of the equipment was said to be on-going. The Managing Director has been asked to comment on the following:-

- (i) The ownership and actual cost of the equipment, disclose and recognize them in the books of account of the company and to up-date the Fixed Assets Register.
- (ii) The position of the building housing the Headquarters of the company should be disclosed and if owned by the company, the cost should be stated.
- (iii) The source of fund for the purchase of the vehicles while certified photocopies of the relevant documents relating to ownership of these vehicles should be furnished to this Office for confirmation.
- (iv) Value and other title documents of the assets such as Head Office building, Data centre equipment, Information centre equipment etc., should be obtained from the donors or providers of such assets as authority for appropriate documentation. The company being a legal entity should recognize these assets in its books in conformity with the going concern and entity concept. All the other mentioned information regarding these assets should be obtained and forwarded to this Office for verification.

8.23 The following observations show the company's relationship with Galaxy IT&T during the examination of documents maintained by Galaxy Backbone Limited:

- (i) The existing Head Office of Galaxy Backbone Plc is owned by Galaxy IT&T. While the former is still occupying the building, there was no evidence to show that the company paid rent to the owner of the building for the property occupied.
- (ii) One of the highest Career officers among the staff of Galaxy Backbone Plc at the time of this audit was also the Managing Director of Galaxy IT&T, a company proposed to be acquired by the Galaxy Backbone Plc. Incidentally, this officer was the one nominated by one of the State Government to represent the State on the Galaxy Backbone Board vide letter Ref. No. FMST/DPM/100/T/134 dated 28th March, 2007.
- (iii) The nomination of the state Governor by the former President as a member of Board of Galaxy Backbone Limited should be investigated. There was no documentary evidence to show that the company (GALAXY BACKBONE) is a joint Venture between the State and Federal Government. It is important to clarify why only the State Government was nominated on the Board of Galaxy Backbone Plc out of 36 States of the Federation.

- (iv) From the document attached to the payment voucher a Cheque dated 7th February, 2008 in the sum of ~~N~~140,600.00 was raised in favour of Galaxy IT&T for replacement of the front wind screen of a car which was damaged on a site survey trip which Galaxy Backbone embarked on.

Despite all these observations, the relationship of Galaxy Backbone Plc with Galaxy IT&T was not disclosed to the audit team. The Managing Director has been asked to provide:

- (i) Explanation on the observations mentioned above with detail information and documents relevant to the relationship between the two companies.
- (ii) Agreement signed between the former President and the State Government to offer the latter a seat at the Board of the company should be reviewed and investigated.
- (iii) The Managing Director of Galaxy IT&T should cease to be a Board member of Galaxy Backbone Limited until Galaxy IT&T is acquired by the former and its percentage holding is determined. His response is being awaited.

8.24 The company invested a total sum of ~~N~~450,000,000.00 as fixed deposit with commercial banks rather than Nigeria Treasury bill as stated in the Federal Treasury Circular Ref. OAGF/PRS/005/111/22 dated 16th August, 1999 which stipulates guidelines on investment of idle funds in Nigerian Treasury Bills. Be it as it may, a total sum of ~~N~~93,204,326.99 was generated as interest income during the period under review.

The Managing Director has been asked to ensure that:

- (i) An experienced officer is assigned to manage its investment portfolio for efficient and effective management of the company's financial resources in line with government policy on investment..
- (ii) The proposed company's enabling Act should specify the use of operating fund and annual surpluses, (if any). His response is being awaited.

8.25 A total sum of ~~N~~2,629,913.00 was paid to the supervising Ministry (Federal Ministry of Science and Technology) for procurement and installation of VSAT at the residence of the former Honourable Minister of Science and Technology while the company sponsored the Honourable Minister's Secretary to attend management strategies course in the U.K, it also paid a sum of ~~N~~724,251.00 as settlement of estacode allowance to the Special Assistant to the Honourable Minister of Science and Technology contrary to extant circular Ref. No. 5951/S.22/14/1/401 dated 25th August, 1998 which disapproves the interference of the supervising Ministry in the financial affair of the Agency/Parastatals/Corporation/Companies, etc under the

Ministry. The attention of the Managing Director has been drawn to these anomalies and his reaction is being awaited.

8.26 The sum of ~~₦~~1 million was paid as 12 months rent allowance to a former staff of the company. However, evidence of recovery of this amount from the retired officer could not be produced for audit examination.

The Managing Director has been requested to:

- (i) Provide evidence of recovery of the total amount from the affected retired staff to this Office for audit check.
- (ii) Ensure that adequate control is put in place to prevent loss of government funds.
- (iii) Note that officers who are not confirmed as permanent staff of an Organization are not entitled to some privileges and benefits, and his reaction is being awaited.

LAGOS UNIVERSITY TEACHING HOSPITAL

8.27 Value Added and Withholding Taxes amounting to ~~₦~~811,857.00 were not deducted from the contract sums paid to some contractors between December, 2007 and December, 2008. This resulted in a loss of revenue to the Government and should be recovered accordingly.

(b) The Federal Treasury Circular, TRY/A4&B4/2001/OAUF/PRS/005/111/87 of 26th June, 2001 states that public funds should not be placed in any Commercial Bank that would charge COT on the Account. However, it was discovered that the Hospital maintained accounts with the Commercial Banks that charged COT to the tune of ~~₦~~22,213,879.13 between January and December, 2008.

The Chief Medical Director has been requested to ask the affected Banks to reverse the entries by crediting the Accounts of the Hospital with the sum otherwise, the Accounts should be closed and engage other banks that would not charge COT. His response is being awaited.

UNIVERSITY OF PORT HARCOURT

8.28 During the periodic checks carried out on the accounts of University of Port Harcourt, Port Harcourt, Rivers State, the following observations were made:

4 Nos official vehicles and 2 Generating Sets amounting to ~~N~~24,354,998.87 were purchased by some members of staff, of the University of Port-Harcourt using cash advances. Granting huge cash advances to staff for purchase of motor vehicles and valuable capital items rather than dealing directly with appropriate Corporate entities on contract basis, exposes public funds to risk and denies the Federal Government mandatory revenue from Statutory Withholding and Value Added Taxes. Moreover, it is contrary to Federal Treasury Circular, Ref. No. TRY/A5&B5/2001, dated 7th September, 2001 which provides among others “that in effect, all local procurements of stores and services costing above ~~N~~100,000.00 should only be made through contracts as prescribed in the regulations and extant financial circulars”. The Vice-Chancellor of the University has been requested to ensure that all future purchases of motor vehicles and valuable Capital Assets are executed through contracts with appropriate and reputable corporate entities. He is yet to react to the issue.

UNIVERSITY OF BENIN, BENIN-CITY

8.29 5% Value Added and 5% Withholding Taxes amounting to ~~N~~324,185.50 were not deducted from the contract sums paid to some contractors by the University of Benin resulting to over-payments that deprived government of revenue. The Vice-Chancellor has been requested to recover the VAT and Withholding Taxes totalling ~~N~~324,185.50 from the contractors for onward remittance to the Federal Inland Revenue Service (FIRS).

8.30 Contract sums totalling ~~N~~11,180,089.79 were paid to 10 companies during the period under review. This amount attracts 5% Withholding Tax of ~~N~~559,004.48, but only a paltry sum of ~~N~~73,547.34 was deducted and remitted, leaving a balance of ~~N~~485,457.14 not deducted. The Vice-Chancellor has been requested to recover the sum of ~~N~~485,457.14 from the contractors involved and remit it to the relevant Tax Authority while all evidences of payment should be forwarded for audit verification.

8.31 During the review of the Internal Audit Report (July, 2007 to June, 2008), it was revealed that an amount totalling ~~N~~151,627,396.00 was placed on term deposit with a Commercial Bank contrary to the provisions of Circular, Ref. No. TR.A7&B7/99?OAGF/PRS/005/111/22 dated 16th August, 1999 which states that “all balances in the capital accounts and the balances in other accounts shall be invested by the Ministerial/Extra-Ministerial Departments and Agencies in 91 days primary market treasury bills”. The terms and conditions of the investment were not disclosed and the relevant records and interest thereto could not be accounted for as the interest was purportedly paid into the Personnel Cost Account with the Commercial Bank, contrary to Extant Circular which authorizes such interest to be paid into the Consolidated Revenue Fund (CRF). The Vice-Chancellor has been requested to:

- (i) Provide detail explanation as to why the provision of the above stated circular was not complied with.
- (ii) Provide details of the above transaction for audit verification.
- (iii) Ensure that future investments should be in Nigerian Treasury Bills as required by extant circulars.

The anomalies observed herein have been brought to the attention of the Vice-Chancellor and his response is being awaited.

UNIVERSITY OF JOS

8.32 During the periodic checks carried out on the accounts of the University of Jos, Plateau State, the following observations were made:-

(a) Funds totalling ~~₦~~2,823,832.00 were indiscriminately transferred by the University of Jos between June, 2006 and July, 2007, from personnel cost to pay for overhead expenses. Virement of fund from one designated sub-head to another without due approval of the National Assembly, Minister of Finance and Accountant-General of the Federation as stipulated by the Financial Regulation 425 is strictly forbidden.

The attention of the Vice Chancellor has been drawn to this anomaly and his comments are being awaited.

8.33 Commission on Turnover (COT) and VAT on COT totalling ~~₦~~5,579,144.07 were charged on the funds of the University between July, 2006 and June, 2008 in some commercial banks contrary to the directives of the Federal Government as contained in the Circular Ref. No. TRY/A4&B4/2001/OAGF/PRS/005/111/87 dated 26th June, 2001 issued by the Accountant-General of the Federation which stipulates that no government organization should place government funds in bank that charges COT on their transactions. The Vice chancellor has been asked to write the various designated banks as a matter of urgency to effect a complete reversal of such entries. In selecting the banks to be used, a written undertaking should be obtained from each bank to the effect that no deduction of any commission on turnover would be made from the University's bank accounts, while the sum of ~~₦~~5,579,144.07 involved should be recovered from the banks, furnishing me with the recovery particulars for audit verification. His reaction is being awaited.

ABUBAKAR TAFAWA BALEWA UNIVERSITY, BAUCHI

8.34 At Abubakar Tafawa Balewa University, Bauchi, payments totalling ~~₦~~3,605,775.00 were made to 10 contractors between July, 2005 and March, 2006 for

the supply of office equipment and materials without approval of the relevant Authority contrary to the provisions of the Financial Regulations.

8.35 A sum of ~~₦~~24,198,050.23 was transferred from one vote to another between August, 2005 and September, 2006 without the approval of the relevant Authority as provided for in the Financial Regulations.

8.36 5% Value Added Tax and 5% Withholding Tax totalling ~~₦~~9,613,196.40 were not deducted from payments totalling ~~₦~~148,569,562.66 made on 30 payment vouchers between July, 2005 and February, 2007. The sum of ~~₦~~9,613,196.40 which represents the VAT and WHT is to be recovered from the contractors and recovery details forwarded to my Office for confirmation.

The details of these irregularities have been communicated to the Vice Chancellor whose comments are being expected.

NATIONAL ORTHOPAEDIC HOSPITAL, IGBOBI, LAGOS

8.37 The audit of Bank Reconciliation Statements prepared by the National Orthopaedic Hospital Igbobi, Lagos, revealed that Bank errors totalling ~~₦~~78,623.55 were discovered in two different accounts maintained with a Commercial Bank for the general and clinical services. These errors were as a result of carrying forward wrong balances from December, 2006 to January, 2007 and were not rectified as at the time of audit in 2009. The Chief Medical Director has been requested to correct the above stated errors and forward relevant documents to my Office for audit verification.

8.38 Federal Treasury Circular TRY/A4&B4/2001/OAGF/PRS/005/111/87 of 26th June, 2001 states that Public Funds should not be placed in any Commercial Bank that would charge COT on the account. However, it was observed that the Hospital maintained accounts with 2 Commercial Banks that charged COT to the tune of ~~₦~~326,914.14 between January, 2007 and September, 2008. The Chief Medical Director has been requested to ask the affected Banks to reverse the entries by crediting the accounts of the Hospital, otherwise the accounts should be closed. His reaction is being awaited.

NATIONAL ORTHOPAEDIC HOSPITAL, ENUGU

8.39 An unspent balance of ~~₦~~8,782,291.25 was discovered in the National Orthopaedic Hospital Enugu's Cash Book on Personnel Cost as at 31st December, 2007. There was no documentary evidence to show that the balance was paid back to chest as required by extant circulars and Financial Regulations 513(i) which provides that "The Authority for recurrent expenditure lapses at the end of the financial year to

which it relates". The Chief Medical Director has been requested to ensure that the unspent balance is paid back to chest and relevant receipts forwarded for audit verification.

8.40 An amount of ~~₦~~19,464,998.00 was illegally transferred from Personnel Cost to Over-Head Cost between April, 2006 and October, 2007 without due regard to extant Circulars and Financial Regulations which provide that no charges or transfers shall be made from one sub-head to another without proper Authority. It appears that the Personnel Cost was over-funded hence, it was possible to pay salary of staff, transfer to Over-Head and still have unspent balance at the end of the year. The Chief Medical Director had been requested to explain:-

- (i) The reason for the transfer of the sum of ~~₦~~19,464,998.00 from Personnel to Over-Head Cost without due regard to extant regulations.
- (ii) How the money was expended otherwise, the amount should be recovered, paid back to chest and recovery particulars forwarded for audit verification.

8.41 During the audit of the Personal Emolument records maintained by the Hospital, it was observed that an Officer had over-stayed in Service by 3 years. The School Leaving Certificate and Testimonial of the Officer showed that his date of birth was 23rd October, 1943, while he stayed in Service till 17th May, 2006 when he should have retired contrary to the provisions of the Civil Service Rule that requires all employees of Government to retire at the mandatory age of 60 years or 35 years tenure whichever comes earlier. The Chief Medical Director has been requested to ensure that all monies or benefits, salaries received by the retiree between 23rd October, 2003 and 17th May, 2006 are recovered and recovery particulars forwarded for audit verification.

8.42 Cash advances totalling ~~₦~~11,403,972.00 granted to different Officers between January and December, 2007 remained unretired as at the time of audit visit. The Chief Medical Director has been asked to ensure that the above cash advances are either retired or recovered and recovery particulars forwarded for audit verification.

8.43 5% Value Added Tax amounting to ~~₦~~1,738,630.45 was not deducted from various Capital items that were supplied to the Hospital during the period under review, contrary to the Statutory requirement that all supplies of non-medical items should attract VAT of 5%. The Chief Medical Director has been requested to ensure the recovery of the said amount from the Agency forwarding recovery particulars for audit examination and his response is being awaited.

NATIONAL ORTHOPAEDIC HOSPITAL, DALA, KANO

8.44 A scrutiny of the accounting books and records of the Hospital during the periodic checks revealed that a loan of ~~₦~~330 million was taken from the Union Bank of

Nigeria Plc to enable the staff purchase vehicles of their own during the year under review. The 18% rate of interest agreed upon for this loan appeared to be very high considering the fact that government pegged interest on this type of negotiated loans at single digit as stated in National salaries, Incomes and Wages Commission's Circular Ref. no. SWC/S/04/S. 167/216 of 12th February, 2004 which gave approval for sourcing such loans from financial institutions, pegged the interest at a single digit and where it is not possible for a single digit interest rate to be secured, Government should be brought in to intervene. It is worrisome that the interest agreed on by the Management even doubles the highest single digit and government was not brought into the arrangement as conceptualized in the circular. This high interest will bring untold burden to the staff because they will still spend money on the running of their vehicles. Surprisingly, the bank is the official bankers of the Hospital.

RUBBER RESEARCH INSTITUTE OF NIGERIA, IYANOMO
BENIN CITY – EDO STATE

8.45 It was observed that the Rubber Research Institute of Nigeria, Iyanomo, Benin-city, Edo state has not submitted its Audited Accounts and Domestic Reports thereon to the Office of the Auditor-General for the Federation for vetting and comments since 1984. This is a gross violation of section 85 of the 1999 Constitution and the act establishing the Institute which requires that the Accounts of the Institute and the Domestic Report should be submitted to the Office of the Auditor-General for the Federation.

The Executive Director has been asked to submit 7 copies of the Audited Account and domestic Report for the years in arrears to this Office. His response is being awaited.

8.46 Cash advances in excess of ₦100,000.00 limit totalling ₦15,994,832.00 were granted to the staff for procurement and services. This practice is a violation of Treasury Circular Ref. No. TRY/A5&B5/2001 issued by the Accountant-General of the Federation.

8.47 Withholding Tax (WHT) and Value Added Tax (VAT) amounting to ₦13,800,604.00 were deducted during the year under review. However, only ₦10,454,357.00 was remitted leaving a balance of ₦3,346,247.00. Non-remittance of all the WHT and VAT collected is a violation of the extant regulations.

The Executive Director has been requested to remit the balance in the sum of ₦3,346,247.00 and forward the receipts for my verification.

8.48 Fixed Assets Register kept by the Institute was poorly maintained. A properly maintained Fixed Assets Register should reflect the date of purchase, purchase price,

make or type of the Assets, Registration Number, Assets Allocation and Inventory Control Numbers.

8.49 A total sum of ₦17,762,828.46 was paid before the preparation of the payment voucher contrary to the extant regulation which directs that all payments must be vouched on prescribed form before payments could be effected.

All these observations have been communicated to the Executive Director and his reaction is being awaited.

NIGERIA EXPORT PROMOTION COUNCIL

8.50 During the audit examination of the accounts and other records maintained at the Nigeria Export Promotion Council, Abuja, it was observed that normal procedures required by Financial Regulations and extant rules for the conduct of Government business regarding contract awards were not adhered to by the Nigeria Export Promotion Council. It was expected that approval should be obtained from the relevant authorities before the award of contracts totalling ₦14,135,971.00 paid on 6 payment vouchers between January and November, 2007.

8.51 5 payment vouchers raised between February and November, 2007 for amounts totalling ₦52,763,696.97 were paid as estacode allowances without approval from the Head of the Civil Service of the Federation as stipulated in the Public Service Rules and extant regulations.

8.52 It was also observed that estacode allowances and off-shore expenses amounting to ₦1,287,660.00 were paid along with contingency funds in the year under review.

8.53 A sum of ₦73,700,834.34 was paid on 8 payment vouchers dated between January, 2006 and May, 2007 to some contractors for renovation, professional fee, promotion of trade investment, etc. Examination of the vouchers revealed the following anomalies:-

- (i) Payments were not supported with vital documents like receipts, invoices etc for audit verification.
- (ii) Evidence of approvals of contracts and services were not attached.
- (iii) Some of the contracts could not be verified because they were executed outside the country and no convincing documents were produced to proof their authenticity; for example: a company claimed to have constructed a Trade Fair Pavilion for the Royal Agricultural show in the United Kingdom, but there was no veritable evidence produced to support his claim.

The Director-General has been asked to explain the reasons for these anomalies and his reaction is being awaited.

FEDERAL MEDICAL CENTRE NGURU, YOBE STATE

8.54 It was observed during the review of the Financial Statement of the Federal medical Centre, Nguru, Yobe state for the year ended 31st December, 2006, that a total sum of ~~₦~~168,264.00 was not accounted for by the former revenue collector.

The Chief Medical Director has been asked to confirm the recovery of ~~₦~~168,264.00 from the Revenue Collector and forward the Treasury Receipts for audit verification.

8.55 A sum of ~~₦~~83,435,576.85 was paid without the necessary documents such as authority and approval, invoice, receipts and store receipt vouchers attached to the payment vouchers.

The Chief Medical Director had been requested to produce the relevant documents for audit verification.

8.56 Cash/Open cheque payments totalling ~~₦~~73,947,997.96 were made to contractors in respect of works and services rendered contrary to the extant regulations which states that all payments to firms shall be made only by cheques crossed "Not Negotiable", "Account Payee Only", in favour of the firm.

The chief Medical Officer has been asked to comment on the irregularity.

8.57 Cash advances that are above ~~₦~~100,000.00 limit totalling ~~₦~~10,008,655.00 were granted to the staff for procurement and services which should have been contracted out to qualified contractors in order to promote transparency, accountability and gains of economies of large scale.

The Chief Medical Director has been asked to explain, comment and stop the practice.

8.58 The Federal Treasury Circular Ref. No. TRY/A4&B4/2001 states that public funds should not be placed in any commercial bank that would charge COT on the account. However, it was observed that the Hospital maintained accounts with a commercial bank that charged COT to the tune of ~~₦~~2,961,724.48 in 2007.

The Chief Medical Director has been requested to ensure that all the accounts with any commercial banks that charge COT should be closed. Also, the sum of ~~₦~~2,961,724.48 COT charged by the bank should be recovered forwarding recovery particulars for audit verification.

Responses to the issues raised herein from the Chief Medical Director are being awaited.

NIGERIA AGRICULTURAL INSURANCE CORPORATION

8.59 Withholding Tax (WHT) and Value Added Tax (VAT) amounting to ~~₦~~2,340,749.54 were not deducted from some contract vouchers before the contractors were paid by the Nigeria Agricultural Insurance Corporation. The non-deduction of these taxes implies loss of revenue to the Federal Government and represents over-payments to the various contractors. The Managing Director/Chief Executive Officer has been requested to ensure that:-

- (i) The total amounts of WHT and VAT not deducted are recovered from the contractors and paid to the various tax agencies and evidence of these payments sent to this Office for audit verification.
- (ii) Statutory taxes due on contracts are deducted before payments are made to the contractors in future.

8.60 It was observed that the Corporation paid amounts totalling ~~₦~~4,360,000.00 as mobilization fees which range between 60% and 70% to contractors and in some cases the contractors did not present bank guarantees as required by Financial Regulation No. 2928 and Federal Circular No. F.15775 of 27th June, 2001. The Managing Director has been requested to explain the reason for this anomaly.

8.61 The Board of Directors approved various amounts totalling ~~₦~~10 million as Overseas leave allowance ranging from ~~₦~~1,000,000.00 to ~~₦~~2,000,000.00 for members of the Board as follows:-

- (i) The Managing Director - ~~₦~~2,000,000.00
- (ii) 2 Executive Directors - ~~₦~~1,500,000.00 each
- (iii) 5 Political/Part-time Directors ~~₦~~1,000,000.00 each

(b) The Board does not have the authority to approve salaries and allowances for Public Servants as such responsibility lies with the National Revenue Mobilization Allocation and Fiscal Commission in respect of political members of the Board and National Salaries, Income and Wages Commission for other members of the Board who are Public Servants. The Managing Director has been requested to ensure that all political/part-time members of the Board refund the ~~₦~~5 million collected by them, while evidences of these recoveries should be sent to this Office for audit verification.

8.62 A sum of ~~₦~~40 million was placed in a bank at 14% for 90 days but before the expiration of the 90 days when the Corporation would earn the interest, the money was withdrawn and placed in another commercial bank at 6% for another 90 days.

This resulted in a loss of ₦789,041.00 to the Government. It was also observed that the Corporation placed various sums of money on short term deposit in three different commercial banks attracting different interest rates ranging from 12% to 14%. Whereas deposits with smaller amounts were placed at 14%, the largest of the three placements i.e. ₦75 million was placed at 12%, resulting in shortage of ₦373,972.61 for the 91 days. The Managing Director has been requested to explain:-

- (i) Why the Corporation placed its idle fund in a fixed deposit with a commercial bank instead of investing in Treasury Bills as required by Federal Treasury Circular, TR No. A7&B7/1999 of 16th August, 1999.
- (ii) Why the sum of ₦40 million which was placed in a commercial bank at 14% interest rate was withdrawn only to be placed in a fixed deposit with another commercial bank at 6% interest rate.
- (iii) Why the sum of ₦75 million was placed in a commercial bank at an interest rate of 12% while smaller amounts were placed in other commercial banks about the same time at a higher interest rate of 14%.
- (iv) Pay all interests received from lodgments in banks to Consolidated Revenue Fund as required by the aforementioned circular and evidences of the payments sent to this Office for verification.

The reactions of the Managing Director on these issues are being awaited.

AUCHI POLYTECHNIC AUCHI, EDO STATE

8.63 Withholding Tax (WHT) and Value Added Tax (VAT) amounting to ₦750,852.50 were not deducted from some contract vouchers before they were paid by Auchi Polytechnic, Edo state. Non-deduction of these taxes on the contract vouchers constitutes loss of revenue to the Government and over-payments to the various contractors.

The Rector has been asked to ensure that:-

- (i) The total amounts of Withholding and Value Added Taxes not deducted be recovered from the various contractors and evidences of recovery should be forwarded to this Office for verification.
- (ii) All statutory taxes due on contracts should be deducted before payments are made in future.

His response is being awaited.

SECTION 9

REVENUE AUDIT

REVENUE AUDIT

NIGERIA CIVIL AVIATION AUTHORITY

9.01 During the audit examination of the books of accounts of the Nigeria Civil Aviation Authority, the following observations were made:-

(a) The original receipts in respect of the VAT for June, 2007 amounting to ~~₦~~4,044,071.91 which was said to have been remitted on 30th November, 2007 was not produced for audit verification.

(b) Also, the original receipt in respect of Withholding tax for the period of July to November, 2007 totalling ~~₦~~10,624,566.87 which was claimed to have been remitted on 24th December, 2007 was not produced for audit verification. There was persistent delay in the remittance of taxes deducted thus contravening Financial Regulations 107 (L) and 334 (ii).

The Director-General has been requested to produce evidence of the receipt of the above funds by FIRS for audit verification and his response is being awaited.

9.02 The Authority charged the sum of ~~₦~~169.6 million as exceptional items into the 2005 expenditure account. The items represented Fixed Assets transferred to the Federal Ministry of Aviation which were deemed irrecoverable as if they were in the approved expenditure estimate of the Authority for the Ministry. This practice contravened circular No. ECD/P.230 of 18/10/96 issued by the Secretary to the Government of the Federation which prohibited such acts of “interferences in the finances of Parastatals” by supervising Ministries.

The Permanent Secretary, Ministry of Aviation should ensure the refund of the full value of ~~₦~~169.6 million being cost of the assets transferred to the Ministry. The matter is still under correspondence.

9.03 Between 2001 and 2006, amounts totalling ~~₦~~654 million were projected in the Revenue Budget and provided for in the Financial Statements of the NCAA for the same period. However, only the sum of ~~₦~~544 million was receipted and acknowledged by the Federal Sub-Treasury, Abuja, leaving a balance of ~~₦~~160 million unremitted. The circumstances surrounding the non-remittance of the ~~₦~~160 million was not explained and the outstanding balance remained uncleared as at November, 2008.

The Director-General has been asked to ensure that the outstanding balance of ~~₦~~160 million is remitted to the Federal Sub-Treasury and the remittance particulars forwarded to my Office for verification. His reaction is being awaited.

9.04 Accumulated depreciation of the Authority's Assets amounted to ~~₦~~1,711,013,000.00 with ~~₦~~1,364,996,000.00 accounting for only 3 years (2004 to 2006). There was no evidence from records to show where the money was placed in a sinking fund to replace the assets in line with Statement of Standard Accounting Practice (SSAP 12) or International Accounting Standards (IAS 4). The expenditure budget revealed annual provision for maintenance and purchase of assets. However, records of such investment were not made available during the audit. This practice violated the provisions of Financial Regulations 105 which provides for Free Access to Books, Accounts and Information to the Auditor-General or his representatives.

The Director-General has been asked to disclose where the funds are domiciled or show evidence of its utilization as distinct from the annual provisions in the budgets. His reaction is being awaited.

9.05 The Agency maintained high profile debts as at 31st December, 2007. Details are as outlined below:-

- (i) International Operation in Naira – Active Debtors - ~~₦~~1,024,678.12
- (ii) Domestic Operation in Naira – Active Debtors - ~~₦~~929,216,737.00
- (iii) International Operation in Dollars – Active Debtors - \$5,712,914.12

It was explained that a significant portion of these debts were owed by some Airlines and inherited by the Authority as far back as year, 2000, through a company that was formerly responsible for billings and collection of the Civil Aviation Authority revenue. These debts should be recovered.

9.06 The Authority maintained very high debtor balances which were not collected but written off in the financial statements as bad debts. This practice has resulted to a reduction in the operating surplus of the Authority in 2007. For example,

- (i) 49 Active Airlines on international operations owed – ~~₦~~621,908,671.71
- (ii) 24 Active Airlines on Domestic operations owed - 808,877,046.22
- (iii) 48 Active Airlines on International operation
Denominated in dollars owed - \$3,802,2123.67
- (iv) Dormant debtor balances as at 31st Dec., 2007 were:
 - 25 Dormant Airlines debt stood at ~~₦~~493,754,208.88
 - 30 Dormant Airlines debt on international operations denominated in Dollars stood at \$1,781,400.49
 - 34 Dormant Airlines on domestic operations stood at ~~₦~~422,808,184.16

There were no evidences that these arrears of revenue and uncollected debts were reported to the Ministry of Aviation thus contravening the provisions of Financial Regulations 334(ii) (iii). 327, 331(i) and 330.

This information was brought to the knowledge of the Director-General and his response is being awaited.

CENTRAL BANK OF NIGERIA

9.07 During the audit inspection of the Central Bank of Nigeria (CBN), the following observations were made:-

(a) The Central Bank of Nigeria (CBN) invested the sum of ~~N~~91,402,769,169.00 in ten companies and the National Economic Reconstruction Fund, and no dividend or interest had accrued from these investments. I have advised the Governor of CBN to recall any accumulated dividend and/or interest on the investments into the income statement, as this would enable the Federal Government to earn its share by way of operating surplus.

(b) The Bank did not disclose the profit it earned from the divestment of Government Bond valued ~~N~~153,165,000,000.00 and this resulted in a reduced value of the operating surplus shared between the Federal Government and the bank. The Governor of the Central Bank of Nigeria has been informed that the Bank should determine the profit it made from the disposal and remit the Federal Government's share thereof.

(c) The income of ~~N~~34,905,559,531.00 due and received by the Bank was not recognized in computing the operating surplus shared between the Federal Government and the Bank. Having been earned, the income should have formed a part of the operating surplus. This implies that the Federal Government's share of the operating surplus was reduced by ~~N~~26,179,169,648.00.

(d) Taxes deducted by the Central Bank between January, 2006 and December, 2007 totalling ~~N~~6,260,627.36 were not remitted to the Federal Inland Revenue Service as required by extant rules. The Governor of the CBN has been requested to ensure that the Bank remits the total amount to the Federal Inland Revenue Service. Evidence of remittance should be forwarded for audit scrutiny.

(e) Receipts for the payment of taxes totalling ~~N~~639,813,555.51 were not made available during the periodic checks. The Governor of CBN has been asked to investigate and furnish me with evidence of the remittances, if any, or otherwise, remit the total sum to the Federal Inland Revenue Service.

(f) The CBN paid rent amounting to ~~N~~478,226,384.00 in year 2007. There was no evidence that Withholding tax of 10% was deducted from the payments. I have asked the Governor to pay the sum of ~~N~~47,822,638.00 to the Federal Inland Revenue Service and revert to the landlords concerned for recovery.

(g) Similarly, in 2006 the Bank did not deduct Withholding and Value Added taxes totalling ~~N~~3,985,448.42 from payments made for services and contracts awarded. I have asked the Bank to recover and remit the sum to the Federal Inland Revenue Service.

The attention of the Governor of the Central Bank of Nigeria has been drawn to all the issues raised herein and his reaction is being awaited.

NIGERIA SOCIAL INSURANCE TRUST FUND (NSITF)

9.08 During the audit examination of the accounts and other records maintained at the NSITF for the period 2006 to 2007, it was observed that:-

(a) A shortfall of ~~N~~8.9 billion was reported in assets transferred to Trust Fund Pensions Plc representing investment in shares and other securities. The management of NSITF has undertaken the reconciliation of the differences observed.

The Managing Director has been requested to furnish the result of the reconciliation and evidence of the transfer of the assets to Trust Fund Pensions Plc.

(b) Statutory deductions amounting to ~~N~~96,469,768.25 were not promptly remitted as at when due on 31st December, 2006 thus constituting an act of tax evasion in respect of PAYE of ~~N~~12,346,892.78 by NSITF and moreover violated the provisions of Financial Regulations 334(ii) which advocates the prompt monthly returns of deduction to FIRS.

The Managing Director has been requested to furnish me with evidence of the remittances.

9.09 During the audit examination of the accounts and other records maintained at the NSITF for the period 2006 to 2007, placements with distressed Banks amounting to ~~N~~652,113,387.98 which were listed as assets were not transferred to the Trust Fund Pensions Plc by the NSITF Management as directed by Mr. President. Instead, the placements were written off in the accounts for the year ended 31st December, 2006. This act violated the provisions of the NSITF Act of 1993 and the Reformed Pension Act of 2004, and culminated in a reduction in the value of contributors savings. Available information revealed that one of the three Banks liabilities were paid by the Acquirer Bank, another's license had been returned by CBN and are either recapitalizing or seeking for a merger, while the liabilities of the third Bank are awaiting settlement by CBN/NDIC.

The Managing Director has been requested to furnish me with evidence from the CBN and NDIC which made the placements irrecoverable. He is also to provide

evidence of the transfer of the sum of ~~N~~100 million received from the Acquirer Bank to Trust Fund Pension Plc/Custodians.

9.10 Also, Debenture interests amounting to ~~N~~44,304,000.00 which should have been transferred as assets to the Trust Fund Pension Plc for recovery were also written off in violation of the provisions of the NSITF Act of 1993 and the Reformed Pension Act of 2004. The Managing Director has been requested to explain the write off.

9.11 Out of the total sum of ~~N~~50,315,823.92 realized as interest accruing to NSITF on the current account maintained with a commercial bank between 2006 and 2007, it was discovered that only ~~N~~38,504,219.15 was paid to the Agency leaving an outstanding balance of ~~N~~11,811,604.11 since June, 2007.

The Managing Director has been requested to recover the sum of ~~N~~11,811,604.11 from the bank and forward relevant receipt particulars for verification.

9.12 The Management of the NSITF granted loans totalling ~~N~~100,832,580.00 to three corporate bodies. Part of the loans amounting to ~~N~~60,832,580.00 were not recovered but were written off at the end of the accounting year on 31st December, 2006. This action resulted to erosion of the contributors' funds. Copies of the loan agreements were not made available for audit inspection.

The Managing Director has been requested to furnish copies of the loan agreement, authority for granting the loans, names of guarantors, list of securities held as lien and recovery efforts made for audit examination.

NATIONAL AGENCY FOR SCIENCE AND ENGINEERING INFRASTRUCTURE

9.13 The audit examination of the accounting records maintained at the National Agency for Science and Engineering Infrastructure revealed that:

(a) The internally generated revenue from the operations of the Agency, its various centres totalling ~~N~~85,163,170.46 were not disclosed in the final accounts prepared by the Agency at the end of the accounting year, thereby rendering the final accounts inaccurate. The undisclosed amount comprised:-

Headquarters	=	N 9,069,721.00
EMDI Akure	=	N 34,934,052.71
SED I Enugu	=	N 19,573,430.75 and
SED I Minna	=	N 21,585,966.00

The Director-General has been informed and his comment is being awaited.

9.14 The Agency received the sum of ~~₦~~142,493,317.00 as Personnel Costs Allocation in 2007, out of which the sum of ~~₦~~128,047,236.00 was spent on the subhead. There was no evidence that the balance of ~~₦~~14,446,081.00 was remitted back to the Treasury at the end of the financial year, neither was there any evidence of approved virement from the National Assembly. This act violated Financial Regulations 412 and 413 which prohibit spending the excess funds on a subhead without authority.

The Director-General has been requested to account for this balance of ~~₦~~14,446,081.00.

9.15(i) The Institute charged depreciation on subventions received from the Federation Account instead of the internally generated revenues from which the assets purchased with public funds have been used to produce and sale. This practice violated the statement of Standard Account Practice 12 or International Accounts Standard 4 being observed in the accounting profession.

Furthermore, there was no approved subhead for depreciation charges in the Institute budget for 2007 which implies that the Government paid twice for the assets and thereby violated Financial Regulation 514 which state inter-alia “.....likewise the unexpended portion of any subhead shall not be drawn for the purpose of setting it in reserve to meet impending payments, or be carried to a deposit or a suspense account”. The charge for 2007 amounted to ~~₦~~198,700,850.00 by the institute’s 4 out of 7 centers.

The Director-General has been asked to disclose the subhead under which depreciation charges was approved in the budget estimate of 2007 otherwise, depreciation should be charged from the internally generated revenue. His response is being awaited.

(ii) The accumulated depreciation by the Institute amounted to over ~~₦~~613,122,539.00 in 5 out of the 7 centers visited. There were no evidence from records showing where the above amount was placed or invested to replace the assets due to changes in technology or obsolence in line with the statement of Standard Accounting Practices (SSAP 12) or International Accounting Standards (IAS 4).

The income and expenditure account revealed that subventions received yearly had always been for the repairs and maintenance of the fixed assets. Moreso, assets procured had been from capital allocations to the Institute. The practice violated the Institute’s Act Part ii Section 6(2) (k). The Director-General has been requested to account for the funds and his response is being awaited.

9.16 As a result of non-compliance with monetization guidelines and procedures for sale of official motor vehicles, there was an outstanding collectible sum of ~~N~~3,136,600.00 being the price of motor vehicles disposed of at ELDI – Awka during the monetization exercise. The Director-General has been requested to recover the amounts from the officers involved and furnish the recovery particulars for verification.

9.17 The Agency has no revenue budget for the period under review, contrary to the provision of Financial Regulation 107 (k). As a result, it was difficult to compare actual revenue collected with budgeted estimates. The attention of the Director-General has been drawn to this shortcoming.

CORPORATE AFFAIRS COMMISSION

9.18 During the audit examination of the accounts and records prepared by the Corporate Affairs Commission (CAC), it was observed that the Commission engaged in consistent extra-budgetary spending without regard to the constraints of budgetary provisions. The excess expenditure were not backed by approved supplementary budget or virement warrant. This has drastically reduced Government's share of the surplus revenue.

The unauthorized excess expenditure from revenue amounted to ~~N~~509,826,314.00 and ~~N~~979,864,218.00 in 2006 and 2007 respectively. These acts constitute flagrant violation of the Financial Appropriation Acts and the Financial Regulations.

The Registrar-General was requested to pay into the Consolidated Revenue Fund Account the sum of ~~N~~105,009,000.00 being what the CRF would have received had there been no extra-budgetary spending and unauthorized virements.

9.19 Members of staff of the Commission enjoyed some unusual allowances such as motor vehicle (not transport); generating set; dependent relative; sports/club, and 3rd cars maintenance, etc. However, there was no evidence that these allowances were duly approved by the National Salaries and Wages Commission. The Registrar-General has been asked to explain the authority for the payment of the strange allowances.

9.20 I was unable to confirm that tax deductions made by the Commission between 2006 and 2008 totalling ~~N~~296,577,495.33 were duly remitted as evidence of receipt of such funds by the Federal Inland Revenue Service were not made available for audit. I have asked the Registrar-General to produce the relevant receipts for my verification.

9.21 Cash advances granted to members of staff of the Commission for procurement of goods and services totalling ~~N~~51,718,834.61 were in excess of the approved limit of ~~N~~100,000.00 prescribed by Treasury Circular No.

TRY/A5&B5/200/OAGF/TS/005/111/222 dated 7th September, 2001. By this contravention, government was deprived of Withholding and Value Added taxes amounting to ~~₦~~1,571,879.92 which would have accrued had the procurements been made through contracts as stipulated by extant regulations.

The Registrar-General has been requested to recover the lost revenue totalling ~~₦~~1,571,879.92 and remit same to the Federal Inland Revenue Service, forwarding recovery particulars for audit verification. His response is being awaited.

9.22 The sum of ~~₦~~67,785,419.00 was paid to a company for space segment communication from State offices to CAC Corporate Headquarters, Abuja on 22nd December, 2008. There was no Federal Executive Council meeting excerpt attached to the payment voucher to back the payment, thus violating the provisions of Financial Regulation 2916 as well as Treasury Circular No. TRY/A6&B6/2008 dated 16th May, 2006. The Registrar-General has been requested to explain the irregularity.

9.23 The Financial Statement of the Commission for 2006 and 2007 showed that the proceeds realized from the disposal of Fixed Assets under the monetization policy amounted to ~~₦~~11,093,297.00. This amount was not remitted to the Central Bank as required by Treasury Circular No. TRY/A7&B7/2004 which stipulates that "The full amount of sale of Government vehicles and other fixed Assets should be remitted to an Account in the Central Bank of Nigeria". The Registrar-General has been requested to remit the sum of ~~₦~~11,093,297.00 into the Account with the Central Bank of Nigeria and forward relevant details for verification.

RAW MATERIALS RESEARCH AND DEVELOPMENT COUNCIL

9.24 During the audit examination of the accounts and other records maintained by the Raw Materials Research and Development Council, for the year 2008, it was observed that:-

(a) Tax deductions for the period October to December, 2008 amounting to ~~₦~~6,266,577.47 were not promptly remitted to the Federal Inland Revenue Service by the Council. This practice violated Financial Regulations 334(ii) which advocates prompt remittance of deductions. The Director-General has been requested to pay the amounts to the Federal Inland Revenue Service and forward evidence of payment.

(b) 3 contracts totalling ~~₦~~1,017,000.00 were paid for without effecting appropriate tax deductions from them by the Council. This practice violated Financial Regulations 334(i) which makes it mandatory for accounting officers to provide for VAT and WHT on contract payments. The Director-General has been requested to recover the appropriate taxes.

(c) The Council had no prepared annual estimates for internally generated revenue against which its efficiency and effectiveness could be assessed. This practice violated Financial Regulations 107(a) and (k). The attention of the Director-General has been drawn to this shortcoming, and his response is being awaited.

FEDERAL RADIO CORPORATION OF NIGERIA

9.25 During the audit of the Federal Radio Corporation of Nigeria, the following observations were made:-

(a) The collectible debt of the Corporation as at 31st December, 2007 stood at ~~₦~~334,414,130.22 made up of Advert Debtors ~~₦~~279,254,683.51; Barter Debtors ~~₦~~9,245,496.68 and Sundry Debtors ~~₦~~45,913,950.03. As this level of debt was considered too high, the Director-General has been advised to take urgent steps to reduce the outstanding amounts significantly.

(b) Sundry goods and services for amounts totalling ~~₦~~4,056,800.00 were procured through cash advances, thereby depriving Government of tax revenue amounting to ~~₦~~405,680.00 which would have accrued had the goods and services been procured through contracts. The cash advances exceeded the ~~₦~~100,000.00 ceiling specified by extant regulations.

The Director-General of the Corporation has been requested to remit the sum of ~~₦~~405,680.00 to the Federal Inland Revenue Service and forward recovery particulars for audit verification. His reaction is being awaited.

FEDERAL ROAD SAFETY COMMISSION (FRSC)

9.26 During the examination of the accounts and other records maintained at the Federal Road Safety Commission (FRSC), it was observed that a sum of ~~₦~~19,000,000.00 allocated to the Commission as grants was misapplied and used to pay for sporting activities, contrary to Financial Regulation No. 517 which stipulates that "expenditure shall strictly be classified in accordance with the Estimates, and Votes must be applied only for the purpose for which the money is provided. Expenditure incorrectly charged to a vote shall be disallowed".

(b) It was also observed that Withholding and Value Added Taxes totalling ~~₦~~3,515,610.00 were not deducted from the various contracts awarded between January and December, 2006. Consequently, these amounts were not remitted to the relevant Tax Authority, contrary to the VAT Act No. 102 of 1993 and Financial Regulation 334. The amounts involved should be remitted to the appropriate Tax Authority and remittance particulars forwarded for verification.

(c) An amount of ~~N~~10,101,593.00 was paid as demurrage to a company in June, 2007. The full details of the transaction resulting to this payment could not be ascertained because the relevant documents were not made available. This act violated Financial Regulation 105 which prescribes free access to books, accounts and information for the Auditor-General or his representatives.

All the issues raised herein have been communicated to the Corps Marshal and his response is being awaited.

SECURITIES AND EXCHANGE COMMISSION

9.27 During the audit of the accounts and other records maintained by the Securities and Exchange Commission (SEC), Abuja, the following anomalies were observed:-

(a) The Commission in the year 2007 granted an amount of ~~N~~52,213,500.00 to staff as advances for the procurement of goods and services which values were more than ~~N~~100,000.00, contrary to Treasury Circular No. TRY/A5&B5/111/222 of 7th September, 2001 and Guidelines on Procurement and Award of Contracts. As a result of this, the Federal Government lost revenue that would have accrued from 5% Withholding Tax of ~~N~~2,610,675.00 and 5% of Value Added Tax of ~~N~~2,610,675.00 totalling ~~N~~5,221,350.00.

The Director-General has been requested to recover this amount from the staff concerned and forward the evidence of recovery for verification.

(b) The Commission paid ~~N~~2,726,635.48 as Productivity Allowance to its staff in the year 2007 without deducting income tax contrary to relevant tax laws. The Director-General has been directed to comply with the relevant tax laws or produce exemption letter from the Federal Inland Revenue Service.

(c) Amounts totalling ~~N~~4,732,954.10 comprising the sum of ~~N~~3,011,149.55 as Withholding Tax and ~~N~~1,721,804.55 as Value Added Tax were not deducted and remitted to the Federal Inland Revenue Service in year 2007. These were taxes that should have been deducted from 85 payment vouchers with amounts totalling ~~N~~44,728,890.68 paid to various contractors and other payees during the year.

The attention of the Director-General has been drawn to the need to recover the outstanding amount, otherwise; the provisions of Financial Regulation 334(iv) and (v) shall be invoked. His reaction is still being awaited.

(d) The Commission engaged some contract staff in 2007 and paid them ~~N~~7,360,000.00 in total disregard to extant government regulation which abolished the employment of such category of staff. The anomaly has been brought to the attention of the Director-General and his response is being awaited.

NATIONAL COMMISSION FOR MUSEUM AND MONUMENTS

9.28 During the audit inspection of the National Commission for Museums and Monuments for the period of January, 2006 to December, 2007, the following observations were made:-

(a) The sum of ~~₦~~5,198,977.65 representing revenue collected by 31 Museums in 27 states were expended by the Commission, contrary to the provisions of the Financial Regulations.

I have requested the Director-General to pay back the money to the Treasury and furnish me with the payment particulars.

(b) The Commission deposited the sums of ~~₦~~20,214,475.00 and ~~₦~~12,655,802.89 in a Commercial Bank with roll-over instructions. The money was taken from a Special Project Account.

I have informed the Director-General of the Commission that the two short-term placements, totalling ~~₦~~32,870,277.89 and interest thereon should be recovered and paid to the treasury as unspent balance.

(c) Between February and December 2007, the Commission used cash advances totalling ~~₦~~48,855,556.76 to procure goods and services that were individually in excess of ~~₦~~100,000.00 limit allowed by regulations, thereby resulting in the loss of Withholding and Value Added Taxes totalling ~~₦~~4,888,558.00 that would have accrued to Government had the items been procured by tender as envisaged by extant regulations.

The Director-General has been asked to pay the sum of ~~₦~~4,888,558.00 representing WHT and VAT that should have accrued to government to the FIRS and forward evidence of the payment for audit verification. His response is being awaited.

(d) The Commission paid the sum of ~~₦~~5,953,435.40 between March and December, 2007 in respect of 12 contracts without deducting Withholding and Value Added taxes as applicable.

The Director-General has been requested to recover and remit the sum of ~~₦~~595,343.54 to the Federal Inland Revenue Service and forward the remittance receipt for audit verification.

AGRICULTURAL RESEARCH COUNCIL

9.29 At the Agricultural Research Council, Abuja, it was observed that the total revenue collected from Value Added Tax and Withholding Tax between December,

2007 and December, 2008 which amounted to ₦7,462,799.04 was not remitted to the Federal Inland Revenue Service as at the time of inspection in 2009.

(b) Also the sum of ₦17,702,012.02 allegedly remitted to the FIRS has not been receipted and no bank credit advice was produced to confirm payment.

The issues have been communicated to the Executive Secretary whose response is being awaited.

JOINT ADMISSIONS AND MATRICULATION BOARD

9.30 During the revenue audit and examination of the accounting records and books of the Joint Admissions and Matriculation Board, it was observed that:-

- (i) ~~₦~~1,532,754.00 realized from the sales of disposable assets were not paid to the Federal Government account through the Sub-Treasurer.
- (ii) Value Added and Withholding taxes amounting to ~~₦~~5,038,413.35 deducted from various contractors were not remitted to the Federal Inland Revenue Service.
- (iii) Also, Withholding and Pay As You Earn taxes amounting to ~~₦~~62,160,365.17 purportedly remitted to the FIRS could not be verified as no receipt was produced to authenticate the remittance.

The issues raised herein have been brought to the attention of the Registrar and his response is being awaited.

PETROLEUM TRAINING INSTITUTE, EFFURUN

9.31 During the revenue audit of the Petroleum Training Institute (PTI) Effurun, the following observations were made:-

- (a) Value Added and Withholding taxes deducted from payments made by the Institute in 2006 and 2007 were not remitted fully to the Federal Inland Revenue Service as required. The combined figure of the under-remittance amounted to ~~₦~~17,298,143.43, made up of ~~₦~~4,537,438.03 Value Added tax and ~~₦~~12,760,705.40 Withholding tax.

The Institute forwarded a photocopy of a payment voucher dated 17th March, 2009 on which it paid additional ₦10,960,063.00 into the FIRS account. Photocopies of other earlier receipts were also attached to the letter, but these had been taken into

account in arriving at the outstanding figure stated above. The Principal/CEO of the Institute has been requested to forward the original copy of the FIRS receipt for the ~~₦~~10,960,063.00 and also, remit the reviewed balance of ~~₦~~6,338,080.43 to the FIRS.

(b) A close examination of the entries in the Tax Accounts maintained by the Institute led to the discovery that expenditure transactions totalling ~~₦~~1,526,214.27 and ~~₦~~68,188.00 were entered into the WHT and VAT accounts respectively. The debits reduced the figure of the tax deductions that PTI was expected to remit to FIRS, by the sum of the 2 figures, totalling ~~₦~~1,594,402.27. It is unusual to debit VAT and WHT accounts with entries of expenditure, but remittances and relevant adjustments.

The Institute's explanation that the debits reversals of earlier credits made in error into the tax accounts is untenable because reversal of entries is usually effected through the journal or adjustment voucher, and this was not the case in this instance. I have asked the Principal/CEO of the Institute to ensure early remittance of the sum of ~~₦~~1,526,214.27 to the FIRS.

NIGERIA POSTAL SERVICE

9.32 During the revenue audit of the Nigeria Postal Service, the following observations were made:-

(a) NIPOST paid operating surplus for 2006 and 2007 at the annual figure of ~~₦~~30,000,000.00 as against assessed annual rate of ~~₦~~50,000,000.00. NIPOST claimed the rate was reviewed downwards in 2003 to ~~₦~~30,000,000.00 but no documentary evidence from the Budget Office of the Federation and Ministry of Finance was produced to substantiate this. The Postmaster-General of the Federation has been requested to remit the apparent shortfall of ~~₦~~40,000,000.00 for 2006 and 2007 to the Sub-Treasurer of the Federation. Moreso, NIPOST should continue with the payment of the annual rate of ~~₦~~50,000,000.00 with effect from 2008. The response from the Postmaster-General is being awaited.

(b) A check on NIPOST's Capital Cash Books for the year 2006 and 2007 revealed that Value Added and Withholding Taxes totalling ~~₦~~4,367,521.89 were not deducted from some payments. In some other cases, NIPOST deducted and accounted for only one tax element instead of both VAT and WHT. This led to the overpayment of some creditors. This practice violated Financial Regulations 334.

The Postmaster-General has been asked to recover the overpaid amount of ~~₦~~4,367,521.80 and forward the recovery and remittance particulars for verification.

(c) It was observed from NIPOST'S Capital Cash Book, the mail route and FIRS receipts made available that Value Added Tax and Withholding Tax deducted from relevant payments in 2006 and 2007 were not fully remitted to Federal Inland

Revenue Service as the sum of ~~N~~12,738,714.36 was outstanding as at the time of this audit inspection in the last quarter of 2008.

The Postmaster-General has been asked to ensure the remittance of ~~N~~12,738,714.36 to the Federal Inland Revenue Service and his response is being awaited.

NIGERIA CUSTOMS SERVICE

9.33 The audit examination of the accounting records maintained at the Nigeria Custom Service Headquarters, Abuja, revealed the following:-

- (i) Revenue collected from Fees and Others dropped from ~~N~~2,047,308,997.70 in 2006 to ~~N~~1,574,266,651.64 in 2007, resulting to a shortfall of ~~N~~473,042,346.06. Also, revenue collected from Sugar Levy dropped from ~~N~~810,318,230.82 in 2006 to ~~N~~473,288,051.92 in 2007 resulting to a shortfall of ~~N~~337,030,178.90. Moreover, revenue collected from National Export Supervisory Scheme dropped from ~~N~~330,288,062.72 in 2006 to ~~N~~226,030,312.37 in 2007 resulting to a shortfall of ~~N~~104,257,750.35.

Furthermore, revenue collected from 10% Rice Levy dropped from ~~N~~20,076,490,883.03 in 2006 to ~~N~~11,350,628,264.93 in 2007 resulting in a shortfall of ~~N~~8,725,862,618.10.

The shortfalls have been brought to the knowledge of the Comptroller-General whose efforts towards recovery is yet to be communicated to me.

- (ii) It was observed that 1% direct debit of revenue collected between 2003 – 2008 totalling ~~N~~116,084,741,769.30 was transferred to the Comprehensive Import Supervisory scheme (CISS) account maintained by the CBN for the Customs Service. However, the authority for opening the account for the said deduction, the signatories, total amount expended from the account, and the balance to date were not made available despite several requests to the Customs Headquarters.

Also, details of training carried out by the Consultants from 2003 – date were not produced. It was difficult to determine how the operations/utilization was carried out.

- (iii) 1,066 payment vouchers raised between October and June, 2008 for amounts totalling ~~N~~139,614,051.46 were not presented for audit examination. Therefore, it is difficult to accept such payments as proper charges against public funds.

- (iv) 163 Revenue receipts issued between August, 2007 and December, 2007 for amounts totalling ~~N~~858,590.88 were not presented for audit scrutiny. The amount purported to have been received could not be authenticated.

The Comptroller-General has been requested to produce these documents for audit examination and his response is being awaited.

9.34 The sum of ~~N~~109,962,012.40 was spent on the upkeep of the Brussels Office in Belgium from June, 2005 to June, 2008. The sum could not be authenticated as legitimate charges against public funds as no return was received from Brussels on the utilization of the funds and the staff size was not disclosed. This is a contravention of the provisions of Financial Regulations.

9.35 The Vote books for both Capital and Recurrent expenditures for the year, 2008 were not properly maintained. There were improper descriptions, the Total and Balance columns were not properly extended. Also, the amount authorized for expenditure as per the approved budget for subheads were not posted into the vote book. They were maintained as one-line vote, thereby impeding the proper check of the records. This act violated the provisions of Financial Regulations 502 and 503.

9.36 17 laptop computers and 6 laptop bags valued at ~~N~~4,752,000.00 were reported stolen from the store between 27th and 30th June, 2008. As at the time of audit inspection in October, 2008 the loss had not been officially reported on Treasury Form 146 as specified in Financial Regulation 2506(b). The Comptroller-General has been requested to furnish me with results of the investigation and complete all the Treasury forms.

9.37 A total sum of ~~N~~24,245,421.81 representing 5% VAT and WHT deductions purportedly paid in 2008 were not receipted by the FIRS as at the time of audit in July, 2009. The Comptroller-General has been requested to furnish remittance particulars for audit verification.

9.38(i) Independent Revenue collected between January and December, 2008 amounted to ~~N~~24,953,929.48, out of which ~~N~~1,651,929.48 was receipted by the Sub-Treasurer of the Federation, leaving an outstanding sum of ~~N~~123,302,000.00 unaccounted for.

(ii) Independent Revenue totalling ~~N~~39,347,573.92 which accrued as interest from two accounts maintained with two commercial banks were not remitted into the Consolidated Revenue Fund through the Sub-Treasurer of the Federation.

(iii) Differences were noted between the Cash Book balances and the transcript statements which resulted to overstated balances totalling ~~N~~113,813,185.81 (debit). Also, schedules such as; analysis ledger of transactions, expenditure head by subheads and schedule of payment vouchers were not produced for scrutiny.

The Comptroller-General has been requested to produce remittance particulars of the fund into the CRF and investigate the overstated transferred balances from Cash Books into the Transcripts. His reaction is being awaited.

9.39 As at July 2009, Customs Zonal Offices and Area Commands did not remit returns on expenditure of funds totalling ₦2,022,258,731.92 disbursed to them in 2008. I find it difficult to accept such expenditure as proper charges against public funds. Furthermore, the said sum of ₦2,022,258,731.92 was not included in the Transcript prepared and forwarded to the Accountant-General of the Federation. This made the returns rendered by the Service as at December, 2008 incorrect, which invariably would have affected the correctness of the Annual Statement rendered by the Accountant-General of the Federation.

9.40 The records relating to the Special funds created and in custody of the NCS Board such as Motor Vehicle Revolving Loan Fund and Custom Welfare Fund which are financed directly from the proceeds of 7% cost of collection from the Federation Account had not been produced for audit examination since inception. Efforts made to audit these accounts were thwarted thus contravening Financial Regulation 105. I could not therefore accept payments made from the funds as proper charges against public funds.

9.41 During the examination of the accounting records and books maintained at the Nigeria Customs Service, Headquarters, Abuja, it was observed in 2007 vote books, that the sum of ₦318 million was disbursed to the various Zonal Offices, Area Commands and Federal Operations Units for anti-smuggling activities on 24 payment vouchers dated 27th December, 2007. Similarly, the sum of ₦124,561,590.00 was also spent for the purchase of anti-smuggling materials in December, 2007. The release of the huge amount only 5 days to the end of the financial year was observed to be an attempt to prevent the funds from lapsing into revenue chest after 31st December, 2007. The Comptroller-General has been asked to justify this expenditure.

9.42 An examination of the books of account and records maintained at the Apapa Area Command revealed that:-

(a) There was a loss of revenue amounting to ₦794,055,146.52 due to underpayment of duties on importations by two companies.

The original Single Goods Declaration (SGD) relating to the importations including their supporting documents could not be traced into the files.

Only 1 of the 3 SGDs was registered in the in-coming register maintained at the terminal.

9.43 At the forex seat of the Command, all records relating to foreign exchange transactions were not produced for examination by the officer in charge of the forex despite repeated demands.

9.44 It was observed that a Risk Assessment Report (RAR) dated 29th June, 2007 was valued at USD1,437,500.00, while the Free on Board (FOB) value was given as USD3,727,500 thereby making the total value lesser than FOB by USD2,380,000.00 whereas, the reverse was supposed to be the case. The lower amount was used to compute the duty payable on consignments, leading to revenue loss, as the total revenue was lower than the free on board (FOB) value.

The Comptroller-General has been informed of these irregularities and his reaction is being awaited.

9.45 At the Muritala Mohammed Airport Area command, Ikeja, it was observed that Revenue amounting to ~~N~~33,024,855.63 was reportedly lost between January and April, 2008 due to import duty exemptions and waivers and concessioning rates of duty granted to 5 companies. The relevant certificates and waivers which authorized the concessions were not released for audit verification despite repeated demand. This act violated Financial Regulation 105 which prescribes Free Access to Books, Accounts and information to the Auditor-General or his representatives.

The Comptroller-General has been informed of this anomaly and his reaction is being awaited.

9.46 At the Western Marine Command, Apapa, the examination of records maintained revealed that an unspent balance amounting to ~~N~~2,000,000.00 for the year ended December, 2007 was encashed and used for sundry expenses in January, 2008 in contravention of Financial Regulations 513 (i), (ii) and 514.

The irregularity has been brought to the attention of the Comptroller-General of Customs and his reaction is being awaited.

9.47 During the audit inspection of Grimaldi Area Command, Lagos, it was observed that:-

- (i) 10 vehicles with forged documents and fake receipts were released to the owners by the Customs Area Controller in contravention of Section 164 (b) of the Customs and Excise Management Act 2004. The Comptroller-General has been informed and his reactions are being awaited.
- (ii) All the Single Goods Declarations (SGD) processed between January and June 2008, with their attendant supporting documents were not produced for audit examination in violation of the Financial Regulation 105, despite repeated demands.
- (iii) Risk Assessment Reports (RAR) numbering 88 remained unutilized as at November 2008 thereby making it difficult to determine duties payable on imports and the amount of revenue lost for the period. The Comptroller-General has been informed and his reactions are being awaited.

- (iv) An underpayment of import duties totalling ~~N~~88,088,398.00 by 34 different importers remained un-recovered, thereby constituting a loss of revenue to the Federal Government.

The Comptroller-General has been asked to recover the amounts.

9.48 During the audit of accounts and records of Federal Operations Unit, Ikeja, Lagos, it was observed that 13 various items were seized on different dates in 2008. At the time of audit inspection the seized items could not be located in the warehouse. The Comptroller-General has been requested to locate the items.

9.49 At the export seat of the Unit, it was observed that 26 booklets of Single Goods Declaration were posted into the Register but copies of these SGD's were not produced for audit examination. Similarly, 3 booklets of the SGD's were not posted into the register as at the time of the audit exercise.

9.50 During the audit inspection of Ogun State Area Command, Abeokuta, it was revealed that:-

- (i) The underpaid Debit Notes (DN) raised between January and June, 2008 against a Customs Licensing Agent on different dates amounting to ~~N~~2,045,026.00 was yet to be redeemed. The matter has been reported to the Comptroller-General.
- (ii) Risk Assessment Reports (RAR) issued between January and June, 2008 amounting to ~~N~~12,071,786.60 remained unutilized thereby serving as revenue loss to the government. Evidence of utilization of these documents are being awaited from the Comptroller-General, as the matter is under correspondence.

9.51 During the audit inspection of Tin Can Island Area Command, Apapa, Lagos, it was observed that a sum of ~~N~~44,353,061.56 Debit Notes (DN) raised on 78 numbers of Single Goods Declarations against Agents/Importers for various importations at the scanning site II remained unpaid as at December, 2007. The Comptroller-General has been asked to recover the said amounts, forwarding the recovery particulars for audit verification.

9.52 At the Nigeria Custom Service, Maiduguri, it was observed that out of the total amount of ~~N~~61,810,158.48 collected as Customs revenue between January and October, 2008 which was lodged in a designated Bank, only ~~N~~52,783,677.80 was recorded in the Cashbook, leaving the balance of ~~N~~9,127,080.20

9.53 The audit examination of the accounting books and Revenue records maintained at the Gamboru Boarder Station, revealed that amount totalling ~~N~~7,806,500.40 could not be accounted for because there was no Customs receipt issued for the transaction.

The Comptroller-General has been requested to confirm the genuineness of the transaction with relevant documents.

NIGERIA IMMIGRATION SERVICE

9.54 At the Nigeria Immigration Service, Calabar, Cross River State, it was observed that revenue totalling ~~₦~~49,000.00 which was collected between 27th July and 1st August, 2007 and purportedly paid to chest were neither receipted nor posted into the revenue Cashbook maintained by the Unit.

The Comptroller-General of Immigration Service has been asked to Comment on the anomaly. His response is being awaited.

9.55 At Nigeria Immigration Service, Umuahia, Abia State a total of ~~₦~~8,071,595.00 realized on issuance of 31 Visa booklets for the period under review was purportedly paid into a commercial bank between January and October, 2008. However, the bank statements and the records of transfer and remittance to the relevant Federal Government account were not made available for audit examination and verification.

The Comptroller-General has been asked to produce the relevant records for audit verification.

9.56 Revenue from the issuance of ECOWAS Passport certificates amounting to ~~₦~~735,800.00 were purportedly paid into a commercial bank. However, relevant remittance records and bank statements were not made available for audit examination and verification.

The Comptroller-General has been asked to produce the documents for audit verification.

FEDERAL INLAND REVENUE SERVICE

9.57 During the audit examination of the accounting records maintained at the Federal Inland Revenue Service, Maiduguri, it was observed that amounts totalling ~~₦~~23,116,037.44 representing Pay As You Earn (PAYE) were collected between January and December, 2007 as per Bank and E-tickets issued. However, only ~~₦~~19,466,978.35 was entered into the Cash book for the same period, leaving a balance of ~~₦~~3,649,059.09 unaccounted for.

9.58 Arrears of revenue totalling ~~₦~~106,374,607.10 between 2001 and 2006 were yet to be collected by the Area Tax Office, Calabar, as at the time of audit inspection.

Apparently, efforts were not made to collect these huge arrears of revenue from various companies.

9.59 At the Federal Inland Revenue Service, (Integrated Tax Office), Asaba, it was observed that amounts totalling ~~N~~1,070,876.69 representing arrears of company Income Tax and Education Tax, due from some companies between January, 2007 and November, 2008 had remained uncollected as at the time of audit inspection in November, 2008.

9.60 At the Federal Inland Revenue Services (Integrated Tax Office), Warri, it was observed that the amounts of ~~N~~33,610,847.57 and ~~N~~5,804.00 representing arrears of company Income Tax and Education Tax respectively, due from some companies between April, and December, 2008 had remained uncollected as at the time of audit inspection in January, 2009.

9.61 Similarly, an amount of ~~N~~844,847.96 which was collected and receipted within the period under review was not posted into the Cash book. No accounting record was maintained in that unit as at the time of audit inspection in January, 2009. The matter has been brought to the attention of the Chairman whose response is being awaited.

Other, unposted items observed were:

- (i) Company Income Tax for amounts totalling ~~N~~421,433.90
- (ii) Withholding Tax of ~~N~~4,083,830.65
- (iii) Value Added Tax of ~~N~~30,765,209.45
- (iv) Education Tax Fund of ~~N~~1,051,626.40

This is a contravention of the provision of Financial Regulation 202 which states that "A sub-accounting officer shall enter promptly into the cash book all sums of money received by him or paid by him as a public officer. The Chairman has been requested to ensure that all financial transactions for which Tax receipts were issued are promptly posted into the Cash book. Her response is being awaited.

9.62 At Adeoyo Integrated Tax Office, Ibadan, it was observed that arrears of Income Tax totalling ~~N~~102,187,577.16 for the period August, 2007 to July, 2008 still remained uncollected as at time of audit inspection in July 31st 2008.

9.63 At the Yenagoa Integrated Tax Office, it was observed that:

- (i) A company was due for penalty to the tune of ~~N~~60,000.00 for late/non-filling of returns of her account for 2006 assessment year, in accordance with VAT Decree 102 of 1993. The Chairman has been requested to recover the amount of ~~N~~60,000.00 as penalty for late returns from the company and furnish me with recovery particulars for verification. Her reaction is being awaited.

- (ii) Arrears of company Income Tax totalling ~~₦~~106,000.00 from 2005 to 2007 assessment years were yet to be collected from 3 companies as at the time of audit inspection.

All the issues raised herein have been communicated to the Chairperson for necessary action and her response is being awaited.

ALABA INTEGRATED TAX OFFICE

9.64 At the Alaba Integrated Tax Office, it was observed that:-

(a) 2 companies were penalized for irregular rendition of VAT returns for the sum of ~~₦~~105,000.00 but this amount was not paid as at the time of audit. The Chairman has been requested to recover the monies and to forward the payment details for verification.

(b) 7 companies failed to render their monthly VAT returns regularly and were not assessed on “Best of Judgement” (BOJ) for the period they defaulted in accordance with the provisions of Section 31 of VAT Decree 102 1993. The Chairperson has been requested to ensure that appropriate penalties are imposed on the defaulting companies.

INTEGRATED TAX OFFICE, MINNA- NIGER STATE

9.65 It was observed that arrears of company tax for 36 companies totalling ~~₦~~6,795,287.30 remained uncollected as at 31st December, 2006. This has resulted in the loss of revenue to the Federal Government in year 2006. Also, Education Tax arrears amounting to ~~₦~~39,201.06 remained uncollected from 9 companies as at 31st December, 2006.

Similarly, in 2007 company income tax arrears stood at ~~₦~~302,354.34 against 20 companies while Education tax arrears stood at ~~₦~~294,732.00 against 20 companies.

The attention of the Chairperson, Federal Inland Revenue Service has been drawn to the issue with a view to recovering all the arrears.

INTEGRATED TAX OFFICE, KADUNA, KADUNA STATE

9.66 At the Federal Inland Revenue Service’s Integrated Tax Office, Kaduna North, available records revealed that the total liability of tax as at 31st December, 2008 was

~~₦~~371,348,072.80, the same figure with year 2007. This suggests that the records were not updated between 2007 and 2008.

- (i) It is necessary to update the records to reflect their current position and to give a breakdown of the age of the debts, for better understanding.
- (ii) Efforts should be made to collect the debts. But, if they are considered not collectible, FIRS should obtain the approval of the relevant authority to write them off in line with extant rules.

9.67 At Kaduna South Integrated Tax Office, it was observed that arrears of tax as at 31st December, 2008, stood at ~~₦~~246,105,260.44. However, the figures in the list made available for inspection were not in agreement with the balances on the K-Cards from where they were supposedly extracted. For example, the K-Card showed that a company which owed Education Tax of ~~₦~~915,270.40 as at that date was not on the list. In the same manner, no WHT arrears were reported except against the Local Governments, but the Auditors observed from the K-Cards that a WHT figure of ~~₦~~276,945.12 was outstanding against an engineering firm. This suggests that the balances of outstanding taxes are not reliable.

All the issues raised herein have been communicated to the Chairperson for necessary action and her response is being awaited.

YABA INTEGRATED TAX OFFICE

9.68 At the Yaba Integrated Tax Office, it was observed that:-

- (a) A company has an outstanding VAT liability amounting to ~~₦~~11,415,945.92 covering 2004 to 2006 years of Assessment.
- (b) Another company also has an outstanding liability of ~~₦~~3,264,036.64 on its VAT account for the period covering January 2004 to December, 2006.

The Chairperson has been requested to recover the outstanding arrears with the appropriate penalties and interest and also to furnish the payment details for audit scrutiny, and her response is being awaited.

AGEGE INTERGATED TAX OFFICE

9.69 At the Agege Integrated Tax Office, it was observed that:

(a) 10 companies failed to render their monthly VAT returns regularly and were not assessed on "Best of Judgement" (BOJ) in accordance with the provisions of VAT Act of 1993.

(b) Also, 6 companies failed to pay their income taxes for 2008 year of assessment amounting to ₦6,805,851.19. The Chairperson has been requested to see to the recovery of these taxes and furnish me with the recovery particulars.

VICTORIA ISLAND INTEGRATED TAX OFFICE

9.70 At the Victoria Island Integrated Tax Office, it was observed that:-

(a) Amounts totalling ₦28,745,735.46 collected as income tax on receipt numbers 05179876-05179900 in March, 2008 were not entered into the Cash book.

(b) Also, an amount of ₦20,000,605.74 collected as Value Added Tax (VAT) on receipt number 05423746 in June, 2008 could not be traced into the Cash book. The Chairperson has been asked to comment and update the records accordingly, her comment is being awaited.

APAPA INTEGRATED TAX OFFICE

9.71 The audit examination of the accounting records maintained at the Apapa Integrated Tax office revealed the following:-

- (i) Amounts totalling ₦7,883,464.46 for 2006 and 2007 assessment years remained uncollected at the time of audit inspection in May, 2009.
- (ii) Arrears of VAT amounting to ₦1,150,134.56 owed by a corporate body in Lagos remained un-recovered as at December, 2008.
- (iii) Additional Tax imposed on a service company in Apapa amounting to ₦81,560.00 for the year 2007 remained outstanding.
- (iv) Irregular VAT returns and underassessment were noted on 7 companies in violation of VAT Decree 102 of 1993.

The Chairperson has been requested to recover the unpaid taxes and apply Best of Judgment Assessment against defaulting companies. Her response is being awaited.

NATIONAL POPULATION COMMISSION

9.72 At the National Population Commission, Asaba, it was observed that:

(a) The sum of ~~N~~3,120,000.00 which was an allocation meant for project was expended on the payment of Adhoc staff salary. This action is regarded as miss-application of public fund, contrary to FR 515 which states that "the Federal Government require all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted". The authority for this diversion should be produced.

(b) Amounts totalling ~~N~~28,000.00 was collected as revenue in October, 2008 without Treasury receipt book 6A acknowledging the receipt of the amount. This is contrary to FR 1015 which stipulates that "All revenue receipts shall be issued to payers in strict serial order and shall not be altered in anyway". The Chairman has been asked to confirm with authentic documents that the amount has been collected and his response is being awaited.

(c) Amounts totalling ~~N~~104,000.00 representing revenue generated from Birth Registration for the period under review that were purportedly paid into Afribank Federal Pay Office, Asaba account, were not supported with relevant treasury receipt book 6 acknowledging the receipt of the amount. The Treasury receipt book 6 in respect of the lodgments should be forwarded for audit verification.

The anomalies observed herein have been reported to the Chairman and his response is being awaited.

NIGERIAN BROADCASTING COMMISSION

9.73 During the audit inspection on the Nigerian Broadcasting Commission, the following observations were made:-

(a) The Commission procured goods and services totalling ~~N~~87,748,340.32 between year 2004 and 2007 by cash advance in excess of ~~N~~100,000.00 individually, contrary to Circular No. TRY/A5&B5/2001/OAGF/TS/005/01/222 of 7th September, 2001 issued by the Accountant-General of the Federation, thus depriving the government of the 5% Withholding and Value Added Taxes totalling ~~N~~8,774,834.03 payable on equivalent procurement.

The Director-General of the Commission has been asked to remit this amount to FIRS and forward the remittance particulars for audit verification.

(b) Audit examination of the Pay As You Earn (PAYE) tax deductions made from staff salaries revealed that out of ~~N~~22,310,488.23 deducted between 2005 and 2007, only ~~N~~8,327,566.62 was remitted to the Federal Inland Revenue Service, leaving a balance of ~~N~~13,982,921.61.

The Director-General has been informed that the Commission should remit the outstanding amount to the Federal Inland Revenue service.

(c) Withholding and Value Added Taxes amounting to ~~₦~~100,533,191.66 was deducted by the Commission between 2003 and 2006. Out of this amount, the sum of ~~₦~~14,646,619.10 had been remitted to FIRS leaving a balance of ~~₦~~85,886,672.56.

The Director-General has been asked to remit the sum of ~~₦~~85,886,672.56 to the FIRS and forward documentary evidence of the remittance for my verification.

(d) Withholding and Value Added Taxes totalling ~~₦~~25,922,699.00 were not deducted from the payments made to contractors between 2004 and 2007. The Director-General of the Commission has been asked to recover the amounts and remit same to FIRS and forward evidence of remittance for audit verification.

The issues raised herein have being communicated to the Director-General and his response is being awaited.

GENERAL

2008 TRAINING REPORT

9.74 Some Training and Retraining Programmes for staff capacity building in the Office of the Auditor-General for the Federation were implemented during the year under review as follows:-

LOCAL

S/NO	COURSE TITLE	GRADE LEVEL	NO OF PARTICIPANT	DURATION
1.	Performance Improvement/Skills Dev. Training for Secretaries/Typists @ Digital Bridge Institute, Abuja.	06-14	30	1 week
2.	Information Technology Skills Acquisition @ Digital Bridge Institute, Abuja.	08-10	60	2 weeks
3.	Workshop on Computerized Accounting and Auditing in the Public Sector @ Hamdala Hotel, Kaduna.	08-15	5	1 week
4.	Value for Money audit/Performance Audit @ Bayelsa Guest \House, Abuja	08-15	120	2 weeks
5.	Imperatives of Strategic Planning Towards Achieving Audit & Financial Goals in the Public Sector @ Crest Hotel & Gardens, Jos.	13-15	2	1 week
6.	The Implications of Fiscal Responsibility Act (2007) On the Public Internal Financial Control System @ Trade Fair Complex, Jos.	08-13	5	1 week

7.	Advanced Information Technology Skills Acquisition training @ Trade Fair Complex, Kaduna.	13-15	60	2 Month
8.	NIPSS-Policy, strategy & Leadership (PRE-SEC) Course audit @ Kuru, Jos.	15	2	2 weeks
9.	Audit of Final Accounts & Report Writing @ Valencia Hotel, Abuja.	13-15	60	1 week
10.	Public Finance, Treasury & Audit Practice in the Public Sector @ Airport Hotel, Lagos.	08-13	4	1 week
11.	Effective Revenue Mobilization Strategies, Treasury Management & Control in the Public Sector @ Gateway Hotel, Ota, Ogun State.	12-14	4	1 week
12.	Training Programme on Management Tools for Officers on L 12-14 and Inter-Personal skills for Confidential Secretaries in the Federal Civil Service @ Public Service Institute, Kubwa, Abuja.	12-14	2	1 week
13.	Programme on Elocution, Public Speaking & Writing Skills for Directorate Cadre Officers in the Federal Civil Service @ OHSF (1 DD & 2 Ads) – Public Service Institute, Kubwa, Abuja.	15-16	3	1 week
14.	Drivers Capacity Building on Safety Driving @ Nasarawa.	04-08	26	1 week
15.	Workshop on Council Memo @ Public Service Institute, Kubwa, Abuja.	15-17	3	1 week
16.	Re-engineering Public Sector Accounting, Auditing and Financial Services Delivery for the Realization of Vision 20 in 2020 @ Hamdala Hotel, Kaduna	08-13	4	1 week
17.	Enhancing Performance audit to Reduce Expenditure Wastages @ Gateway Hotel, Ota, Ogun State.	10-14	4	1 week
18.	Bridging the Expectation gaps in Public Sector Financial Statement @ Hamdala Hotel, Kadauna.	10-14	4	1 week
19.	Internal auditing Accountability, Ethical Standards & Financial Reporting in the Public Sector @ Hamdala Hotel, Kaduna.	10-14	4	1 week
20.	Training for DTOs & Assistants (1 PA & 1 AD) @ ASCON, Badagry.	12-15	2	2 weeks

(b) **FOREIGN**

S/NO	COURSE TITLE	GRADE LEVEL	NO OF PARTICIPANT	DUATION
1.	(a) Advanced Auditing Course @			

	Management School, London, U.K.	12-16	4	2 weeks
	(b) Fraud Prevention & Investigation @ Management School, London, U.K.		4	2 weeks
	(c) Petroleum Accounting Finance & Auditing Course @ Management School, London, U.K.		5	2 weeks
	(d) Advanced Management for Senior Govt. Officials @ Management School, London, U.K.		2	2 weeks
	(e) Human Resource & Personnel Management Course @ Management School, London, U.K.		3	2 weeks
	(f) Accounts Budget & Finance Course @ Management School, London, U.K.		3	2 weeks
2.	(a) Forensic Auditing and Accounting @ GTC, London, U. K.	14-15	3	2 weeks
3.	Strategic Procurement & Contract Management @ RIPA, London, U.K.	14 & 16	2	2 weeks
4.	(a) Advanced Auditing Course @ AMADI (b) Value for Money Audit for Development Projects @AMADI South – Africa (c) Database Management Programme @ AMADI South – Africa.	13-15	3	2 weeks
5.	Technical Assistance Course on International Audit Programme under Plan and Colombo Special commonwealth African Assistance Programme (SCAPP) in New Delhi, India	12	2	4 weeks
6.	Senior Training and Development Course @ Management School, London, U.K.	12 & 15	2	2 weeks

ACKNOWLEDGEMENT

9.75 I wish to express my profound gratitude and deep appreciation to all the members of my staff for their hard work and diligence during the period under review. This Report is a demonstration of their devotion to duty and unalloyed support for the role of this Office. I also thank all those functionaries outside my Office who have so delightfully co-operated with my Office in the performance of my statutory duties this year and in the compilation of this Report.

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22nd October, 2009

SECTION 10

APPENDICES

APPENDIX 1A**LOSSES OF GOVERNMENT FUNDS ARISING FROM FRAUD, THEFT, OR NEGLIGENCE**
JANUARY – DECEMBER, 2008**“A” – LOSS OF CASH – ~~₦~~10,000.00 AND ABOVE**

NO.	DESCRIPTION	FILE NO.	AMOUNT ₦	WHETHER RECOVERED OR MADE GOOD AND BY WHOM	WHETHER WRITTEN OFF AND ON WHOSE AUTHORITY
1.	<u>NIGERIA SOCIAL INSURANCE TRUST FUND (NSITF)</u> (i) Balance at a Distress Bank written off. (ii) Debenture interest written off. (iii) Loan written off.	-	₦ 652,113,387.98 44,304,000.00 60,832,580.00	Not Yet Recovered	Under Action
		TOTAL LOSS	₦757,249,967.98		

LOSSES OF GOVERNMENT FUNDS ARISING FROM FRAUD ,THEFT OR NEGLIGENCE
JANUARY – DECEMBER, 2008

“B” – LOSS OF STORES, PLANTS, VEHICLES AND EQUIPMENT VALUED AT – ₦10,000.00 AND ABOVE

NO.	DESCRIPTION	FILE NO.	AMOUNT ₦	WHETHER RECOVERED OR MADE GOOD AND BY WHOM	WHETHER WRITTEN OFF AND ON WHOSE AUTHORITY
1.	<u>NATIONAL IDENTITY MANAGEMENT COMMISSION</u> At the Headquarters of the Commission, a loss of government stores was recorded as they could not be seen at their various locations. The loss was not reported on Treasury Form 146 and no explanation was given for the missing items nor action taken against the erring officer.	-	2,190,000.00	Not Yet Recovered	Under Action
2.	<u>NIGERIA PRISONS SERVICE, ABUJA</u> At the Nigeria Prisons Service, Abuja, 4 different types of vehicles were accidented. However, Police Report, copy of query issued to the drivers, their representations and Treasury Form 146 were not produced for my verification.	-	Unknown	Not Yet Recovered	Under Action
3.	<u>NATIONAL ASSEMBLY - MANAGEMENT</u> 2 official vehicles, a Peugeot 307 saloon car and a Toyota Hilux Pick-up got involved in a ghastly accident during one of their official trip. Due process on reporting of accidented vehicle was not followed in accordance with Financial Regulations chapters 15 and 21.	-	Unknown	Not Yet Recovered	Under Action
4.	<u>NATIONAL JUDICIAL COUNCIL, ABUJA</u> At the Council, 24, laptop computers were allegedly stolen from the store on 17 th December, 2007. However, duly completed Treasury Form 146, Police	-	8,553,600.00	Not Yet Recovered	Under Action

	Report, Management Report, copies of the queries issued to the store and security officers and their responses could not be produced for my verification.				
5.	<u>FCT, HIGH COURT OF JUSTICE, ABUJA</u> A Toyota Camry car with Registration Number FJ II-CT, purchased in 2007 was reported stolen at gun point by armed robbers from the Honourable Justice on his way to Karu near Bolingo Hotel on 21st May, 2007. Though the matter was reported to the Police but proper due process has not been followed according to Financial Regulations chapters 15 and 21.	-	5,950,000.00	Not Yet Recovered	Under Action
6.	<u>POLICE SERVICE COMMISSION, ABUJA.</u> A Pick-up Hilux, double cabin with Registration Number FG 10 PSC that was not comprehensively insured, got involved in a road accident along Km 1 Road in Calabar without being reported formerly following due process.	-	Unknown	Not Yet Recovered	Under Action
7.	<u>NIGERIA CUSTOMS SERVICE, HEADQUARTERS, ABUJA</u> 17 laptop computers and 6 laptop bags were allegedly stolen from the store between 27th and 30th June, 2008 without being formerly reported through Treasury Form 146 in compliance with Financial Regulations chapter 25.	-	4,752,000.00	Not Yet Recovered	Under Action
8.	<u>FEDERAL INLAND REVENUE, CALABAR</u> 2 Yamaha 100 motorcycles could not be presented for physical verification and the disappearance of the motorcycles was not officially reported in accordance with the provisions of the Financial Regulations.	-	Unknown	Not Yet Recovered	Under Action
	TOTAL LOSS		₦21,445,600.00		

APPENDIX 2A

SCHEDULE OF UNCOLLECTED REVENUE BY
THE FEDERAL INLAND REVENUE SERVICE
IN YEAR 2008

S/N	STATION	TYPE OF REVENUE	AMOUNT ₦	TOTAL ₦
1.	Nigeria Civil Aviation Authority	VAT WHT	4,044,071.91 10,624,566.87	14,668,638.78
2.	Central Bank of Nigeria (CBN)	Taxes Taxes WHT WHT VAT	6,260,627.36 639,813,555.51 47,822,638.00 1,992,724.21 1,992,724.21	697,882,269.29
3.	Nigeria Social Insurance Trust Fund	PAYE	12,346,892.78	12,346,892.78
4.	National Agency for Science and Engineering Infrastructure	Taxes Arrears of Taxes	296,577,495.33 6,266,577.47	302,844,072.80
5.	Securities and Exchange Commission	WHT VAT WHT VAT	2,610,675.00 2,610,675.00 3,011,149.55 1,721,804.55	9,954,304.41
6.	Agricultural Research Council	VAT & WHT	7,462,799.04	7,462,799.04
7.	Joint Admission and Matriculation Board	VAT & WHT WHT & PAYE	5,038,413.35 62,160,365.17	67,198,778.52
8.	Petroleum Training Institute, Effurum	VAT WHT	4,537,438.03 12,760,705.40	17,298,143.43
9.	Nigeria Postal Service	VAT & WHT	12,738,714.36	12,738,714.36
10.	Nigeria Customs Service	VAT & WHT	24,245,421.81	24,245,421.81
11.	Nigerian Broadcasting Commission	PAYE VAT & WHT VAT & WHT	13,982,921.61 85,886,672.56 25,922,699.0	125,792,293.17
12.	Federal Inland Revenue, Maiduguri	PAYE	3,649,059.00	3,649,059.09
13.	Federal Inland Revenue, Calabar	Arrears of Revenue	106,374,607.10	106,374,607.10
14.	Federal Inland Revenue	Arrears of		

	(Integrated Tax Office), Asaba	C.I.T and Education Tax	1,070,876.69	1,070,876.69
15.	Federal Inland Revenue Service, (Integrated Tax Office), Warri	CIT Education Tax Unposted effect:- “ CIT “ WHT “ VAT “ E.T.F	33,610,847.57 5,804.00 844,847.96 421,433.90 4,083,830.65 30,765,209.45 1,051,626.40	 70,783,599.93
16.	Adeoye, Integrated Tax Office, Ibadan	Arrears of Income Tax	102,187,577.16	102,187,577.16
17.	Integrated Tax Office, Minna, Niger State	C.I.T.	6,795,287.30	6,795,287.30
18.	Integrated Tax Office, Kaduna	Taxes	246,105,260.44	246,105,260.44
19.	Yaba Integrated Tax Office	VAT VAT	11,415,945.92 3,264,036.64	14,679,982.56
20.	Agege Integrated Tax Office	C.I.T.	6,805,851.19	6,805,851.19
21.	Victoria Island Integrated Tax Office	Income Tax VAT	28,745,735.46 20,000,605.74	48,746,341.02
22.	Apapa Integrated Tax Office	Taxes VAT Additional Taxes	7,883,464.46 1,150,134.56 81,560.00	 8,080,159.02
			GRAND TOTAL	N1,907,710,929.80

SCHEDULE OF REVENUE UNACCOUNTED FOR
IN YEAR 2008

S/N	M.D.A.	TYPE OF REVENUE	TOTAL AMOUNT COLLECTED ₦	TOTAL AMOUNT PAID TO TREASURY ₦	AMOUNT TO BE ACCOUNTED FOR ₦	TOTAL ₦
1.	Nigeria Social Insurance Trust Fund	Debenture Interest. Interest Loans	44,304,000.00 50,315,823.92 100,832,580.00	- 38,504,219.15 40,000,000.00	44,304,000.00 11,811,604.11 60,832,580.00	116,948,184.11
2.	National Agency for Science and Engineering Infrastructure	Undisclosed I.G.R Proceed from Disposal of Assets	85,162,178.46 11,093,297.00	- -	85,163,178.46 11,093,297.00	96,256,475.46
3.	Joint Admission and Matriculation Board (JAMB)	Proceed from sales of assets	1,532,754.00	-	1,532,754.00	1,532,754.00
4.	Nigeria Customs Service	Underpayment of duties Irregular Waivers and exemptions Underpayment of Import duties Debit Notes against an Agent Not redeemed Unutilized Risk Assessment Reports (RAR) Debit Note on Single Goods Declarations Balance not recorded in the cash book No custom receipt issued for transaction	794,055,146.52 33,024,855.63 88,088,398.00 2,045,026.00 12,071,786.60 44,353,061.56 9,127,080.20 7,806,500.40	- - - - - - -	794,055,146.52 33,024,855.63 88,088,398.00 2,045,026.00 12,071,786.60 44,353,061.56 9,127,080.20 7,806,500.40	990,571,854.91
	GRAND TOTAL					₦1,205,309,268.48

APPENDIX 3 DETAILS

INVESTMENTS	
Investments in Manufacturing Industries	6 A
Investments in Service Companies/Agencies	6 B
Investments in Financial Institutions	6 C
Investments in /Insurance Coys	6 C
Investments: External Investments	6 D
Investments: Forfeited to Federal Govt. of Nigeria	6 E
INVESTMENTS-CROWN AGENTS	
Cash	6 F
Deposit	6 F
FGN Investments with Crown Agents	6 G
GRANTS TO GOVERNMENT COMPANIES	
Grants- Manufacturing Companies	6 H
Grants-Other Companies	6 I
Grants-Financial Institutions	6 I
Grants- River Basins Dev. Authorities	6 J
LOANS TO GOVERNMENT COMPANIES	
Loans to Companies -under Power & Steel	6 K
Loans to Companies -under Finance	6 K
Loans to Companies -under Works	6 K
Loans to Companies -under Information	6 K
Loans to Companies -under Transport	6 K
Loans to Companies -under Communication	6 K
Loans to Companies -under Science & Tech.	6 K
Loans to Companies -under Solid Mineral Dev.	6 K
Loans to Companies -under Agriculture	6 K
Loans to Companies -under Industry	6 L

REF. NO 6A
OFFICE OF THE ACCOUNTANT-GENERAL OF THE FEDERATION
REVENUE AND INVESTMENTS
INVESTMENTS IN MANUFACTURING INDUSTRIES

S/N	NAME OF COMPANY	INVESTMENT AS AT 1ST JAN.2008	% SHARES	SHARE HOLDING	ADDITIONAL SHARES	LOANS NOT CONVERTED TO EQUITY	PRIVATISED SHARES	PRIVATIZED AS AT 31ST DEC.2008
1	AJAKUTA STEEL	1,049,407,512.00	100	125,000				1,049,407,512.00
2	ANAMMCO	14,277,083.00	11	9,240,000				14,277,083.00
3	NATIONAL IRON MINING CO.	500,000	100	500,000				500,000.00
4	DELTA STEEL CO	44,000,000	20	43,999,999.60				44,000,000.00
5	DUNLOP INDUSTRY	9,799,978	7	2,649,994				9,799,978.00
6	LAFIAGI SUGAR CO LTD.	960,300	90	960,300			960,300.00	
7	NEW NIGERIA NEWS PAPER	619,458,709	100	341,557,917				619,458,709.00
8	NIGERIA MINING CORP.	154,438,709	100	154,436,000				154,438,709.00
9	OFADA VEETEE	67,043,800.00	10	50,000,000				67,043,800.00
10	NIGERIA ROMANIAN	3,000,000.00	25	3,000,000				3,000,000.00
11	SERONWOOD INDUSTRY. LTD	2,440,000.00	16	2,440,000				2,440,000.00
12	PACE SETTER FARMS	63,450,000.00	10	5,512,500				63,450,000.00
13	PEUGEOT AUTOMOBILE.NIG.LTD	7,350,000	10	.....				7,350,000.00
14	N.N.P.C	6,997,971,000	100	.....				6,997,971,000.00
15	ELECTRIC METER CO.	1,323,000	49	385,840,400				1,323,000.00
16	ALUMINUM SMELTER	476,485,400	10	509,718.50				476,485,400.00
17	FEDERAL SUPER PHOSPHATE	2,741,956	10	2,741,956				2,741,956.00
18	NIGERIAN URANIUM CO.	9,000,000	60	9,000,000	1,967,753.00			9,000,000.00
19	ADJUSTMENTS	-2,709						(2,709.00)
	TOTAL	9,523,644,738.00						9,522,684,438.00

REF. NO. 6 B
OFFICE OF THE ACCOUNTANT-GENERAL OF THE FEDERATION
REVENUE AND INVESTMENTS
(INVESTMENT S IN SERVICE INDUSTRY AS AT 31ST DEC.2008)

S/N	NAME OF COMPANIES	INVESTMENT AS AT JAN. 2008	% SHARES	SHARE HOLDING (UNIT)	PRIVATIZED SHARES	TOTAL INVESTMENT AS AT 31ST DEC., 2008
1	NITEL	26,199,185,639.00	49	2,695,000,000		26,199,185,639.00
2	M-TEL	12,250,000,000.00	100	.....		12,250,000,000.00
3	NIGERIA SECURITY PRINTING&MINTS	412,500,000.00	100	137,500,000		412,500,000.00
4	NIG. RAILWAY CORP.	283,625,000.00	100	.....		283,625,000.00
5	NIG.AIRWAYS LIMITED	120,000,000.00	100	59,999	120,000,000.00	-
6	NEPA	3,858,404,000.00	100	.....		3,858,404,000.00
7	NIG.PORTS PLC	500,000,000.00	100	.....	500,000,000.00	-
8	NIG. TELEVISION AUTH.	31,538,400.00	100	.....		31,538,400.00
9	NIG.AIRPORT AUTH	1,505,594,684.00	100	.....		1,505,594,684.00
10	ARABLE CROPS DEV.& MARKETING	200,000,000.00	20	200,000,000		200,000,000.00
11	POSTING&TELECOMM.	2,800,000,000.00	100	.....	2,800,000,000.00	-
12	ABUJA INTER.HOTEL(Le-Meridian/Sofited)	96,709,754.00	49	.....		96,709,754.00
13	CAPITAL HOTELS PLC (Abuja Sharaton)	274,444,170.00	36	557,822,200		274,444,170.00
14	NIGERIA COAL CORPORATE	20,000,000.00	100	.....	20,000,000.00	-
15	NIPOST	3,100,895,307.00	100	.....		3,100,895,307.00
16	TRANSCORP HILTON HOTEL	677,388,740.00	49	.....		677,388,740.00
	TOTAL	52,330,285,694.00			3,440,000,000.00	48,890,285,694.00

NOTE 6C
OFFICE OF THE ACCOUNTANT-GENERAL OF THE FEDERATION
REVENUE AND INVESTMENTS
(INVESTMENT IN FINANCIAL INSTITUTION /BANKS)

S/NO	NAMES OF COMPANIES	INVESTMENT AS AT 1ST JAN.2008 N	% SHARES	SHARES HOLDING UNITS	ADDITIONAL SHARES	CORRECTION OF POSTING ERROR	MERGED SHARES N	PRIVATIZED SHARES	TOTAL INVESTMENT AS AT 31ST DEC. 2008 N
1	AGRIC. CRD. GAU. SCHEME FUND	51,340,000.00	60	3,000,000,000					51,340,000.00
2	CENTRAL BANK OF NIG	300,000,000.00	100	.....					300,000,000.00
3	FED.MORTGAGE BANK	12,893,099,998.00	50	150,000,000			205,400.00		13,098,499,998.00
4	NIG.AGRIC.CORP.DEV. BANK	16,780,556,197.00	60	...					16,780,556,197.00
5	NIG. BANK FOR COMMERCE&INDUSTRY	233,416,520.00	100	....					233,416,520.00
6	NIG.INDUSTRIAL DEV.BANK	798,805,136.00	60	..			(798,805,136.00)		0.00
7	NIDB MANAGED FUND	117,737,779.00	100	....			(117,737,779.00)		0.00
8	CONTINENTAL MERCHANT BANK	37,093,252	100	.....				37,093,252.00	0
9	URBAN DEV.BANK	151,626,337.00	20	160,000,000					151,626,337.00
10	NIG.EXPORT-IMPORT BANK	2,625,914,000.00	100	3,030,202,506					2,625,914,000.00
11	FED. MORTGAGE FIN.BANK	205,400,000.00	60	.....			(205,400,000.00)		0.00
12	AFREXIM BANK	219,960,000.00	4	2,000		(219,960,000.00)			0.00
13	BANK OF INDUSTRY	13,170,000,000.00	59.54	.....	2,250,000,000.00		916,542,915.00		16,336,542,915.00
14	NERFUND	223,000,000.00	100	.....					223,000,000.00
15	NIG MERCHANT BANK	30,000,000.00	100	30,150,000				30,000,000.00	0.00
	TOTAL	47,837,949,219.00			2,250,000,000.00	(219,960,000.00)			49,800,895,967.00
	<u>INVESTMENT IN INSURANCE COMPANIES</u>								
	<u>AS AT 31ST DEC. 2008</u>								
1	NATIONAL INSURANCE COMPANY	300,000,000.00	100	100,000				210,000,000.00	90,000,000.00
2	NIG.DEPOSIT INSURANCE CORP.	187,500,000.00	40	.....					187,500,000.00
3	NIG. REINSURANCE CO.	396,666,666.00	49	60,000,000					396,666,666.00
4	NIG. AGRIC INSURANCE CORP.	5,000,000.00	100	.....					5,000,000.00
	TOTAL	1,519,166,666.00						210,000,000.00	679,166,666.00

NOTE 6 D
OFFICE OF THE ACCOUNTANT-GENERAL OF THE FEDERATION
REVENUE AND INVESTMENTS

S/N	EXTERNAL INVESTMENT AS AT 1ST JAN.2008	INVESTMENTS AS AT 1ST JAN,2008	% SHARES	SHARES HOLDING (UNITS)	ADDITIONAL SHARES	TOTAL INVESTMENT AS AT 31ST DEC,2008 ₦
	<u>NAMES OF COMPANY</u>					
1	AFRICAN RE-INSUR.CO	224,568	.....	.....		224,568
2	AFRICAN DEV.BANK	100,000,000	9.6	.....		100,000,000
3	SHELTER AFRIQUE,KENYA	5,067,000	6.66	2,662,000		5,067,000
4	CARIBEAN DEV. BANK	3,731,343	3	.....		3,731,343
5	IND. CHEQUES DU SEN	7,872,608	10	814,206		7,872,608
6	INTER. FINANCE CORP	4,173,217	.....	.....		4,173,217
7	MIFERUGU-NUMBA CO	7,772,200	16.4	410,000		7,772,200
8	GUINEA URANIUM PROJ.	1,620,956	16	.....		1,620,956
9	NIG.NIGER URANIUM PROJ.	1,897,660	17	.....		1,897,660
10	ROYAL SIMUNYE SUGAR CO.	3,100,000	7	.....		3,100,000
11	SAVE SUGAR CO. LTD	16,670,000	46	.....		16,670,000
12	NIGERIA TRUST FUND	100,000,000	100	.....		100,000,000
13	AFRICAN EXP/IMP. BANK	219,960,000	4	10,000		219,960,000
14	ECO.COM.W.A (ECOWAS	47,441,367		.....		47,441,367
	TOTAL	519,530,919				519,530,919

NOTE 6 E
OFFICE OF THE ACCOUNTANT-GENERAL OF THE FEDERATION
REVENUE AND INVESTMENTS
INVESTMENTS FORFEITED TO THE FEDERAL GOVERNMENT AS AT 31/12/08

NO	NAME OF COMPANY	INVESTMENT AS AT JAN 2008	% SHARE	SHARE HOLDING	ADDITIONAL SHARES	TOTAL INVESTMENT AS AT 31ST DEC, 2008
1	BERGER PAINTS NIG LTD	24,186	.....	24,186		24,186
2	FAR EAST MER.CO.LTD	9,000	.....	6,000		9,000
3	G.CAPPA LIMITED	200,000	.....	200,000		200,000
4	GLOBE FISHING IND. LTD	29,532	.....	29,532		29,532
5	GUINNESS NIG LTD	570	.....	570		570
6	CHEMICAL & ALLIED PRO.	11,996	.....	3,999		11,996
7	JOHN HOLT NIG LTD	2,160	.....	2,160		2,160
8	NEZAM KABEL (Acatel Kabel)	400,000	.....	400,000		400,000
9	LEVENTIS TECH. LTD	80,000	.....	80,000		80,000
10	LEVENTIS STORES NIG.LTD	15,000	.....	15,000		15,000
11	MONIER CONST. COMP.	22,232	.....	19,360		22,232
12	MOTOR ENG. SERVICES	147,000	.....	147,000		147,000
13	NIG.BOTTLING CO.LTD	511	.....	511		511
14	NIG BREWRIES	25,320	.....	100		25,320
15	PILKINGTON GLASS NIG.LTD	22,222	.....	22,222		22,222
16	R.T.BRISCOE GLASS NIG LTD	169	.....	169	1	170
17	TECHNICAL CONST.CO	30,000	.....	30,000		30,000
18	SMEATON NIG.LTD	140,000	.....	140,000		140,000
19	TCN PROPERTIES LTD	7,424	.....	16		7,424
20	THE BOTS CO. LTD	50	.....	50	50	100
21	THE DAILY TIMES NIG LTD	75	.....	75	25	100
22	UNIVERSAL FISHING CO. LTD	2,000	.....	2,000		2,000
23	UNITED NIG.TEXILE LTD	540	.....	540		540
24	WATA TIMBER COMPANY	60,000	.....	60,000		60,000
25	WIGGIN TEAPS CO. LTD	300	.....	300		300
	TOTAL	1,230,287.00			76	1,230,363.00

NOTE 6 F

OFFICE OF THE ACCOUNTANT-GENERAL OF THE FEDERATION
DEPARTMENT OF REVENUE AND INVESTMENT**FUNDS INVESTED ON BEHALF OF FGN BY CROWN AGENTS AS AT DECEMBER ,2008.**

DESCRIPTION	NOMINAL VALUE	BOOKS/ COST PRICE		NAIRA VALUE	MARKET VALUE AS AT 31ST DEC. 2008				POUNDS TOTAL VALUE	NAIRA TOTAL VALUE
		UNIT COST	POUNDS STERLING		MKT PRICE	POUNDS STERLING	NAIRA VALUE	ACCRUED		
CASH										
Crown Agents	1,099.15	1	1,099.15	209,362.35	1.00	1,099.15	209,362.35		1,099.15	209,362.35
Bank										
Bankof Scotland GBP	484,622.18	1	484,622.18	92,309,185.13	1	484,622.18	92,309,185.13		484,622.18	92,309,185.13
Interest Bearing										
Current A./C										
Sub-Total (A)	485,721.33		485,721.33	92,518,547.48		485,721.33	92,518,547.48		485,721.33	92,518,547.48
DEPOSITS										
ING Bank N.V. 1	850,000.00	1	850,000.00	161,905,110.00	1	850,000.00	161,905,110.00	314.33	850,314.38	161,964,992.03
1/2% 22nd Dec 2008										
5th Jan 2009										
UBS AG 1 1/2%	800,000.00	1	800,000.00	152,381,280.00	1	800,000.00	152,381,280.00	295.89	800,295.89	152,437,640.12
22nd Dec 2008 -										
5th Jan 2009										
Sub-Total (B)	1,650,000.00		1,650,000.00	314,286,390.00		1,650,000.00	314,286,390.00	610.27	1,650,610.27	314,402,632.15

APPENDIX 3 DETAILS

NOTE 6 G

FUNDS INVESTED ON BEHALF OF FGN BY CROWN AGENTS AS AT 31ST DECEMBER, 2008.

DESCRIPTION	NOMINAL VALUE	UNIT COST	POUNDS STERLING	NAIRA VALUE	MKT PRICE	POUNDS STERLING	NAIRA VALUE	ACCRUED	POUNDS TOTAL	NAIRA TOTAL VALUE
UK GOVT. 5% 7/9/2014	300,000.00	109	327,030	62,291,562.50	112	335,217.49	63,851,087.76	4,765.19	339,962.68	64,758,744.94
UK GOVT 4% 7/9/2018	700,000.00	1042	129,470.00	138,946.40	107,336	751,350	143,114,675.32	8,895.03	760,145.46	340,808,970.39
UK GOVT 8.75% 25/28/.17	665,300.00	125.3	665,300.00	125.3	833,568.25	158,772,568.25	141,581	940,050.50	279,257,967.27	20,239.13
UK GOVT 4.5% 7/9/2029	870,909.30	205.9	992,466.80	176,708,235.58	300,720	940,275.28	388,677,867.27	309,888.27	974,660.40	285,680.96
UK GOVT 5% 7/2/2025	1,000,000.00	108.1	1,080,772.00	205,860,775.90	118,720	1,320,903.13	235,791,586.38	15,888.98	130,467,621.00	218,817,052.54
UK GOVT 8% 7/2/2028	3,000,000.00	107.2	1,504,850.00	689,458,382.25	237,579	3,857,962.95	794,757,368.25	11,986.13	3,869,252.22	736,997,255.85
SUB-TOTAL (C)	6,336,909.00		1,407,905.18	1,400,000,085.70		7,981,180.90	1,520,220,407.52	70,300.38	8,582,447,225.40	1,989,947,223.69
GRAND TOTAL	8,777,388.38		8,568,165.46	1,827,908.132.22		10,125,086,345.30	72,693.40	30,189,537.23	10,139,378.20	113,430,403.30

NOTE:--

SOURCE:- PORTFOLIO REVIEW OF CROWN AGENT INVESTMENT MANAGEMENT REPORT AS AT 31ST DECEMBER , 2008.

CONVERSION RATE FOR POUNDS STERLING WAS N 190.4766

NOTE 6 H
OFFICE OF THE ACCOUNTANT-GENERAL OF THE FEDERATION
REVENUE AND INVESTMENTS
GRANTS/SUBVENTIONS IN MANUFACTURING CO AS AT DECEMBER 2008

NAME OF COMPANY	GRANTS AS AT JAN,2008. N	ADDITIONAL SHARES (NAIRA)	PRIVATISED SHARES (NAIRA)	TOTAL GRANTS/SUBVENTIONS AS AT 31ST DEC,2008. N
AJAKUTA STEEL CO	925,473,059			925,473,059
NATIONAL IRON ORE	36,527,209			36,527,209
DELTA STEEL CO LTD	422,674,566			422,674,566
NEW NIG NEWSPAPER	10,977,883			10,977,883
NIG MINING CORPORATION	10,155,042			10,155,042
NAT. FERTILISER CO. LTD	5,000,000			5,000,000
SERONWOOD INDUSTRY	2,808,020			2,808,020
TOTAL	1,413,615,779			1,413,615,779

NOTE 6 I
OFFICE OF THE ACCOUNTANT-GENERAL OF THE FEDERATION
REVENUE AND INVESTMENTS DEPARTMENT
SUBVENTION/GRANTS CONTD. AS AT 31ST DEC. 2008

NAME OF COMPANY	GRANTS AS AT 1ST JAN.2008	ADDITIONAL SHARES (NAIRA)	PRIVATISED SHARES (NAIRA)	TOTAL INVESTMENT AS AT 31ST DEC.2008
<u>FINANCIAL INSTITUTIONS</u>				
FED. MORTGAGE BANK	7,807,000			7,807,000
NIG AGRIC \$ CO-OP BANK	2,554,000			2,554,000
TOTAL	10,361,000			10,361,000
<u>SERVICES</u>				
NIG. RAILWAY CORP.	595,111,054			595,111,054
NIG. AIRWAYS CORP.	30,328,849			30,328,849
NEPA	431,061,150			431,061,150
NPA	218,900,855			218,900,855
NTA	44,089,643			44,089,643
NIG AIRPORT AUTH.(FAAN)	593,461,637			593,461,637
NNPC	599,598,000			599,598,000
NIG COAL CORP.	20,000,000			20,000,000
NIPOST	3,100,895,307			3,100,895,307
TOTAL	5,633,446,495			5,364,216,791.00

NOTE 6 J
OFFICE OF THE ACCOUNTANT GENERAL OF THE FEDERATION
MINISTRY OF FINANCE INCORPORATED (MOFI)

NOTIONAL INVESTMENT (GRANTS) IN RIVER BASIN DEV. AUTH. AS AT 31ST DEC. 2008

NAME OF COMPANY	INVESTMENT AS AT 1ST JAN.2008	ADDITIONAL SHARES	PRIVATISED SHARES	TOTAL INVESTMENT AS AT DEC.2008 =N=
ANAMBRA IMO RIVER B AUTH.	384,014,839			384,014,839
BENIN OWENA R. BASIN	262,067,201			262,067,201
CHAD BASIN AUTHORITY	619,221,130			619,221,130
CROSS RIVER B. AUTH.	101,523,932			101,523,932
HADEJIA JAMAE'RE R.B.	564,021,378			564,021,378
LOWER BENUE R.B. AUTH.	134,415,194			134,415,194
NIGER DELTA R.B. AUTH.	301,045,422			301,045,422
RIVER NIGER BASIN AUTH.	250,842,632			250,842,632
OGUN-OSUN R.B. AUTH.	212,944,087			212,944,087
UPPER BENUE R.B. AUTH.	307,673,371			307,673,371
SOKOTO RIMA R.B. AUTH.	707,169,816			707,169,816
TOTAL	3,844,939,002			3,844,939,002

REF.6 K
OFFICE OF THE ACCOUNTANT-GENERAL OF THE FEDERATION
REVENUE AND INVESTMENTS
(MINISTERIAL LOANS AS AT 31ST DEC. 2008)

S/N	NAME	PRINCIPAL LOAN ₦	CUMMULATIVE ₦	LOANS MERGED	PRINCIPAL AS AT 31ST DEC.2008 ₦
	<u>FEDERAL MINS. OF WORKS & HOUSING</u>				
1	URBAND DEV. BANK	751,500,000	460,187,500		751,500,000
2	FED. HOUSING AUTHORITY	7,291,336,930.09	1,096,183,863		7,291,336,930.09
3	FED. MORTGAGE BANK	1,220,806,640	2,450,569,242		1,220,806,640
4	SUB-TOTAL 4	9,263,643,570	4,006,940,605		9,263,643,570
	<u>FEDERAL MINS. OF INFORMATION</u>				
1	NEW NIGERIA NEWSPAPER	153,435,499	125,041,543		153,435,499
	SUB-TOTAL 5	153,435,499	125,041,543		153,435,499
	<u>FEDERAL MINS. OF TRANSPORT</u>				
1	NIGERIA RAILWAY CORPORATION	2,593,301,985	4,023,516,765		2,593,301,985
2	NIG. AIRWAYS LIMITED	984,205,251	678,159,253		984,205,251
3	NIG. NAT. SHIPPING LINE	856,144,342	246,137,336		856,144,342
4	FED. AIRPORT AUTH. OF NIG.	2,017,121,725	1,991,731,910		2,017,121,725
	SUB-TOTAL 6	6,450,773,303	6,939,545,264		6,450,773,303
	<u>FEDERAL MINS. OF COMMUNICATION</u>				
1	NITEL PLC	42,395,300,872	192,392,323		42,395,300,872
	SUB-TOTAL 7	42,395,300,872	192,392,323		42,395,300,872
	<u>FEDERAL MINS. OF SCIENCE & TECH</u>				
1	NIG. BUILDING & ROAD RES.INST.	42,933,333	29,785,000		42,933,333
	SUB-TOTAL 8	42,933,333	29,785,000		42,933,333
	<u>FEDERAL MINS. OF SOLID MINERALS</u>				
1	NIG.COAL CORPORATION	2,049,024,429	1,708,619,219		2,049,024,429
2	NIG. MINING CORPORATION	1,720,406,851	951,487,329		1,720,406,851
3	NIG. URANUN CO.	30,748,000	39,947,927		30,748,000
	SUB-TOTAL 9	3,800,179,280	2,700,054,475		3,800,179,280
	<u>FEDERAL MINS. OF AGRICULTURE</u>				
	NACRDB	3,240,055,515	1,123,863,336	25,000,000.00	3,465,055,515

NOTE 6 L
OFFICE OF THE ACCOUNTANT-GENERAL OF THE FEDERATION
REVENUE AND INVESTMENTS
STATEMENT 7 (LOANS PROFILE AS AT 31ST DEC. 2008)

S/N	NAME	PRINCIPAL LOAN AS AT 1/1/2008	ADDITIONAL IN THE YEAR	CUMMULATIVE INTEREST	REPAYMENT IN THE YEAR	LOANS NOT CONVERTED TO EQUITY	PRINCIPAL LOANS AS AT 31ST DEC.2008
	FED. MINISTRY. OF INDUSTRY						
1	CALABER CEMENT COMPANY *	10,800,000		5,345,000			10,800,000
2	BRICKS PROJECT *	11,500,000					11,500,000
3	IWOPIN PULP AND PAPER CO. *	1,825,957,829		1706816512			1,825,957,829
4	LAFIAGI SUGAR CO. *	286,475,499		248,308,849			286,475,499
5	NIGERIA MACHINE TOOLS LTD *	1,774,364,546		1,830,066,174			1,774,364,546
6	NIG.NEWSPRINT MANUFACTURER *	1,156,712,486		1,125,207,411			1,156,712,486
7	NIG. PAPER MILLS LIMITED *	242,234,465		213,238,445			242,234,465
8	NIGERIA SUGAR COMPANY *	1,820,587,973		2,027,823,712			1,820,587,973
9	UKPILLA CEMENT COMPANY *	2,030,599		953,275			2,030,599
10	STEYER NIGERIA LTD *	581,431,485		402,203,275			581,431,485
11	BENUE CEMENT CO. *	NIL				56,331,271.00	56,331,271.00
11	PEUGEOT AUTOMOBILE LTD *	850,000,000		106,250,000			850,000,000
12	SUB-TOTAL 3	8,562,094,882		7,666,212,653		56,331,271.00	8,618,426,153

NOTE:-

(ITEM 11 BENUE CEMENT WAS ERRORNOUSLY OMMITTED SINCE 2002.
 PRIVATISED COMPANIES WITH OUTSTANDING LOANS. **