

(c) Amounts totalling ₦495,000.00 were paid by the Ministry under the petty cash book between 14th December, 1998 and 31st December, 1999 without raising payment vouchers, contrary to the provisions of the Financial Regulations. As it is difficult to confirm that the payments involved were proper charges against public funds, the Permanent Secretary has been requested to produce the vouchers for audit examination. Similarly, the balance of ₦5,000.00 remaining out of the petty cash of ₦500,000.00, had not been paid back to chest as at the time of audit inspection in September 2000. The Permanent Secretary has been requested to pay back ₦5,000.00 to chest furnishing me with receipt particulars for audit verification.

(d) Five (5) payment vouchers for various amounts totalling ₦2,083,870.00 paid in December 1999, were not produced for audit inspection. As I cannot therefore satisfy myself that the payments involved were proper charges against public funds, the Permanent Secretary has been requested to produce the vouchers for audit examination.

(e) Personal advances for various amounts ranging between ₦5,000.00 and ₦2,000,000.00 and all totalling ₦14,806,510.00, granted to 73 members of staff of the Ministry between November and December 1999 to enable them execute certain projects or render some services were not retired even as at the time of audit inspection in September 2000. Incidentally, 16 of them were granted additional advances without retiring the previous ones, whereas the provisions of the Financial Regulations stipulate that "Accounting Officers are responsible for ensuring the prompt repayment by instalments or otherwise of all advances approved." Furthermore, these services might have been better rendered or projects executed through the award of contracts after competitive tender procedures or through the issuance of Local Purchase Orders.

(f) A cash advance of ₦1,096,847.00 granted to an officer of the Ministry in 1999 to enable him carry out the partitioning of two rooms allocated to the Ministry at the Federal Secretariat Complex, Abuja, was retired on 3rd January, 2000. The audit visit to the partitioned offices in September 2000 as well as the scrutiny of the carpenter's records in respect of the project revealed that only an amount of ₦149,000.00 was expended in executing the project resulting in inflated figure of ₦984,700.00 to be accounted for by the officer. The Permanent Secretary has been requested to recover the sum of ₦984,700.00 from the officer involved furnishing me with recovery particulars for audit verification. Furthermore, the project might have been better executed through the award of contract after competitive tender procedures.

All the issues have been taken up with the Permanent Secretary and his reaction is being awaited.

STATE HOUSE

231. The audit examination of the accounts and other records maintained at the State House, Abuja, revealed that:

(a) One hundred and sixty-seven (167) payment vouchers for amounts totalling ₦184,886,726.70 paid between February and December 1999 were not produced for audit inspection. As I cannot therefore, satisfy myself that the payments involved were proper charges against public funds, the Principal Secretary to the President has been requested to produce the vouchers for audit examination.

(b) Personal advances totalling ₦5,464,220.00 granted to 25 officers of the State House between January and August 1999 to enable them execute certain projects or render some services were not retired even at the time of audit inspection in August, 2000, whereas the provisions of the Financial Regulations stipulate that "Accounting Officers are responsible for

ensuring the prompt payment by instalments or otherwise of all advances approved." Furthermore, 7 of these officers were granted additional advances without retiring the previous ones. One of the officers was granted 7 advances totalling ₦1,701,520.00, all of which have not been retired by him.

(c) Cash advances totalling ₦4,000,000.00 were granted to a staff of the State House between February and April, 1999 for the repairs of official vehicles attached to the Office of the First Lady without identifying the vehicles to be repaired by the staff. Also, none of the replaced parts from the vehicles claimed to have been repaired were returned to store as required by the provisions of the Financial Regulations. Considering the above anomalies, I therefore find it difficult to accept such payments as proper charges against public funds.

(d) Amounts totalling ₦399,874,269.00 paid to the Chairman of the Special Committee on Military Handover to Civilian Government in May 1999, to enable the Committee make necessary preparations for the handover had not been accounted for by rendering the accounts of the expenditure by the Committee. The Principal Secretary has been requested to ensure that the Committee renders the necessary accounts in respect of ₦399,874,269.00 involved for audit inspection.

(e) Cash advance of ₦436,000.00 granted to a staff of the State House in October 1999, to enable him carry out necessary repairs of 5 official vehicles was retired without returning the replaced vehicle spare parts, such as, old engine, gear box, propeller shaft, valued at ₦301,000.00 as required by the provisions of the Financial Regulations. The Principal Secretary has been requested to produce the replaced vehicle spare parts, or alternatively recover the sum of ₦301,000.00 from the staff involved furnishing me with recovery particulars for audit inspection.

(f) A contract sum of ₦4,950,000.00 was paid to a company in Kaduna for the supply of one tractor, one slasher and one tipping trailer to State House without being processed through tender procedures, as required by the provisions of the Financial Regulations. Furthermore, the company was paid 75 per cent of the contract sum as mobilization fee, whereas the extant regulations stipulate that the "mobilization fee, where necessary and appropriate, shall not exceed 25 per cent of the contract sum", but for construction contracts only."

(g) A contract sum of ₦1,727,412.50 was paid to a company in Yola in December 1999 for the construction of block wall, workshop and plumbing renovation, whereas the contract was not satisfactorily executed by the company. Further audit scrutiny revealed the following anomalies:

(i) The construction of 12 meter retaining wall by the side of a river was not satisfactorily executed as the company used laterite instead of reinforced concrete cast in site as specified in the relevant bills of quantities with a provision of ₦42,000.00. Audit visit to the site revealed that the work done had already been washed away by the river.

(ii) The sum of ₦35,000.00 was purportedly expended on roofing the mechanic workshop, but physical audit verification revealed that the firm used the old roofing sheets (that were supposed to be replaced) to execute the contract.

(iii) Amounts totalling ₦875,000.00 were provided for replacing all the pipes in the 16 flats, whereas the bills of quantities failed to specify the number of pipes to be replaced in the flats, and the cost implication. All the old pipes outside the staff quarters were neither removed nor replaced with new ones. It was therefore, difficult to justify the payment of ₦875,000.00 to the company. The Principal Secretary has been requested to ensure that the contract is now satisfactorily executed, or alternatively recover the appropriate value of outstanding projects from the company furnishing me with recovery particulars for audit inspection.

(h) A cash advance of ₦212,550.00 was granted to an officer of the State House in March 1999 to enable him purchase provisions and store items for use in the Office of the Special Adviser on Legal matters. Further audit scrutiny revealed that the prices of the items purchased were unduly inflated to the tune of ₦83,450.00 and this amount should be refunded by the Officer. Furthermore, the purchases of the items would have been better executed through the award of contracts, after competitive tender procedures or through the issuance of Local Purchase Orders.

(i) Contract sum of ₦3,400.00 paid to a contractor in June 1999 for the supply of 2 packets of Sharp tonner was according to independent market survey report unduly inflated to the tune of ₦26,585.00, as the contract sum should have been ₦6,815.00 for the 2 packets. The Principal Secretary has been requested to recover the amount of ₦26,585.00 from the officer involved furnishing me with the recovery particulars for audit inspection.

(j) Refund of out-of-pocket expenses totalling ₦62,310.00 were paid to an officer of the State House for the repairs claimed to have been carried out on his official vehicle, whereas there was no official complaints by the driver of the vehicle regarding any fault. Furthermore, the Transport Section of the State House did not give details of the parts claimed to have been replaced on the vehicle, and it did not issue job completion certificate to satisfactorily confirm the actual repairs carried out by the officer. The replaced vehicle parts were not returned to the store as required by the Financial Regulations. The new parts claimed to have been purchased were not taken on store ledger charge to confirm the purchase of these parts. I therefore, find it difficult to accept such payment as a proper charge against public funds.

(k) A cash advance of ₦95,000.00 was granted to an officer of the State House in April, 1999 to enable him procure one Panasonic fax machine for use in his office. However, according to audit market survey report, the price of the same model of Panasonic fax machine was ₦50,000.00 resulting into a difference of ₦45,000.00 to be refunded by the officer. Furthermore, the Panasonic fax machine was not produced for audit inspection inspite of repeated demands for it. The Principal Secretary has been requested to produce the Panasonic fax machine, and recover the inflated amount of ₦45,000.00 from the officer involved, or alternatively recover ₦95,000.00 from the officer involved furnishing me with recovery particulars for audit inspection.

(l) Virement for amounts totalling ₦4,000,000.00 were made from one sub-head of Recurrent Expenditure Vote to another sub-head without authority as required by the provisions of the Financial Regulations which stipulate that "application for virement should be submitted to the Ministry of Finance with a copy to the Auditor-General for the Federation, and Virement Warrants are issued under the statutory authority of the Minister of Finance to authorise by Warrant the issue of funds."

232. The sum of ₦399,900.00 paid in May 1999 to a company as two years rent on a property at the Federal Housing Authority Estate at Karu, Abuja did not attract the correct mandatory deduction of withholding tax of 10 per cent before payment was made to the company. Instead, the company was charged at the rate of 5 per cent resulting in an underpayment of ₦19,995.00. The Permanent Secretary had been asked to recover the sum of ₦19,995.00 from the affected company or the landlord.

(2) Twenty-three (23) payment vouchers raised between February and December 1999 at the State House Clinic, for amounts totalling ₦6,134,565.00 were not produced for audit inspection. The Permanent Secretary had been requested to produce the vouchers for my examination, as otherwise the payments made cannot be accepted as legitimate charges against public funds. His reply is being awaited.

(3) Various personal advances such as cash, imprests, and touring advances for amounts totalling ₦3,834,380.00 were granted to 41 members of staff between February and December 1999 and these advances were yet to be retired at the time of the audit inspection in December 2000. Some of the staff were granted three or more advances whereas the previous one had not yet been fully retired by them. This procedure is contrary to the provisions of the Financial Regulations which stipulate that advances should be retired promptly on return from tour or immediately on completion of the services for which the advances were granted. The Principal Secretary to the President had been requested to recover these advances from the salaries of the affected officers and to forward the recovery particulars for audit verification. His reply is being awaited.

(4) Eight (8) contractors were paid the total sum of ₦1,033,725.00 for services rendered to the State House during the year under review, but the deduction of mandatory taxes of ₦51,886.51 for Value Added Tax (VAT) and ₦51,886.51 for Withholding Tax payable to the Federal Inland Revenue Service were not effected before payments were made to the contractors. The Principal Secretary to the President had been requested to recover the total sum of ₦103,372.50 from the contractors and to remit the same to the Federal Inland Revenue Service and forward the recovery particulars for audit verification. His reply is being awaited.

(5) A voucher was raised in December 1999 for ₦33,943.00 in favour of a Higher Executive Officer administration as a refund of out-of-pocket expenses he incurred in servicing and repairing two official vehicles with the registration numbers SHC 02, CVU 321 without authority. Further audit investigation revealed the following irregularities:

(a) no official complaint about the vehicles was lodged before the repairs were carried out.

(b) the transport section did not identify the problems with the vehicles and did not also itemise the parts that would be needed and did not submit any estimated cost for the repairs.

(c) the Head of the mechanical section did not certify that the repair job had been satisfactorily completed before payment was effected.

(d) the job card from the company that carried out the repair work showed that the official vehicle No. SHC 02 was involved in an accident which was not officially reported to the Offices of the Accountant-General of the Federation, Auditor-General for the Federation and the Chairman, Federal Civil Service Commission, as provided for in the Financial Regulations.

(e) the accident involving the official vehicle No. SHC 02 was also not reported to the police and therefore there was no police report on the accident. It was therefore difficult to accept the purported expenditure of ₦33,943.00 incurred on the two official vehicles as legitimate charges against public funds.

The Permanent Secretary had been asked to recover the sum of ₦33,943.00 from the affected officer and to forward recovery particulars for audit verification. He should also arrange to report the loss officially by completing the relevant Treasury Form 146 in accordance with the extant regulations. His reaction is being expected.

STATE PROTOCOL

233. (a) Thirteen (13) payment vouchers for amounts totalling ₦8,624,446.74 paid between March 1999 and June 1999 were not produced for audit inspection. As I cannot therefore satisfy myself that the payments involved were proper charges against public funds, the State Chief of Protocol has been requested to produce the vouchers for audit inspection.

(b) Fifty (50) per cent mobilisation fee of ₦2,106,737.50 was paid to a contractor in February 1999 in respect of contract sum of ₦4,213,475.00 for the supply of mechanical workshop tools and

equipment to the State Protocol, whereas the Federal Government Policy Guidelines stipulate that "mobilization fee, where necessary and appropriate shall not exceed 25 per cent of the contract sum". Further audit scrutiny revealed that the contract was not processed through the competitive tender procedures. Also, mandatory withholding tax and Value Added Tax (VAT) totalling ₦210,673.75 were not deducted from the payment of mobilization fee of ₦2,106,737.50 paid to the contractor. Physical audit verification of the items supplied by the contractor revealed that 6 units of complete combination wrench valued at ₦486,450.00 and 4 units of complete high grade tool boxes valued at ₦325,500.00 were not produced for audit. The State Chief of Protocol has been requested to recover ₦1,004,623.70 from the contractor involved, (covering amounts for taxes and items not supplied) and furnish me with recovery particulars for audit inspection.

(c) An amount of ₦765,450.00 was paid to a contractor in May 1999 for the repair of 48 seater Asia bus with registration number CVU 126, without being processed through the award of contract after competitive tender procedures as required by the provisions of the Financial Regulations which stipulate that "all local purchases of stores, etc and all works and services costing over ₦500,000.00 must be obtained by contract after public tender". Physical audit inspection revealed that whereas provisions of ₦590,000.00 was made for the replacement of the old vehicle gear box with new one, the used gear box was installed in the vehicle instead of the new one paid for by the State Protocol. The vehicle was grounded within one month after the repairs because of faults in connection with the gear box. However, instead of taking advantage of the written guarantee as contained in the contract agreement that the contractor shall be responsible for any gear box problem which arose within six months after delivery of the job, the State Protocol paid additional ₦152,250.00 to the same contractor in respect of the same job, whereas the guarantee period had not expired. The State Chief of Protocol has been requested to recover ₦742,250.00 from the contractor involved covering the cost of the new gear box and additional payment made within guarantee period, and furnish me with recovery particulars for audit inspection.

(d) An amount of ₦4,020,000.00 was paid to a contractor in May 1999 for the repairs and refurbishing of 6 Asia buses belonging to the State Protocol, without being processed through the competitive tender procedures, contrary to the provisions of the Financial Regulations which stipulate that "all local purchases of stores, etc., and all works and services, costing over ₦500,000.00 must be obtained by contract after public tender". Furthermore, used engines were installed in the vehicles instead of the new ones provided for under the contract. Also, the State Protocol ignored the serious observations made by the Mechanical Superintendent of the State Protocol who examined the repaired and refurbished vehicles at the point of delivery, that the faults which were supposed to be rectified were still very much there in the vehicle, and that the contractor should be recalled to rectify the situation. Hence, all the vehicles were grounded again within one month after the repairs and refurbishing of them, but the Office again failed to take advantage of the 9 month performance guarantee as contained in the contract document. The State Chief of Protocol has been requested to confirm with authentic documents that the repairs and refurbishing of the 6 vehicles had been satisfactorily completed by the contractor involved, or alternatively recover the appropriate additional value of the repairs and refurbishing from the contractor furnishing the recovery particulars for audit inspection.

(e) An amount of ₦1,236,750.00 was paid to a contractor for the supply and installation of computer equipment and accessories, and training, without being processed through the award of contracts after competitive tender procedures, contrary to the provisions of the Financial Regulations which stipulate that "all local purchases of stores, etc and all works and services, costing over ₦500,000.00 must be obtained by contract after public tender". Furthermore, the

contract document did not specify the number, make and model of the computer equipment and accessories to be supplied by the contractor, thereby hampering the audit verification of the items. The items were not taken on store ledger charge. Therefore, the items could not be confirmed as having been supplied by the contractor. The State Chief of Protocol has been requested to produce the computers and accessories and the relevant documents for audit inspection, or alternatively to recover the sum of ₦1,236,753.00 from the contractor involved furnishing the recovery particulars for audit inspection.

(f) Peugeot 505 station wagon with registration number CVU 125 repaired at a cost of ₦62,400.00 in April 1999 was disposed of as unserviceable vehicle in May 1999 at a price of ₦23,000.00 which was less than the cost of repairs by ₦39,400.00. The State Chief of Protocol has been requested to produce authority from the Federal Ministry of Works and Housing for the disposal of the vehicle, or alternatively the officers involved in the disposal of the vehicle should be surcharged the full amount of ₦39,400.00, furnishing the recovery particulars for audit inspection.

(g) Touring advances totalling ₦239,300.00 granted to 20 officers of the State Protocol, and personal advances totalling ₦6,017,038.00 granted to 15 officers of the State Protocol to enable them execute certain projects and render some services were not retired even as at the time of audit inspection in August 2000, whereas the provisions of the Financial Regulations stipulate that "Accounting Officers are responsible for ensuring the prompt repayment by instalments or otherwise of all advances approved". Furthermore, one officer was granted 4 additional personal advances totalling ₦1,150,000.00 without retiring the previous ones.

All the issues have been brought to the attention of the State Chief of Protocol and his reaction is being awaited.

OFFICE OF THE CHIEF OF GENERAL STAFF

234. The audit examination of the accounts and other records maintained at the Office of the Chief of General Staff revealed that:

(a) Five (5) payment vouchers for amounts totalling ₦322,800.00 paid in December 1998 had no vital original documents attached to them in support of the payments as required by the Financial Regulations. As I cannot therefore satisfy myself that the payments involved were proper charges against public funds, the Permanent Secretary of the Office of the Chief of General Staff has been requested to produce the original documents for audit inspection.

(b) Three (3) payment vouchers for amounts totalling ₦189,445.00 paid between November and December 1998 were incorrectly classified to different votes of expenditure without authority, whereas the provisions of the Financial Regulations stipulate that "expenditure will be classified strictly in accordance with the Estimates, and votes must be applied only to the purpose for which the money is provided. Expenditure incorrectly charged to a vote will be disallowed by the Accountant-General."

235. (a) Authority to Incur Expenditure for amounts totalling ₦1,875,299,517.72 issued to the Office of the Chief of General Staff between August 1997 and December 1997 and with appropriate cash backing had not been accounted for by the Office as the amounts were not entered in both the Vote Book and the Cash Book, contrary to the provisions of the Financial Regulations which stipulate that "when an Authority to Incur Expenditure (A.I.E.) is issued by one Ministry or Department to another, it will be the duty of the responsible officer in the receiving Ministry or Department to keep a Vote Book and send a monthly return to the issuing Ministry and Department showing expenditure, liabilities incurred and balance available. The monthly returns must be supported by copies of the vouchers".

(b) Furthermore, the relevant payment vouchers, monthly returns, bank statements, etc., in respect of the A.I.E. were not produced for audit inspection, inspite of repeated demands for them. As I cannot therefore satisfy myself that the payments involved were proper charges against public funds, the Permanent Secretary has been requested to produce the vouchers and all the other vital documents, including the monthly returns for audit inspection.

All the issues have been brought to the attention of the Permanent Secretary and his reaction is being awaited.

OFFICE OF THE HEAD OF CIVIL SERVICE OF THE FEDERATION

236. The audit examination of the accounts and other records maintained at the Office of the Head of Civil Service of the Federation, Abuja, revealed that :

(a) Ninety-nine (99) cheques for amounts totalling ₦7,867,946.62 issued between February 1998 and June 1999 had become stale, but were not written back to chest but were still being reflected as "unpresented cheques" in the Bank Reconciliation Statement as at March 2000.

(b) Although the monthly transcripts for the 1999 accounting period were received, they could not be effectively examined. This was due to the non-maintenance of the required monthly schedules, Analysis Books, general ledger, etc., necessary for cross-checking the authenticity of the transcripts figures. This issue had been raised in my previous report but the situation still remained the same.

(c) Refund of out-of-pocket expenses, totalling ₦106,000.00 were paid to the Liaison Officer in Lagos as reimbursement of expenses incurred during an official tour to Abuja without vital documents, such as, receipts, air-tickets, invoices, etc., attached to the voucher in support of the payment as required by the Financial Regulations. I therefore, find it difficult to accept the payment as a proper charge against public funds.

(d) Amounts totalling ₦8,048,723.20 were paid to a company during the period under review for the settlement of outstanding bills in respect of the supply of electricity, water and additional works carried out in the office complex up-to 19th December, 1999, without vital supporting documents such as, receipts, bills, etc. attached to the vouchers. I therefore, find it difficult to accept the payments as proper charges against public funds.

(e) The sum of ₦3,286,250.00 was transferred from the office's Recurrent Expenditure account in a commerical bank in Abuja through a cheque of 19th July, 1999. However, the transaction was not recorded in the main (Treasury) Capital Cash Book to complete the double entry. The purpose of the transfer of the amount was not made known during the inspection, and there was no evidence that it had been paid back to the Recurrent Expenditure Account. The Permanent Secretary has been requested to investigate the matter with a view to confirming what the transaction is about and that the double entry was completed.

(f) Mobilization fee of ₦800,000.00 being 53 per cent of the contract sum of ₦1,500,266.26 was paid to a company for the refurbishing of a 40 seater Burem bus, property of the Office of the Head of Civil Service of the Federation, whereas payment of mobilisation fee is now restricted only to construction contracts and for only 30 per cent of the contract price. Furthermore, no bank guarantee was produced in support of the payment.

(g) A company was awarded a contract for ₦1,133,500.00 by the Federal Training Centre, Enugu, for the refurbishing of a staff bus. Though mobilization fee/advance payment of ₦433,683.74 was paid to the contractor to replace seven major items apart from the tyres, no vehicle parts appeared to have been changed as none of the parts claimed to have been changed by the contractor were produced for audit verification. Also it was apparent during the

verification that the engine condition of the vehicle was still far from being certified as road worthy, yet the final payment of ₦700,266.26 was released to the contractor without evidence of confirmation of satisfactory performance of the contract, certificate of attestation and letter of six months guarantee as agreed in the letter of award. I therefore, find it difficult to accept such payments as proper charges against public funds.

(h) A contract for the repair/service of an official vehicle—Peugeot 504 was awarded to a contractor on 15th April, 1999 for ₦220,000.00. But the 12 old spare parts that were replaced costing ₦133,500.00 as claimed by the contractor were not returned to the stores. This was a breach by the contractor of the conditions as contained in the letter of award which required him to return all replaced parts to the stores. It is difficult to believe that the parts removed were completely useless and had to be thrown away. It should be necessary for the replaced spare parts to be produced for audit verification, or alternatively the amount of ₦133,500.00 should be recovered from the contractor involved furnishing recovery particulars for audit verification.

(i) The same contractor was awarded another contract on 16th March, 1999 valued at ₦172,699.00 for the repair/service of a Peugeot 404 station wagon. The old spare parts that were replaced with the 15 items valued at ₦129,200.00 claimed by the contractor to have been replaced in the vehicle were again not returned to stores as required by the provisions of the Financial Regulations which stipulate that "unserviceable used parts removed from plant and vehicles for replacement in the normal course of repairs and overhaul will be returned to a separate section of the store and a record made for submission to a Board of Survey, which should be held at frequent intervals". Efforts should be made to produce the replaced parts for audit verification, or alternatively the amount of ₦129,200.00 should be recovered from the contractor involved furnishing me with recovery particulars for audit verification.

(j) At the Establishments and Management Services Department of the Office, an Abuja-based automobile contractor was paid the sum of ₦188,600.00 for the repair/service of an official vehicle a Peugeot 504 saloon car attached to the Permanent Secretary, Establishment. However, 8 major items in the vehicle valued at ₦80,000.00 purported to have been replaced by the contractor were not returned to store as required by the Financial Regulations. Also this was a breach of a condition contained in the letter of award which required the contractor to return all the major parts replaced. It is difficult to believe that these 8 major parts removed from this functional and road worthy vehicle serving the Permanent Secretary were completely useless. Urgent steps should be taken to produce the replaced parts for audit verification or alternatively the amount of ₦80,000.00 should be recovered from the contractor involved furnishing me with recovery particulars for audit verification.

(k) Personal advance totalling ₦110,000.00 granted to the Personal Secretary to the Head of Civil Service of the Federation to enable her procure 2000 file jackets for office use was retired in September 1999, without the items being taken on stores ledger charge. Furthermore, no Stores Receipt Voucher (SRV) was attached to the voucher to confirm the receipt of the file jackets. Also, the Office stock verifier whose responsibility is to certify that the supply to the Office is actually made and in accordance with specification, did not certify that the file jackets were supplied to the Office. It should be necessary to produce the file jackets, or alternatively the amount of ₦110,000.00 should be recovered from the Personal Secretary involved furnishing me with the recovery particulars for audit inspection.

(l) Various items of expenditure totalling ₦9,717,810.00 were classified to wrong votes of charge contrary to the provisions of the Financial Regulations. This deliberate charging of expenditure to sub-heads in which there was money has serious consequences in that the final accounts could be totally distorted, and thereby could fail to show a true and fair view of the organisations operations during the financial year.

(m) The sum of ₦2,281,250.00 was allocated to the Federal Civil Service Club, Abuja, by the Office of Head of Civil Service of the Federation, while an amount of ₦622,430.00 was internally generated bringing the total of the Club's fund to ₦2,903,680.00 made up of the allocation and income generated by the Club. However, the audit verification revealed the following anomalies:

(i) No payment voucher for the period of January to December 1999 was produced for audit.

(ii) Documents in respect of bank accounts maintained by the Club were not produced for audit.

(iii) Though the revenue of ₦622,430.00 was entered in the Income Analysis Book, the revenue could not be traced to the Club's bank accounts, and it was not paid to treasury as required by the Financial Regulations.

(iv) Relevant documents/records such as a application file, etc. which contained rates and requests for the use of Club facilities were not produced for audit.

(v) The Authority to Incur Expenditure (AIE) and allocations made to the Club always included provisions for maintenance of the lawn tennis court. However, it was noted that the court still had a rough surface and was very poorly maintained.

(vi) Physical audit inspection of the Club's plants and equipment revealed that a 200 KVA generating set installed by an Abuja-based engineering company in May 1999 for the sum of ₦6,267,992.00 was not functioning at the time of the audit visit in November 2000, and no satisfactory reasons were given for the breakdown of the set.

All the issues have been taken up with the Head of the Civil Service of the Federation and his reaction is being awaited.

OFFICE OF THE VICE-PRESIDENT

237. At the Office of the Vice-President (Presidency) it was observed that:

(a) Cash advances for amounts totalling ₦2,000,000.00 were granted to a member of staff (₦1,500,000.00) and non-staff member (₦500,000.00) of the Office of the Vice-President in June 1999, to enable them procure household items for the Vice-President's official residence in Lagos. The non-staff member was the Principal Private Secretary to the Vice-President who retired the cash advance of ₦2,000,000.00 and he was paid in addition out-of-pocket expenses, totalling ₦1,693,240.00 in December 1999. Further audit scrutiny revealed that the amounts totalling ₦3,693,240.00 were paid without vital supporting documents, such as, receipts, invoices, store receipt vouchers (SRVs), etc., attached to the vouchers. I therefore, find it difficult to accept such payments as proper charges against public funds. Furthermore, the Office of the Vice-President appeared to have taken a risk by granting cash advance to a non-staff member of the Office. Considering the amounts involved, the procurement of these household items would have been better executed through the award of contracts after competitive tender procedures, or through the issuance of Local Purchase Orders.

(b) A sum of ₦205,000.00 was paid to the Communication Officer in the Office of the Vice-President in February 1999 to enable him settle M-tel bills, without vital supporting documents, such as M-tel bills, etc., attached to the voucher. Furthermore, the cellular phone numbers on which the payment was made were not stated. There was also no evidence of payment to the M-tel accredited bank. The Permanent Secretary has been requested to produce the bills and receipt particulars for audit inspection, or alternatively to recover the sum of ₦205,000.00 from the officer involved furnishing recovery particulars for audit verification.

(c) Three (3) payment vouchers for amounts totalling ₦960,000.00 paid to an officer at the Office of the Vice-President between February and March 1999 to enable him procure food items for the feeding of the security guards had no vital supporting documents, such as receipts, or invoices, etc., attached to the vouchers. I therefore find it difficult to accept such payments as proper charges against public funds.

(d) Amounts totalling ₦25,000,000.00 paid to the Chairman of the Handing Over Ceremonial Committee in May 1999 to enable the Committee prepare for the ceremonial handing over of power to a democratically elected government in May 1999 had not been accounted for, by identifying the type of services rendered and the nature of duty performed by the committee. I therefore, find it difficult to accept such payments as proper charges against public funds.

(e) Personal advances totalling ₦3,549,000.00 granted to 2 officers of the Office of the Vice-President between June and December 1999 to enable them provide mobile telephones, IDD telephone facilities, phone conference facilities, etc., were not retired even at the time of audit inspection, whereas the provisions of the Financial Regulations stipulate that "Accounting Officers are responsible for ensuring the prompt repayment by instalments or otherwise of all advances approved." Furthermore, additional advances were granted to the officers whereas they have not retired the previous ones. Surprisingly, one of the officers was granted 4 personal advances totalling ₦1,478,000.00 on one particular date without retiring the previous one. The Permanent Secretary has been requested to recover the outstanding advances from the officers involved furnishing me with recovery particulars for audit inspection.

All the issues have been brought to the attention of the Permanent Secretary and his reaction is being awaited.

PRESIDENTIAL AIR FLEET

238. At the Presidential Air Fleet, it was observed that:

(a) A contract sum of ₦450,000.00 was paid to a consulting firm in January 1999 representing the preparation of architectural designs and bills of quantities in respect of Presidential Air Fleet projects without vital supporting documents, such as, letter of award, copy of contract agreement, invoices, certificate of completion, etc attached to the voucher. I therefore find it difficult to accept such payment as a proper charge against public funds. Furthermore, amounts totalling ₦67,500.00 were not deducted as 10 per cent withholding tax and 5 per cent Value Added Tax (VAT) from the payment of ₦450,000.00 made to the consulting firm resulting in loss of revenue to the Federal Government of Nigeria. The Permanent Secretary has been requested to recover the sum of ₦67,500.00 from the consulting firm involved, furnishing me with recovery particulars for audit verification.

(b) Personal advance totalling ₦300,000.00 granted to an Air Force Officer in November 1999 to enable him take inventory of Presidential Air Fleet assets in Lagos was not satisfactorily retired on completion of the official assignment. The honour certificate covering the sum of ₦203,000.00 claimed to have been expended as duty tour allowance to members of his team did not include the names, ranks, rates per day, number of days covered and total amount paid to each member of the team, etc. I therefore find it difficult to accept such payment as a proper charge against public funds.

(c) Similarly, personal advance totalling ₦120,000.00 granted to another Air Force Officer in November 1999 to enable him take inventory of Presidential Air Fleet assets in Lagos was not satisfactorily retired on completion of the assignment. The honour certificate covering the sum of ₦78,000.00 claimed to have been expended as duty tour allowance to members of his team

did not include the names, ranks, rates per day, number of days covered, and total amount paid to each member of the team, etc. I therefore, find it difficult to accept such payment as a proper charge against public funds.

(d) A sum of ₦2,000,000.00 which ought to have lapsed to revenue was paid to the Commander of Presidential Air Fleet on 30th December, 1999, to enable him carry out recurrent expenses in respect of the Air Fleet in 2000 financial year, whereas the provisions of the Financial Regulations stipulate that "an unspent balance on a Recurrent Expenditure Vote cannot be revoted."

(e) Amounts totalling ₦4,098,600.00 were paid to a petroleum product marketer in May 1999 for the supply of 165,000 litres of aviation fuel to the Presidential Air Fleet at the rate of ₦24.84 per litre. Further audit scrutiny revealed that 1,050 litres valued at ₦26,082.00 were yet to be supplied to the Presidential Air Fleet by the petroleum product marketer. The Commander has been requested to confirm with authentic documents that the outstanding 1,050 litres have now been supplied, or alternatively to recover the sum of ₦26,082.00 from the petroleum product marketer involved furnishing the recovery particulars for audit inspection.

(f) Peugeot 504 pick-up with registration number FG514 A02, with engine and chassis number not stated, valued at ₦1,500,000.00, property of the Presidential Air Fleet was involved in an accident on 31st October, 1999 along Ushafa-Bwari-Abuja road. The vehicle was badly damaged while the driver of the vehicle died as a result of the accident. The case was reported to the Police. However, the accident was not reported officially to the appropriate authorities as required by the provisions of the Financial Regulations.

(g) Amounts totalling ₦335,393,833.51 remitted to various international firms on 22nd July, 1999 in respect of maintenance services claimed to have been carried out by them on Presidential Air Fleet aircrafts had not been accounted for as the remittances were not entered in the Cash Books. Furthermore, vital documents, such as, invoices, payment vouchers, etc. were not produced for audit inspection inspite of repeated demands for them. I therefore, find it difficult to accept such payments as proper charges against public funds.

NATIONAL BOUNDARY COMMISSION

239. At the National Boundary Commission Headquarters, Abuja, it was observed that :

(a) Amounts totalling ₦1,051,002.00 were paid as rent subsidy to 20 officers of the National Boundary Commission occupying government quarters and government rented apartments between 1997 and 1998 contrary to extant regulations. The Permanent Secretary has been requested to recover the sum of ₦1,051,002.00 from the officers involved, furnishing the recovery particulars for audit inspection.

(b) The Departmental Expenditure Vote Books were not properly maintained by the National Boundary Commission to show the amounts sanctioned in the Estimates, expenditure incurred, liabilities under the sub-heads, the balance available, etc., as required by the provisions of the Financial Regulations.

All the issues have been brought to the attention of the Permanent Secretary and his reaction is being awaited.

POLICE AFFAIRS OFFICE

240. At the Ministry of Police Affairs Headquarters, Abuja, it was revealed that :

(a) Amounts totalling ₦98,750.00 were paid to a contractor in April 1999 for the supply of 5 Binatone standing fans at the rate of ₦19,750.00, as against the correct amount of ₦48,750.00 as

seen from a market survey, resulting in overpayment of ₦50,000.00 to be refunded by the contractor to the Ministry. The Permanent Secretary has been requested to recover the sum of ₦50,000.00 from the contractor involved furnishing recovery particulars for audit inspection.

(b) Value Added Tax for amounts totalling ₦520,275.00 was incorrectly paid to two contractors between July 1999 and August 1999 in respect of contract sums of ₦8,274,000.00 and ₦2,131,500.00 respectively, representing the supply of 5 Peugeot 504 vehicles to the Ministry. The Permanent Secretary has been requested to recover the sum of ₦520,275.00 from the contractors involved furnishing the recovery particulars for audit inspection.

(c) Amounts totalling ₦450,000.00 was paid to a hotel in Abuja in December 1999, for the luncheon services purportedly rendered to the ministry by the hotel, without stating the purpose of the luncheon, and the list of 250 guests who attended the luncheon. I therefore, find it difficult to accept such payment as a proper charge against public funds.

(d) Recurrent Expenditure Account :

(i) Forty-one (41) cheques for amounts totalling ₦707,090.82 issued between May 1994 and March 1999 had become stale but were not written back to chest but were still being reflected as "unpresented cheques" in the Bank Reconciliation Statement of account of the Ministry as at December 1999.

(ii) Amounts totalling ₦482,400.55 described as "Debits in Bank not in Cash Book" had accumulated between April 1996 and November 1999, possibly representing wrong debits into the Ministry's bank accounts which should have been investigated and cleared.

(iii) Amounts totalling ₦2,819,490.59 described as "Receipts in Cash Book not in Bank" had accumulated between December 1994 and October 1999. These possibly represented government money supposed to have been banked, but which did not find its way thereto. They should have been investigated and cleared by the Ministry.

(e) Capital Expenditure Account :

Amounts totalling ₦3,977,125.80 described as "Debits in Bank not in Cash Book" had accumulated between May 1994 and December 1999 possibly representing illegal debits into the Ministry's bank accounts which should have been investigated and cleared.

The closing Cash Book Bank balance was ₦12,045,161.92 as at 31st March, 1999, whereas the amount of ₦8,190,885.36 was transferred from the Central Bank of Nigeria (CBN) to the commercial bank, leaving untransferred a balance of ₦3,854,276.56 still with the Central Bank of Nigeria (CBN).

Furthermore, the Cash Book closing balance was ₦4,436,503.93 as at 19th April, 1999, whereas the amount of ₦4,161,108.41 was transferred by the Central Bank of Nigeria (CBN) to a commercial bank in July 1999 leaving untransferred balance of ₦275,395.52 still with the Central Bank of Nigeria (CBN).

(f) Contract sums totalling ₦23,310,000.00 paid to 2 companies in Abuja, in December 1999, for the supply of 6 buses namely 2 Mazda 'E' serial 2000 15-seater buses and 4 Istana buses by the companies to the Ministry were unduly inflated by an amount of ₦1,102,500.00. Further audit scrutiny revealed that while the Ministry paid ₦7,350,000.00 for 2 units of Mazda 'E' series 2000 15-seater buses including VAT, the correct price for the 2 units of the same type of buses should be ₦6,247,500.00 according to physical audit survey report, resulting in a difference of ₦1,102,500.00 to be accounted for by the Ministry. Also, the contracts were not awarded through competitive tender procedures, contrary to the provisions of the Financial Regulations.

(g) A payment voucher for an amount of ₦2,919,000.00 paid to a company in December 1999, for the supply of a Peugeot 505 Evolution car, had no vital supporting documents, such as receipts, invoices, delivery note, etc., attached to the voucher. I therefore, find it difficult to accept such payment as a proper charge against public funds.

(h) Amounts totalling ₦18,004,396.50 paid under Recurrent Expenditure Account between February and December 1999 were vired/transferred from Capital Expenditure account to Recurrent Expenditure account without authority, whereas the provisions of the Financial Regulations stipulate that "application for virement should be submitted to the Ministry of Finance, with a copy to the Auditor-General. Expenditure incorrectly charged to a vote will be disallowed by the Accountant-General." It should be emphasized that virement or transfer of funds from Capital Account to Recurrent Account or vice versa is a serious violation of the Financial Regulations.

(i) An amount of ₦499,000.00 was paid to a contractor in December 1999, for the general overhauling of the engine and body work and spraying of a vehicle with registration number FG20A23, whereas an amount of ₦240,000.00 was recommended for the same project. Further audit scrutiny revealed that three contractors submitted tenders ranging between ₦267,070.00 and ₦329,410.00 for the general overhauling of the engine and body work and spraying of the same vehicle with registration number FG 20 A23. The tenders were considered and an amount of ₦240,000.00 was recommended for the project. Surprisingly, instead of awarding the contract as recommended, new tenders were invited from three different contractors who submitted tenders ranging from ₦622,700.00 to ₦717,840.00. None of the three former contractors were invited to tender for the second time. However, the Ministry finally awarded the contract at a contract sum of ₦499,000.99 resulting in a difference of ₦259,000.00 to be accounted for by the Ministry. Furthermore, the Ministry invited only three contractors, whereas the provisions of Financial Regulations stipulate that "the number of competent contractors/suppliers short-listed and invited for to tender shall not be less than five." Besides, the parts removed from the vehicle costing ₦189,450.00 were not returned to a separate section of the stores as required by the provisions of the Financial Regulations. The Permanent Secretary has been requested to produce the vehicle parts involved, or alternatively recover ₦189,450.00 from the contractor involved furnishing the recovery particulars for audit inspection.

(j) Cash advances totalling ₦2,575,000.00 granted to two members of staff of Ministry of Police Affairs in December 1999 to enable them to prepare for the Ministerial press briefing, were not retired even at the time of the audit inspection in October 2000, whereas the Financial Regulations stipulate that "Accounting Officers are responsible for ensuring prompt repayment by instalment or otherwise of all advances approved."

(k) Cash advances totalling ₦540,000.00 granted to an officer of the Ministry of Police Affairs for the fuelling and maintenance of three official vehicles of the Ministry between September and December 1999 were not properly retired by him as the receipts produced for the retirement covered only ₦126,200.00, leaving outstanding cash advance totalling ₦413,800.00 to be refunded and accounted for by him. The Permanent Secretary has been requested to recover ₦413,800.00 from the officer involved furnishing me with recovery particulars for audit inspection.

(l) Similarly, cash advance totalling ₦135,000.00 was granted to the same officer of the Ministry in August 1999 for the fuelling and maintenance of the same three official vehicles of the Ministry in September 1999, whereas the services were covered by the cash advance totalling ₦540,000.00 granted to him for the month of September 1999, resulting in double

payment of the sum of ₦135,000.00. The Permanent Secretary has been requested to recover ₦135,000.00 from the officer involved, furnishing recovery particulars for audit inspection.

(m) Amounts totalling ₦207,400.00 were paid to the Special Assistant to the Honourable Minister in December 1999, as refund of expenses claimed to have been incurred out of pocket on purchase of store items and beverages for use in the Office of the Honourable Minister without supporting documents such as receipts, Store Receipt Vouchers, etc., to confirm the purchase of the items. Further audit scrutiny revealed that most of the items, such as, ruled sheets, tippex fluid, and biscuits were available in the store of the Ministry when the purported purchases were being made by him. I therefore, find it difficult to accept such payments as proper charges against public funds.

All the issues have been brought to the attention of the Permanent Secretary and his reaction is being awaited.

241. During the audit examination of payment vouchers raised at the Adamawa State Police Command, it was observed that a payment voucher for ₦60,000.00 was raised in favour of the Manager, NEPA, Mubi on 7th May, 1999, for the settlement of electricity bills. However, only 4 of the 9 consumption bills which amounted to ₦22,990.00 were acknowledged by NEPA, while the remaining 5 bills amounting to ₦37,010.00 were not acknowledged. The balance of ₦37,000.00 which was not acknowledged should therefore be regarded as not paid for which the officer in charge should refund to chest.

The Permanent Secretary has been requested to recover the unpaid sum of ₦37,000.00 from the Command and forward recovery receipt for audit verification. His reply is being awaited.

242. At the Kwara State Police Command, Ilorin, the following observations were made during the audit examination of the payment vouchers :

(a) Nine (9) payment vouchers raised in December 1999 for the sum of ₦1,540,014.23 in favour of National Electricity Power Authority (NEPA) being arrears of electricity consumption for the months of September 1996, April, March, October, August, September and November 1997 by the station were not acknowledged as there were no computer/machine prints showing the actual amounts paid and received by NEPA as confirmation of payment to the Authority.

(b) Unclaimed salaries for the sum of ₦272,605.23 later paid to the owners in December 1999 were not supported with individual original treasury receipts and sub-receipts in contravention of the Financial Regulations.

The issues raised herein have been taken up with the Permanent Secretary requesting him to produce relevant receipts for audit verification and his reply is being awaited.

243. At the Divisional Police Office, Ungwan Sanusi, Tundu-Wada, Kaduna State, the following observations were made :

(a) Revenue totalling ₦63,000.00 realised from bank guard services collected between February 1998 and August 1999 purportedly paid to chest were not supported with the relevant Treasury Form (Book 6) as evidence of lodgement.

(b) Exhibit money amounting to ₦641,880.00 was found to have been kept in the office table's drawer and in the custody of the exhibit keeper instead of the recommended 'SAFE' for security purposes and this was in contravention of the provisions of the Financial Regulations.

(c) Various items of "Found and Abandoned" property such as Vespa motor cycles, wheel barrows, iron doors, rods, pairs of shoes, shirts, caps and cassettes, etc., were purportedly

sold by auction at the Tundun-Wada Divisional Police Office. The amount realised from the auction sale was not specified and was not confirmed to have been paid to chest supported by relevant treasury receipts.

The various irregularities had been taken up with the Permanent Secretary, Police Affairs Office and his reactions are being awaited.

244. At the Divisional Police Office, Gabasawa, Kaduna State, it was observed that revenue totalling ₦80,500.00 collected between December 1997 and July 1999 and purportedly paid into chest were not supported with the relevant Treasury Book 6 receipts as evidence of lodgement.

The reaction of the Permanent Secretary, Police Affairs is being awaited.

245. During the audit inspection of the motor vehicles attached to the Ondo State Command of the Nigeria Police Force, it was discovered that the procedures adopted for the disposal by auction of 25 unserviceable motor vehicles were irregular. For instance, there was no evidence that a proper Board of Survey was duly constituted and relevant Treasury Form 147 completed as required by the provisions of the Financial Regulations. Also, a representative of the Office of the Auditor-General for the Federation was not informed and did not attend the auction sale exercise. Besides, the proceeds from the auction sale were not accounted for.

The various anomalies had been taken up with the Permanent Secretary and his reaction is being awaited.

246. During the examination of the Arms and Ammunition records maintained at the Mobile Police Force, 17 Squadron, Akure, it was discovered that 27 assorted firearms and unspecified numbers of ammunition issued to some officers of the command were claimed to have been lost during communal clashes between the Ilajes and the Ijaws.

However, these losses have not been reported officially on Treasury Form 146 as required by the Financial Regulations.

The case has been taken up with the Permanent Secretary Police Affairs Office and his reaction is being awaited.

247. At the Divisional Police Headquarters, Bori, Rivers State, the audit inspection of the building revealed that it was in a state of dilapidation. The roof was found leaking, louver blades of the window were broken, the doors were of make shift nature while the furniture were completely destroyed. Audit further investigation revealed that the building had deteriorated to its present state during the crisis that engulfed Ogoni Land in 1993 and since then nothing had been done to repair and renovate the building.

The Permanent Secretary has been informed of the development and his reaction is being expected.

248. At the Kano Police Command, audit examination of 26 payment vouchers raised in favour of various contractors for supply of meals to detainees revealed that the contractors supplied the meals at the rate of ₦5.00 per meal instead of ₦3.00 per meal, which was the approved rate, resulting in an overpayment of ₦87,332.00 to the food contractors.

The Permanent Secretary had been requested to recover the sum of ₦87,332.00 overpaid from the contractors and to furnish recovery particulars for audit verification. His reply is being awaited.

249. During the examination of the payment vouchers raised during the year under review at the Jigawa State Police Command, it was observed that 10 payment vouchers were raised in favour of various contractors who supplied food to the detainees at the rate of ₦30.00 per plate instead of

the approved rate of ₦3.00 per plate resulting in an overpayment of ₦207,162.00 to the food contractors. Moreover, the contractors were paid in cash instead of by cheques contrary to the extant regulation and Financial Regulations.

The Permanent Secretary has been informed of the irregularity and has been requested to recover the sum of ₦207,162.00 overpaid to the contractors, and to forward recovery particulars for audit verification. He was also requested to comment on the violation of the regulations on cash payment to the food contractors. His reply is being awaited.

250. At the Nigeria Police Force Headquarters Annex, Lagos, unspent balances for amounts totalling ₦33,538,495.88 under 33 sub-heads of Recurrent Expenditure Vote were observed in the Vote Books for 1999. These amounts should have lapsed to revenue at the end of the financial year in accordance with the provisions of the Financial Regulations which stipulate that authority for expenditure conveyed, lapses at the end of the financial year to which it relates. It was not clear how these unspent balances were disposed of by the Office.

The matter has been taken up with the Permanent Secretary whose response is being awaited

251. During the audit examination of payment vouchers raised at the Central Pay Office of Police Affairs Office, Lagos it was observed that 699 payment vouchers relating to various payments made between April and June 1999 in favour of some contractors and individuals did not indicate that Value Added Taxes and Withholding Taxes for amounts totalling ₦2,244,279.92 were deducted. These amounts should have been deducted and paid over to the Federal Inland Revenue Service as laid down by extant regulations. This amount of ₦2,244,279.92 represented the amount of revenue lost by the Federal Government.

The Permanent Secretary has been informed of this irregularity and was requested to recover the amount from the affected contractors and furnish recovery particulars for audit verification. His reply is being awaited.

252. During the audit examination of the accounting records and other records maintained at the Nigeria Police Force Zone 7, Abuja, it was observed that 66 separate vouchers were raised to pay various contractors who allegedly tendered for the construction of the building of the State Police Headquarters at Birnin-Kebbi, Kebbi State at a total cost of ₦169,000,000.00.

The contract for the project appeared to have been deliberately fragmented into several bits for amounts ranging between ₦740,000.00 and ₦1,995,000.00 purportedly awarded to four different contractors by the Zonal Tenders Board. The 4 contractors were paid amounts of ₦25,042,350.00, ₦25,488,580.00, ₦25,508,770.00 and ₦25,398,300.00 respectively with all totalling ₦95,438,000.00.

Moreover, the project was demarcated into several ridiculous stages of work such as :

(a) "Labour and materials used for back-filling inside foundation of finance office";

(b) "Labour and materials for block work from window level to lintel level of Wing C' Main building" and

(c) Labour and materials for block work from window level to wall plate level C.I.D's Office", etc.

Surprisingly, one of the companies applied for a down payment of 70 per cent of the total sum of the construction on the 12th February, 1999 to enable them commence work. Approval was given within 3 days of the application on the 15th February, 1999 though the actual sum paid as revealed by the relevant payment voucher amounted to ₦95,438,000.00 (i.e. 56.4 per cent). The money was collected by this company, an indication that the contracts for the project were awarded to only one company under different company names.

Audit verification visit to the site of the project in July 1999 revealed that the work was still at the foundation level four months after the contractor had collected a total sum of ₦95,438,000.00 as mobilization fees. Definitely, the value of work done as at that date was not commensurate with the level of payment so far made to the contractors for the project.

These irregularities have been forwarded to the Permanent Secretary requesting him to :

- (a) produce a copy of the contract agreement and letters of award for audit verification.
- (b) produce the relevant payment vouchers in support of payment made to a company which appeared to be the parent company that collected the mobilisation fee of ₦95,438,000.00 without the issuance of any valuation certificate.
- (c) explain why the Zonal Tenders Board was allowed to exceed its approval limit of 1 million on the award of contract for the project.

His reactions are being expected.

253. During the audit examination of the accounting and other records of the Police Pay Office, Kaduna, the following irregularities were observed :

(a) Fifteen (15) cheques for amount totalling ₦2,844,702.81 issued between 1997 and December, 1998 which were still shown in the Pay Office Cash Book as unpresented cheques had become stale and had not been written back into the cash book as stipulated by Financial Regulations.

(b) There was no evidence to show that 18 items described as "Credits in the Bank not in the Cash Book" for amounts totalling ₦10,918,712.00 which had accumulated between March 1995 and May, 1999 have been investigated and cleared. These credit items, possibly represented payments made into the Police Pay Office Account but which were not entered in the Cash Book.

(c) Twenty-eight (28) items for amounts totalling ₦635,866.80 shown as "Debits in Bank not in the Cash Book accumulated between December 1990 and May 1999 have not been cleared. These possibly represented wrong debits into the Police Pay Office Bank Accounts which should have been investigated and cleared.

The various irregularities have been brought to the attention of the Permanent Secretary, Ministry of Police Affairs and his reaction is being awaited.

254. During the audit inspection of the accounts of the Nigeria Police Force, State Headquarters, Minna, the following anomalies were noted :

(a) Payments totalling ₦2,567,146.00 were made to two contractors between 3rd June, 1999 and 29th December, 1999 for supply of stationery to the 'A' Department of the Command. Although Stores Receipt Vouchers were attached to the payment vouchers, ostensibly to satisfy payment requirement, these store items could not be traced to the store neither was the sum accounted for.

(b) Thirty-one (31) unpresented cheques issued between 29th April, 1999 and 21st September, 1999 for amounts totalling ₦641,731.11 had become stale but were not written back to the cash book as at the time of audit in April 2000.

(c) A sum of ₦146,000.00 was paid to transfer a telephone line between one area of Minna to another instead of requesting the government agency responsible for installation of telephone lines, NITEL, to transfer the line. The exorbitant amount spent on the transfer of a line within Minna was not justifiable.

(d) Amounts of ₦198,524.00 and ₦89,355.00 were paid to the Commissioner of Police and another officer of the Command respectively as refunds of out-of-pocket expenses on payment

vouchers raised on 29th December, 1999. It was difficult to accept that these officers were capable of raising these sums from their income to meet official expenses before claiming refund. Furthermore the services claimed to have been rendered and the items allegedly purchased, could not be identified or ascertained.

(e) Amounts totalling ₦289,178.50 were irregularly and periodically paid to 21 detainees food contractors by the "C" Pay section of the Command between January and December 1999 in settlement of bills earlier paid at various Divisional Police Offices of the same command. The sum of ₦289,178.50 should therefore be recovered from the food contractors or officers responsible for the double payments.

(f) Motor vehicles recovered from robbers and other exhibits were auctioned without following the laid down government regulations. The sales were not advertised neither was the authority obtained for the sale produced for inspection. Furthermore, the Lost and Found Property Register maintained in the Command was not produced for inspection.

These anomalies have been brought to the notice of the Permanent Secretary and his response is being awaited.

255. The audit inspection conducted at the Divisional Police Office, Ilupeju, Lagos revealed that :

(a) Arrears of revenue totalling ₦159,000.00 were still outstanding against 9 banks in respect of the use of Police Special Guards between May 1995 and August, 1999.

(b) A sum of ₦54,600.00 being monetary exhibits deposited with the station between 1994 and 1995 was discovered to be missing.

The matters have been reported to the Permanent Secretary and his reaction is being awaited.

256. During the examination of the Arms and Ammunition Register maintained at the Divisional Police Headquarters, Warri, Delta State, the underlisted pistols were reported missing :

(a) Brownie Pistols numbers : PM 56164, PM 56920, PM 55464 and PM 56119.

(b) Chief Revolvers numbers : 9D-08613, 9D-08709, 8D-12326 and 8D-75360.

(c) Baretta Rifles numbers : M38816, M39087 and M38635.

(d) Baretta Pistols numbers : A04327Z and A09407Z

Considering the alarming rate at which arms and ammunition disappear from the various offices of the unit, it has become imperative that the method for the issuance and control of these weapons be reviewed so as to enhance their safe-keeping and prevent their getting into wrong and dangerous hands.

Meanwhile, the above cases have been brought to the attention of the Permanent Secretary, with a request to intensify efforts at recovering the guns or their replacement costs from the officers found to be negligent. His comments are being awaited.

257. The examination of accounting records maintained at the Police Secondary School, Minna, Niger State revealed that cash balance of ₦76,233.85 shown in the cash book as at 31st May, 1999 and school fees totaling ₦6,110.00 collected from 2 students were not accounted for.

The Permanent Secretary has been requested to cause the affected officers to account for the total of ₦82,343.85 and his response is being awaited.

258. During the audit examination of the accounting records maintained at the Nigeria Police Force, State Headquarters, Owerri, the following observations were noted :

(a) A scrutiny of the Bank Reconciliation Statement for February 1999, the last prepared as at the time of audit in July 1999, revealed that:

(i) Thirty-four (34) cheques for amounts totaling ₦303,692.28 issued between March 1993 and November 1998, had become stale and should have been written back to the Cash Book, but were still reflected as un-presented cheques in the Bank Reconciliation Statements.

(ii) Amounts totalling ₦2,603,658.68 described as "Credits in Bank not in cash book" were found to be deposits lodged into the Police's account but which did not pass through the Cash Book.

(iii) Sixteen (16) items for amounts totalling ₦457,013.65 described as "Debits in Bank not in Cash Book" had accumulated between December 1990 and June 1998, possibly representing wrong debits into the account. These should have been investigated and cleared.

(iv) Amounts totalling ₦975,618.01 described as "Debits in Cash Book not in Bank" had accumulated between September 1992 and December 1998 and should have been investigated and cleared.

(b) A total sum of ₦507,000.00 was collected as revenue from the renewal of firearms licence at the Criminal Investigation Department (C.I.D.) between April and June 1999, but this amount had not been paid to the treasury because of non-availability of Treasury Book 6.

(c) Four (4) pistols and 5 rifles of different makes as well as 76 rounds of ammunition were allegedly lost between April 1993 and April 1998. The circumstances under which the arms and ammunition were lost were not explained.

(d) At the Mechanised Salary Section, amounts totalling ₦661,717.79 were recorded as overpayments of salaries made to and unpaid balances of vehicle loans recoverable from 13 deceased officers and 29 other retired officers before their exit from the service. These amounts which remained outstanding as at the time of audit in June 1999, should have been recovered from the gratuities of the affected officers.

(e) At the Dog section, 3 Webbley revolver pistols with serial numbers B 82948, B 83077 and B 81106 were not produced for audit verification neither was their whereabouts explained. The records available were inadequate to trace the movement of the guns.

Similarly, household items comprising one deep freezer, one lamp, one NEPA meter and one table fridge, purportedly handed over by the former officer in charge of the section could not be produced for audit inspection.

The whereabouts of the guns and other items should be thoroughly investigated.

(f) Exhibit monies amounting to ₦32,550.00 were personally kept by 6 Investigating Police Officers (I.P.Os) instead of keeping them in the exhibit store as required by extant regulations. 5 of the officers have been transferred while the other one has been dismissed from the service.

Concerted efforts should be made to recover the amounts from the officers furnishing recovery details for verification.

All the issues have been brought to the attention of the Permanent Secretary of Police Affairs Office and the Inspector-General of Police. Their reactions are being awaited.

259. During the audit examination of the accounting records maintained at the Ondo State Police Headquarters, Akure, the following observations were noted:

(a) A scrutiny of the Bank Reconciliation Statements prepared revealed that:

(i) Seventy-nine (79) cheques issued between October 1995 and December 1998 for amounts totalling ₦783,279.44 had become stale and had not been written back into the Cash Book in accordance with the provisions of the Financial Regulations.

(ii) Amounts totaling ₦649,787.93 described as "Credits in the Bank not in Cash Book" had accumulated between June 1994 and March 1999. These possibly represented money paid into the account of Police Pay Office, Akure but which did not pass through the Cash Book. These items should have been investigated and cleared.

(iii) Amounts totalling ₦45,000.00 described as "Receipts in the Cash Book not in Bank" had accumulated between 1995 and 1999. These amounts possibly represented government money which were supposed to have been lodged into bank but which were not reflected in the bank account. These should have been investigated and cleared.

(b) Twenty-five (25) unserviceable motor vehicles of various brands were sold without abiding by the provisions of the Financial Regulations. Most of these vehicles were sold at ridiculously low prices. Furthermore, the proceeds from the sales were not accounted for.

The irregularities have been brought to the attention of the Permanent Secretary whose response is being awaited.

260. During the examination of the accounting records maintained at the Nigeria Police Station, Ketu, the following observations were made:

(a) A sum of ₦154,430.00, being the exhibits money kept at the Station between 1992 and 1999 was not produced for my inspection.

(b) Fifty-seven (57) monetary exhibits totaling ₦12,243.50 found with the Divisional Police Officer and 5 others amounting to \$1,832.00 deposited at the Station were not reflected in the Monetary Exhibits Register maintained. The present Divisional Police Officer claimed that the former Divisional Police Officer did not hand-over any Monetary Exhibits Register to him, hence he opened a new one.

These irregularities have been brought to the attention of the Permanent Secretary whose response is being awaited.

261. At the Assistant Inspector-General's Office, Zone 3, Nigeria Police Force, Yola, the audit inspection of the Vehicles Register revealed that 2 Peugeot 504 Station Wagon vehicles with Registration numbers PF 1253 and NPF 8926 were taken away by 2 former Assistant Inspectors-General while moving on transfer to other formations.

The Permanent Secretary has been requested to recover the 2 vehicles from the two officers who are now retired from the force, and produce them for my verification. His response is being awaited.

262. During the examination of the Arms and Ammunition Registers maintained at Police Formations under the Lagos State Police Command for the year under review, the following observations were made:

(1) *Nigeria Police, Isolo*:

One (1) Lar Rifle No. 1691772; 2 Chief Revolvers Nos 8D79520 and 9D80780; 5 SLG3 Rifles Nos G311x357.7/68, 69211614, 69050445, 69071332, 114610; 1 Sub-Machine Gun (number not visible); 1 Brownie Pistol No. PZ17598; 1 Riot Gunner No. 23071 and 1 Smoke Gunner No. 11624, were lost to mob attack on the Police Station while Brownie Pistol No. PZ14679 was snatched by armed robbers.

(2) *Police Station, Onikan :*

One (1) Chief Revolver Pistol No. 8D91749 was said to have been taken away by a former Divisional Police Officer at the Station.

(3) *Police Station, Sabo :*

One (1) Brownie Pistol No. PZ15523 was snatched by armed robbers.

(4) *Nigeria Police, Ikoyi :*

One (1) Brownie Pistol No. 17635 and 1 Revolver Pistol No. SD19318 were lost by 2 policemen at the formation.

Considering the alarming rate at which arms and ammunition disappear from the various formations in the State, it has become imperative that the method for the issue and control of these weapons be reviewed with a view to enhancing their safe-keeping and prevent their getting into wrong and dangerous hands.

Meanwhile, the above cases have been communicated to the Permanent Secretary requesting him to intensify efforts at recovering the arms and ammunition or their replacement costs from the officers found to be negligent. His comments are being awaited.

263. At the Nigeria Police Force (A.I.G's Office, Zone 5), Benin City, the following observations were made :

(a) Amounts totaling ₦410,615.00, being monetary exhibits collected between January 1994 and September 1998 were not produced for my inspection ;

(b) An amount of ₦18,250.00, being revenue paid to the police account between September and November 1999, could not be accounted for ;

(c) The deductions in respect of withholding tax and Value-Added Tax for amounts totaling ₦126,031.10 were not made before paying 4 (four) contractors amounts totaling ₦1,260,316.46 on 26th August, 1999. Efforts should therefore be made to recover the amounts and recovery particulars furnished for audit verification.

These irregularities have been brought to the attention of the Permanent Secretary and his response is being awaited.

264. The examination of accounting records maintained at the Divisional Police Offices, Gabasawa and Ungwan Sanusi, Tundun-Wada, both in Kaduna, revealed the following irregularities :

(a) Amounts totaling ₦80,500.00 being revenue collected at Gabasawa formation between December 1997 and July 1999 and purportedly paid to chest were not supported with the relevant Treasury Receipts (Tbk. 6) as evidence of lodgement.

(b) Similarly, amounts totalling ₦63,000.00, being revenue collected at Ungwan Sanusi between February 1998 and August 1999 and purportedly paid to chest were also not supported with the relevant Treasury Receipts (Tbk 6) as evidence of lodgement.

The attention of the Permanent Secretary has been drawn to these anomalies and his comments are being awaited.

265. At the Nigeria Police State Headquarters, Gombe, it was observed that a sum of ₦110,040.00 being total of revenues from clearance fees, renewal of fire arms, bank guards, renewal of licences, auction sales, special duties, and tender fees collected between 10th February and 14th June, 1999 was yet to be remitted into the account of the Inspector-General of Police even as at the time of audit inspection in August 1999 contrary to the provisions of the Financial Regulations.

This irregularity has been brought to the attention of the Permanent Secretary and his response is being awaited.

266. During the audit examination of the Arms and Ammunition Register kept at the Divisional Police Headquarters under the Cross River State Police Headquarters, Calabar, the following observations were made :

1. One (1) Assault Rifle No. 39793 was reported stolen on 24th April, 1998.

2. Another Assault Rifle No. 39779 was reported stolen on 11th September, 1998.

3. One (1) SMG Biretta Rifle No. 30796 was reported stolen on 8th February, 1999.

4. One (1) Assault Rifle No. 39768 was reported stolen on 9th July, 1999.

The circumstances surrounding the disappearance of these arms were not explained. Meanwhile, the above cases have been communicated to the Permanent Secretary, Police Affairs Office with a request to intensify efforts at recovering the arms or their replacement costs from the officers found to be negligent. His comments are being awaited.

267. During the audit examination of the accounting records maintained at the Nigeria Police, State Headquarters, Jalingo, it was observed that revenue collected were not promptly paid to chest. For instance, amounts totaling ₦15,000.00 collected between 24th and 28th January, 1999, were paid to chest on 3rd March, 1999 after 35 days, while other revenue collected between 5th February and 31st March, 1999 amounting to ₦10,000.00, was paid to chest on 3rd May, 1999, after 61 days. This ugly practice should be checked and stopped forthwith as it could lead to unwholesome developments through which Government may suffer substantial loss of funds.

This infraction of extant regulations has been brought to the attention of the Permanent Secretary of Police Affairs whose response is being awaited.

268. While examining the accounts and records maintained at the Nigeria Police State Headquarters, Makurdi, Benue State, it was observed that :

(a) Eleven (11) Payment vouchers for amounts totalling ₦366,877.00 paid between January and December 1999 could not be produced for my inspection. I cannot therefore satisfy myself that the various payments were legitimate charges against public funds.

(b) One (1) Assault rifle No.M38962 was said to have been snatched by armed robbers in April 1999.

The matters have been reported to the Permanent Secretary and his reaction is being awaited.

269. At the 'C' Department Logistics and Supply, Nigeria Police, Enugu, it was observed that 2 payment vouchers for ₦165,000.00 and ₦70,000.00 were paid on 21st December, 1998 and 1st July, 1999 respectively for the repairs and servicing of Rolls Royce generator and Lister generating plant. Audit investigation revealed that none of the 2 generating plants had actually been serviced as at the time of inspection in November 1999. Consequently, I cannot certify the expenditures as proper charges against public funds.

The attention of the Permanent Secretary has been drawn to this anomaly and his response is being awaited.

270. During the examination of accounting records maintained at the Nigeria Police State Headquarters, Lokoja, Kogi State the following observations were made :

(i) Amounts totalling ₦1,716,585.00 were paid to a contractor for the supply of motor spare parts between May 1998 and July 1999 without the award passing through tendering process in accordance with the Financial Regulations.

(ii) Eight (8) other payments totalling ₦1,612,175.00 made to 4 contractors for the supply of stationery items between April 1998 and July 1999 were made without the award being passed through tendering procedure in accordance with the provisions of the Financial Regulations.

(iii) An amount of ₦190,350.00 was paid on 13th October, 1998 for the supply of stationery items. The items purportedly purchased were not taken on ledger charge as there were no relevant Stores Receipt Vouchers acknowledging their receipt into the store and neither was any Stores issue Voucher issued for their usage. Since I cannot confirm the actual receipt and usage of these items, it will be difficult to accept the expenditure as a legitimate charge against public funds.

(iv) A Peugeot 504 Station Wagon with registration No. NPF UU61 KG could not be produced for my inspection as the vehicle was said to have been taken away by a former officer of the command.

(v) Also, a Peugeot 504 Station Wagon with registration No. NPF 350A was said to have been burnt at the Lagos Police Workshop. There was no official report of the incident as the Treasury Form 146 has not been duly completed in accordance with the Financial Regulations.

(vi) Amounts totalling ₦2,417,062.60 lodged in various banks on 240 cheques between April 1998 and September 1999 had not been credited in the account as at the time of audit inspection in October 1999. This inaction should be explained.

(vii) Unpresented cheques issued between June 1997 and April 1999 for amounts totalling ₦829,803.79 had become stale but were yet to be written back into the Cash Book as at the time of audit in October 1999.

The attention of the Permanent Secretary has been drawn to these irregularities and his response is being awaited.

271. The examination of the accounting records maintained at the Police Pay Office, Káduna, revealed the following:

(i) Nine (9) cheques for amounts totalling ₦1,659,508.10 issued between March 1997 and September 1998 had become stale and should have been written back to chest but were still reflected as unpresented cheques in the Bank Reconciliation Statement of May 1999.

(ii) Amounts totalling ₦10,918,712.00 described as "Credits in Bank not in Cash Book" were found to be deposits lodged into the bank account but which did not pass through the Cash Book.

(iii) Amounts totalling ₦635,866.80 described as "Debits in Bank not in Cash Book" had accumulated between December 1990 and May 1999. These amounts possibly represent wrong debits in the Police account, which should have been investigated and cleared.

The Permanent Secretary has been requested to carry out a thorough investigation of all the entries in the Bank Reconciliation Statements and effect necessary clearance. His response is being awaited.

PUBLIC COMPLAINTS COMMISSION

272. During the audit examination of the accounts and records maintained at the Public Complaints Commission Headquarters, Abuja for the year under review, it was observed that:

(a) The Commission awarded two separate contracts for the procurement of Treasury Forms to a printing company based in Suleja Niger State for the sum of ₦840,000.00 each. A scrutiny of the payment vouchers revealed that the letters of award were both dated 17th November, 1999 thus confirming that the contracts were deliberately split to confine each of them within the approval limit of the Departmental Tenders Board which is a maximum of ₦1,000,000.00. This is a direct infringement of the provisions of the Financial Regulations which forbid the splitting of contracts.

(b) The Commission awarded another contract to an Abuja based Consultant to furnish it with drawings and bills of quantities for the construction of conducive car park. The cost of the project was estimated to be ₦1,413,023.72 by the consultant. However, the Commission awarded the contract to a Bida based company for a total contract price of ₦2,569,031.00 in disregard for the maximum 40 per cent profit margin which should have made the contract price to be ₦1,978,233.21. The company was thus overpaid by the sum of ₦509,797.79 as evidenced by a payment voucher dated 15th November, 1999. It was noted that the project was certified properly executed by a Personnel Officer in the Commission instead of a qualified official from the Federal Ministry of Works and Housing as allowed by regulations. The excess payment of ₦509,797.79 should be recovered from the company and the recovery particulars furnished for audit verification.

(c) The Commission awarded a contract to a Benin based company for the construction of a proto-type permanent office complex in Lokoja, Kogi State for the sum of ₦6,957,312.00. The contract for the project was awarded in December 1998 with a completion period of 16 weeks. However, two months after the project commenced, the Commission reviewed the contract upward to ₦8,561,421.70 without following Government approved laid down procedures. It was noted that the contractor did not even request for a variation as reflected in the minutes of the Ministerial Tenders Board meeting held on 3rd February, 1999. The minutes also did not indicate the basis for the review since neither a Consultant nor the Federal Ministry of Works and Housing was contacted to provide estimates of the additional works. A payment voucher dated 3rd March, 1999 for a sum of ₦1,673,805.74 was raised and purportedly paid as cost of variation to the company. No evidence of collection of this sum by the company had been seen. The sum of ₦1,673,805.74 should be recovered from the company and the recovery particulars should also be forwarded for audit verification.

(d) The same company was awarded another contract for the construction of a prototype office complex in Asaba, Delta State in May 1999 for the sum of ₦6,957,321.00 with a completion period of 16 weeks. Although, 50 per cent mobilization fee of ₦3,478,660.00 was paid to the contractor on the same day, the award letter was not issued to the contractor and no commensurate job had been done. An audit visit to the project site in April 2000 showed that the project had not gone beyond the foundation level. The excess payment over and above the value of work done so far should be recovered from the contractor and the contract determined with legal costs paid accordingly. The recovery particulars should be forwarded for audit verification.

(e) Repairs of motor vehicles in the Commission's fleet were carried out mostly through personal advances granted to the Transport Officer and other officers. One of such payment for ₦617,400.00 made on 29th June, 1999 was for purported repairs carried out on three official vehicles. The former Transport Officer was mandated to handle the repairs of the vehicles with no input from qualified mechanics on the detailed requirements for the repairs and replacement of parts. This made the whole transaction look suspicious as further audit verification revealed that not much was changed in the three vehicles to warrant spending a whopping sum of ₦617,400.00 in the guise of repairs. This advance should therefore be properly accounted for.

(f) Payment of utility bills by the Commission was not properly handled by the Office Manager as most payments to these organizations were not acknowledged on their official receipts and duly stamped. Through a payment voucher dated 6th September, 1999 the sum of ₦150,000.00 was purported to have been paid to NITEL. There was no evidence that the money was received by NITEL. The sum of ₦150,000.00 should be recovered from the Office Manager unless an acceptable documentary evidence of this payment is produced.

(g) The sum of ₦266,500.00 was purportedly paid to NEPA on a payment voucher dated 16th September, 1999. A scrutiny of the payment voucher and its attachments showed that NEPA did not receive this sum as there was no official receipt attached, nor the relevant payment voucher signed. The sum of ₦266,500.00 should be properly accounted for or recovered from the Office Manager who handled the payment.

(h) Personal advances totalling ₦10,556,803.00 granted to 139 officers between January and December 1999 had not been retired at the time of audit inspection in November 2000 contrary to the provisions of the Financial Regulations.

(i) Thirty-two (32) payment vouchers for various amounts paid between July and November 1999 totalling ₦25,046,453.80 were not duly receipted by the various contractors indicating that the payments might not actually have been made to the authentic payees. The former Cashier should therefore account for the total sum of ₦25,046,453.80 or produce documentary evidence of receipt by these companies of the various sums in accordance with the provisions of the Financial Regulations.

(j) The Transport Officer was paid the sum of ₦45,400.00 as refund of out of pocket expenses for the procurement of tyres and tubes which were not taken on store charge as required by the Financial Regulations. Also the dramatic decrease in the price of michelin tyres within a space of only three days from the ₦8,500.00 each paid on 19th February, 1999 and the ₦6,000.00 each paid on 22nd February, 1999 is questionable and creates an indelible impression of dishonesty on the part of the staff who executed the transaction.

(k) A lot of discrepancies were spotted in the payment of a sum of ₦328,552.00 to a Suleja, Niger State based company for the supply of motor spare parts for use in the repair of the Chief Commissioner's vehicle. While the job order was issued on 4th March, 1999, the Company claimed it supplied the motor spare parts on 5th February, 1999. A scrutiny of the payment voucher and the vehicle showed that the particular vehicle was bought in 1997 and the replaced parts included amongst other items the gear box valued at an outrageous sum of ₦266,000.00. This vehicle was not involved in any accident and it is my view that within a period of two years, it was impossible that this car would need any type of such comprehensive overhaul and repairs that would genuinely cost a whopping sum of ₦328,552.00 expended on the vehicle.

The issues and irregularities have been brought to the attention of the National Secretary whose reaction is being awaited.

273. During the audit examination of the accounts and other records maintained at the Public Complaints Commission Headquarters, Abuja for the year under review, it was observed that :

(a) The sum of ₦280,000.00 was paid to a company on the 21st December, 1999 for the supply of 100 reams of Treasury Forms TF 174B (Personal Emolument Record Senior Officers) to the Commission. Although, the contractor was paid fully for the supply of the forms, there was no evidence to confirm the receipt of the reams of forms in the store as no Store Receipt Vouchers were issued and attached to the relevant payment voucher. The Executive Secretary, Public Complaints Commission has been requested to ensure that the forms are supplied or

alternatively to recover the sum of ₦280,000.00 from the company and to furnish recovery particulars for audit verification.

(b) Another company was paid the sum of ₦95,000.00 on the 21st December, 1999 for the supply of 100 reams of Rank Xerox photocopying paper to the Commission. However, there was no evidence to confirm the receipt of this item of stationery from the company as no store receipt voucher was raised to confirm that the items of stationery were received and taken on store ledger charge. The Secretary to the Public Complaints Commission has also been requested to recover the money from the company and to forward recovery particulars for audit verification if the items could not be finally supplied.

(c) A total sum of ₦881,918.88 was purportedly paid to the staff of the Commission as overtime claims through three payment vouchers raised on the 3rd and 29th December, 1999 respectively. One of the officers received the money on behalf of the others whose names did not feature on the payment voucher. However, there was no documentary evidence to show the number of staff that were involved in the overtime claims and how much was paid to each person. Also, the accounting officer's approval of the overtime allowance was not seen. The Secretary to the Commission has been requested to recover the sum of ₦881,918.88 from the officer who collected the money and to furnish the recovery particulars for audit verification.

(d) The Commission engaged the services of a consultant in December 1999 to offer training courses for 60 members of staff on salary grade levels 04 to 07. This training involved personnel drawn from all States in the Federation, including the headquarters. The consultant was paid amounts totalling ₦930,000.00 at the rate of ₦15,500.00 per staff. However, audit investigation revealed some irregularities pertaining to the training. These included :

(i) the outright release of bulk sum of ₦2,167,500.00 in cash to a staff of the Commission to be disbursed without treating the release as an advance for which the officer would submit detailed retirement particulars after the conclusion of the Training ;

(ii) another payment of ₦300,000.00 to the consultant to cover his hotel expenses after collecting the course fees of ₦15,500.00 per staff which amounted to ₦930,000.00 ;

(iii) payment of ₦90,000.00 and ₦60,000.00 to the National Secretary and 3 Directors respectively for the workshop ; and

(iv) non-production of the official receipt issued by the consultant for the sum of ₦1,717,500.00 paid to the company.

The attention of the National Secretary has been drawn to the irregularities requesting him to explain the circumstances surrounding the disbursements and to recover any irregular payments that might have arisen on the training course. Particulars of recovery should also be furnished for audit verification. His reply is being awaited

STATES AND LOCAL GOVERNMENT AFFAIRS OFFICE

274. The audit examination of the accounts and other records maintained at the States and Local Government Affairs Office, Abuja, revealed that :

(i) Expenditure totalling ₦1,789,000.00 were wrongly classified to votes other than those specified for such expenditure in the Approved Annual Estimates, whereas the provisions of the Financial Regulations stipulate that "expenditure will be classified strictly in accordance with the Estimates, and votes must be applied only to the purpose for which the money is provided. Expenditure incorrectly charged to a vote will be disallowed by the Accountant-General."

(ii) Various amounts totalling ₦2,780,626.70 were vired into several sub-heads without

approval and relevant virement warrants from the Honourable Minister of Finance as required by the Financial Regulations.

(iii) The Departmental Expenditure Vote Books were poorly maintained and controlled, and the entries therein were not often initialled by the officer controlling expenditure as required by the Financial Regulations. Besides, the balance under Sub-Head 22/7 (Motor Vehicle Maintenance) as at 31st December, 1999 reflected on the Vote Book as ₦4,450.00 (CR), instead of ₦225,450.55 (DR) which is the correct audited balance of the sub-head as at 31st December, 1999.

(iv) Deductions from the motor vehicle and motor-cycle loans granted to 4 members of staff totalling ₦7,380.00 were not made contrary to the provisions of the Financial Regulations which stipulate that accounting officers should ensure prompt recovery by instalments or otherwise of all advances or loans made by them.

(v) The officer-in-charge of maintaining the Advances Ledger was found to be updating in advance repayments of loans without evidence of actual repayments being made by the beneficiaries of these loans/advances. For example, as at the time of the audit in June 2000, recovery particulars in the advances ledger had been updated to August 2000, whereas outstanding advances totalling ₦7,380.00 within the period had not been deducted from the officers involved.

(vi) Most of the voucher schedules produced were written by hand with attendant errors of omission, additions, subtractions or compensating errors on most of them, instead of being printed with a scheduling machine. For example, in the month of May 1999, a payment voucher paid on 6th May 1999, for the sum of ₦416,999.99 charged to sub-head 22/12 (same Cash Book) was entered in the schedule as ₦16,990.00. Also, another payment voucher paid on 20th May, 1999 under sub-head 22/10 for the sum of ₦6,500.00 (same cash book) was scheduled as ₦51,100.00. In the same vein, payment voucher paid on 6th May, 1999 for the sum of ₦342,600.00 charged to sub-head 22/17 was scheduled as ₦710,000.00.

(vii) Twelve (12) payment vouchers for amounts totalling ₦993,988.23 paid between May and June 1999 were not produced for audit inspection. As I cannot therefore satisfy myself that the payments involved were proper charges against public funds, the Permanent Secretary has been requested to produce them for audit inspection.

(viii) Personal advances for amounts totalling ₦201,220.00 were granted to the Protocol Officer of the States and Local Government Affairs Office in February 1999 to enable him undertake the construction of a garage, balcony and land scaping at the official residence of the Permanent Secretary at Asokoro District, Abuja. All efforts made to confirm the execution or otherwise of the projects by audit visits to the site were not successful as the Protocol Officer insisted that since the former Permanent Secretary was no longer occupying the residence, he could no longer be granted access to the building. The Permanent Secretary has been requested to comment on the situation, or alternatively recover ₦201,220.00 from the officer involved furnishing me with recovery particulars for audit verification.

(ix) Personal advances for amounts totalling ₦380,000.00 granted to 6 officers of States and Local Government Affairs Office in May 1999 to enable them organise a meeting at Nike Lake Resort, Enugu from 13th-14th May, 1999 to facilitate the actualisation of Journal of States Administration in Nigeria were not retired even at the time of audit inspection. Efforts should be made to get the advances retired as otherwise the amounts involved should be deducted from the salaries of the officers en bloc.

All the issues have been brought to the attention of the Permanent Secretary and his reaction is being awaited.

275. The audit examination of the accounts and other records maintained at the State and Local Government Affairs Office (Office of the Vice-President) Abuja for the year under review, revealed that :

(a) A personal advance of ₦400,000.00 was granted to the Assistant Chief Works Superintendent to enable him purchase unspecified number of household items for use at the residence of the former Permanent Secretary located at No. 8 Mandela Street, Asokoro, Abuja. Further audit scrutiny showed that :

(i) The request made by the Permanent Secretary on 23rd April, 1999 did not specify the items needed or the price of each of the items hence the basis used in arriving at the sum of ₦400,000.00 could not be ascertained.

(ii) There was no urgency to warrant the granting of personal advance for the purchase of household items when they ought to have been purchased through the issuance of local purchase orders or through the award of contract after competitive tender procedures.

(iii) These items said to have been purchased were neither taken on store ledger charge, nor entered in the master inventory record as required by the Financial Regulations.

(iv) Physical audit verification visits thereafter made to confirm the purchase or otherwise of these items were rebuffed by the Office.

On the basis of these apparent irregularities, the Permanent Secretary has been requested to produce the items for audit verification, or alternatively to recover the sum of ₦400,000.00 from the Assistant Chief Works Superintendent involved furnishing me with the recovery particulars for audit inspection.

(b) A personal advance of ₦46,000.00 was granted to the Assistant Chief Works Superintendent on 2nd June, 1999 to enable him carry out plumbing works in a toilet at the residence of the then Permanent Secretary, located at 8 Mandela Street, Asokoro District, Abuja. Similarly, additional personal advance amounting to ₦48,000.00 was granted to the same Assistant Chief Works Superintendent on 3rd June, 1999, to enable him carry out the same plumbing works in a toilet in the same residence, whereas he has not retired the previous one as required by the Financial Regulations. Further audit scrutiny revealed that :

(i) There was no formal request for these repairs by the Permanent Secretary or his aides in any of those files used in granting the advance, and the approval of the Permanent Secretary was not sought and obtained.

(ii) This therefore, was undisputedly a double payment for the same job in the same residence as the same bill of quantities was slightly altered to facilitate the two payments.

(iii) The second advance for the sum of ₦48,000.00 granted to the officer is contrary to the provisions of the Financial Regulations which stipulate that no subsequent advance should be granted to any officer without retiring the previous advance taken.

(c) Personal Advance totalling ₦350,000.00 granted to the Protocol Officer on 2nd May, 1999, to enable him purchase essential items, such as 2 Nos colour television sets, and 2 Nos Stabilizers for the residence of the Permanent Secretary at House 8, Nelson Mandela Street, Asokoro, Abuja was not retired even as at the time of audit inspection. Furthermore, the items purchased were neither taken on store ledger charge, nor entered into the master inventory record as required by the Financial Regulations. Also, all efforts made to verify the items were unsuccessful. Besides, the items might have been better procured through the issuance of Local Purchase Orders, or through award of contract after competitive

tender procedures. The Permanent Secretary has been requested to produce the items for audit verification, or alternatively to recover the sum of ₦350,000.00 from the Protocol Officer involved furnishing me with recovery particulars.

(d) On 2nd February, 1999 the sum of ₦85,341.29 was paid to a former member of staff being payment of his retirement benefit (gratuity) after 23 years service. However, further audit investigations revealed that :

(i) Contrary to extant regulations, the computation of the retiree's benefit was not passed through the Auditor-General's Office for prepayment checks, and the relevant approval was not obtained from Establishments and Management Services Office before payment was made. Consequently, the correctness of the computation cannot be confirmed.

(ii) Further check of the accounting records showed that the payee had an outstanding motor vehicle advance of ₦4,352.00 as at 30th November, 1997. There was no evidence to show that this outstanding loan had been paid or was deducted from the retiree's benefit. The personal file of the retiree was not made available to me in spite of repeated demands for them. Thus, the basis used in arriving at the sum of ₦85,341.29 paid to the retiree cannot be confirmed.

(e) (i) Six (6) payment vouchers for amounts totalling ₦544,783.14 paid in favour of NITEL Plc., Abuja as telephone bills for various months of the period under review had no vital supporting documents, such as, telephone bills attached to the vouchers as required by the provisions of the Financial Regulations. I therefore, find it difficult to accept such payments as a proper charges against public funds.

(ii) Similarly, two (2) payment vouchers for amounts totalling ₦246,675.46 was paid to NEPA Plc., Abuja without vital documents, such as electricity bills, attached to the vouchers in support of payments as required by the provisions of the Financial Regulations. I therefore, find it difficult to accept such payments as proper charges against public funds.

(iii) Also, the sum of ₦130,453.00 was paid to a courier company in Abuja on 28th December, 1999, for outstanding bills on various courier services rendered to the Department in November 1998 without the vital documents, such as, bills attached to the payment vouchers in support of the payment. As I cannot therefore, satisfy myself that the payment involved was proper charge against public funds, the Permanent Secretary has been requested to produce the bills for audit inspection.

(f) An amount of ₦1,900,000.00 was paid to a company in Abuja for the supply of one unit of 10 KVA Perkins generator for use in the residence of the Permanent Secretary at House 8, Nelson Mandela Street, Asokoro, Abuja, whereas the generator was not seen physically during the inspection. Further audit scrutiny revealed that :

(i) The Ministerial Tenders Board on 19th May, 1999 approved the award of the contract to the payee for the supply of the generator. However, no letter of contract award or local purchase order was issued to the company, and no contract agreement was entered into before payment was made contrary to the Ministerial Tenders Board decision.

(ii) The Permanent Secretary in requesting for the items on 20th May, 1999 insisted on payment to the company before delivery and that the stores and internal audit officers should endeavour to inspect the generating set at its location before the purchase. On enquiry, the store and internal audit officers claimed total ignorance of the transaction and categorically stated that at no point in time were they contacted to sight the generator either before or after payment.

(iii) The quotation attached to the payment voucher was unsigned while the date was

altered to conform with the purported date of purchase. There was also no cash receipt or invoice from the payee acknowledging receipt of money paid for the goods allegedly sold. Equally, the delivery note attached was devoid of the company's logo and telephone number.

(iv) The item purchased was neither taken on store ledger charge nor entered in the plant ledger as required by the Financial Regulations.

(v) The company on further enquiry could not confirm the purchase of such set from it by the Office within the period mentioned. Several efforts made thereafter to physically inspect the set was aborted. Considering the circumstances surrounding the transaction, it became difficult to confirm that the item was actually purchased. The Permanent Secretary has been requested to produce the generating set for audit verification or alternatively, to recover the sum of ₦1,900,000.00 from the officers involved furnishing the recovery particulars for audit inspection.

(g) Personal Advances for amounts totalling ₦1,746,199.00 granted to 4 officers of the States and Local Government Affairs Office between May and June 1999 to enable them execute certain projects or render some services were not retired several months after the completion of the projects or services and even at the time of the audit inspection. Furthermore, these projects could have been better executed or services rendered by the award of contracts after competitive tender procedures or through the issuance of Local Purchase Orders.

All the issues have been brought to the attention of the Permanent Secretary and his reaction is being awaited.

MINISTRY OF SCIENCE AND TECHNOLOGY

276. At the Federal Ministry of Science and Technology Headquarters Abuja, it was observed that :

(a) The Transport Officer obtained two separate personal advances for the same purpose both totalling ₦239,350.00. The first advance for ₦145,500.00 was collected on the 5th May, 1999 to carry out a repair on departmental vehicle No. FG 10 A26 which ostensibly had a broken down engine. The officer also collected another advance of ₦93,850.00 on the 11th May, 1999 from N-COMB Office for the same purpose of repairing the spoiled engine of the same vehicle. The officer thereafter used receipts obtained from the same mechanic to retire the two personal advances. The lack of transparency exhibited by this officer concerning the amounts collected so far has created a serious doubt over the repair purportedly carried out. The Permanent Secretary has been requested to recover the sum of ₦239,350.00 from the Transport Officer and to furnish recovery particulars for audit verification.

(b) The Ministry's Cash Book for the Recurrent Expenditure Account for the year 1999 was opened on the 7th January, 1999 with a credit balance of ₦8,885,149.92 which suggested that the Ministry had completely exhausted its Recurrent Expenditure Vote by 31st December, 1998, a situation which should need serious investigation. On the same day, the Ministry made two transfers of funds from the Capital Account : ₦60,772.33 and ₦1,184,100.00 for amounts totalling ₦1,244,872.33. The Cashier who made the unusual entry in the Recurrent Expenditure Cash Book described it as a "debt incurred by the Ministry". The Permanent Secretary has been informed of the irregularity and has been requested to conduct an investigation into the unusual financial transaction.

(c) Six payment vouchers were raised in May, 1999 in favour of one officer for remittances amounting to ₦11,576,200.00 to be transferred to Malaysia, Brazil and Asia Science Desks. The

purpose of the remittances was not disclosed on the payment vouchers and the remittances had not been acknowledged up till the time of audit inspection in October 2000. The Permanent Secretary has been informed of the irregular manner by which funds were transferred to Nigeria Missions abroad without passing through the Central Bank of Nigeria. He has been also requested to investigate the whole transaction or recover the money and furnish recovery particulars for audit verification. His reaction is still being awaited.

(d) An officer was granted 8 (eight) personal advances of ₦153,125.00 each and paid on eight different payment vouchers, on the same day of 26th May, 1999 for amounts totalling ₦1,225,000.00 to purchase souvenir items and settle transport charges relating to the 1st set Summit held at the Sheraton Hotel and Towers, Abuja from 16th to 20th May, 1999. The breakdown of the expenses indicated that the money was spent on purchase of gift items for ₦500,000.00, transport charges for luxury buses for ₦500,000.00 and payment to cultural group for ₦225,000.00. The receipts attached to the payment vouchers would not appear to be genuine as they had no verifiable addresses, were not signed by the receivers, and had no authenticating official stamps on them. Moreover, the names of the visitors who were presented with the gift items were not indicated while the names and signatures of members of the cultural troupes who received the money paid to them were not shown on the retirement vouchers. All these irregularities would suggest that the expenditure incurred by the officer appeared fictitious and the money spent irregularly by him. The Permanent Secretary has been requested to recover the whole sum of ₦1,225,000.00 from the officer and to furnish recovery particulars for audit verification.

(e) Personal advances totalling ₦465,000.00 were granted to a Director in the Ministry on the 12th May, 1999 to enable him purchase air tickets for six other officials who would be attending a meeting, the venue of which was not stated. When the advance was retired, the retiring documents indicated that a total sum of ₦324,000.00 was used for the officers air tickets at the rate of ₦60,000.00 per person but no air tickets stubs were attached. The Permanent Secretary has been requested to ensure that the personal advance was properly retired by the officer by producing the relevant air tickets stubs in support of the disbursement of ₦324,000.00 or recover the money from each of the payees and forward recovery details for audit verification.

(f) Another personal advance of ₦408,000.00 was paid to an officer on the 12th May, 1999 and he in turn distributed the money to three other officers and one organisation called "Association of Inventors" for unknown purposes while attending the Technology Summit held in Abuja. The personal advance was not properly retired as no receipts were attached in support of expenditure incurred. The Permanent Secretary has been requested to ensure that the advance is properly retired or the sum of ₦408,000.00 should be recovered from the officer and quote recovery particulars for audit verification.

(g) A payment voucher dated 6th June, 1999, for ₦320,000.00 was raised in favour of a company based in Lagos for placement of an advertisement on behalf of the Ministry in the 1998 World Bank Edition of a magazine known as "The African Economy." However, there was no evidence produced to show that the advertisement was carried by the magazine as no copy was produced for audit scrutiny. The Permanent Secretary has been requested to recover the money paid from the company and to furnish the recovery particulars for audit verification.

(h) An officer in the Press and Public Relations Unit of the Ministry was paid the sum of ₦165,300.00 in March 1999 being the refund of out-of-pocket expenses allegedly incurred on procurement of artworks and photographic coverage of purely private events. None of the portraits purported to have been purchased could be located in the Ministry. I therefore find it difficult to accept payment made as a legitimate charge against public fund. The Permanent

Secretary has been requested to recover the sum of ₦165,300.00 from the officer and to furnish the relevant receipt for audit verification.

All the issues have been taken up with the Permanent Secretary and his reaction is being awaited.

277. During the audit of the accounting records maintained at the Federal Science Equipment Manufacturing Centre, Minna, Niger State, it was observed that a sum of ₦2,931,948.38 was approved as administrative charges for the equipment imported by the Task Force from Hamburg as contained in information conveyed to the Task Force by the Central Bank of Nigeria on 20th April, 1999 to be disbursed as follows: ₦2,431,948.00 as bank draft to the Chairman, PTF and ₦500,000.00 in cash to him. Contrary to this directive, the total amount of ₦2,931,948.38 was paid in full to the Chairman on payment of 24th April, 1999 while another payment voucher for ₦500,000.00 was again raised on the same day to pay him for the same purpose resulting in an overpayment of ₦500,000.00.

The Permanent Secretary has been requested to recover the overpayment of ₦500,000.00 and furnish the recovery particulars for audit verification. His response is being awaited.

MINISTRY OF SOLID MINERALS DEVELOPMENT

278. At the Federal Ministry of Solid Minerals Development Headquarters, Abuja, it was observed that:

(i) Withholding tax totalling ₦48,392,274.74 deducted from payments made to various contractors and suppliers by the Ministry between June 1996 and December 1999 was not remitted to the Federal Inland Revenue Service, whereas the provisions of Federal Inland Revenue Service guidelines stipulate that the time limit within which the withholding tax deducted is to be remitted to the Federal Inland Revenue Service is 30 days from the date the tax is deducted or the date the duty to deduct arises, whichever is earlier. Out of the total amount of ₦83,961,002.64 collected for the period, only the sum of ₦35,568,727.90 was remitted. The Permanent Secretary has been requested to remit ₦48,392,274.74 to Federal Inland Revenue Service furnishing the remittance details for audit verification. Besides, it should be necessary to establish the reason for the non-remittance of these huge amounts for over three years, with a view to taking disciplinary action against the officer responsible for this lapse.

(ii) Similarly, deductions for Value Added Tax (VAT) totalling ₦36,370,578.93 collected from payments made to various contractors and suppliers by the Ministry between June 1996 and December 1999 was not remitted to the Federal Inland Revenue Service, whereas the Federal Inland Revenue Service guidelines stipulate that the amount of the VAT deducted should be remitted to the Federal Inland Revenue Service at the same time the contract payment was made to the contractor. Incidentally, out of the total sum of ₦59,984,191.64 deducted as VAT for the period only the sum of ₦23,613,612.71 was remitted.

(iii) A Toyota bus with registration number FG 25A28 purchased in 1995 and property of the Federal Ministry of Solid Minerals Development was purported to have been given out on loan to the State House, Aso Rock, Abuja. However, the engine and chassis numbers as well as the value of the bus could not be ascertained. Also, no documentary proof pertaining to the purported loan was produced for audit examination and no satisfactory explanation was given for loaning the vehicle to the State House. The Permanent Secretary has been requested to confirm that the bus has been retrieved from the State House.

(iv) The Ministry failed to maintain vehicle log books, whereas provisions of the Financial Regulations stipulate that "Accounting Officer shall be responsible for ensuring that there are

effective controls in the use of government vehicles. For that purpose, he will ensure that vehicle log books including other records are maintained." As a result of the failure to maintain vehicle log books, etc., it became difficult to effectively monitor the movements of the vehicles, the distances covered and the fuel consumption.

(v) Sixty-one (61) types of motor vehicles located in the Ministry's State Offices and 7 other motor vehicles grounded at the Ministry's Headquarters in Abuja have become unserviceable and should be boarded to prevent further deterioration, wastage and loss of residual values to the Federal Government of Nigeria.

(vi) Contract sum of ₦7,170,625.00 was paid to a company in February 1999 and March 1999 for the supply of gold and mineral exploration equipment. The first payment of ₦2,151,187.50 represented a 30 per cent advance payment to enable the company import the equipment while the second payment of ₦5,019,437.50 was the balance of the contract sum. The location for the delivery of the equipment was not disclosed. As a result, it was not possible to verify physically the supply and delivery of the equipment. The proof of the importation of the equipment as well as the contract agreement were not produced for audit examination. The bank guarantee submitted by the contractor for the 30 per cent advance payment of ₦2,151,187.50 was equally not produced for inspection. The Permanent Secretary has been requested to produce the imported equipment for physical audit inspection or alternatively to recover the sum of ₦7,170,625.00 from the company involved furnishing me with recovery particulars for audit inspection.

(vii) The sum of ₦1 million was paid to a motor dealer in Abuja as variation in the purchase price of 2 Nos 30 seater buses. However, investigation carried out revealed that the buses were supplied in line with the original contract price of ₦13,440,000.00 and they were duly taken on store ledger charge on 30th December, 1998. On the other hand, the letter purportedly written by the company requesting for the upward review of the total contract price from ₦13,440,000.00 to ₦14,440,000.00 had no reference number and was dated 7th January, 1999, one whole week after the Ministry had taken delivery and paid for the buses at the original contract price. The variation claim of ₦1,000,000.00 was eventually paid to the motor dealer on 10th February, 1999 through a payment voucher that was not checked and passed for payment by both the checking and Internal Audit Sections. On account of these irregularities, it is difficult to accept the payment of the additional ₦1,000,000.00 involved as proper charge against public funds. The Permanent Secretary has been requested to recover ₦1,000,000.00 from the company involved furnishing recovery particulars for audit inspection.

(viii) The sum of ₦3,497,032.00 was paid to the Honourable Minister for the purchase of air tickets to enable him attend a Conference on "ATTRACTING INVESTMENT" in the U.S.A., Canada and France. The only document attached to the payment voucher was an application for funds made by the Personal Assistant to the Honourable Minister on 2nd March, 1999 to the Permanent Secretary. Thereafter, the sum of ₦3,498,032.00 was approved and paid. Details of how the amount of ₦3,498,032.00 was arrived at were however not spelt out. Also, the formal approval for the trip by the Presidency has not been produced, to authenticate the entire trip and transaction.

(ix) Three (3) payment vouchers for amounts totalling ₦3,185,434.68 paid on 14th April, 1999 were claimed to be for the settlement of M-TEL and NITEL bills incurred by the Ministry. However, no vital supporting documents such as bills, etc. were attached to the payment voucher as required by the provisions of the Financial Regulations. Besides, as there were no receipts issued by M-TEL and NITEL as proof of receiving such amounts of money, it was

difficult to confirm that such amounts were actually paid out to the two agencies by the Ministry. Also, it was difficult to understand why the cheques used for the payments were not made directly payable to M-TEL and NITEL. On account of all these irregularities, it is difficult to accept such payments as proper charges against public funds.

(x) A total sum of ₦685,000.00 was paid to 49 members of staff in April, 1999 as loan to furnish their various official residential apartments at Madalla, Abuja. The detailed description on the payment voucher did not indicate that the amount was granted as loan. It read that the payments were made to enable the staff cater for the furnishing of their quarters at Madalla. While grade levels 07 to 09 officers received the sum of ₦15,000.00 each, those on grade levels 03 to 06 received ₦10,000.00 each. However, in seeking the Permanent Secretary's approval, the Senior Administrative Officer (Welfare) stated that he was forwarding the list of members of staff allocated with accommodation at Madalla for the payment of furniture loan. Audit verifications revealed that deductions had not commenced at the time of audit inspection in June 2000 from the salaries of the 49 members of staff who were granted the loans. Urgent steps should therefore be taken to commence deductions on the loans and to ensure that they are fully repaid by the officers concerned.

(xi) Personal advance of ₦435,700.00 was granted to the then Personal Assistant to the Honourable Minister in January 1999 to enable him purchase household items for his rented apartment. The items included a set of upholstery chairs, set of dinning table, 3 beds, dressing mirror, carpet, one refrigerator, one gas/electric cooker and 3 air conditioners. It was expected that a procurement of this nature and magnitude could have been better undertaken through the award of contracts after competitive tender procedures or through the issuance of Local Purchase Orders. The Personal Assistant had since left the Ministry on the exit of the then Honourable Minister but he failed to return the items purchased with this advance to the Ministry. The Ministry should have taken measures to ensure that such items were not converted to personal use.

(xii) Out of 14 Nos IBM electric typewriters issued to the Personnel Management Department from the stores, only 8 nos were physically seen during the inspection. The remaining 6 nos the values of which were not ascertained were not produced for audit inspection. Also, 1 no. manual typewriter issued to the Honourable Minister's office was not made available for audit inspection.

(xiii) Out of 5 nos Rocky safes issued to the Office of the Director of Finance and Supplies from the stores, only 2 nos were physically seen during the inspection. The outstanding 3 nos. of the Rocky safes (Fire Proof) valued at ₦930,000.00 were not produced for audit inspection, and were therefore not accounted for.

(xiv) Sixteen (16) nos of split units air-conditioners, 1 no. Hoover vacuum cleaner and 3 nos ceiling fans all valued at ₦1,986,000.00 were issued out of the stores without due and proper authorisation. Though the items were said to have been issued to the offices of the Assistant Director Accounts, Chief Administrative Officer, Assistant Chief Administrative Officer, Honourable Minister and to the Honourable Minister's guest house, none of the items were physically seen during the audit verification checks in these offices and the guest house.

(xv) Three (3) nos hot/cold water dispensers or water coolers valued at ₦1,200,000.00 were not produced for audit inspection. They were said to have been issued to the offices of the Honourable Minister, the Permanent Secretary and Director of Finance and Supplies, but during a physical verification check, the hot/cold water dispensers were not located in the three offices. Furthermore, the total amount of ₦1,200,000.00 paid for the 3 items by 3 members of

staff of the Ministry who supplied them through personal advances totalling ₦1,200,000.00 granted to them was unduly inflated by a total amount ₦1,020,000.00, according to an independent market survey report which put the total costs of the three items at ₦180,000.00. The items were supplied at the cost of ₦400,000.00 each but a market survey showed the costs of the items to be between ₦35,000.00 and ₦40,000.00. Allowing for procurement expenses, etc., the cost of each item should not have been more than ₦60,000.00. The Permanent Secretary has been requested to recover the sum of ₦1,020,000.00 from the 3 officers involved furnishing the recovery particulars for audit inspection.

(xvi) The Ministry failed to maintain the Furniture Ledger and the Master Inventory Record for items of furniture and equipment acquired by the Ministry. As a result, various items of office equipment worth ₦18,409,427.50 purchased within the year under review were not properly documented. Similarly, furniture items valued at ₦11,741,898.80 purchased within the same period were also not properly documented. Furthermore, the items were not serially numbered with the Ministry's inscriptions as required by the provisions of the Financial Regulations. On account of these lapses, the items of equipment, as well as the furniture items could easily be lost by government through pilfering, stealing and conversion to personal use.

(xvii) A particular cheque No. 242502 was used in debiting the Ministry's account 5 different times, but each time, it carried different amounts all totalling ₦5,553,949.64 between April and May 1999. These multiple debits should be investigated to ensure that irregularities had not been perpetrated on the Ministry's Account.

(xviii) Seven (7) cheques which were not part of the series of cheques issued to the Ministry by the Bank were debited to the Ministry's account. The cheques all dated 17th June, 1999 were drawn for various amounts totalling ₦2,427,926.43. These debit entries appeared to be unauthorised and irregular and should be investigated.

(xix) The sum of ₦1,950,300.00 being the equivalent of U.S. \$19,800.00 as stated in the Bank Statement was debited to the Ministry's bank account and referred to as transfer of fund. However, the relevant cheque number supporting the transaction was not stated and the transaction was not identified in the Cash Book. This appeared to be a gross violation of the provisions of the Financial Regulations which stipulate that all payment entries in the accounts must be vouched for on one of the prescribed forms and the voucher(s) will be made out in favour of the person(s) to whom the money is actually due.

(xx) A deposit to current account called "Government Parastatals" was opened in May 1999 with an initial deposit of ₦100,000,000.00 without the authority of the Accountant-General of the Federation as required by the provisions of the Financial Regulations. On 31st May, 1999 the entire deposit of ₦100,000,000.00 was transferred to a call deposit account. The sum of ₦50,000,000.00 was later recalled to the current account on 9th June, 1999. The balance of ₦50,000,000.00 left in the call deposit account should be accounted for. In addition, the interest accrued on that account should be paid to revenue in accordance with extant regulations. The Permanent Secretary has been requested to confirm the source of funds for the deposit account and the authority for maintaining such account.

(xxi) Amounts totalling ₦1,536,600.00 were paid to the Permanent Secretary through 2 payment vouchers on 25th January, 1999 and 11th March, 1999 respectively for the repairs of 2 motor vehicles, plumbing works and office equipment. In flagrant disregard for the provisions of the Financial Regulations which stipulate that all works and services costing over ₦500,000.00 must be obtained by contract after public competitive tender procedures, the repairs of the motor vehicles, office equipment and the plumbing works were undertaken

directly and paid for from the Ministry's cash float. Also, neither the job completion certificates nor the approval minutes of the Permanent Secretary was attached to the payment vouchers. The registration numbers of the two vehicles purportedly repaired were not indicated and the staff of the transport section of the Ministry denied knowledge of the purported repairs. The office equipment said to have been repaired were not identified and their locations were not disclosed during the inspection. It was therefore difficult to carry out any verification of the vehicles and equipment allegedly repaired with a view to confirming that the amounts allegedly spent on the repairs were proper charges against public funds. The Permanent Secretary has been requested to recover ₦1,536,600.00 from the officers involved furnishing me with recovery particulars for audit verification.

(xxii) Cash advance of ₦4,440,450.00 granted to a member of staff of the Geological Survey Department (Kaduna) in May, 1999 to enable him purchase laboratory chemicals and reagents required in the Ministry's laboratory in Kaduna had not been retired several months after the completion of the transaction and even at the time of audit inspection in October 2000. Furthermore, the purchase would have been better executed or services rendered through the award of contracts after competitive tender procedures or through the issuance of Local Purchase Orders. Efforts should be made to get the advance retired as otherwise the amount should be deducted from the officers salary.

(xxiii) Amounts totalling ₦3,980,200.00 were paid through 5 payment vouchers to the Permanent Secretary between February and March 1999. The amounts were for the purchase of stationery materials and repairs of residential quarters and office equipment. However, audit scrutiny of the payment vouchers and their supporting documents revealed that none of them had the approval minutes of both the Director of Finance and Supplies and the Permanent Secretary. Besides, there was no proof that the items purchased were taken on stores ledger charge since no Store Receipt Vouchers (SRV) were attached to the payment vouchers or produced for audit inspection. The repair jobs were not certified by the relevant authorities as having been completed. Incidentally, the purported procurements and repair works would have been better executed through the award of contracts after competitive tender procedures or through the issuance of Local Purchase orders, as provided by the Financial Regulations. I therefore find it difficult to accept such payments as proper charges against public funds.

(xxiv) Amounts totalling ₦255,466.39 were paid through 2 payment vouchers in February and November 1999 for the purpose of carrying out the analysis of mineral samples (Pyrite and Gold bearing Gelana) in some laboratories in Ireland and Canada by a foreign company. The first payment voucher for ₦1,732,000.00 was prepared for payment to the company but was eventually paid to the Director of Mineral Investments, who incidentally initiated the proposals. However, no satisfactory explanation was given for the change of the payee. The second payment voucher was paid to the company. However, vital documents, such as the contract agreement, the company's quotation and the company receipts were not attached to the payment voucher in support of the payments as required by extant regulations. The payment voucher was also not signed by the payee. More importantly, the results of the sample analysis said to have been carried out in Ireland and Canada were not produced for audit verification. The payments cannot therefore be accepted as proper charges against public funds. The Permanent Secretary has been requested to produce the vital documents as well as the result of the analysis, or alternatively, the total amount should be refunded with the refund particulars furnished for audit verification.

(xxv) Three (3) payment vouchers for amounts of ₦21,575.00, ₦105,200.00 and ₦484,260.00 respectively all totalling ₦611,035.00 were used in paying M-TEL and NITEL for the purpose of

settling the Ministry's cellular and ordinary telephone bills for the months of February, May and September 1999 respectively. However, the bills from both M-TEL and NITEL were not attached to the payment vouchers to authenticate the payments as required by the provisions of the Financial Regulations. In the absence of such bills, it is difficult to accept the payments as legitimate charges against public funds.

(xxvi) An amount of ₦300,703.29 was purportedly paid in May 1999 to NITEL Plc for the settlement of cellular telephone bills of the former Director of Finance and Supplies and the former Honourable Minister. Surprisingly, the total liability on the two bills attached to the payment voucher was ₦45,236.90. Incidentally, the Senior Administrative Officer (Supplies) applied for the sum of ₦300,703.29 in order to settle the bills totalling ₦45,236.90. There was thus an overpayment of ₦225,466.39. It equally appeared surprising that the payment vouchers erroneously showed NITEL as the payee instead of M-TEL, as the bills attached were those of M-TEL. Besides, the Permanent Secretary's minutes of approval were not attached to the payment voucher. Efforts should be made to recover the overpayment of ₦225,466.39 from NITEL Plc or alternatively from the officers involved in the transaction, furnishing the recovery particulars for verification.

(xxvii) Two (2) payment vouchers for amounts totalling ₦838,345.93 were used in making payments to NITEL Plc in September and December 1999 purportedly in settlement of outstanding telephone bills. However, a scrutiny of the payment vouchers showed that the bill attached to the first payment voucher for ₦175,048.75 appeared not to belong to the Ministry as it was handwritten and did not contain the details normally found in the regular genuine NITEL bills. The bill attached to the second payment voucher for ₦663,297.18 was claimed to be for all the lines in the Ministry's offices and residential quarters. This appeared very unusual, as NITEL bills were normally raised on the basis of individual lines and numbers. As it is difficult to accept the payments involved as proper charges against public funds, the Permanent Secretary has been requested to produce the genuine NITEL bills for audit verification.

All the issues have been taken up with the Permanent Secretary and his reaction is being awaited.

279. During the audit examination of the accounting records maintained at the Ministry of Solid Minerals Development, Owerri it was observed that a total amount of ₦5,744,970.43 was realised as revenue from the payment of royalties and renewals of mining licence fees. Out of this amount, ₦704,451.50 said to have been remitted to the Federal Pay Office, was yet to be accounted for, in the Federal Pay Officer's Cash Book.

The matter has been brought to the attention of the Permanent Secretary whose response is being awaited.

280. During the audit examination of the accounting records maintained at the Ministry of Solid Minerals Development, Calabar, it was observed that a draft for the sum of ₦100,000.00 which was paid by a company in respect of royalties for January and February 1999 was duly received by the Revenue Collector on 22nd March, 1999 and paid into the Central Bank of Nigeria Account. However, the bank statement issued by the Central Bank of Nigeria did not reflect this lodgement. This transaction should be investigated and cleared.

The Permanent Secretary has been requested to confirm that the revenue has now been credited into the Ministry's account with the Central Bank of Nigeria and furnish particulars of relevant Treasury Receipt. His response is being awaited.

281. At the Federal Ministry of Solid Minerals Development, Geological Survey Department, Kano; it was observed that :

(i) Four (4) payment vouchers for amounts totalling ₦78,434.00 were paid to 2 officers of the Department on 30th August and 17th December, 1999 as refunds of out-of-pocket expenses incurred in the purchase of stationery. These purchases for which Stores Receipt Vouchers and Stores Issue Vouchers were issued to cover the receipts and issuance respectively, were never actually supplied, as physical verification of the purported store items revealed that such items were not supplied and the stores vouchers were raised merely to process payments. Consequently, I cannot certify the expenditures as proper charges against public funds.

(ii) Amounts totalling ₦116,150.00 were paid to an officer in August and December 1999 for the repairs of 2 official vehicles with registration numbers 16 FGN 227 and FGN 88 A28. Audit investigation, however, revealed that the 2 vehicles had broken down and had not been functioning for a long time. As I cannot certify the expenditures as legitimate charges against public funds, the total amount involved should be recovered from the officer and recovery particulars furnished for my verification.

The irregularities have been brought to the attention of the Permanent Secretary whose response is being awaited.

282. During the audit inspection of the accounting records maintained at the Mines Department of the Ministry of Solid Minerals Development, Minna it was observed that an amount of ₦100,000.00 was paid for the renovation of a private building rented by the Officer-in-charge of the unit in September 1998. The building, on which he paid a monthly rent of ₦1,000.00 was not rented on behalf of the Federal Government but on a personal basis.

The Permanent Secretary has been requested to recover the amount from the landlord failing which the officer that authorised the payment should be surcharged. His response is being awaited.

MINISTRY OF TRANSPORT

283. At the Federal Ministry of Transport Headquarters, Abuja, it was observed that :

(i) A total sum of ₦320,000.00 was paid to a contractor for the supply of 3 Nos 2HP airconditioners at ₦90,000.00 each and 1 Shredding machine at ₦50,000.00. However, the photocopy of the letter of award was used to support the payment voucher instead of the original and no indemnity certificate was attached to indemnify the government against double payment. The Permanent Secretary has been informed of the irregularity and his comment is being awaited.

(ii) Further examination of the transactions revealed that each of the 2HP air-conditioners should have been acquired at a cost of ₦44,000.00 (which was the correct value as confirmed by a market survey conducted by the audit team). With a 45 per cent increase to accommodate profit margin and VAT, the cost of each air-conditioner should have been ₦63,000.00 thereby bringing the total cost of the 3 air-conditioners to ₦191,400.00. The cost of the shredding machine was also overstated as the same market survey revealed that the machine cost ₦18,000.00 and after allowing for similar 45 per cent margin, that would bring the cost to ₦26,100.00. Consequently, as a result of overpricing, the contractor was paid the sum of ₦320,000.00 instead of ₦217,500.00 which should be the correct and reasonable cost of the transactions. The Permanent Secretary has been requested to recover the excess payment of ₦102,500.00 made from the contractor or the official who handled the transactions and to furnish particulars of recovery for audit verification.

(iii) The Ministry incurred a total sum of ₦350,000.00 to purchase 70 marble-based pen-holders meant to serve as parting gift from the Honourable Minister who was then awaiting posting from the Ministry. The idea to acquire marble based pen-holders with gold decoration was moved by the Honourable Minister himself and it was intended to be presented to the Permanent Secretary, Directors, Deputy Directors in the Ministry and its Parastatals. At a departmental meeting held on 19th May, 1999, it was agreed that a total of 148 units of the pen-holders should be acquired. 3 firms quoted for the supplies and the contract was eventually awarded to the lowest bidder for ₦740,000.00. As the cost involved was high and the winning firm refused to review the price downward, the Permanent Secretary advised that the contract should be cancelled. However, four days after the final exit of the Honourable Minister from the Ministry, the Director of Finance resuscitated the matter claiming that the Permanent Secretary had approved the award of only 70 of the marble pen holders gift and authorised the payment of ₦350,000.00 to the contractor for the supply. There was no written approval in the relevant file to support this payment which would appear to be unnecessary, uncalled for and could not be regarded as legitimate charge against public funds.

The Permanent Secretary has been requested to recover the sum of ₦350,000.00 from the Director of Finance and recovery particulars forwarded for audit verification. His reaction is being awaited.

MINISTRY OF WATER RESOURCES

284. The audit of the accounts and other records maintained at the Federal Ministry of Water Resources, Headquarters, Abuja, revealed that :

(a) Amounts totalling ₦21,051,382.00 under the Capital Expenditure Account were diverted and used for Recurrent Expenditure purposes without authority, whereas the provisions of the Financial Regulations stipulate that "expenditure will be classified strictly in accordance with the Estimates, and votes must be applied only to the purpose for which the money is provided. Expenditure incorrectly charged to a vote will be disallowed by the Accountant-General.

(b) Excess expenditure for amounts totalling ₦10,480,808.14 were incurred under various sub-heads of expenditure without authority. It should therefore be necessary for the appropriate authority to be furnished for such excess expenditure.

(c) Refund of out-of-pocket expenses for amounts totalling ₦40,000.00 were paid to a staff of the Ministry as against ₦30,000.00 approved for him, thereby resulting in overpayment of ₦10,000.00 which should be refunded by him.

(d) Twelve (12) payment vouchers for amounts totalling ₦518,000.00 raised in June 1999 had no vital supporting documents, such as, receipts, invoices, job completion certificates, etc attached to them. I therefore, find it difficult to accept such payments as proper charges against public funds.

(e) Sixty-six (66) payment vouchers for amounts totalling ₦3,527,441.50 paid under the Recurrent Expenditure Account and 165 payment vouchers for amounts totalling ₦19,099,446.07 paid under the Capital Expenditure Account during the period under review were not produced for audit inspection. As I cannot therefore satisfy myself that the payments involved were proper charges against public funds, the Permanent Secretary has been requested to produce the vouchers for audit examination.

(f) Refund of out-of-pocket expenses for amounts totalling ₦12,289,453.55 were paid to 37 members of staff of the Ministry during the period under review to enable them procure stationery stores items or render some services to the Ministry. Further verification revealed that the purported procurements of stores were not taken on stores ledger charge and no stores

issued vouchers (SIVs) were raised for them as evidence that they have been supplied, and issued out. I therefore, find it difficult to accept such payments as proper charges against public funds.

(g) Nine (9) payment vouchers for amounts totalling ₦357,000.00, raised in November 1999 for refund of out-of-pocket expenses and retirement of personal advances, were supported with photostat copies of purchase receipts, instead of the original and authentic receipts. The Permanent Secretary has been requested to make the officers involved produce the original receipts for audit inspection, or alternatively to recover the sum of ₦357,000.00 from them furnishing me with the recovery particulars for audit verification.

(h) Fourteen (14) payment vouchers for amounts totalling ₦977,000.00 raised between October and November 1999 as refunds of out-of-pocket expenses incurred by various categories of officers had no vital documents, such as, receipts, bills, invoices, etc, attached to the payment vouchers as required by the provisions of the Financial Regulations. I therefore, find it difficult to accept such payments as proper charges against public funds.

(i) Computer programmes in respect of payment of salaries of staff of the Ministry produced for audit were not comprehensive enough as they did not contain vital information such as, officers grade levels and steps, etc. Furthermore, there was no variation control section in the Ministry to raise salary variations for all changes affecting the salaries of officers, such as, increment, resignation or termination etc, as required by the provisions of the Financial Regulations. Also the officer controlling expenditure failed to initial salary Vote Book throughout the period under review, contrary to the Financial Regulations.

(j) Overpayment of salaries totalling ₦141,429.26 were made to 23 members of staff between May and September 1999 after their retirement dates. The Permanent Secretary has been requested to recover ₦141,429.26 from the retired staff involved furnishing me with recovery particulars for audit inspection.

(k) Touring advances for amounts totalling ₦2,778,770.00 granted to 16 members of staff between June and November 1999 were not retired even at the time of audit inspection in October 2000. Some staff members were granted additional advances without retiring the previous ones, whereas the Financial Regulations stipulate that it is the responsibility of the Accounting Officer to ensure that the whole amount of an advance is fully recovered at the due date and that a second advance should not be granted if the previous one had not been retired."

(l) Personal advances for amounts totalling ₦4,722,660.00 granted to 28 members of staff between February and December 1999 to execute certain projects or render some services were not retired even at the time of audit inspection in October 2000. Some officers were granted additional advances without retiring the previous ones. Furthermore, the projects might have been better executed or the services rendered through the award of contracts after competitive tender procedures or through the issuance of Local Purchase Orders (LPO).

(m) Withholding tax totalling ₦1,057,158.65 was not deducted from payments made to 9 contractors and suppliers between June and December 1999 resulting in a loss of revenue to the Federal Government of Nigeria.

(n) Amounts totalling ₦11,256,821.37 were not deducted as 5 per cent Value Added Tax (VAT) from payments made to contractors contrary to the Federal Inland Revenue Service Guidelines.

(o) Amounts totalling ₦2,505.00 were not collected as stamp duties on 501 receipts given for payments for goods supplied or services rendered by various firms.

(p) Amounts totalling ₦161,150,000.00 were released between 1995 and 1996 for the emergency

water projects at Bakassi (Cross River State). The projects were sited at Ikot Nakanda, Ikang, Achibong, Abana and Atabong. The contracts were awarded in August 1996 to 9 different contractors. The scope of works included boreholes construction, erection of generator houses, installation of generating sets, reticulation of water pumps, construction of chemical stores, provision of treatment plants, installation of overhead tanks, inter-connection and construction of operators quarters. So far, amounts totalling ₦142,266,772.52 have been expended on the 5 sites between 1996 and 1999. At the time of audit visit to the sites in May 2000, the projects at Ikot Nakanda, Ikang and Achibong had been completed and commissioned, but the boreholes were not functioning due to non-availability of gas in the communities.

The projects at Atabong and Abana in the island were yet to be completed mainly due to environmental problems arising from high tides caused by the ocean waves which made the site inaccessible resulting in the non-completion of the reticulation of the pipeline system, though all the required equipment and materials were provided at the sites.

It should be necessary to take urgent steps to over-come the problems and complete these projects to avoid wastages and vandalism of the equipment on site. Efforts should also be intensified to put the 3 completed projects into immediate operation and service, as otherwise the objective of the programme, which is to provide the communities with portable water may not be attained in the foreseeable future.

All the issues have been brought to the attention of the Permanent Secretary and his reaction is being awaited.

MINISTRY OF WOMEN AFFAIRS AND YOUTH DEVELOPMENT

285. At the Federal Ministry of Women Affairs and Youth Development Headquarters, Abuja the following observations were made :

(a) A total sum of ₦4,500,000.00 was paid in April 1999 for the supply of (10) Ten LAPTOP computers and printers to a Computer Services Company based in Abuja. Audit verification of these computers and accessories revealed that only (5) five were seen and accounted for while the remaining 5 computers were alleged to have been removed by five Directors who had been deployed to other Ministries.

The Permanent Secretary has been informed of this issue and was requested to recover the computers from the affected officers immediately failing which the purchase price of the five computers (₦2,250,000.00) should be recovered from them and to furnish the recovery particulars for audit verification.

(b) A personal advance of ₦10,499,746.00 was paid to an officer, (the Director Child-Development) through three payment vouchers raised on the 16th April, 1999 to enable the officer make some disbursements connected with the hosting of Nigeria's Children Festival of Arts and Culture. Audit examination of the relevant documents attached to the payment vouchers revealed that only cost estimates for amounts totalling ₦2,722,760.00 and Cost Implication Table relating to Activity "B" of the Festival for the same amount were attached to retire the advance. Apart from this, no other documents were produced to support the disbursement of an additional ₦7,776,986.00. The Permanent Secretary has been requested to recover the total sum of ₦10,499,746.00 from the officer and to furnish the recovery particulars for audit verification.

(c) The Ministry paid the sum of ₦2,000,000.00 and ₦425,000.00 respectively for two rented apartments for the staff of the Ministry in December 1999. The rented apartment consisted of a 3-bedroom flat at Wuse 11, Off Aminu Kano Crescent, Abuja and 17 (Nos) Rooms at New Karu, Nasarawa State. Audit examination of the payment vouchers revealed that the valuation of the

Federal Ministry of Works and Housing was not obtained before the Ministry embarked on the renting of the two properties as required by extant regulations. Instead, the Ministry based its decision on the content of a Memorandum initiated by its Director of Personnel Management on the 27th November, 1999 before making payment for the accommodations. The issue has been referred to the Permanent Secretary requesting him to explain why the Ministry failed to comply with the laid down procedures on acquisition of rented accommodation and to formally refer the properties to the Federal Ministry of Works and Housing for proper evaluation. Any excess payment arising from the results of the exercise should be recovered from the Landlord or adjusted in subsequent payment of rent.

(d) An overpayment of Duty Tour Allowance for amounts totalling ₦132,000.00 was made to 3 (three) officers of the Ministry who were sponsored to attend UNICEF/FMASD Workshop on Gender Self Esteem and Leadership Skills held in Bauchi in April 1999 for NGO Trainers. Audit examination of the relevant payment voucher revealed that the sponsor of the Workshop, UNICEF was responsible for the full accommodation and feeding of all participants for 5 days at Bauchi. The three officers from the Ministry who benefitted from these facilities also claimed Duty Tour Allowances of ₦60,000.00, ₦42,000.00 and ₦30,000.00 totalling ₦132,000.00. The Permanent Secretary has been requested to recover the irregular Duty Tour Allowances from the affected officers and to furnish the recovery particulars for audit verification.

(e) A Personal Assistant to the Permanent Secretary was paid a total sum of ₦231,160.00 as refund of out-of-pocket expenses with which he purportedly carried out repairs of two official vehicles with Reg. No. FG 267 AI 2 at Jos and FG 13 G02. Audit examination of the payment voucher raised to pay the Personal Assistant revealed the following irregularities :

(i) the assessment of the actual repair work carried out did not pass through the Maintenance Section of the Ministry whose responsibility is to carry out such work ;

(ii) no job order or any written authority was issued to warrant the repairs of the vehicles ;

(iii) both the Assistant Director in charge of Maintenance and the Transport Officer were left out of the award and certification of the job done.

The way and manner the repair job was awarded and executed appeared questionable. It is difficult to believe that an Officer of that calibre could have spent his personal money of that amount on behalf of Government before claiming reimbursement. In the circumstance, I find it extremely difficult to accept the payment of ₦231,160.00 as legitimate charge against public fund.

The Permanent Secretary has been requested to recover the sum of ₦231,160.00 from the officer and to furnish recovery particulars for audit verification. His reaction is being awaited.

All the issues have been taken up with the Permanent Secretary and his reaction is being awaited.

NATIONAL YOUTH SERVICE CORPS (NYSC)

286. The National Youth Service Corps (NYSC) scheme was established by the NYSC Act 285 of 22nd May, 1973. The main objectives of the scheme are as follows :

(1) To encourage and develop common ties among the youths of Nigeria and the promotion of national unity ;

(2) To inculcate discipline in Nigerian youths by instilling in them a tradition of industry at work and of patriotic and loyal service to the nation ;

(3) To enable the youth acquire the spirit of self reliance ;

(4) To induce members of the service corp to seek a career employment in any part of the country.

(a) In 1994, the NYSC Directorate paid the sum of ₦16,620,000.00 through a bank draft from a commercial bank to the Federal Housing Authority (FHA) for the purchase of a property which consisted of 20 units of houses located at Kubwa in Abuja. F.H.A. issued a receipt on 16th November, 1994 for the money. Prior to the payment, however, the property was not first sighted or inspected to ascertain its existence, stage of completion and quality. It was after the payment had been made that NYSC located and inspected the houses only to discover to their shock that only 14 out of the 20 units paid for really existed as the other six were found to be empty plots of land. The 14 existing units were at various stages of completion. Moreover, the NYSC Directorate was told that it could not take possession of the houses it had so far paid for.

Obviously, the organisation did not take time to study the conditions attached to the sale of the houses by F.H.A. The result of the above lapses was that the Directorate of NYSC had to take legal steps to recover all the houses and equally spent extra amounts of money to complete the structures. In all, an additional sum of ₦13,010,865.00 was expended as follows:

- (1) ₦3,550,000.00 on P.V. of 10th July, 1997 to a company for possession of the property;
- (2) ₦6,010,865.00 on P.V. of 14th January, 1999 to another company for completion of the structures.
- (3) ₦3,450,000.00 on P.V. of 14th January, 1999 to yet another company for the completion of the structures.

The extra expenditure of ₦13,010,865.00 is a loss to the government as it could have been avoided if only care had been taken by NYSC to locate, sight, inspect the houses offered for sale, ascertain their stages of completion and quality as well as conditions of sale before making payment. Then perhaps, a better decision to select and pay for completed houses only would have been made.

(b) The Agreement for the provision of consultancy services in respect of the NYSC permanent secretariat, under construction at Maitama, stipulated that NYSC will provide and furnish accommodation for the resident staff of the consultant. The houses and the items of furnishing will then revert to NYSC at the expiration of the main contract (78 weeks). The total amount demanded by the consultant for the provision and furnishing of the accommodation was ₦22,700,000.00. The audit of the transactions under this agreement revealed that NYSC opted to pay cash to the consultant in lieu of provision and furnishing of accommodation. The entire sum of ₦22,700,000.00 was paid on P.V. of 29th March, 2000. The consultant was therefore renting accommodation for his staff. This option however had negative implications. First, at the end of the expiration of the consultant's services, there will be no house and items of furnishing to be recovered and used by NYSC and this negated the provisions of the agreement.

Secondly, the consultant who is ordinarily not supposed to make cash profit from the accommodation fee is spending far less than the ₦22.7 million in providing and furnishing an accommodation, thereby making cash savings. The consultant has been allowed to make away with the public funds. It has been carefully calculated and proved that the sum of ₦22.7 million would have been sufficient if NYSC had opted to buy and furnish an estate in any of the satellite towns like Kubwa. The house with the items would then be of immense value to the organisation as it would serve as residential accommodation for staff. Even if NYSC had opted to rent and furnish accommodation for the consultant in the highbrow areas of Abuja at the rate of ₦500,000.00 per annum per 3-bedroom flat to be shared among 3 person, the sum of ₦12 million

would have been sufficient for the renting and furnishing for 2 years for 18 members of staff. The positive implication is that NYSC would have saved the sum of ₦10 million and also the items of furnishing will revert to the organisation when the consultants' job has been finished. It has been suggested that NYSC should review the consultancy fees as it affected accommodation and furnishing with a view to slashing the fees down to a level that would make economic sense. If the issue is left as it is now, it might amount to a waste of public funds.

(c) When the NYSC Directorate took possession of the property at Lekki Peninsula, Lagos which was purchased at the cost of ₦43,827,935.76, it was stated in their records that the building was not fully completed and therefore required additional works. The additional works were said to include the following: plumbing, electrical fittings, mosquito netting, building of kitchen cabinet, construction of bathroom cabinet and painting of inner side of the house. For this reason, NYSC awarded a contract for the completion of the structure at a total cost of ₦6,322,373.10, and the amount had been settled before this audit exercise.

It was surprising to note that NYSC fully settled the seller's invoice when there were uncompleted works in the building. It was also worrisome that no effort was made to raise a formal complaint to the seller and even compel him to complete the building. This could also mean that no thorough inspection of the building was carried out before the payment of the final balance of the seller's price was effected. The result of the above lapses was that NYSC had to bear the cost of completing the building, an expenditure that was avoidable since it should have been borne by the seller. The amount of ₦6,322,373.10 appeared undoubtedly to be a loss to the government.

(d) In December 1994, the NYSC Directorate purchased a property located at Lekki Peninsula at a total price of ₦43,827,935.76. The property consisted of a 4-floor 8 Nos 2-bedroom flats. The price was settled in two installments, ₦35,000,000.00 in 1994 and ₦8,827,935.76 in 1998. In June 1998, NYSC engaged a consultant to take possession of the property on its behalf by obtaining the ownership documents to the house from the seller. The service of the consultant was not discussed and agreed on nor fixed before the performance of the service. On obtaining the transfer of ownership, the consultant demanded a fee of ₦5,775,000.00 and was paid. The parameter used in arriving at this amount remained quite surprising. This appeared to be another case of giving a free hand to a consultant to fill in whatever amount he desired and another example of uneconomical way of managing public funds.

(e) In June, the NYSC Management on letter of 10th June, 1997 engaged the services of one consultant to take possession of the houses purchased from FHA at Kubwa, by obtaining the legal documents with which to confirm ownership. But NYSC did not fix any price or agree in advance with the consultant on the service fee payable. There was also no documented consultancy agreement. After performing the services, the consultant demanded an exorbitant fee of ₦3,500,000.00 and was paid on payment voucher of 10th July, 1997. This appeared too high when compared with the work (services) performed. The parameter used by both parties in arriving at this amount was not known. However, by not agreeing mutually the fee before the performance of the service, it meant that the NYSC gave a free hand to the consultant to fix any amount he desired. This appeared to be an uneconomical way of managing public resources, and the NYSC has been requested to comment on this.

All the issues have been taken up with the Permanent Secretary and his reaction is being awaited.

MINISTRY OF WORKS AND HOUSING

287. During the audit examination of the accounts and records maintained at the Federal Ministry of Works and Housing, Abuja, for the year under review, it was observed that:

(i) A Mercedes Benz 911 lorry with registration number FGN 95A20, engine No. LO352-903-10-522160 and Chassis No. 353003555-204934 whose value had not been determined, conveying materials valued ₦1,223,000.00 was allegedly stolen at Ikorodu town, Lagos State on the 22nd April, 1998. The vehicle was allegedly parked at the residence of the Senior Driver-Mechanic before it was stolen. The loss was immediately notified to the Police and investigation was reported to have commenced. However, the Police Report had not been received and no official report had been made by the Ministry in accordance with the provisions of the Financial Regulations at the time of audit inspection in March 2001. Meanwhile, the Driver was reported to have since been dismissed from public service as a result of the investigation.

The Permanent Secretary had been asked to formally report the loss by completing the relevant Treasury Form 146 as required by the extant regulations. His reaction is being awaited.

(ii) Cash for ₦21,000.00 kept in the office of the Chief Internal Auditor meant for the up-keep of the Unit was reported to have been removed by unknown persons through burglary between 4th and 5th August, 1999. The loss was yet to be reported formally by the Ministry in accordance with the Financial Regulations.

The Permanent Secretary had been asked to investigate the cause of the loss and to comply with the provisions of the extant regulations. His reaction is being awaited.

288. At the Federal Ministry of Works and Housing, Field Headquarters, Awka, it was observed that :

(i) A member of staff absconded from the service with effect from January 1999 whereas her salaries were paid until December 1999, resulting in an over payment of ₦38,613.68 which should be recovered from the staff member or the officer who authorised the payment.

(ii) Amounts totalling ₦321,460.40 were spent on the repairs of the official vehicle—TATA Tipper, registration No. FG 963A20 between May and December 1999. The payment vouchers had no job completion certificates attached to them in accordance with the provisions of the Financial Regulations.

Another payment of ₦95,000.00 made in September 1999 for the construction of an incinerator at the Headquarters was not supported with vital documents, such as Job Order and Job Completion Certificate. I cannot therefore certify the expenditures as legitimate charges against public funds.

(iii) Ten (10) contracts for amounts totalling ₦2,373,470.80 were awarded to contractors for various services between March and September 1999. The contracts were not subjected to competitive tender procedures and there was no evidence to show that they were approved by the Ministerial Tenders Board. Supporting documents such as copies of the minutes of the Tenders Board, quotations, contract agreements and job completion certificates were not attached to the payment vouchers used in paying the contractors.

The issues have been brought to the attention of the Permanent Secretary whose reaction is being awaited.

289. At the Mechanical Store of the Federal Ministry of Works and Housing, Uyo, 75 assorted store items valued at ₦298,000.05 were discovered missing. It was not possible to ascertain the exact time of loss. There was no damage to the entrance keys and windows and the burglary proof installations were intact. The loss was neither reported to the Headquarters of the Ministry nor the Police. As at the time of audit in July 2000, the loss had not been formally reported on T.F. 146 as required by the Financial Regulations.

The issue has been taken up with the Permanent Secretary and his comments are being awaited.

290. At the Federal Ministry of Works and Housing, Uyo, the audit examination of the accounting records revealed that the narrations on the payment vouchers were vague and inexplicit. The exact purpose of each expenditure was not stated on the voucher. Examples of such expenditures are shown on the following payment vouchers :

This action is a contravention of the provision of the Financial Regulations. Consequently, I cannot certify such expenditures as proper charges against public funds.

The irregularity has been brought to the attention of the Permanent Secretary whose response is being awaited.

291. At the Federal Ministry of Works and Housing, Field Headquarters, Jalingo, it was revealed that :

(a) An officer who had been dismissed from service since June 1999 illegally removed 2 units of 2Hp. Kelvinator air-conditioners with serial Nos 170066503 and 177066132 and valued at ₦125,000.00, from the Mechanical Store. As at the time of audit in September 1999, the dismissed officer was still occupying government quarters and has refused to surrender possession of government vehicle Peugeot 504 station wagon with registration No. FGN 146B20, contrary to the provisions of the Civil Service Rules.

The above-mentioned government properties should be recovered from the dismissed officer without further delay.

(b) A Peugeot 504 Saloon Car with registration No.20 FGN1263 was allegedly removed by unknown persons and abandoned at the staff quarters after removing some vital parts. The vehicle was surprisingly auctioned to a member of staff without any authority. Vital documents such as the recommendations of the Board of Survey, Treasury receipt for the proceeds of sale etc. could not be produced for inspection. The authority for boarding should be produced, failing which the vehicle should be recovered from the officer.

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

292. At the Federal Ministry of Works and Housing, Field Headquarters, Yola, Mechanical Section, it was observed that 2 Peugeot 504 Station Wagons with registration numbers 20 FGN 3933 and 20 FGN 3922 respectively were unilaterally and illegally disposed of without following the provisions of the Financial Regulations.

The amounts for which the vehicles were sold and the names of the buyers could also not be ascertained.

The Permanent Secretary has been requested to ensure the recovery of these 2 vehicles and produce them for my verification. His response is being awaited.

293. At the Federal Ministry of Works and Housing, Owerri, it was observed that :

(a) Two hundred and four (204) payment vouchers amounting to ₦20,389,371.22 paid between January and December 1996 were not produced for my inspection. Consequently, I cannot satisfy myself that the expenditure on them were just and proper charges against public funds.

(b) At the Mechanical and Building Sections, 13 and 8 payment vouchers totalling ₦133,963.69 and ₦57,178.80 respectively, for the supply of motor spare parts and stationery between 23rd December, 1997 and 16th July, 1999 were not traceable into the store records at the time of audit in October 1999.

As I cannot certify the various payments as legitimate charges against public funds. The Permanent Secretary has been requested to confirm that the goods were actually supplied or otherwise, recover the costs from the officers who authorised payments. His response is being awaited.

294. During the audit examination of the accounting records maintained at the Federal Ministry of Works and Housing, Field Headquarters, Ibadan, it was observed that 22 contracts worth ₦202,000.00 were awarded between 27th April, 1998 and 25th November, 1999 for the printing of Treasury Forms and supply of calculators. The contracts were deliberately split to bypass tenders procedure. Besides, there was no authority from the Accountant-General of the Federation for the printing of Treasury Forms, contrary to the provisions of the Financial Regulations and the items were neither taken on ledger charge nor were stores receipt and issue vouchers produced to support their receipt and distribution. Consequently, I cannot certify the expenditures involved as proper charges against public funds.

The impropriety has been brought to the attention of the Permanent Secretary whose response is being awaited.

295. During the examination of accounting records maintained at the Federal Ministry of Works and Housing, Bauchi, the following observations were noted :

(a) Personal advances totaling ₦109,000.00 were granted to 2 officers of the Survey Department for geodetic control network and demarcation and survey of inter-state boundaries. Audit investigation revealed that both works were never carried out. Moreover, these works should have been given to contractors, whereby the government could have earned ₦10,900.00 (10 per cent of the amount) on withholding tax and Value Added Tax.

(b) Eleven (11) contracts, the values of which ranged between ₦24,900.00 and ₦305,000.00 and totalled ₦1,623,680.00 were paid for. As at the time of audit in June 2000, however, copies of relevant documents such as letter award contract agreements letters of bills of quantities, invoices, etc., were not produced for verification.

(c) Amounts totaling ₦47,000.00 were paid to 3 contractors for electrical jobs. Audit verification of the jobs purported to have been executed revealed that the jobs were not executed. Consequently, I cannot certify the total expenditure of ₦1,779,680.00 as a proper charge against public funds.

The attention of the Permanent Secretary has been drawn to the irregularities and his comments are being awaited.

296. The audit examination of the accounting records maintained at the Field Headquarters, Federal Ministry of Works and Housing, Abeokuta, revealed that :

(i) Amounts totalling ₦631,000.00 were paid to 6 officers on 33 payment vouchers, as duty tour allowances between 6th June and 23rd December, 1999 without relevant supporting documents authorising the payments. I cannot therefore confirm the genuineness of the tours undertaken by the officers and accept the expenditures as proper charges against public funds.

(ii) Advances ledgers were not being maintained at the unit in respect of the various types of advances contrary to the provisions of the Financial Regulations.

The issues have been brought to the attention of the Permanent Secretary whose reaction is being awaited.

297. During the audit examination of the accounting records maintained at the Federal

Ministry of Works and Housing, Yenogoa, Bayelsa State, it was observed that 6 contracts worth ₦471,000.00 were awarded to 6 contractors on 12th December, 1998 for the construction of block line drains at the office premises. Apart from the fact that there was no documentary evidence to indicate that the contracts were bidden for after public tender, audit investigation in December 1999 revealed that they were not executed by the contractors. In another development, amounts totaling ₦596,293.00 were paid to 9 contractors on 14th July, 1999 for the construction of trapezoidal drain at Biopolo community in Yenogoa but the jobs were yet to be completed as at the time of audit inspection in December 1999.

On account of all these inadequacies, I cannot certify the expenditures totalling ₦1,067,293.00 as legitimate charges against public funds.

The issues have been reported to the Permanent Secretary whose comments are being expected.

298. The examination of the accounts and other records maintained by the Federal Ministry of Works and Housing, Ado-Ekiti revealed that a sum of ₦474,451.32, being unspent balance under Sub-Head 1 of the recurrent expenditure vote as at 31st December, 1998 was not paid back to chest and the receipt particulars produced for audit verification contrary to the provisions of the Financial Regulations.

The irregularity has been brought to the attention of the Permanent Secretary whose response is being awaited.

299. At the Federal Ministry of Works and Housing, Federal Surveys Department, Ibadan, it was observed that Survey equipment valued at ₦39,500.00 loaned to 2 officers of the Department since May and July 1996 were yet to be recovered as at the time of audit inspection in September 1999.

The Permanent Secretary has been requested to recover these loaned equipment from the officers or surcharge them the current market prices thereof furnishing me with relevant treasury receipts particulars. His response is being awaited.

300. The examination of accounting records maintained at the Federal Ministry of Works and Housing, Highways Division, Benin City revealed that :

(a) Amounts totalling ₦132,500.00 were paid to 2 contractors on 28th July, 1999 for the construction of standard road signs to be erected at designated locations at the Uromi-Agbor-Auchi; Benin-Auchi; and Benin-Sagamu roads.

Audit investigation showed that there were no Stores Receipt Vouchers and Stores Issue Vouchers to authenticate the receipt of the items into the Store and issuance therefrom.

(b) 4 contractors were paid amounts totalling ₦366,660.00 on 7 payment vouchers between 19th October, 1998 and 27th October, 1999 for the supply of crushed stones for use in the unit. The payment vouchers were not supported with the relevant Stores Receipt Vouchers and Store Issue Vouchers as evidence to show that the items were receipted into the store. Also, the items could not be produced for my inspection. As I cannot satisfy myself that the various payments were proper charges against public funds, the Permanent Secretary has been requested to produce the supporting documents for my verification.

(c) Also, 3 payment vouchers for amounts totalling ₦70,000.00 were raised and paid to 2 officers as refunds of out-of-pocket expenses for purchases of motor spare parts between 7th August and 1st September, 1999. The items purportedly purchased were not taken on ledger charge. I cannot, therefore, certify the payments as proper charges against public funds.

As I cannot certify the various payments as legitimate charges against public funds. The Permanent Secretary has been requested to confirm that the goods were actually supplied or otherwise, recover the costs from the officers who authorised payments. His response is being awaited.

294. During the audit examination of the accounting records maintained at the Federal Ministry of Works and Housing, Field Headquarters, Ibadan, it was observed that 22 contracts worth ₦202,000.00 were awarded between 27th April, 1998 and 25th November, 1999 for the printing of Treasury Forms and supply of calculators. The contracts were deliberately split to bypass tenders procedure. Besides, there was no authority from the Accountant-General of the Federation for the printing of Treasury Forms, contrary to the provisions of the Financial Regulations and the items were neither taken on ledger charge nor were stores receipt and issue vouchers produced to support their receipt and distribution. Consequently, I cannot certify the expenditures involved as proper charges against public funds.

The impropriety has been brought to the attention of the Permanent Secretary whose response is being awaited.

295. During the examination of accounting records maintained at the Federal Ministry of Works and Housing, Bauchi, the following observations were noted :

(a) Personal advances totaling ₦109,000.00 were granted to 2 officers of the Survey Department for geodetic control network and demarcation and survey of inter-state boundaries. Audit investigation revealed that both works were never carried out. Moreover, these works should have been given to contractors, whereby the government could have earned ₦10,900.00 (10 per cent of the amount) on withholding tax and Value Added Tax.

(b) Eleven (11) contracts, the values of which ranged between ₦24,900.00 and ₦305,000.00 and totalled ₦1,623,680.00 were paid for. As at the time of audit in June 2000, however, copies of relevant documents such as letter award contract agreements letters of bills of quantities, invoices, etc., were not produced for verification.

(c) Amounts totaling ₦47,000.00 were paid to 3 contractors for electrical jobs. Audit verification of the jobs purported to have been executed revealed that the jobs were not executed. Consequently, I cannot certify the total expenditure of ₦1,779,680.00 as a proper charge against public funds.

The attention of the Permanent Secretary has been drawn to the irregularities and his comments are being awaited.

296. The audit examination of the accounting records maintained at the Field Headquarters, Federal Ministry of Works and Housing, Abeokuta, revealed that :

(i) Amounts totalling ₦631,000.00 were paid to 6 officers on 33 payment vouchers, as duty tour allowances between 6th June and 23rd December, 1999 without relevant supporting documents authorising the payments. I cannot therefore confirm the genuineness of the tours undertaken by the officers and accept the expenditures as proper charges against public funds.

(ii) Advances ledgers were not being maintained at the unit in respect of the various types of advances contrary to the provisions of the Financial Regulations.

The issues have been brought to the attention of the Permanent Secretary whose reaction is being awaited.

297. During the audit examination of the accounting records maintained at the Federal

Ministry of Works and Housing, Yenogoa, Bayelsa State, it was observed that 6 contracts worth ₦471,000.00 were awarded to 6 contractors on 12th December, 1998 for the construction of block line drains at the office premises. Apart from the fact that there was no documentary evidence to indicate that the contracts were bidden for after public tender, audit investigation in December 1999 revealed that they were not executed by the contractors. In another development, amounts totaling ₦596,293.00 were paid to 9 contractors on 14th July, 1999 for the construction of trapezoidal drain at Biopolo community in Yenogoa but the jobs were yet to be completed as at the time of audit inspection in December 1999.

On account of all these inadequacies, I cannot certify the expenditures totalling ₦1,067,293.00 as legitimate charges against public funds.

The issues have been reported to the Permanent Secretary whose comments are being expected.

298. The examination of the accounts and other records maintained by the Federal Ministry of Works and Housing, Ado-Ekiti revealed that a sum of ₦474,451.32, being unspent balance under Sub-Head 1 of the recurrent expenditure vote as at 31st December, 1998 was not paid back to chest and the receipt particulars produced for audit verification contrary to the provisions of the Financial Regulations.

The irregularity has been brought to the attention of the Permanent Secretary whose response is being awaited.

299. At the Federal Ministry of Works and Housing, Federal Surveys Department, Ibadan, it was observed that Survey equipment valued at ₦39,500.00 loaned to 2 officers of the Department since May and July 1996 were yet to be recovered as at the time of audit inspection in September 1999.

The Permanent Secretary has been requested to recover these loaned equipment from the officers or surcharge them the current market prices thereof furnishing me with relevant treasury receipts particulars. His response is being awaited.

300. The examination of accounting records maintained at the Federal Ministry of Works and Housing, Highways Division, Benin City revealed that :

(a) Amounts totalling ₦132,500.00 were paid to 2 contractors on 28th July, 1999 for the construction of standard road signs to be erected at designated locations at the Uromi-Agbor-Auchi; Benin-Auchi; and Benin-Sagamu roads.

Audit investigation showed that there were no Stores Receipt Vouchers and Stores Issue Vouchers to authenticate the receipt of the items into the Store and issuance therefrom.

(b) 4 contractors were paid amounts totalling ₦366,660.00 on 7 payment vouchers between 19th October, 1998 and 27th October, 1999 for the supply of crushed stones for use in the unit. The payment vouchers were not supported with the relevant Stores Receipt Vouchers and Store Issue Vouchers as evidence to show that the items were receipted into the store. Also, the items could not be produced for my inspection. As I cannot satisfy myself that the various payments were proper charges against public funds, the Permanent Secretary has been requested to produce the supporting documents for my verification.

(c) Also, 3 payment vouchers for amounts totalling ₦70,000.00 were raised and paid to 2 officers as refunds of out-of-pocket expenses for purchases of motor spare parts between 7th August and 1st September, 1999. The items purportedly purchased were not taken on ledger charge. I cannot, therefore, certify the payments as proper charges against public funds.

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

301. During the examination of the accounting records maintained at the Federal Ministry of Works and Housing, Makurdi, it was observed that 7 payment vouchers for amounts totalling ₦421,400.00 were paid to 7 contractors between September and October 1999 for various services rendered. Supporting documents such as the original quotations of the contracts were not attached to the payment vouchers which were approved and paid at the unit.

As I cannot satisfy myself that the expenditure were proper charges against public funds, the Permanent Secretary has been requested to produce the documents for my inspection. His comments are being awaited.

302. During the audit examination of the revenue books maintained at the Federal Ministry of Works and Housing, Ilorin, the following observations were noted :

(a) Amounts totalling ₦2,108,234.40 in Bank drafts were collected between January and December 1999 mainly from the sales of Shagari Low Cost Houses. Out of this total, amounts totalling, ₦1,697,713.00 were remitted to Abuja Headquarters at four different times leaving a balance of ₦410,521.40 to be accounted for by the Federal Controller of Works and Housing, Field Headquarters, Ilorin.

Also, out of the ₦1,697,713.00 remitted to the Headquarters in Abuja, only ₦1,061,264.00 was accounted for, leaving a balance of ₦636,449.00 to be accounted for as required by the Financial Regulations.

(b) The provision of the Financial Regulations stipulates that "Federal Revenue Collectors resident in the State Capitals, will pay their collections to the appropriate Federal Pay Office by completing Treasury Form 15 classified to the Federal Revenue Head and Sub-Head." Contrary to this provision, the revenue collected from the sales of Shagari Low Cost Houses in Ilorin were remitted to the Ministry's Headquarters in Abuja. The problems associated with the non-compliance with this regulation are enumerated as follows :

(i) Delay in lodgement of revenue so collected into Government Account.

(ii) Poor accountability of revenue collected as Treasury Receipts were not issued promptly at Abuja.

(iii) Some of the bank drafts might have become stale by the time they were eventually sent to the various banks of issue which were mainly in Ilorin and its environ.

(iv) Lack of Treasury Control of the Revenue Collector and the Cash Book.

The Revenue Collector has not been submitting his cash book to the Sub-Accounting Officer to whom he paid his collection in accordance with the provision of the Financial Regulations.

The issues have been brought to the attention of the Permanent Secretary whose response is being awaited.

303. During the examination of the accounting records maintained at the Federal Ministry of Works and Housing, Field Headquarters, Lokoja, it was observed that :

(a) The Field Headquarters did not comply with the provision of the Financial Regulations which stipulates that copies of Treasury Form 147 and Stores Form 9 completed for the boarding of government property should be forwarded to the Accountant-General of the Federation and the Auditor-General for the Federation, in selling 9 motor vehicles and 1 Batley Bridge Iron equipment in May 1999. Moreover, no treasury receipt has been produced to account for the

proceeds of ₦204,600.00 realised from the sale by auction. Instead, only the auctioneer's receipts were issued to the buyers while the cash proceeds were allegedly taken to Abuja, thus violating the provision of the Financial Regulations which states that every Sub-Accounting Officer or Revenue Collector will give a receipt upon the prescribed form for each sum paid to him and that in no circumstances should temporary unofficial receipts be given. Furthermore, the vehicles were sold at ridiculously low prices, indicating that they were grossly undervalued.

(b) A total sum of ₦172,932.00 which was spent within a period of 2 days (21st and 22nd December, 1999) on payment of mileage claims and duty tour allowances to 4 officers was wrongly classified to Subhead 1 meant for Personnel Costs, whereas the Financial Regulations stipulate that expenditure will be strictly classified according to the Estimate and that votes must be applied only to the purpose for which money is provided. Besides, the timing of the expenditure was intended to prevent the vote from lapsing into revenue.

(c) The Chief Resident Surveyor spent a total sum of ₦60,000.00 on hiring vehicles for the conduct of Government business whereas the Financial Regulations stipulate that private vehicles may not be hired for the purpose of conducting normal government business and in special cases, the permission of the Honourable Minister of Finance must be obtained. This authority should be produced failing which the expenditure will not be accepted as a chargeable expense against public funds.

(d) The Field Headquarters were not maintaining Plant Ledgers to record both fixed and movable items as required by the provisions of the Financial Regulations.

(e) One vehicle, Peugeot 504 Station Wagon with registration number 20 FGN 3611 was involved in an accident along Ayangba road on 27th December, 1991 but no formal report has been forwarded to the Federal Minister of Finance and the Auditor-General for the Federation as required by the Financial Regulations.

All the issues have been taken up with the Permanent Secretary whose response is being awaited.

FEDERAL GOVERNMENT STAFF HOUSING LOANS BOARD

304. During the audit examination of the records and accounts maintained by the Federal Government Staff Housing Loans Board, at Abuja, it was revealed that repayments of loans granted to public officers were not being repaid as and when due. For example, 53 beneficiaries of the housing loans granted by the Board between 24th September, 1993 and 9th August, 1996 who should have repaid ₦7,703,833.20 (Principal) and ₦1,741,756.56 (Interest) for amounts totalling ₦9,375,519.96 failed to do so. Consequently, this unco-operative attitude of the recipients could make it impossible for the Board to achieve the objective of making the loan facilities available to other prospective borrowers of funds. The issue has been brought to the attention of the Head of the Civil Service of the Federation requesting that the matter should be pursued with the various agencies of Government so that repayment of loans granted by the Board should be promptly made by beneficiaries. His reaction is being awaited.

MINISTRY OF SPORTS, YOUTH AND SOCIAL DEVELOPMENT

305. During the audit examination of the accounting records maintained at the Federal Ministry of Sports Youth and Social Development Headquarters, Abuja, the following observations were made :

(a) An irregular payment of hotel bills for the sum of ₦700,975.00 was made to an officer in June 1999. The bill was incurred by the officer for a period of twenty-two days covering the period of 3rd to 24th April, 1999. Included in the bills was an amount of ₦4,500,063.00 paid in

respect of accommodation during the 4-nation tournament held from 19th to 23rd May, 1999. However, this officer had earlier on been paid a total sum of ₦500,000.00 covering his entitlements for the 22 days, that is 3rd-24th April, 1999. The settlement of the hotel bill of ₦700,975.00 would therefore appear to be irregular as it constituted a double payment to the officer. The overpayment should be recovered from the officer and the recovery particulars forwarded for audit verification.

(b) Another expenditure of ₦8,133,760.00 which did not receive any official approval was refunded as out-of-pocket expenses to the Chairman of a sports association in December 1999 in respect of an international competition held in Holland. It was alleged that the Chairman of the association personally bankrolled the competition and incurred huge sums of money without producing authentic documents to support the relevant payment voucher. It is therefore difficult to accept the expenditure incurred as a legitimate charge against public funds. In the circumstance, the sum of ₦8,133,760.00 should be recovered from the Chairman, unless he could produce relevant documents to back up his claim, and the recovery particulars should be forwarded for audit verification.

(c) A personal advance of ₦3 million was collected by an officer in April 1999 purportedly for the purchase of cows, rams and other items for distribution to key officers in some government Ministries and Departments as a sort of public relations gesture. The relevant voucher was not signed but the money was paid to the officer. The personal advance itself has not yet been retired at the time of audit inspection in October 2000. The intention of the Ministry on its own appeared doubtful and lacked transparency by unlawfully trying to give gratification to public officers for performing their official duties. The sum of ₦3 million should therefore be recovered from the officer and paid back to chest with the recovery particulars forwarded for audit verification.

(d) A contractor was paid mobilization fees in November 1999 on 4 different payment vouchers for amounts totalling ₦3,961,766.44 in respect of four contracts which the Ministry awarded to him. The contracts were later suspended following the directives of the Secretary to the Government of the Federation through a circular dated 31st May, 1999. Audit investigation revealed that the contractor did not commence work on the site and he did not move any material to the site after collecting the mobilization fees. The contractor should be called upon to refund the mobilization fees of ₦3,961,766.44 since no service had been rendered to the government while the refund particulars should be forwarded for audit verification.

(e) Some irregularities were contained in the contract awarded to an Abuja-based company for the supply of three Peugeot motor vehicles to the Ministry—namely a Peugeot 505 ST (air-conditioned) for ₦2,890,000.00; Peugeot 504 air-conditioned (Bestline) for ₦2,590,000.00 and a Peugeot 504 air-conditioned Newline costing ₦2,490,000.00 all with full accessories. The contract which was awarded for ₦7,976,000.00 received the Minister's anticipatory approval before the Ministerial Tenders Board's meeting for its ratification. The sum of ₦6,250,000.00 was vired/transferred from "purchase of staff quarters" vote of charge without seeking approval from the Federal Ministry of Finance in order to pay for the contract. An amount of ₦9,383,529.00 was eventually paid instead of the contract sum of ₦7,976,000.00 as contained on the bill submitted by the contractor so as to deliberately allow for the avoidance of payment of withholding tax and VAT by the contractor which constituted a loss of revenue to Federal government. This manipulation thus resulted in an overpayment of ₦1,407,529.00 to the contractor which should be recovered and the recovery particulars furnished for audit verification.

(f) Seventeen (17) payment vouchers for various amounts totalling ₦520,806.00 were not supported with relevant supporting documents such as bills, invoices, etc., to authenticate the genuineness of the payments contrary to the Financial Regulations which require full particulars

and relevant documents to be attached to facilitate easy checks without recourse to other source. I therefore find it difficult to accept such payments as legitimate charges against public funds. The amounts involved should be refunded and the refund particulars forwarded for audit verification.

(g) Personal advances for amounts totalling ₦1,836,485.00 granted to 7 staff members of some three sports associations between February and December 1999 remained unretired and outstanding at the time of audit inspection in August 2000 contrary to the provisions of the Financial Regulations. Some of the officers received two or more personal advances whereas the previous ones had not been retired by them. These advances should be retired as otherwise the amounts should be deducted from the salaries of the officers concerned and recovery particulars forwarded for audit verification.

(h) Payments for amounts totalling ₦1,616,085.40 were also made by three sporting associations, without raising any payment vouchers to support them, contrary to the provisions of extant Financial Regulations.

(i) One of the Sports Associations refused to submit its books and records of accounts for audit inspection whereas government subventions granted to the association in the year under review amounted to ₦1,433,332.00 and needed to be accounted for. Efforts should be made to get the records submitted for audit examination.

(j) Arrears of affiliation fees for amounts totalling ₦4,860,000.00 were yet to be collected by some 27 Federal Sports Associations from the affiliated Associations in the States. Urgent steps should be taken to collect such arrears of revenue.

(k) Amounts totalling ₦34,000,000.00 were released to the Ministry in 1997, 1998 and 1999 for some specific projects at the Intensive Training Centre, Afuze, in Edo State. The sum of ₦6 million was released in 1997 for the provision of boreholes. The sum of ₦10 million was released in 1998 for the reticulation of water, while in 1999, ₦18 million was released for perimeter wall fencing. However, audit visit to the site in August 2000 revealed that the ₦34 million was not spent on the projects specified as nothing was found on the ground in respect of the borehole and fencing. The sum of ₦34 million should therefore be accounted for or recovered from those who illegally benefited from it and the recovery particulars forwarded for audit verification.

(l) Similarly, the Ministry got ₦2,625,000.00 and ₦12,200,000.00 in 1997 and 1998 respectively to construct the "outer perimeter fencing" of the Jos stadium. However, audit visit to the site also showed that no job whatsoever had been done at the stadium. A full explanation of how the total sum of ₦14,825,000.00 was utilized, should be furnished or the entire amount be recovered with the recovery particulars forwarded for audit verification.

(m) Furthermore, the Ministry planned to sink boreholes and reticulate water to the hostels, and construct Lawn Tennis pitches and pingpong tables at the High Altitude Training Centre situated at Gembu, Mambilla in Taraba State. The Ministry apparently received the sums of ₦375,000.00 in 1997 and ₦15,000,000.00 in 1998 for the execution of these projects. It was however surprising that none of the projects had been started when the site was visited in November, 2000. Only four ordinary deep wells with four hand pumping machines were found in the centre. The information available indicated that these facilities had been provided as far back as 1993 when the Ministry existed as the National Sports Commission. The total sum of ₦15,375,000.00 released for the project should therefore be accounted for satisfactorily or the money recovered with the recovery particulars furnished for audit verification.

The various issues have been taken up with the Permanent Secretary and his reaction is being awaited.

(b) PERFORMANCE (VALUE FOR MONEY) AUDIT
MINISTRY OF COMMERCE AND TOURISM
EXPORT PROCESSING ZONE (E.P.Z.) CALABAR

306. (i) The Export Processing Zone (E.P.Z.) scheme took off in 1992 with the promulgation of the Decree No. 63 of 1992. The objectives of the scheme are to attract foreign investment into the non-oil sector of our economy; encourage the manufacture and export of Nigerian goods using local materials and labour, thereby creating opportunity for the exploitation and utilization of abundant agricultural and solid minerals and employment; encourage the transfer of technology and enhance backward linkages with local industries. The Decree No. 63 of 1992 establishing Export Processing Zones in the country vested the Nigerian Export Processing Zones Authority (NEPZA) with the power to develop all EPZs in Nigeria, and power to plan and build infrastructures, administrative building, promotion of the Zones locally and internationally and provision and maintenance of the facilities in the Zones.

(ii) A contract for the construction of the telecommunication switch-gear house at Calabar E.P.Z. was awarded in June 1995 at a contract sum of ₦50,000,000.00. An advance payment of ₦37,000,000.00 representing 74 per cent of the contract sum was made. Right from the onset the contractor who collected a very high mobilization fee proceeded with the contract execution at a very slow pace with the ulterior motive of obtaining a variation of the contract price. When he requested for variation within 3 months into the contract period, his request was rejected and he abandoned site immediately. The level of works done by him was evaluated to be ₦25,500,000.00, i.e., 51 per cent of total contract value. The contractor had an outstanding amount of ₦11,500,000.00 to refund which is the value of works not executed from the advance paid to him. Surprisingly, the Ministry terminated the contract without recovering from the contractor the ₦11.5 million paid to him in excess of the value of actual works done. This amount should be refunded by the officers who authorised the uncomfortably high mobilization advance and relevant particulars of the refund together with the treasury receipt vouchers should be forwarded to me for verification.

(iii) Soon after the contractor abandoned the site and the Federal Ministry of Commerce opted to complete the remaining works by direct labour, the outstanding works were evaluated to cost ₦14 million. This amount was released in December 1995 in two installments to the Local Manager of E.P.Z Calabar who eventually completed the works. Later in January 1996 another sum of ₦7,600,000.00 was collected by the Honourable Minister on 31st January, 1996 allegedly to complete the Telecommunication Switch-Gear House by direct labour. During physical inspection at Calabar, the Local Manager and his staff denied ever receiving or committing any further amount on the Switch-Gear project other than the initial ₦14 million released for it. Therefore the ₦7.6 million should be accounted for by the erstwhile Honourable Minister.

(iv) In July 1994 the Ministry engaged the services of a consultant to advise it on the scope and cost of outstanding works before commissioning E.P.Z. Calabar in December 1995. This consultant served for 18 months from July 1995 to December 1996 and was paid a total fee of ₦20,844,600.00. When he left, another consultant was engaged to be valuing and certifying works done by local contractors. He served for a period of 2 years and was paid a total consultancy fee of ₦65,789,050.00. There was no basis for employing the two consultants. The reason for the engagement of the first consultant was faulty because he was not an expert on E.P.Z. scheme; there was no blueprint of Calabar E.P.Z., and he did not prepare any and as such he could not advise the Ministry on the scope of works to be done before commissioning. All that both consultants did were to value and certify works done by contractors. But this service was being

rendered by officials of Nigerian Export Processing Zones Authority (NEPZA) very effectively and efficiently and free of charge before this time.

In fact, NEPZA officials regularly issued instructions and strongly worded warning letters to contractors and refused to bend the rules in favour of contractors but ensured that the implementation of works was speedy, timely and according to specifications.

The refusal of NEPZA to compromise or connive with the contractors made the top Ministry officials to remove the Authority from providing supervisory consultancy services at E.P.Z. Calabar and paved the way for the engagement of the private consultants. Throughout their tenure, the private consultants colluded with the contractors and ministry officials to pile up variation requests in favour of contractors which were all settled. Their engagement and their activities helped to escalate the total cost of completing the Calabar E.P.Z. Not a single reprimand or warning letter was issued to the contractors by the consultants. Besides, the parameter used in arriving at the ₦86,633,650.00 paid to the consultants remains unclear because the professional scale of fees was not used. The amount of ₦86,633,650.00 paid to the private consultants was unnecessary, avoidable, a waste of scarce public funds, a clear demonstration of recklessness and a deliberate ploy by some officials in the Ministry to enrich themselves illegally. Worse still, the consultants were handpicked by some top officers in the Ministry.

(v) The contract for the construction of civil works at the Zone was awarded at an initial off-shore contract sum of DM 21,875,000.00 Plus on-shore contract sum of ₦144,375,000.00, and attracted a 60 per cent and 30 per cent advance payments for the off-shore and on-shore respectively. Within a period of one year, the contract sums were revised upwardly from DM21,875,000.00 to DM27,522,829.87 (off-shore) and from ₦144,375,000.00 to ₦181,650,677.10 (on-shore) respectively. The reasons advanced for the upward review include inflation, escalating cost of materials and additional cost of maintaining assets during period of delay. The review of the off-shore price is not tenable because the contractor was given a mobilization advance of 60 per cent to enable him purchase materials ahead of time in order to beat inflation. Besides, escalation of cost and materials and inflation affects only our domestic economy and should in no way have affected the off-shore price. Also, the contract price was fixed as per the contract agreement. I can accept the review of the on-shore price but not the off-shore going by the reasons advanced above.

Therefore, the Ministry was advised to recover the amount of DM5,647,840.87 from the contractor or from the officers who authorised the payment.

The schedule of recovery of the funds together with the relevant receipt vouchers should be forwarded for my verification.

(vi) The contract for the supply and installation of workshop equipment was awarded in September 1996 at an off-shore contract sum of \$2,424,672.59, plus an on-shore contract price of ₦13,615,573.45. The contractor, without waiting for advance payment involving the entire off-shore price, placed order for the component items of the equipment. Before the items arrived, he had asked for variation of the off-shore price by an additional sum of US \$438,220.92 equivalent to ₦9,640,860.24. This, as he said, was to enable him supply Motorised Crane and a Weighing Bridge, the price of which had increased by the sum of US \$438,220.92 (₦9,640,860.24) at the time the order was placed. This amount was settled but when the shipment arrived at Calabar E.P.Z. in 1998, these two notable equipment were not supplied. Further, the contractor claimed that he supplied 22 extra items besides those contained in the original contract list. He put the value of the 22 items as US \$2,906,818.18, being equivalent to ₦63,950,000.00. This amount was approved and paid but during

The Postmaster-General had been requested to furnish the relevant contract agreement for audit verification.

(4) Renovation of Apapa Post Office, Lagos :

The contract for the renovation work at Apapa Post Office, was awarded in December 1999 at a cost of ₦2,235,371.25. The project audit team that visited the site in September 2000 was told that the renovation work had been completed since April 2000. The irregularities that were noticed during audit inspection included the following :

(a) Five (5) months after completion of renovation work, the building was found in a very bad state as the roofing had started to leak especially in the Mail Delivery Room where the leakages were damaging letter boxes.

(b) Relevant documents and correspondences needed as evidence to form audit opinion were not made available. These included copies of valuation certificates, copies of payment vouchers and other related documents.

(c) According to the priced Bill of Quantities, a total sum of ₦66,400.00 had been paid to cover the cost of materials such as water closet at ₦24,000.00, 4 Wash-hand basins for 16,000.00, 2 urinal bowls for ₦18,400.00 and 2 cisters for ₦8,000.00, all totalling ₦66,400.00. These items when verified revealed that they were not newly supplied by the contractor. Instead, the contractor carried out the repairs on the existing ones, thereby making the government not to derive value for the money spent. Also, the sum of ₦64,800.00 was paid for 50 x 50mm unglazed tiles, but there was no evidence that these materials were used for any part of the building. The Postmaster-General has been requested to get the contractor to rectify all the anomalies found during the audit inspection and to forward all the relevant documents which would facilitate the formation of a proper opinion. In addition, the Postmaster-General was asked to recover the sum of ₦64,800.00 purportedly used to buy unglazed tiles, from the contractor and to furnish recovery particulars for audit verification.

(5) Re-Roofing of Mail Office Extension-General Post Office, Kaduna :

The contract for the re-roofing of the Mail Office Extension at the General Post Office, Kaduna was awarded for an amount of ₦790,545.00 to a contractor based in Kaduna. The scope of the work included removal of damaged roofing sheets, replacement of super seven ceiling. All these were needed to prevent leakages to the building whenever it rains. Audit visit was conducted in September 2000, during which the following anomalies were uncovered :

(a) The quality of job done could not justify the amount paid for the repair as the roof was still found seriously leaking, the ceiling still looked completely dejected as rain water had again accumulated and could collapse any time rain falls.

(b) Some structural defects were noticed on the foundation even though that aspect was not covered by the contract work. However, it required immediate attention of NIPOST Management so as to save the entire building from imminent collapse. The Postmaster-General had been requested to call the attention of the contractor to the various defects found during the audit visit and to ask him to rectify them immediately as otherwise the contractor could be blacklisted and prevented from handling project work for the NIPOST.

(6) Completion of the abandoned Ore Post Office and Block Wall Fence at Ondo State :

The contract for the completion of the abandoned Ore Post Office and block wall fencing

of the same, was awarded in June 1999. The job order for the project dated 11th June, 1999 was issued for the sum of ₦966,118.90. An audit visit to the project site was conducted in September 2000 during which the following irregularities were unfolded :

(a) According to the Priced Bill of Quantities, provision was made for the purchase of 18 (eighteen) complete 4ft fluorescent fittings, but audit verification revealed that only 11 (eleven) 4ft fluorescent fittings were actually installed leaving a balance of 7 (seven) fittings which the contractor failed to install in the building.

(b) Two (2) toilet mirrors were also specified in the Priced Bill of Quantities to be installed but one was seen during the visit.

(c) Five (5) cluster boxes were installed upside down making it difficult to open the mail boxes with the keys.

(d) The counter was made of poor quality wood, thus making it difficult to justify the sum of ₦50,000.00 of public funds paid to polish the counter. The Postmaster-General had been requested to draw the attention of the contractor to the various anomalies discovered during the audit and to ensure that they were all rectified. The cost of 7 (seven) fluorescent fittings should be recovered from subsequent payment made to the contractor preferably from the retention fees. His reply is being awaited.

(7) Construction of Fuel Pump at Sokoto Territory :

The contract for the construction of Fuel Pump at Sokoto Territory was awarded in August, 1999 at a cost of ₦2,433,212.18. The scope of work included—Trench excavation, supply and installation of 30,000 litres 6mm steel tank with accessories, supply and installation of fuel pump with electrical works, and external work around the tank, etc. The contractor was paid the sum of ₦1,271,353.40 based on a report submitted by the territorial architect on 29th October, 1996. The contractor was reported to have since died before the completion of the project. However, it was discovered that the job done was far below the amount certified and paid to the contractor before his death. Audit visit to the project site revealed that :

(a) The underground tank had been installed, the fuel pump was also seen on site.

(b) A big tank of approximately 25,000-30,000 litres was also seen on site.

(c) There was no canopy on the pump as provided for in the Bill of Quantities and the 2 (two) fire extinguishers as provided for in the Bill of Quantities were not supplied.

(d) there is an urgent need to put the pump into use otherwise public funds already spent on it would have become wasted.

The Postmaster-General had been requested to ensure that the fuel pump installed was put into immediate use in order to justify the expenditure incurred on it.

(8) Completion of Damaturu Post Office and Yobe Territorial Headquarters :

The contract for the completion of Damaturu Post Office and Territorial Headquarters was awarded on the 16th February, 1998 with a completion period of 16 weeks. Prior to the award, NIPOST had conceded a substantial portion of its land in Damaturu to NITEL for installation of a digital exchange. In return, the latter promised to acquire a suitable land along the dual carriage expressway into Damaturu and provide the sum of ₦16,409,842.00 to NIPOST for the construction of a new Post Office together with the responsibility for extending and repairing the present General Post Office within the present premises which

was already vacated. However, out of the sum promised by NITEL to provide for the project, it was discovered that only ₦9,686,306.36 was spent, leaving a balance of ₦6,723,535.99 yet to be released. However, audit investigation visit to the site revealed the following irregularities:

- (a) Long span aluminium roofing sheets were originally recommended for roofing but were later changed to asbestos roofing sheets thus causing serious leakages and damages during the rainy season.
- (b) Serious leakages were observed on the roof and many of the rooms.
- (c) There was an urgent need to look into and repair the cracked walls, to avoid further deterioration of the building.
- (d) The site of the project was not even fenced as provided for in the Priced Bill of Quantities and this resulted into encroachment by thieves and trespassers who carried away a fax machine with a photocopying machine costing ₦150,000.00.
- (e) The amount paid for rugging of the Mail Office totalling ₦209,220.00 would appear to be on the high side for a small mail office.
- (f) The contractor also used low quality tiles instead of rugs as specified in the Priced Bill of Quantities.

The Postmaster-General has been requested to call the attention of the contractor to the anomalies discovered during the audit visit and ask him to rectify the situation. The sum of ₦6,723,535.99 should be withheld, being the retention fee due to him until he (contractor) was able to repair the damaged roof and wall. Efforts should be made to ensure that the project site is fenced.

(9) *Rehabilitation of Post Office PB2/3b at Akwanga, Nassarawa State :*

The construction work on the project was awarded to company based in Nassarawa State in 1998 at a contract sum of ₦2,314,646.23 which was fully paid on the 31st December, 1999. Audit visit to the project site revealed the following anomalies:

- (a) The whole rehabilitation work would appear to have been poorly executed.
- (b) Six (6) months after completion, the whole building was met in a very bad state, as the roof had started to leak especially in the Head Postmaster's office, Main Office, Expedited Mail Service Offices, and two other offices not in use.
- (c) The fitting job was not done according to the Priced Bill of Quantities.
- (d) Doors, frames and broken windows which were purported to have been changed were still being fixed back to the doors.
- (e) The painting done was of poor quality standard which had even been washed away.

The Postmaster-General had been requested to inform the contractor of the various anomalies discovered by audit especially the doors and frames which were purported to have been replaced with new ones. The contractor should be called upon to refund cost of these materials not replaced, and forward the recovery particulars for audit verification.

(10) *Rehabilitation of Jos Post Office :*

The project was visited by audit in September 2000. The construction work was awarded to a company on the 29th of September, 1998 at a contract sum of ₦6,436,612.14 with a

completion period of 12 (twelve) weeks. Audit verification visit revealed the following anomalies:

- (a) Serious leakages were observed on the roof of all the offices at the Main Post Office building, the business area, the counters and the parcels office.
- (b) The quality of job done could not justify the amount paid for the repairs as the ceiling still leaked completely, and could collapse as the offices also got flooded anytime rain fell.
- (c) Some structural defects were noticed on the walls of the building such as, cracks, etc.

The Postmaster-General had been requested to call the contractor's attention to the various defects discovered during audit visit and request that these be corrected immediately. Also, the contractor shall be made to justify the excess payment of ₦181,294.89 paid to him, otherwise the shoddy job done by him would be sufficient to blacklist the contractor against handling of NIPOST future projects.

(11) *Construction of Neighbourhood Post Office and Postmaster's Quarters at Adagbrasa Ugolo in Delta State :*

The contract for the construction and completion of Neighbourhood Post Office and Postmaster's Quarters at Adagbrasa was awarded to a company based in Sapele on the 17th April, 1998 at a contract sum of ₦6,188,015.50. The scope of work included the construction of pavements of drive and walk-ways. Audit visit to the site confirmed that the drive and walk ways were not done at all as specified in the terms of the contract.

The Postmaster-General should get the contractor to complete the drive and walk ways leading into the Post Office to avoid flooding whenever it rains. Otherwise, the contractor should be required to refund the cost of materials not installed in the building, while the refund particulars should be forwarded for audit verification.

(12) *Construction and Completion of PB 4 Post Office at Fugar :*

The contract of the construction and completion of PB 4 Post Office at Fugar was first awarded to a firm based in Enugu in November 1989 at a contract sum of ₦350,000.00. However, when the job was completed, a retention fee of ₦22,500.00 was still outstanding. The contract was then terminated due to poor quality work done. The contract was later re-awarded to another firm based in Auchi at a cost of ₦3,589,425.20 in December 1998. A variation of ₦3,280,369.40 was later raised and approved thus bringing the new contract sum to ₦6,869,795.10. Out of this amount, a sum of ₦6,526,305.35 had already been paid to the contractor thus leaving the retention fee of ₦343,489.75 yet to be paid. Irregularities observed during audit visit to the site included the following:

- (a) According to the Priced Bill of Quantities, a total sum of ₦170,350.00 was paid to cover 2 safes of ₦31,200.00, postal equipment—2 eight (8) holes drop bags fittings at ₦16,000.00, one (1) marble plaque at ₦54,750.00 and 4 (four) burglary door protectors at ₦58,400.00. These items when verified revealed that they were neither produced nor supplied by the contractor.
- (b) The quality of job done could not justify the amount paid for the repairs as the roof was still found seriously leaking, the painting work was done with sub-standard paints which had already been washed away by rain.
- (c) The retention fee should be held in trust until the whole job is fully completed.

The Postmaster-General has been requested to inform the contractor about the various

anomalies found on the building especially items which were not provided and those that were badly executed. The contractor should be requested to refund a total sum of ₦170,350.00 for job not executed and the refund particulars forwarded for audit verification.

All the issues have been taken up with the Postmaster-General and his reaction is being awaited.

MINISTRY OF INDUSTRY INDUSTRIAL DEVELOPMENT CENTRE

308. The audit examination of the accounts and records maintained at the Federal Ministry of Industry, Abuja, in respect of some capital projects, as well as visits to project sites revealed that the contract documents for the general renovation and fumigation of staff quarters in the Industrial Development Centres (I.D.Cs) for the years 1998 and 1999 showed some specific and special features which were contrary to the basic procedures for award and execution of government contracts.

Some of these features could be mentioned as follows :

(i) The contracts were never advertised or quoted for but were packaged by the Ministry based on the bills of quantities presented by the Project Architect and awarded to selected contractors.

(ii) The Project Architect identified the jobs, prepared the bills of quantities/did the costing of the jobs, showed the sites to the selected contractors, supervised the jobs from Headquarters at Abuja, raised certificates for jobs completed and recommended the jobs for payment. The payments were made without any further cross-checking by the Ministry's Internal Auditors or the Industrial Development Centres Co-ordinators to confirm what had been executed by the contractors.

(iii) The I.D.C. Co-ordinators and occupants of the staff quarters were never involved in these contracts right from inception to completion. As a result, the contractors used very inferior materials to execute the jobs thus resulting in their giving way after few months. The old problems therefore continued to exist.

(iv) The bills of quantities prepared by the Project Architect were highly inflated as several items that were never needed nor replaced were built in to inflate the cost of contracts. In most cases, the inflation went as high as to double the normal contract prices of the jobs as revealed during the recent physical project audit inspection.

The details are as follows :

(a) The contract for the repair of blown-off workshop roof and other remedial works at Industrial Development Centre, Oshogbo was awarded to an Ibadan-based company in November 1996 for a sum of ₦1,835,190.00. Physical inspection revealed that the repairs were carried out at the textile and wood workshops of the centre. An estimate of the materials used and jobs executed was put at ₦983,190.00. There was an overpayment to the contractor of the sum of ₦900,000.00. The recovery of the ₦900,000.00 from both the Project Architect and the contractor being overpayment arising from the contract inflation should be confirmed.

(b) The contracts for the general renovation of staff quarters (packages 1, 2 and 3) at the Industrial Development Centre, Oshogbo was awarded in January 1998 to three contractors - two based in Abuja and the other based in Akure. The total contract sum amounted to ₦6,500,019.98. The nature of renovation carried out in 8 houses comprising 6 residential houses

and 2 guest houses consisted of painting, installation of buglar proofing, mosquito netting, repair of leaking roof and replacement of ceiling fans. The value of the job done at the centre was put at the sum of ₦3,500,019.98. However, there was an overpayment amounting to ₦3.0 million arising from the three contracts—₦1.0 million from each. It was equally observed that 3 out of the 6 residential quarters renovated were not being occupied by any staff. The rationale for renovating residential quarters/houses that were not to be occupied after the renovation appeared questionable. The Permanent Secretary has been requested to comment on the rationale for renovating the unoccupied residential quarters and to confirm that the sum of ₦3.0 million being the overpayment arising from the 3 contracts had been recovered from the 3 contractors and furnishing me with recovery particulars for audit verification.

(c) The contracts for the general renovation of staff quarters at Industrial Development Centre, Akure (Packages 1, 2 and 3) which covered six houses were awarded to three contractors in January 1998 for a total sum of ₦1,973,000.00. Physical inspection of the staff quarters revealed that painting of the houses was the only job carried out. The actual job carried out was valued at a sum of ₦900,000.00. It was further noted that the staff quarters renovated were not being occupied by the staff of the Centre as they had their rented accommodation in the town. The sum of ₦1,073,000.00 should therefore be recovered from both the Project Architect and the contractors as overpayment arising from the inflation of the contract.

(d) The contract for the general renovation of staff quarters (Package 1) at Industrial Development Centre, Abeokuta was awarded in January 1998 to an Ijebu-Ode-based firm for the contract sum of ₦1,701,018.20. The actual renovation works carried out in the four houses Blocks A2, A3, A4, A1A involved in the contract were painting and replacement of iron/steel on the doors and windows. The jobs carried out were valued at ₦1,200,000.00. There was therefore an overpayment amounting to ₦508,018.20. The Permanent Secretary has been requested to confirm that the sum of ₦508,018.20 being the overpayment made to the contractor due to inflation of the contract sum is recovered from both the contractor and the Project Architect.

(e) The contract of the general renovation of staff quarters (Package II) at Industrial Development Centre, Abeokuta was awarded to an Abuja-based company for a contract sum of ₦2,798,981.80. The actual works carried out in the contract were painting and replacement of iron/steel on the doors and windows in house numbers—A5, A1, A9 and B5. The value of the actual job carried out was estimated at ₦1,200,000.00. There was therefore an overpayment amounting to ₦1,598,981.80 to be recovered, from the contractor. The Permanent Secretary has been requested to confirm that the sum of ₦1,598,981.80 being the overpayment in this contract had been recovered from the contractor and the Project Architect.

(f) The contract for the renovation of staff quarters at the Industrial Development Centre, Uyo was awarded in January 1998 to a Lagos-based firm for the contract sum of ₦2,500,000.00. The renovation works carried out in the staff quarters covered the area of re-painting, plastering of cracked and peeled walls, replacement of ceiling boards, taps, bathroom basins, kitchen sinks, doors and P.V.C. pipes. The actual job executed in these houses was valued at ₦2.0 million, withholding tax and VAT inclusive. There was therefore an overpayment amounting to ₦500,000.00 arising from inflation of the contract sum. The Permanent Secretary has been requested to confirm that the sum of ₦500,000.00 being overpayment on this contract due to inflation of contract had been recovered from both the contractor and the Project Architect.

(g) The contract for the re-roofing of 3-in-1 Workshop at Industrial Development Centre, Port Harcourt, was awarded to an Abuja-based company for a contract sum of ₦5,308,710.75 in

January 1998. However, physical inspection of the damage and the work done revealed that only one third of the building was affected and it was only this part that was re-roofed and not the entire building. The contract value of the job done amounted to ₦3,308,710.75. However, the contractor had been paid as much as ₦5,169,357.09, remaining the contract retention fee of ₦139,353.66. This contract appeared to have been inflated by an amount of ₦2,000,000.00 which should be recovered from both the contractor and the Project Architect.

(h) The contract for the general renovation of 4 Nos. staff quarters and 3-in-1 workshop, Kano was awarded to a Kano-based firm for a contract sum of ₦3.0 million. The actual works carried out in these houses were that of painting, re-roofing and replacement of some doors, window louvres and asbestos ceiling boards. A number of items were included in the Bill of Quantities to raise the cost of the contract which were never done. The job executed in this contract was worth 2.0 million due to inflation of the contract while there was an overpayment of ₦1.0m after ₦2.0m. This should be recovered from both the contractor and the Project Architect.

(i) The contract for the renovation of the newly acquired offices in the Industrial Development Centre, Kano metropolis was awarded to a Lagos-based company in February 1997 for a contract sum of ₦3,256,750.00. The main jobs carried out in this contract included painting, re-roofing and maintenance of the building. However, physical inspection revealed that the entire building was still leaking and there was no power supply to the building. The jobs claimed to have been done could not be said to have been properly executed. The job was so badly executed that there was no light in the building and the floors were flooded with rain water in the rooms and halls. Incidentally, the job executed was valued at ₦2.0 million. There was therefore an overpayment of ₦1,256,750.00 to be recovered from the contractor and the Project Architect. The Permanent Secretary has been requested to confirm that the sum of ₦1,256,750.00 being overpayment arising from contract inflation and poor contract performance had been recovered both from the contractor and the Project Architect.

(j) The contract for the general renovation of residential quarters at the Industrial Development Centre, Bauchi was awarded in January 1998 for a contract sum of 3.0 million to a Bauchi-based firm. The contract involved renovation of 3 Nos 3 bedroom flats, and 2 Nos 2 bedroom flats. However, physical inspection during the recent audit visit to the sites revealed that the jobs carried out in the quarters were in the area of painting, repair of leaking roofs, fitting of mosquito nets, repair of cracked walls, changing outside doors with iron doors and flush doors. The general observation was that the jobs were poorly carried out with inferior materials, as the roofs were still leaking, the cracked walls were still there, the painting was only one coating of emulsion instead of the two coatings stated in the bills of quantities, except in the coordinator's house. The buglar proofing measuring 8ft x 4ft with 16mm rod installed, were just 2 in number in each of the 3 bedroom flats. The bills of quantities were over-loaded with items never required nor changed in the houses apparently to inflate the costs of the contract. The contract value for the jobs executed including VAT was put at ₦2,242,857.14. There was therefore an overpayment of ₦757,142.86.

The Permanent Secretary has been requested to confirm the recovery of the ₦757,142.86 from the contractor and the Project Architect.

(k) The contract for water and electricity connection to new workshops at the Industrial Development Centre, Bauchi was awarded in January 1998 to a Bauchi-based company for the contract sum of ₦5,600,154.64. This contract had not been completed while payment had been made in full.

Physical inspection of the contract site during the audit visit revealed a lot of anomalies and contradictions detailed as follows :

(i) Electricity Connection

Electricity connection to the new workshops had not been completed. Feeder pillars, wiring and transformer were in place but electricity was not connected to the workshops hence it could not be commissioned. It was also noted that armoured cable was not used for the connection as contained in the bills of quantities.

The transformer installed was not a new one as critical examination confirmed that it was refurbished. The year of manufacture of the transformer was 1981. It was thus difficult to believe that a transformer manufactured in 1981 had not been installed for the first time since then. Besides, the particulars of the installed transformer differed from the one the receipt/invoice of which was attached for the job.

From analysis, it was clear that the transformer bought for this job was not actually used as the particulars of the invoice enclosed differed from what was actually seen practically. The 1996 model must have been bought for the job but the contractor installed the refurbished 1981 model. The value of the refurbished 1981 model transformer was put at ₦1,500,000.00, as against the ₦3.5 million quoted in the bills of quantities. The actual job done on electrical connection was thus worth only ₦2.5 million, approximately.

(ii) Water Connection

A painted tank of 2,000 gallons capacity fabricated with metal was installed instead of the 2,000 braith waith overhead tank quoted in the bills of quantities.

The new workshops were not yet connected as the pipes had not been laid to the workshops. A complaint was also noted that when the pipeline connecting water to the workshops was switched on, the flow of water in the residential quarters was usually reduced. This was a typical sign of poor contract execution as the two lines were supposed to be independent of each other. The actual job executed on water connection was valued at ₦266,876.00

The total value of the job executed in this contract for water and electricity connection was thus put at ₦2,766,876.00. There was overpayment amounting to ₦2,833,288.64 in this contract.

The Permanent Secretary has been requested to comment on the way this contract had been executed and paid for, as well as recover the sum of ₦2,833,288.64 overpayment from the contractor and the Project Architect.

All the issues have been taken up with the Permanent Secretary and his reaction is being awaited.

NIGERIAN INVESTMENT PROMOTION COMMISSION

309. The Nigerian Investment Promotion Commission (NIPC) was established by Decree No.16 of 1995 as a catalyst for industrialization and the attraction of foreign investment into Nigeria. NIPC is to encourage, promote, coordinate, monitor and provide necessary assistance and guidance for the establishment and operation of enterprises in Nigeria. In doing this, the Commission collects, analyses and disseminates information about investment opportunities in Nigeria. It will also locate sources of foreign technical partners. Apart from registering all joint ventures and wholly owned enterprises, the Commission will also identify specific core projects

and invite interested investors, both Nigerians and Foreigners to participate in those projects. In addition, the Commission uses specific incentives to attract investors to strategic projects, in consultation with relevant government departments. It is also the responsibility of the Commission to assist in-coming and existing investors by providing them with support services. The Governing Council of the Commission, with its membership drawn from the public and private sectors of the economy, was inaugurated on 30th September, 1997. The initial capital project allocations were spent on the provision of infrastructures and facilities for the effective take-off and operations of NIPC. The audit examination of the payment vouchers raised for the capital project payments by the Commission revealed the following irregularities:

(a) The partitioning of Block A of the Head Office complex was awarded to a construction company for the sum of ₦22,621,800.00, and the total contract sum was fully paid in advance on 14th July, 1998 contrary to the provision of the Financial Regulations which makes it mandatory for a percentage of the contract sum to be held back as retention fee against any defect which may arise within a specified period of time after complete execution of a contract. Additional sum of ₦1,343,570.00 was paid to the contractor on 4th September, 1998 for additional works carried out, the details of which were not stated either on the voucher or its accompaniments. Without proper explanation of what constitutes the extra works, the expenditure cannot be accepted as a proper charge against public funds.

(b) A payment voucher of 13th May 1998 showed that a sum of ₦525,000.00 was paid in respect of reimbursibles covering travelling and administrative costs to some members of staff. Details of what constitutes these reimbursibles irregularly paid from Capital Allocations were not known; consequently, the expenditure of ₦525,000.00 cannot be accepted as proper charges against public funds and should be recovered from the officers that benefitted from the irregular expenditure.

The issues have been brought to the attention of the Permanent Secretary whose response is being awaited.

MINISTRY OF INFORMATION AND NATIONAL ORIENTATION (NATIONAL ORIENTATION AGENCY)

310. The National Orientation Agency (N.O.A.) was established by Decree No. 1000 of 23rd August, 1993, originally as a parastatal under both the Federal Ministry of Information and Culture, and the Presidency, during the period under review, January 1997-October 2000, as a Self Accounting Unit. Recently, the Agency is now under the Federal Ministry of Information and National Orientation. The National Orientation Agency came into being with the objective of ensuring that the Federal Government programmes and policies are better understood by the general public. It establishes appropriate national frame work for educating and orientating Nigerians towards developing socially desirable attitudes, values and culture. It also mobilizes favourable opinion for Government programmes and policies and establishes a feed back channel on all aspects of Nigerian national life.

The project monitoring exercise had been undertaken with a view to establishing that capital allocations to this Agency under the period in question, had been judiciously utilized and value for money derived in accordance with the principle of the 3Es concept, economy, efficiency and effectiveness. In line with these audit objectives, all the relevant accounting records and payment vouchers related to Capital Expenditures of the Agency for the period 1997 to 1999 were critically examined and necessary physical inspection of projects embarked upon and the resultant observations noted are highlighted below:

(a) Out of the ₦55.5 million budgeted for office complex and residential quarters between 1997 and 1999, a total sum of ₦43,875,000.00 was released to the Agency. A sum of ₦20 million was paid directly from source to Federal Housing Authority (FHA) by the Federal Ministry of Finance from the Agency's Capital Allocations for each of the 1997 and 1998 financial years, while the sum of ₦3,875,000.00 was received by the Agency as its main Capital Vote release for 1999. However, the details of the Capital Allocations received for the year 2000 were not made available for audit inspection at the time of audit in October 2000.

(b) The procedure followed in approving a variation of ₦715,667.00 on a contract of ₦6,298,078.50 for the construction of a fence-wall round the proposed Agency's office complex site in Kado, Abuja was not in line with laid down principles in the Financial Regulations. A total of ₦7,013,745.00 has been paid to the construction company in three instalments between July and October 1998.

(c) An audit inspection of a gate and a gate house constructed in 1997 at a total cost of ₦801,500.00 revealed that the contract had been highly inflated, considering the size of the job done and comparing the current market prices of building materials used and the labour cost for such a project in year 2000 with 1997 prices.

(d) A contract for the design, production of the drawings and model of the Agency's National Headquarters building complex phase I awarded to a firm of Architects based in Enugu for a sum of ₦5,915,424.00 has been found to have been irregularly awarded. The following elements expected to form the basis of the contract were however absent:

- (i) Letter of award;
- (ii) Contract agreement;
- (iii) Evidence of competitive tender;
- (iv) Approved plan by the Federal Capital Development Authority; and
- (v) Certificate of Occupancy for the land to be developed.

It is therefore difficult to determine the value obtained from the money spent on this elephant project under this present economic situation.

(e) Four (4) personal advances totalling ₦6,500,000.00 and described as "Programme Advances" were granted from the Capital Account to the Chief Executive Officer of the Agency on 17th and 21st October, 1997. As at the time of audit in October 2000 the advances were yet to be retired.

The aforementioned issues have been brought to the attention of the Permanent Secretary whose response is being awaited.

INTERNAL AFFAIRS NIGERIA IMMIGRATION SERVICE

311. Contract for the renovation and furnishing of office block and fencing of Seme Border Control Post was awarded on 21st December, 1998 at an agreed sum of ₦16,167,700.00. The job was to be completed in 16 weeks. An advance payment in the sum of ₦4,711,502.00 representing 30 per cent of the contract sum was paid on 21st January, 1999.

In March 1999, the contractor wrote for gross variation of the contract sum from ₦16,107,700.00 to ₦28,713,080.00, a difference of ₦12,603,380.00 which represents 78.26 per cent of the original contract sum. The various reasons put forward by the contractor have not justified

this level of increase considering the fact that the contractor must have appraised the bill of quantities before quoting for the project and visited the project site before embarking on the project. The project had reached a completion stage of about 80% when the contractor suddenly realised that a variation claim of ₦12,605,380.00 above the actual contract sum should be paid to him. The contractor, however, has a genuine claim from the error arising from the miscalculation under the cubicle reconstruction on page DB/SCP/01, item C of the Bill of Quantities. The 8 cubicles at ₦400,000.00 should have been worked out as ₦3,200,000.00 and not ₦1,200,000.00 as shown in the Bill of Quantity, thereby resulting in the understatement of the overall total of that page by ₦2,000,000.00. This is the only amount the contractor could rightly claim to be payable.

The physical inspection carried out at the project site revealed non-compliance with the type of materials provided for in the Bill of Quantities for which money had been paid. On page OB/SCP/01 item E of B.O.Q, it was stated that "prepare, prime and apply 3 coats of oil paint" at ₦2,908.00 for 550 units, amounting to ₦1,599,400.00. But audit inspection at the site in May 1999 confirmed that, instead of the oil paint as required, emulsion paint was used which is of lower price and quality than that of the materials stated in the B.O.Q. The Ministry was advised to order the contractor back to site and be asked to apply the correct paint on all the partitioning.

Similarly, the officers who certified the work for payment were to be asked to explain why this was not brought to the knowledge of the authority before payment. Moreso, serious leakage was observed on the ceiling along the veranda and in some of the offices evidencing the poor quality of work done for which money had been paid. The suspended metal ceiling frameworks were found to be rusty. These should have been wire-brushed and painted with anti-rust paint as remedial measure. The officer who inspected the work done upon which payment was made should have been called to explain these lapses and the contractor should be asked to correct the observed lapses as a pre-condition for receiving final payment.

All these anomalies were reported to the Permanent Secretary whose response is being awaited.

MINISTRY OF LABOUR AND PRODUCTIVITY NATIONAL PRODUCTIVITY CENTRE

312. The National Productivity Centre (NPC) was established through Decree of 1987, to actualise Government's desire of improving productivity of goods and services in Nigeria with the ultimate goal of enhancing the quality of life of Nigerians by ensuring the availability of higher quality and increased quantity of goods and services.

In March 1992, the Centre awarded a contract for the construction of its Zonal Office at Ibadan to a contractor for an agreed contract sum of ₦3,102,993.00 with a completion period of 12 weeks. The scope of works included the construction of the office block, the fence, gate house, external works and drainage. The contract was suddenly revoked 2 months after the award by the Honourable Minister of Labour and Productivity on the ground of improper procedures of award. However, following negotiations with the Ministry, the contractor resumed work on the site in September 1993 at a revised contract sum of ₦6,000,000.00. The new completion date set for January 1994 was not met by the contractor. Instead, in September, 1996, the contractor applied for yet another variation of the contract sum up to ₦11,919,186.00.

However, audit inspection visit to the site in June 2000 revealed that the contractor abandoned the site at the roofing level since February 1996, after collecting a total sum of ₦3,932,535.18. The whole premises had been overgrown by weeds and shrubs. The construction

of the fence and gate house had not been done. The wooden window and door frames already installed have been eaten up by termites. It was further revealed that 3 contractors were paid amounts totalling ₦1,528,127.48 for works and services not rendered. The first company was paid ₦470,445.00 made up of ₦376,356.00 and ₦94,089.00 paid on 28th September, 1993 and 19th April, 1994 respectively. The payment was for the supply and installation of various sizes of aluminium doors and windows. The items which were claimed to have been supplied and kept in a nearby store at the project site by the contractor were discovered not to have been supplied at all. Also not seen were the electrical and plumbing materials purported to have been supplied and installed by an engineering construction company of which 20 per cent mobilization fees of ₦151,870.00 was paid on the 28th September, 1993. In addition the engineering works for which 2 payments totalling ₦895,812.48 were made in September 1993 and May 1994, had not commenced at the time of the audit inspection in June 2000. All the amounts totalling ₦1,518,127.48, being payments made for which government derived no value, should be recovered from the 3 contractors.

This project which was originally to have been completed in June 1992 was still less than 40 per cent completed as at June 2000. The initial target of the project has been lost and the intended objective for embarking on the project had not been achieved.

Meanwhile, the budgetary allocations to the project which had accumulated to ₦11,175,000.00 over the period was placed on Fixed Deposit Account with a commercial bank in Abuja, without the necessary approval of the Accountant-General of the Federation as required by the Financial Regulations. The accrued interest calculated at 19 per cent per annum of the fixed sum has also not been accounted for as required by extant regulations.

All the issues have been brought to the attention of the Permanent Secretary and his reaction is being awaited.

PRESIDENCY:
MINISTRY OF SCIENCE AND TECHNOLOGY
SHEDA SCIENCE AND TECHNOLOGY COMPLEX

313. The primary objective of establishing Sheda Science and Technology Complex (SHESTCO) is for it to oversee the provision of infrastructures and facilities for the Nuclear Technology Centre; Natural Sciences Advanced Laboratories in Physics, Chemistry Biotechnology, Energy and Information Technology:

(i) The contract to construct a Chemistry Advanced Laboratory was awarded on 9th December, 1998 at the contract sum of ₦85,386,420.00 with a completion period of 26 weeks. The consultant issued site instructions to the main contractor to carry out substructural variation works to the tune of ₦995,179.50. The variation works were allegedly carried out by the main contractor before they were presented to SHESTCO for payment. These variation works were paid for on 28th June, 1999. SHESTCO has been asked to explain why it had to pay for the variation works that were not properly authorized.

(ii) The Bill of Quantities for the construction of the Laboratory provided a sum of ₦8,170,000.00 for steelworks as a lump-sum figure. During the execution of the project, the contract sum of ₦11,200,000.00 was granted to the contractor for the same steelworks, contrary to the Bill of Quantities, which is a gross violation of the Financial Regulations. The difference of ₦3,030,000.00 between the Bill of Quantities lump sum and the actual contract sum cannot be considered a proper charge against public funds.

(iii) Another contract was awarded in September 1994 for the supply and installation of laboratory benches at SHESTCO. The contractor was to be paid the sum of £563,746.61 for the off-shore contract sum and ₦5,000,389.05 as the on-shore contract sum. The on-shore cost was for transportation, insurance and installation. The sum of ₦2,653,380.00 whose equivalent in pounds sterling was £75,000.00, using the official rate of ₦35.3784 to £1 Sterling, was set aside for installation. After the installation of the equipment in July 1996, the contractor was paid a sum of ₦9,750,000.00 instead of ₦2,653,380.00 as contracted for. The sum of ₦9,750,000.00 paid was arrived at by applying the parallel market rate of 130 per £1, instead of the official rate of ₦35.3784 to £1. The sum of ₦7,112,074.42 (₦9,750,000.00 - ₦2,637,925.58) brought about by the difference between the two exchange rates is not admissible against public funds; and the contractor has been asked to refund the said sum of ₦7,112,074.42. SHESTCO is also to explain why it settled this installation bill which is an on-shore component of the supply contract, using the parallel market rate instead of the official rate.

The anomalies have been reported to the Permanent Secretary, Ministry of Science and Technology and his response is being awaited.

MINISTRY OF SOLID MINERALS DEVELOPMENT

314. (a) The Nigerian Minerals Appraisal and Monetisation Programme (NIMAMOP) was commissioned in 1995 by the Federal Ministry of Solid Minerals Development (FMSMD) with the aim of establishing an enduring bedrock on solid minerals development and stimulating domestic and foreign investment in the Solid Minerals Sector of the economy. To achieve the above objective, NIMAMOP was to produce a complete minerals map and inventory of the country by documenting mineral occurrences, their proven reserves and value among others. This information would then be used to group different areas of the country into mineral blocks for possible leases or outright sales to potential investors.

The contract for the production of a comprehensive mineral map and inventory of the country was awarded to a consultant who was to execute the contract in collaboration with two foreign technical partners. The contract was slated for execution in two stages. The stages and the contract sums are as follows:

(i) Stage I—US\$2,484,018.00 (off-shore) + ₦6,600,000.00 (on shore)

(ii) Stage II—Phase 1—₦150,000,000.00

Phase 2—₦262,698,460.00

Phase 3—₦194,946,534.00

TOTAL ₦607,644,994.00

The contract for stage one was awarded at the contract sum of US \$2,484,018.00 (off-shore) plus ₦6,600,000.00 (on-shore). An advance fee of 60 per cent of the contract sum or US\$1,490,410.80 plus ₦3,960,000.00 was paid to the Consultant, contrary to the 30 per cent fixed by the Federal government then as per circular number SGF. 21/X/T.2/MISC/II/218 dated 10th July, 1996. Before this date, advance fee had been abolished. The violation of the above circular is to be explained.

As at the time of this audit in September 2000, work and payment had been completed for Stage I and Phase I of Stage II. Work had also been completed on Phase 2, Stage II. It was however, observed that while presenting his invoice for payment work done on Phase 2, Stage II which was ₦262,698,460.00 only, the Consultant included the contract sum for Phase 3, Stage II, on which work was yet to commence. He demanded to be paid a total sum of ₦468,745,944.00 in his invoice. The invoice was being processed for payment as at the time of the audit inspection. It is surprising and unthinkable that a Consultant could submit an invoice for work yet to be executed and the invoice would be accepted for payment. The Ministry has been asked to explain this unjustified action and confirm that payment is made for Phase II only in the sum of ₦262,698,460.00.

Furthermore, the sum of ₦468,745,944.00 being demanded by the Consultant exceeds by ₦11,101,000.00, the addition of Phases II and III contract sum which is ₦457,644,944.00. The Ministry has been asked to ensure that the excess amount is not paid or is recovered if already paid. I have also asked to be furnished with particulars of the payment vouchers for phases II and III for necessary verification.

(b) In 1996, the then Honourable Minister of Federal Ministry of Solid Minerals Development approved the payment of the sum of US\$275,000.00 (₦6,050,000.00) to the Consultant to NIMAMOP Project, for additional works said to have been carried out on Stage I of the Project. The amount of ₦6,050,000.00 far exceeds the Minister's expenditure approval on limit of ₦250,000.00 as stipulated by Decree 43 of 1988.

(c) The sum of ₦35,344,851.00 incurred by the Ministry on other capital projects not related to NIMAMOP's project were defrayed from NIMAMOP's capital vote. This contravenes the Financial Regulations and will adversely affect NIMAMOP's project by starving it of funds. Shortage of funds could lead to variations, abandonments or the collapse of the project, which is not in the best interest of the government. I have asked for explanations on this anomaly and the reply is being awaited.

(d) Cash advances totalling ₦3,400,000.00 granted the then Permanent Secretary of FMSMD for the purchase of Christmas gifts were yet to be retired as at the time of this audit in September 2000, several months after the payment. I have requested that verifiable documents showing

evidence of the retirement of the advances be produced immediately, failing which the aforementioned Accounting Officer should be held accountable for the refund of the entire sum.

(e) The records examined and the physical visits to the sites revealed that capital items worth ₦2,400,000.00 which were purchased for NIMAMOP's Project Site Offices were diverted to the State Offices of the Mines Department of the Ministry. I have called for the return of the above mentioned amount to NIMAMOP capital vote with the documentary evidence for the return forwarded to me for verification.

The attention of the Permanent Secretary has been drawn to the above observations and his response is being expected.

MINISTRY OF WORKS AND HOUSING

315. The audit examination of the accounts and records maintained at the Federal Ministry of Works and Housing Headquarters Abuja, revealed that :

(a) Contract for the rehabilitation of Ida-Ayangba-Dekina Shintaku Road in Kogi State was awarded to a company in 1993 at a contract sum of ₦296,585,625.00 and to be completed on 14th May, 1995. The length of the road was 95.75 km. A plant advance of ₦42,954,616.85 was paid to the company on 15th November, 1993. Later, the contract sum was reviewed upwards to ₦34,156,979.00 and the completion date extended to February 2001. A total sum of ₦173,135,705.00 had already been paid to the company. As at the time of the audit verification visit to the site in September 2000, the level of completion was 30 per cent valued at ₦160,247,093.71 resulting in an overpayment of ₦12,888,611.29 to the company. Furthermore, out of a plant advance of ₦42,945,616.85 paid to the company in 1993, only the sum of ₦2,905,986.74 was recovered from the company leaving an unrecovered balance of ₦40,039,630.11 still with the company. Therefore, as at the time of audit visit to the site the company was indebted to the Federal Government of Nigeria for an amount of ₦52,938,242.11.

Presently, the company has been operating at a very slow pace and it appeared most unlikely that the contract completion target of February 2001 would be met by the company. This contract had been unduly delayed thereby casting serious doubt as regards the capability and resourcefulness of the company to perform.

(b) Contract for the rehabilitation and asphalt overlay of the Rafin Kada and Mararaba Road, Section I (Kaduna State) was awarded on 11th December, 1996 to an Abuja-based company for a contract sum of ₦407,471,779.00 to be completed by 3rd March, 1998. This completion date was later extended to 11th December, 2000. As at the time of audit visit to the site in September 2000, the total amount of ₦225,322,720.99 had been paid to the company while the value of work done was ₦191,511,731.90, being 47 per cent level of completion, resulting in an overpayment of ₦33,801,989.09. For a project that should have been completed within 15 months to be at only 47 per cent completion level after almost four years, left much to be desired and created an impression that the contractor did not possess the capability to complete the project on schedule. On the other hand, the slow pace of work may be deliberate on the part of the contractor for obvious reasons. It should be necessary to furnish an explanation and to confirm the efforts on hand to get the project completed.

(c) The contract for the construction of an approach bridge over River Wonderful Kafanchan in Kaduna State was awarded to a construction company on 20th March, 1997 for a contract sum of ₦60,000,000.00. The contract was terminated on 22nd March, 2000 and final payment of ₦2,307,260.00 was made to the contractor. The contract was there-after re-awarded to another construction company for the sum of ₦82,000,000.00 on 15th April, 2000. A

consultant based in Port Harcourt was appointed for the project for the soil test of the area and to supply structural data and design of the bridge for a sum of ₦5,653,873.00. The data supplied an information on soil testing were unrealistic and unreliable as rock formations revealed no rock segments in the area. Audit visit to the site revealed that the consultant did not perform and should therefore refund the whole contract sum of ₦5,653,873.00 to the Federal Government.

(d) The contract for the rehabilitation of Takum Bissaula Road, Section I (Bauchi State) was awarded to a construction company based in Ilorin for a contract sum of ₦134,219,445.75 but later revised upwards to ₦140,219,445.75 for a project with a length of 27.70 km. The job was commenced on 24th March, 1997 with a completion period of 12 months and was to have been completed by 23rd March, 1998, but the date was further extended to 31st December, 2000. The company received plant mobilization fee of ₦40,265,833.71 out of which ₦29,290,886.31 had been recovered leaving a balance of ₦10,974,947.40 still with the company. As at the time of the audit verification visit to the site in September 2000, the level of completion was 70 per cent and the monetary value of the job completed was ₦98,153,612.02 (at this level the clearance and earthworks, culvert drains, pavement and surfacing had been completed). A saving of ₦1,513,795.65 was realised at that level. Saving from the cost of the project should be recognised and deducted from the project total cost instead of the usual practice of making price adjustment on the remaining material for the completion. The Ministry should ensure that the contractor is effectively monitored so as to ensure early completion of the project to forestall possible request for variation in the contract price.

(e) The contract for the upgrading of the Ihu-Korinya Wuse Road in Benue State was awarded to a Lagos-based company. The project commenced on 23rd June, 1993 and was awarded at a contract sum of ₦227,339,898.34. It had a length of 30 km and was initially scheduled to be completed by 24th April, 1994. The date was further extended to 21st May, 2000. The government had recovered the plant advance of ₦64,768,987.50. As at the time of the audit verification visit to the site in September, 2000 the level of completion was 78 per cent while the monetary value of work completed was ₦177,325,720.72, and the total financial commitment of the Federal Government was ₦191,952,040.32 which had resulted in an overpayment of the sum of ₦14,626,919.60 to the contractor, which should then be recovered. Besides, the Ministry should take a firm stand on the contract to avoid its being abandoned as the project had been unduly delayed.

(f) Contract for the rehabilitation of Ihugh-tse Mker Road in Benue State was awarded to an Abuja-based company on 16th August, 1993 at a contract sum of ₦121,348,207.00 to be completed by 19th April, 1994. Later, the contract sum was revised upwards to ₦660,425,526.40 with further extension of completion date to 26th April, 2000. It was however, revised downward to ₦627,404,250.00 by the Kolade Contract Review Committee. As at the time of the audit verification visit to the site in September 2000 the level of completion was 41 per cent while the monetary value of the completed job was ₦257,244,465.82. The total Federal Government financial commitment stood at ₦327,915,819.50. There was thus an overpayment of ₦70,671,353.67 made so far to this contractor who still has the sum of ₦99,780,299.57 plant advance outstanding against him. Evidently, the contractor was not progressing at an appreciable speed while supervision of the project was not diligent and effective enough for a contract that ought to have been completed in April 2000 to remain at 41 per cent completion level in September 2000. This situation was quite unsatisfactory. Besides, the amounts of ₦70,671,353.67 and ₦99,780,299.57 should be recovered from the contractor and recovery particulars furnished for verification.

(g) The contract for the rehabilitation of Panyam Shendam Road Section I, (Plateau State) was awarded on 8th November, 1999 to an Abuja-based firm at a contract sum of ₦2,409,569,886.80 to be completed by 15th August, 2001. A plant advance of ₦436,017,408.00 was paid to the contractor on 15th November, 1999. It was however, observed that this contract had earlier been awarded to and was abandoned by the same contractor in 1993 after collecting a mobilization fee of ₦12,336,387.00. This amount remained recoverable and should be recovered from the firm irrespective of the contractor's performance on the new contract.

(h) The contract for the rehabilitation of Asaba-Ebu-Ahia (Uromi) Road Section II, (Delta State) was awarded to a Lagos-based company for a sum of ₦113,486,205.00 with extended completion date of 31st January, 1999. The length of the road project was 25 km. The contract was revised upwards to ₦203,104,965.00 on 17th February, 1998. However, audit visit to the site in September 2000 to assess the work done revealed that the contractor had abandoned the project and at that time, only 32.8 per cent of the job valued at ₦66,618,428.28 had been completed, while Federal Government financial commitment to date stood at ₦82,634,581.13. On account of this, the amount of ₦16,016,152.61 should be recovered from the contractor, being amount which had been paid for job not yet executed.

(i) The contract for the rehabilitation and asphalt overlay of the Asaba-Ebu-Ahia road Section I, (Delta State) was awarded to a Lagos-based engineering company for a contract sum of ₦182,543,943.00. The contract was later reviewed upwards to ₦271,183,541.00 with a completion period of 15 months, and further extended to September 1998. It covered a length of 40 km. A repeat audit visit to the site in September 2000 revealed that the project had been abandoned and at that time only 30 per cent of the job valued at ₦81,544,062.03 had been completed. Surprisingly, the firm had been paid a total sum of ₦116,803,965.67 resulting in an overpayment of ₦35,259,903.37. The excess payment of ₦35,259,903.37 should therefore be recovered from the contractor.

(j) The contract for the construction of Fugar township roads and drainage structures was awarded to an Abuja based company for a contract sum of ₦604,359,391.86. The contract commenced on 19th December, 1998 but as at the time of the physical audit visit to the site, it was discovered that the project had been abandoned by the construction firm after 84.3 per cent of the contract had been completed and with a monetary valuation of ₦509,474,905.92. But a total sum of ₦513,765,487.77 had been committed by the Federal Government on this contract. Consequently, the firm should refund the sum of ₦4,290,573.85 being payment in excess of the value of the job executed by the firm. Furthermore, all the roads were local government roads and it was surprising why such a colossal sum of money belonging to the Federal Government should be spent on local government roads. It should be necessary for an explanation to be furnished on this.

(k) Various electrical items valued at ₦12,494,100.00 belonging to the Federal Government were on different dates reported stolen, and damages were made to the electrical installations of the 3rd Mainland bridge, Eko bridge, Lower Marina/CMS bus stop, and Ijora/Alaka/National Theatre roads. During the audit physical inspection of the bridges, and Electrical Division of the Ministry in Lagos, etc., it was discovered that cables were cut and removed here and there, transformer substations vandalized, control equipment fittings stolen and columns were either removed or damaged. The security company employed by the Ministry to keep watch on the equipment should be held responsible for all the thefts since the company during the period was under the contractual agreement to safe-guard government properties under their care. Similarly, various electrical fittings and parts the values of which could not be determined, installed along the Ekene Dili-Chukwu Street-Light Sub-Station (Panel-9) were reportedly

stolen through vandalization. It was observed that the installation contract for the fittings was awarded in November 1999 to a Lagos-based company. However, further enquiry revealed that on completion of the installation, the project was not handed over by the contractor to the Ministry. The firm should therefore still be held responsible for the replacement of the electrical items stolen before proper handing over could be made.

(l) Contract section I, was for the special repairs of Gbogan-Iwo Road in Osun State, and it was awarded to a Kaduna-based company for which the sum of ₦4,865,000.00 was paid on 31st December, 1998. The project site could not be located during the audit visit in September 2000. Further enquiries made in the office of the resident Chief Engineer (Highways) yielded no positive result as the engineer claimed ignorance of such a project in the entire Osun State. It therefore appeared that the construction firm was paid for an unexecuted and unexisting contract job. The sum of ₦4,865,000.00 should be recovered from the firm involved, while all the officers of the Ministry involved in the award and payment on this doubtful contract should be appropriately disciplined in accordance with the provision of the Public Service Rules.

(m) An Ibadan-based company was awarded a contract for the rehabilitation and asphalt overlay of Ilaro-Ado-Odo-Okoga road spanning 51 km for a contract sum of ₦298,415,839.00. A physical audit visit to the site with the Chief Highways Engineer in September 2000 revealed that the company had been granted an extension period to lapse in June 2000, and the contract sum was reviewed upwards to ₦402,012,619.00. The total amount certified and paid to date was ₦247,167,321.00, while the percentage of performance stood at 61 per cent with the monetary value being ₦245,227,697.59. The overpayment to the contractor was therefore ₦1,939,623.41. Further detailed inspection revealed that there were serious construction defects between kms 7-9 which have not been rectified. The contractor had stopped work on the site. The company should be advised to resume work immediately considering the strategic location of the road as it leads to the neighbouring country of Republic of Benin.

(n) A contract for additional works at the Federal Secretariat, Owerri, was awarded to an Okigwe-based construction company for a contract sum of ₦8,000,000.00. As at the time of the audit visit to the site in September 2000 it was observed that the following works were yet to be executed: the screeding and asphalt overlay of the car park, screeding of party fence adjoining the Federal Ministry of Works Field Headquarters, and laying of ceiling tiles. All three outstanding works were valued at ₦6,500,000.00. Also, the inspection of electrical works for the same project revealed that a generator of 500 KVA capacity valued at ₦12,000,000.00 was yet to be supplied and that a non-functional transformer was installed at the premises. All attempts made by the supervising officers to make the contractor comply strictly with the contract terms proved abortive. Furthermore, additional civil works for the construction of a borehole for the Federal Secretariat valued at ₦8,500,000.00 was yet to be fully completed and a panel valued at ₦500,000.00 was yet to be supplied too. Consequently, it should be necessary to confirm whether the additional works and supplies have been duly executed in accordance with the terms of the various contracts.

(o) The contract for the construction of a new toll plaza at Okigwe, Imo State, was awarded to a Port Harcourt-based construction company for a sum of ₦38,506,240.00. During a recent physical audit inspection of the site, the level of work done was 40 per cent and valued at ₦15,402,496.00. Further audit scrutiny of the project records revealed that the firm had been paid a sum of ₦38,506,240.00 representing full payment of the contract sum after a completion certificate was issued in the company's favour by the Ministry's project supervising officers. The sum of ₦23,103,744.00 (₦38,506,240.00 - ₦15,402,496.00) representing excess payment for job not performed should be recovered from the firm. Besides, the project supervising officers

should be disciplined appropriately for negligence of duty and collusion to defraud the Federal Government of Nigeria by issuing the final completion certificate for a project that was only 40 per cent completed.

(p) The contract for the rehabilitation and asphalt overlay of the Umuahia-Bende-Ohafia road in Abia State was awarded to a Lagos-based construction company for a contract sum of ₦850,000,000.00 on 15th November, 1999 to be completed by 15th November, 2001. The road has a length of 46 km. A plant advance of 20 per cent of the contract sum valued at ₦170,000,000.00 was granted to the firm at the inception of the project. However, audit visit to the site in September 2000 showed that the level of completion was a paltry 3.55 per cent valued at ₦26,095,000.00. Critical assessment of the project revealed a very slow pace of work with no meaningful achievements. Records showed that the contract had earlier been awarded to an Owerri-based construction company in October 1996. That company abandoned the contract with an outstanding indebtedness of ₦20,397,508.00. The Ministry should confirm that the sum of ₦20,397,508.00 outstanding against the former construction firm had been duly recovered, and recovery particulars furnished for verification.

(q) The contract for the rehabilitation and asphalt overlay of the Calabar-Ikom 111 road in Cross River State spanning 72.8 km was awarded on 15th November, 1999 to a Lagos-based construction company at a contract sum of ₦943,416,393.15 with an advance payment of ₦188,683,278.60 representing 20 per cent of the contract sum. The contract was to be completed on 15th February, 2001. However, during a recent audit visit to the site in September 2000, the level of work done was only 6 per cent and the monetary value of the job completed was ₦56,604,983.50. Considering the time of completion in the agreement put at 15th of February, 2001, the firm had not made any meaningful progress in executing the job. This contractor had earlier abandoned the same job awarded to his company in 1996 with ₦46,491,510.64 outstanding against it. The Ministry should ensure that the outstanding amount is refunded by the firm to the Federal Government of Nigeria and vigorously pursue the speedy performance of this contract to forestall its abandonment a second time by the same company.

(r) A contract for the dualization of Benin-Asaba road section 111 was awarded to a Lagos-based construction company for contract sum of ₦700,497,462.10 on 7th June, 1993. Earlier review raised the contract sum to ₦1,680,244,788.33, and another review pushed it further to ₦4,106,438,206.20 on 10th December, 1996 with the completion date also extended to 24th December, 2001. As at the time of the audit visit to the site in September 2000, the level of completion was 37.5 per cent while the monetary value was ₦1,539,914,327.32. The contract was poorly executed as construction defects appeared everywhere on the site. The Federal Government financial commitment to date was ₦1,796,862,331.30. Presently, the government had not received commensurate value for the enormous amount so far committed on the project. Though the company had since abandoned the site, it should be compelled to refund the outstanding amounts totalling ₦929,685,394.41 made up of the balance of plant advance on the on-shore component of ₦237,032,475.70; advance for payment of compensation (collected but not paid to displaced people) of ₦8,545,473.50, advance for relocation of public utilities of ₦11,370,054.81, and advance for off-shore component not recovered totalling ₦672,737,390.40 (i.e. \$8,409,217.38 at 80 per \$1). The Ministry should therefore ensure that the sum of ₦929,685,394.41 being overpayment made to the construction company on this project is fully recovered from it.

(s) Two (2) completion certificates, endorsed by a project architect in May, 1999, were used as the only basis for effecting payments of ₦495,000.00 and ₦500,000.00 respectively to two contractors in July 1999, for the supply of various furniture items to the official residence of the

Minister of State, whereas the provisions of the Financial Regulations stipulate that on all payment vouchers for the purchase of stores, except in respect of expendable and consumable stores obtained in small quantities for immediate consumption, the store-keeper concerned must certify that the stores have been received and taken on charge in the stores ledger and will quote relevant stores receipt voucher numbers. The Financial Regulations further provide inter-alia that all issues of stores must be supported by a Store Issue Voucher in the prescribed form and that direct purchase of furniture and equipment for an office or other government building should be recorded in a furniture ledger. In view of the fact that the furniture procurement had not undergone the due stores processes, I therefore, find it difficult to accept the payments as proper charges against public funds.

(t) The contracts for amounts totalling ₦993,600.00 for the supply of 36 Nos junior executive tables were deliberately split into 2 contracts which were awarded to each contractor at a contract sum of ₦496,800.00, and for supply of 18 Nos Junior executive tables without the contracts being processed through the Tenders Board. The purchases of the tables were split into 2 tenders contrary to the provisions of the Financial Regulations which stipulate that "it is an offence for any public officer to deliberately split tenders. Such breach of trust will be severely dealt with by a competent disciplinary authority as laid down in the Public Service Rules."

(u) *At the Federal Fire Service, Abuja, it was observed that :*

(i) Amounts totalling ₦2,987,305.00 were paid to six firms in 1999 for fire prevention campaign without disclosing the details of such campaign. I therefore, find it difficult to accept such payments as proper charges against public funds.

(ii) Amounts totalling ₦499,981.00 were paid to a company in August, 1999 for the publication of a sheet message of "DO's" and "DON'Ts" about fire, whereas the copies of the publication claimed to be supplied by the company were not taken on store ledger charge. Furthermore, vital supporting documents, such as store receipt vouchers (SRVs), stores issue vouchers (SIVs), invoices, delivery notes, etc. were not attached to the vouchers. No copies of the publications were produced for audit inspection. I therefore, find it difficult to accept such payments as proper charges against public funds.

(iii) Amounts totalling ₦1,197,607.00 were paid to 3 contractors in 1999, representing the bulk procurement of petrol and lubricants by the Federal Fire Service, Abuja, in December 1998. Further audit scrutiny revealed that there were no functioning petrol dumps to store the items, or proof of distribution to the limited vehicles belonging to the Fire Service. The amount of ₦1,197,607.00 was charged to capital votes without approval from the Federal Ministry of Finance as required by the provisions of the Financial Regulations. I therefore, find it difficult to accept such payments as proper charges against public funds.

(iv) The Federal Fire Service, Abuja, failed to maintain Vehicle Log Books for effective control of the vehicles as required by the provisions of the Financial Regulations which stipulate that "the Accounting Officer shall be responsible for ensuring that there are effective controls in the use of government vehicles. For that purpose, he will ensure that vehicle log books, among other records, are maintained."

(v) Eighteen (18) Nos 1.5 HP air-conditioners issued to the Comptroller-General of the Federal Fire Service, Abuja, between 1997 and 1998 for his office and residential use were not made available for audit inspection. Similarly, efforts should be made to produce for audit inspection 10 air-conditioners valued at ₦768,000.00, 4 Nos 40 KVA Perkins Generators, 4

Nos 50 litres Water heaters, 7 Nos Solla Teflex Fridges, which were not made available during physical audit inspection.

(vi) Amounts totalling ₦17,081,044.00 were paid to some contractors or companies between September 1998 and December 1999 for the refurbishing and repairs of motor vehicles and fire equipment as well as for the replacement of vehicle parts, such as engines, gear boxes etc, without returning the replaced spare parts to the stores of the Federal Fire Service as required by the provisions of the Financial Regulations.

(vii) Amounts totalling ₦7,000,000.00 were paid in 1999 for the repairs of dehis SS 300 hydraul platform turntable ladders of 4 motor vehicles without vital documents, such as, bills, details of repairs, etc. attached to the vouchers in support of the payments. I therefore, find it difficult to accept such payments as proper charges against public funds.

(viii) Amounts totalling ₦6,000,000.00 were paid in 1999, for the refurbishing of 4 Mercedes 1513 motor vehicles without vital supporting documents, such as details of repairs carried out, invoices etc, attached to the payment vouchers. As I cannot therefore satisfy myself that the payments involved were proper charges against public funds, the Permanent Secretary has been requested to produce the documents for audit inspection.

All the issues have been brought to the attention of the Permanent Secretary and his reaction is being awaited.

(iv) GENERAL:

AUDIT REPORT

316. The Audit Report on the Accounts of the Government of the Federation of Nigeria for the year ended 31st December, 1997 (Part I) was submitted to the Permanent Secretary and Clerk of the National Assembly on 30th November, 2000 to be laid before both Houses of the National Assembly for their consideration in accordance with Section 85 (5) of the Constitution of the Federal Republic of Nigeria, 1999. This Part, as indicated in my letter dated 30th November, 2000 is by far the major segment of the Annual Report. Part II of the Report which contains mainly observations made on the Financial Statements drawn up by the Accountant-General of the Federation, is hereby simultaneously submitted with all other outstanding Reports, as indicated in my letter dated 29th March, 2001.

TRAINING

317. 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.

To meet their professional and management training needs, fifty-seven (57) senior officers attended the Modern Audit Techniques Course organised by Norajeka Investment Nigeria Ltd for a period of one week; one (1) officer participated in the 20th Certificate Course in Public Administration and one (1) in the 20th Post Graduate Course in Public Administration at the Administrative Staff College, Topo, Badagry for a period of one (1) year. Two (2) officers attended the Official Reporters course for twenty (20) months and two (2) other officers attended the Confidential Secretary III course for ten (10) months at the Federal Training Centre.

A total of Two hundred and thirty-nine (239) junior staff comprising Audit Assistants III, Clerical Assistants, Messengers and Drivers attended the Job Performance Improvement Course.

ACKNOWLEDGEMENT

318. I wish to express my profound gratitude to all members of my staff for their hardwork and diligence during the period under review. This Report is a demonstration of their devotion to duties and unalloyed support for the role of this Office. I also thank all those functionaries outside my Office who have co-operated with my Office in the performance of my statutory duties during this year and in the compilation of this Report.

P. N. AKUBUEZE

Auditor-General for the Federation

AUDIT CERTIFICATE

319. The underlying records of the Accounts of the Government of the Federation of Nigeria for the year ended 31st December, 1999 have been examined in accordance with Section 85 (2) of the Constitution of the Federal Republic of Nigeria, 1999 and Section 7 (1) of the Audit Act (Cap. 17 Laws of the Federation of Nigeria, etc., 1958).

I have obtained all the information and explanations I required, and certify, as a result of the audit, that in my opinion the accounting records are properly maintained so as to give a true position of the transactions for the fiscal year, and form the basis for the Statement of Assets and Liabilities, together with the supporting accounts, as at 31st December, 1999 subject to the observations contained in this my Report dated 29th March, 2001.

P. N. AKUBUEZE
Auditor-General for the Federation

LOSS OF GOVERNMENT FUNDS ARISING FROM FRAUD, THEFT, OR NEGLIGENCE—JANUARY-DECEMBER 1999

A—LOSS OF CASH VALUED AT ₦1000.00 AND ABOVE

S/No.	Description	File No.	Amount ₦	Whether Recovered or Made Good and by Whom	Whether Written off and on whose Authority
1.	<i>Federal Ministry of Aviation</i> Loss of Government fund through the attack of burglars on the Central Pay Office.	E.3361	225,000.00	Not yet recovered	Under action
2.	<i>Federal Ministry of Science and Technology</i> Loss of Government fund through misappropriation by the Cashier at the Ministry.	E3362	51,000.00	Not yet recovered	Under action
3.	<i>Nigerian Postal Service</i> Loss of Government fund in UGBONLA Post Office during Inter-tribal Crisis between Ijaw and Ilaje Youth in 1999.	PTE.1283	4,200.00	Not yet recovered	Under action
4.	<i>Federal Ministry of Works & Housing</i> Loss of fund at the Ministry's Land Registry valued at ₦79,500.00.	E3365	79,500.00	Not yet recovered	Under action
5.	<i>Federal Court of Appeal, Abuja</i> Loss of Government fund through theft perpetrated by breaking into the Central Pay Office, Abuja.	E3360	1,567,337.45	Not yet recovered	Under action
6.	Loss of Government fund by shortage incurred by the Supervisor (Head) of the Central Pay Office.	E3366	6,120.00	Not yet recovered	Under action
	TOTAL		1,933,157.45		

LOSS OF GOVERNMENT FUNDS ARISING FROM FRAUD, THEFT, OR NEGLIGENCE—JANUARY-DECEMBER 1999

B—LOSS OF STORES, PLANTS, VEHICLES AND EQUIPMENT VALUED AT ₦1,000.00 AND ABOVE

S/No.	Description	File No.	Amount ₦	Whether Recovered or Made Good and by Whom	Whether Written off and on whose Authority
1.	<i>Federal Ministry of Science and Technology</i> Loss of 1No. IBM Electric Typewriter at Federal Ministry of Science and Technology after office hours.	EA.3228	Unknown	Not yet recovered	Under action
2.	Loss of 1No. IBM Electric Typewriter at Federal Ministry of Science and Technology after office hours.	EA.3242	Unknown	Not yet recovered	Under action
3.	<i>Federal Inland Revenue Service</i> Loss of Government Vehicle—Peugeot 504 Saloon Car with Registration Number RB 0665 FG through theft when the driver was engaged in unofficial assignment.	EA.3220	578,235.00	Not yet recovered	Under action
4.	Loss of Government Vehicle—Peugeot 504 GR Saloon Car with Registration Number RB 404 FG through theft at Surulere, Lagos.	EA.3217	Unknown	Not yet recovered	Under action
5.	Loss of Government Vehicle - Peugeot 504 GR Saloon Car with Registration Number RB 046 FG through theft at the Training School, Yaba, Lagos.	EA.3219	594,901.66	Not yet recovered	Under action
6.	Loss of Government Vehicle—Peugeot 504 GR Saloon Car with Registration Number RB 406 FG through 'theft around Queen's College, Yaba, Lagos.	EA.3218	Unknown	Not yet recovered	Under action
7.	<i>National Assembly</i> Loss of Government Vehicle—Peugeot 505 A/C ST. NASS 83 through theft at a Senator's residence.	EA.3250	Unknown	Not yet recovered	Under action

LOSS OF GOVERNMENT FUNDS ARISING FROM FRAUD, THEFT, OR NEGLIGENCE—JANUARY-DECEMBER 1999

B—LOSS OF STORES, PLANTS, VEHICLES AND EQUIPMENT VALUED AT ₦1,000.00 AND ABOVE

S/No.	Description	File No.	Amount ₦	Whether Recovered or Made Good and by Whom	Whether Written off and on whose Authority
8.	<i>Federal Ministry of Information</i> Loss of Government Vehicle—Peugeot 504 Saloon Car with Registration Number FG 228-A13 through theft at the official residence of a Director.	EA.3252	Unknown	Not yet recovered	Under action
9.	<i>Federal Ministry of Works & Housing</i> Loss of 39 No. Reams of Parchment Papers in the Lithographic Store valued at ₦585,000.00.	EA.3259	585,000.00	Not yet recovered	Under action
10.	Theft of official vehicle Peugeot 504 S/Wagon with chassis/engine No. 608920 and Registration No. FG 487-A20.	EA.3249	Unknown	Not yet recovered	Under action
11.	Loss of Office Equipment (1No. Manual and 1No. Electric (Typewriters)	EA.3247	Unknown	Not yet recovered	Under action
12.	Loss of Motor Spare Parts valued at ₦898,000.00 through a systematic theft at the Special Service Branch, Marine Beach, Apapa, Lagos.	EA.3246	898,000.00	Not yet recovered	Under action
13.	<i>Federal Civil Service Commission</i> Loss through misappropriation of various store items at the store of the Commission.	EA.3257	208,800.00	Not yet recovered	Under action
14.	Loss of a Peugeot 504 Saloon Car, snatched at gun point by Armed Robbers near Owerri	EA.3258	Unknown	Not yet recovered	Under action
15.	Loss of important parts of a Peugeot 504 Station Wagon with Registration Number FG-41-S43 stolen at Motor Mechanic Technician's Shop.	EA.3256	Unknown	Not yet recovered	Under action