OFFICE OF THE AUDITOR-GENERAL FOR THE FEDERATION

AUDITOR-GENERAL FOR THE FEDERATION'S ANNUAL REPORT

ON

NON-COMPLIANCE/INTERNAL CONTROL WEAKNESSES IN MINISTRIES, DEPARTMENTS AND AGENCIES (MDAs) OF THE FEDERAL GOVERNMENT OF NIGERIA FOR THE YEAR ENDED 31ST DECEMBER, 2023

(VOLUME II)

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SECTION 5

FEDERAL MEDICAL CENTRES AUDIT DEPARTMENT (FMCAD)

FEDERAL MEDICAL CENTRE, AZARE, BAUCHI STATE

At the Federal Medical Centre, Azare, for the period 1st January to 31st December, 2022, the following observations were made:

ISSUE 1: PAYMENTS WITHOUT REVALIDATION OF THE PAID VOUCHERS (=₦4,310,235.00)

Description of Findings

Paragraph 422 (i) of the Financial Regulations (FR) (2009) states, "Officers controlling votes are responsible for ensuring that, as far as possible, payment for services rendered are settled within the financial year in which they were rendered. When necessary reminders should be sent to private parties to forward their claims without delay. Neglect to do this will not prejudice the private party but the officer who has neglected to press this necessity upon their subordinate officers…" Furthermore, paragraph 611 of the FR (2009) states, "A Sub-Accounting Officer may not make payment against a Voucher unless: … (c) It is not more than three months since the voucher was signed by officer controlling expenditure…"

Audit observed that:

i. The sum of ₦4,310,235.00 (Four million, three hundred and ten thousand, two hundred and thirty five naira), for five (5) transactions, were made by the Centre with staled paid vouchers, and
ii. The payments which were for various supplies, were made without revalidation of the paid vouchers which had stale.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Medical Centre, Azare.

Risks

i. Loss of government funds.
ii. Diversion of public funds.

Management's Response

Actually these payments were certified by the authorizing officer as provided in FR 611, only that we are used to six months period before payment vouchers becomes stalled. Management has fully noted this and immediate implementation of the three (3) months period to revalidated payment vouchers as rightly observed.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦4,310,235.00 (Four million, three hundred and ten thousand, two hundred and thirty five naira), being amount paid using stale paid vouchers.
ii. Recover and remit to the Treasury, the sum of ₦4,310,235.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 2: NON-DEDUCTION OF STAMP DUTY (=₦1,830,265.82)

Description of Findings

Paragraph 2 of the Treasury Circular Ref. No. TRY A1 & B1/2017 OAGF/CAD/026/V.111/.182 dated 20th April, 2017, states, "… a 1% Stamp Duty chargeable on Contract Agreements and the remittance be made to the Relevant Tax Authority which is the Federal Inland Revenue Service (FIRS)…" Furthermore, paragraph 3 of the Treasury Circular Ref. No. TRY A1 & B1/2017 OAGF/CAD/026/V.111/.182, dated 20th April, 2017, states, "…MDA is to ensure that Stamp Duty is accordingly deducted on Contract Agreement before payment is made to beneficiary…"

Audit observed that:

i. The sum of ₦1,830,265.82 (One million, eight hundred and thirty thousand, two hundred and sixty five naira, eighty two kobo) was to be earned as stamp duty from payments made in respect of twelve (12) contracts in 2022, and
ii. No reason was provided for the non-deduction and non-remittance of the stamp duty to the relevant tax authority.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Medical Centre, Azare.

Risks

i. Loss of government revenue.
ii. Diversion of public funds.

Management's Response

Management has admitted its faults for not attaching the evidence of stamp duty deduction in the payment vouchers. Evidence of deduction attached in appendix 1.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦1,830,265.82 (One million, eight hundred and thirty thousand, two hundred and sixty five naira, eighty two kobo), being undeducted stamp duty.
ii. Recover and remit to the relevant tax authority, the sum of ₦1,830,265.82.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to failure to collect government revenue prescribed in paragraph 3112 (i) of the Financial Regulations (2009) should apply.

ISSUE 3: NON-DEDUCTION OF STATUTORY TAXES (= ₦1,234,637.00)

Description of Findings

Paragraph 234(i) of the Financial Regulations (FR) (2009) states, "It is mandatory for Accounting Officers to ensure full compliance with the dual roles of making provision for the Value Added Tax (VAT) and Withholding Tax (WHT) due on supply and services contract and actual remittance of same." Furthermore, paragraph 235 of the FR (2009) states, "Deductions for WHT, VAT, Stamp Duty and PAYE shall be remitted to the Federal Inland Revenue at the same time the payee who is the subject of the deduction is paid."

Audit observed that:

i. Four (4) contractors were paid the sum of ₦1,234,637.00 (One million, two hundred and thirty four thousand, six hundred and thirty seven thousand naira) for various contracts, and
ii. The Value Added Tax (VAT) element of the contracts amounting to ₦789,402.00 (Seven hundred and eighty nine thousand, four hundred and two naira) and the Withholding Tax (WHT) elements amounting to ₦445,235.00 (Four hundred and forty five thousand, two hundred and thirty five naira), totaling ₦1,234,637.00 (One million, two hundred and thirty four thousand, six hundred and thirty seven naira), were not deducted from the payments made to the contractors and as a result the taxes were not remitted to the appropriate tax authority.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Medical Centre, Azare.

Risks

i. Loss of funds to the government.
ii. Difficulty in funding budget.

Management's Response

It was admitted the auditors didn't sight the evidence of deduction. Now we have implemented the Audit observation

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦1,234,637.00 (One million, two hundred and thirty four thousand, six hundred and thirty seven naira), being non-deduction of statutory taxes.
ii. Recover and remit to the appropriate tax authority, the sum of ₦1,234,637.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to failure to collect government revenue prescribed in paragraph 3112 of the Financial Regulations (2009) should apply.

FEDERAL MEDICAL CENTRE, ABEOKUTA, OGUN STATE

At the Federal Medical Centre, Abeokuta, for the period 1st January to 31st December, 2022, the following observations were made:

ISSUE 1: NON-REMITTANCE OF EMPLOYEES' CONTRIBUTIONS TO APPROPRIATE PENSION FUND ADMINISTRATORS (=₦5,496,793.20)

Description of Findings

Section 11(3) of the Pension Reform Act (PRA) (2014) states, "The Employer shall (a) Deduct at source the monthly contribution of the employee; and (b) Not later than 7 working days from the day the employee is paid his salary, remit an amount comprising the employee's contribution under paragraph (a) of this subsection and the employer's contribution to the Pension Fund Custodian specified by the Pension Fund Administrator of the employee."

Audit observed that:

i. The sum of ₦5,496,793.20 (Five million, four hundred and ninety six thousand, seven hundred and ninety three naira, twenty kobo), being retirement savings (Contributory Pension) was purportedly transferred to IPPIS transaction account with Sub-Treasury Account number and/ or Remita Sub Account Code 3000002002.
ii. The transaction described as "Unspecified PFA" was recorded in the above account monthly, from January to December 2022, instead of being remitted to the designated Pension Fund Administrators (PFA) accounts, and
iii. Relevant documents including the reconciliation statement were not made available to the team.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Medical Centre, Abeokuta.

Risks

i. Diversion of public funds.
ii. Loss of public funds.

Management's Response

The duty for the payment of salaries and deductions is the exclusive role of the office of the Accountant General of the Federation (AGF). Kindly recall that since the enrolment of staff by the Federal government into Integrated Payroll and Personnel Information System (IPPIS), payment of salaries and deductions have been taken over by the office of AGF. However, management has written to the office of the AGF to lodge the observation and requested to generate the names of staff who were tagged with ''Unspecified PFA" so as to provide necessary information that will enable the office of AGF to remit their pension deduction to their various PFA's. Attached herewith is a copy of the letter in Appendix 2.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦5,496,793.20 (Five million, four hundred and ninety six thousand, seven hundred and ninety three naira, twenty kobo), being employees contribution of pension not remitted to the Pension Fund Administrators (PFA) designated accounts.
ii. Remit to the designated Pension Fund Administrators (PFA) accounts, the sum of ₦5,496,793.20.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to gross misconduct, specified in paragraph 3129 of the Financial Regulations (FR) (2009) should apply.

ISSUE 2: PAYMENTS WITHOUT RELEVANT SUPPORTING DOCUMENTS (=₦2,400,000.00)

Description of Findings

Paragraph 708 of the Financial Regulations (FR) (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied." Furthermore, paragraph 603 (i) of the FR (2009) states, "All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets. etc." In addition, paragraph 415 of the FR (2009) states, "The federal government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted."

Audit observed that:

i. The Centre made payments amounting to ₦2,400,000.00 (Two million, four hundred thousand naira) through Paid Voucher Nos FMCA/TSA/050/2022 and

FMCA/RFA/228/2021 without evidence of supporting documents to authenticate the transactions, and

ii. Relevant documents such as the contract award or service engagement letter, company profile, details of cost per participants, number of participants, training duration and attendance sheet or details of participants were not made available for scrutiny to ascertain that the training took place.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Medical Centre, Abeokuta.

Risks

i. Waste of government funds.
ii. Diversion of public funds.

Management's Response

The payment of ₦2,400,000.00 was made to Damijor Nigeria Limited for the driving and moving of patients in the Hospital. Attached herewith in Appendix 3 are contract award letter, details of participants and proof of attendance.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦2,400,000.00 (Two million, four hundred thousand naira), being payment without relevant supporting documents.
ii. Recover and remit to the Treasury, the sum of ₦2,400,000.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments and failure to account for public funds specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

FEDERAL MEDICAL CENTRE, ABEOKUTA, OGUN STATE

At the Federal Medical Centre, Abeokuta, for the period 1st January to 31st December, 2023, the following observation was made:

ISSUE 1: UNJUSTIFIED PAYMENTS FOR FEEDING OF OFFICERS ON CALL DUTY (= ₦15,484,530.00)

Description of Findings

Paragraph 3106 of the Financial Regulations (FR) (2009) states, "A public officer who makes an irregular payment from public funds, shall be given 21 days' notice to offer an explanation. Where no satisfactory explanation is given, the amount involved shall be

recovered from the officer and such officer shall be removed from the schedule." Furthermore, paragraph 415 of the FR (2009) requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted.

Audit observed that:

i. The Centre paid the sum of ₦15,484,530.00 (Fifteen million, four hundred and eighty four thousand, five hundred and thirty naira) to some staff of the Centre from the Internally Generated Revenue (IGR) account for the purchase of food items for officers on call duty.
ii. The call duty feeding is a feeding programme meant for officers on call duty while carrying out their legitimate duties at the Centre during the office hours. However, the feeding programme has been consolidated into the Salary Structure of the Centre by the Federal Government of Nigeria as call duty allowance and is paid monthly, and
iii. The above expenditure incurred on feeding of officers on call duty could not be justified.

The above anomalies could be attributed to weaknesses in the internal control system at Federal Medical Centre, Abeokuta.

Risks

i. Payments without due economy.
ii. Mismanagement of government funds.

Management's Response

The observation is noted. The payment for the call duty feeding programme was necessitated by the need to address the immediate welfare of officers on call duty. These officers, who work extended hours under challenging conditions, required feeding support to maintain productivity and ensure the continuity of critical healthcare services. While we acknowledge that call duty allowance has been consolidated into the salary structure by the Federal Government, the feeding programme was introduced as a supplementary measure to meet practical on-site needs, not as a reintroduction of the allowance. All expenditures related to this programme were properly documented with approvals obtained to ensure transparency and accountability.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦15,484,530.00 (Fifteen million, four hundred and eighty four thousand, five hundred and thirty naira), being feeding of Officers on call duty.
ii. Recover the sum of ₦15,484,530.00 from the staff concerned and remit same to the Treasury.

iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments and gross misconduct specified in paragraphs 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

FEDERAL MEDICAL CENTRE, UMUAHIA

At the Federal Medical Centre, Umuahia, for the period 1st January to 31st December, 2023, the following observation was made:

ISSUE 1: DOUBTFUL PAYMENT TO A CONTRACTOR (=₦8,000,000.00)

Description of Findings

Paragraph 608 of the Financial Regulations (FR) (2009) states, "Duplicate and triplicate copies shall be clearly marked. "Duplicate", "Triplicate" and copies shall not be accepted as payment vouchers." Furthermore, paragraph 609(i) of the FR (2009) states, "All payment vouchers shall be passed to checking section for checking to ensure that all the requirements of a valid voucher are on the payment voucher." In addition, paragraph 601 of the FR (2009) states, "All payment entries in the cash book/accounts shall be vouched for on one of the prescribed treasury forms. Vouchers shall be made out in favour of the person or persons to whom the money is actually due. Under no circumstances shall a cheque be raised or cash paid for services for which a voucher has not been raised." Similarly, paragraph 234 (i) of the FR (2009) states, "It is mandatory for Accounting Officers to ensure full compliance with the dual roles of making provision for the Value Added Tax (VAT) and Withholding Tax (WHT) due on supply and services contract and actual remittance of same."

Audit observed that:

i. The sum of ₦8,000,000.00 (Eight million naira) was paid to a company for the furnishing of newly constructed Invitro-Fertilization Complex without raising paid voucher and attaching relevant supporting documents to validate the payments.
ii. At the point of payment, relevant taxes were not deducted and remitted to the appropriate tax authority, and
iii. The amount was only written on photocopied payment voucher which was not valid for the disbursement of public funds.

The above anomalies could be attributed to weaknesses in the internal control systems at the Federal Medical Centre (FMC) Umuahia.

Risks

i. Diversion of public funds.
ii. Loss of Government revenue.

Management's Response

There was no doubtful Expenditure made to D-D Streams Multi Concept Ltd. The company was given award for the furnishing of the newly Constructed Invitro-fertilization Complex. Cash Plan was made and the company executed the contract based on the

government policy of release of money based on performance. Eventually, the government failed to release the money in full. The contractor is threatening to take us to court for breach of Contact. We have no option but to pay the contractor what we can out of his net pay. The company is still being owed ₦11,613,209.31. Copy of the voucher out of which the payment was made is attached. Appendix 4.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦8,000,000.00 (Eight million naira), being doubtful Payment.
ii. Recover and remit to the Treasury, the sum of ₦8,000,000.00
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments, specified in paragraph 3106 of the Financial Regulations (2009) should apply.

FEDERAL MEDICAL CENTRE, BIDA

At the Federal Medical Centre, Bida, for the period 1st January to 31st December, 2022, the following observations were made:

ISSUE 1: PAYMENTS FOR CONTRACT NOT EXECUTED (=₦53,000,000.00)

Description of Findings

Paragraph 708 of the Financial Regulations (FR) (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied." Furthermore, paragraph 603(i) of the FR (2009) states, "All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets, e.t.c." In addition, paragraph 415 of the FR (2009) states, "The federal government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted."

Audit observed that:

i. The sum of ₦97,000,000.00 (Ninety seven million naira) was paid in two (2) installments to a company via GIFMIS payment referenced 1001074068-1 dated 23rd June, 2023 and 1001052957-2 dated 8th April, 2023, for the Supply of Radiology Equipment (Mammography Machine & Mobile C-Arm Machine) vide award letter Ref. No. MD/FMCB/2022/CAP/VOL.1/103 dated 24th February, 2023 and a signed contractual agreement dated 22nd March, 2023.

ii. Upon physical verification, the Mammography Machine was not seen in the Centre's Radiology Department or anywhere else within the Centre, or in any of the hospital's outpost.
iii. Audit enquiries and a petition written to EFCC (Economic and Financial Crimes Commission) confirmed that the Mammography machine was not supplied.
iv. The component of the Mammography Machine which could not be accounted for is ₦53,000,000.00 (Fifty three million naira), and
v. A Store Receipt Voucher (SRV) was raised contrary to extant regulations for the item not supplied in order to process and disburse the second and final tranche of payment on 23rd June, 2023.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Medical Centre, Bida.

Risks
i. Diversion of public funds.
ii. Payments for job not executed.

Management's Response
The 2022 appropriation made provision for the supply of specialised Medical equipment and advertisement was placed on two national dailies and Tender's Journal as required by Public Procurement Act, 2007. The Advance care Medical Solution Ltd was awarded the supply of Radiology equipment (Mammography and C-Arm) at the cost of ₦97,000,000.00 (ninety-seven million naira only) after completion of the necessary due process. However, the issue of not supplying the item does not arise, the items were supplied and also acknowledged in your submission Para.3 of issue 11. Moreso, it worthy to mention that the Mammography that was supplied had issue at the point of installation and was rejected for a replacement. The contractor's delay in the replacement necessitated the Management to officially notify the office of Economic and Financial Crime Commission (EFCC), Abuja for intervention in recovery of either the Machine of Government fund. The EFCC had commenced the recovery of the fund and attached herewith are the relevant documents as related to this supply as Appendix I.

Auditor's Evaluation
The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations
The Medical Director should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦53,000,000.00 (Fifty three million naira), being payment for contract not executed.
ii. Recover and remit to the Treasury, the sum of ₦53,000,000.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to payments for jobs not executed and irregular payments specified in paragraphs 3104 (iii) and 3106 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2: IRREGULAR AWARD OF CONTRACTS (=₦79,450,000.00)

Description of Findings

Paragraph 2909 of the Financial Regulations (FR) (2009) states, "All bidders in a contract for public procurement must show proof of eligibility for the award of the contract. They must prove the following amongst others, viz: (a) they possess the necessary technical qualification; (b) they possess the machinery, equipment and manpower for the job; (c) they have the legal capacity to enter into the contract, i.e. they are not under a receivership nor are they insolvent; (d) they are not tax evaders; and (e) none of their directors has been convicted in respect of any offense or crime involving fraud, financial misappropriation or falsification of records."

Audit Observed that:

i. The Centre awarded a contract to a company for the construction of the Trauma Centre at the main Hospital on 3rd August, 2022 vide Ref. No. MD/FMCB/2022/CAP/VOL.I/056.
ii. The sum of ₦79,450,000.00 (Seventy nine million, four hundred and fifty thousand naira) was paid to the company via GIFMIS payment reference Nos. 1000971520-2 dated 17th August, 2022; 1001023443-2 dated 29th December, 2023 and 1000994609-2 dated 10th October, 2022 from the 2022 Capital Development Fund.
iii. Paragraph 8, (page 5) of a letter from the Bureau of Public Procurement (BPP) dated 4th July, 2022 vide Ref. No. BPP/S.1/CID/22/Vol. IV/592 listed three (3) firms that were qualified for the contract. However, the contractor who eventually won the contract was not among the shortlisted firms, and
iv. Paragraph 9 (d) of the above quoted BPP letter, further emphasised that as part of the conditions for granting the Due Process "No Objection" the FMC Bida should conduct Due Diligence in line with sections 16(7),23(10) and 32(3)(i) of PPA, 2007 which should include but not limited to: (a) Professionals and technical qualifications of personnel to carry out the procurement (b) Evidence of Financial capability (c) Similar projects both completed and on-going with photographs; amongst others. However, the Centre failed to comply with this directive.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Medical Centre, Bida.

Risks

i. Lack of transparency and accountability.
ii. Award of contract to a related party.
iii. Poor quality job may be delivered.

Management's Response

The contract for the construction of Trauma Centre in the main hospital was awarded to Lexington Global Investment Ltd which is one of the three (3) companies listed by the Bureau of Public Procurement. However, the payment for the said contract was made to Lexington Technologies Ltd, a subsidiary of Lexington Technologies Ltd upon Presentation of Power of Attorney. Attached herewith are copies of letter of contract award and power of attorney for your perusal as Appendix I.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦79,450,000.00 (Seventy nine million, four hundred and fifty thousand naira) paid for award of contract without due process.
ii. Recover and remit to the Treasury, the sum of ₦79,450,000.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and failure to spend public funds effectively, prescribed in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 3: SPLITTING OF CONTRACTS TO CIRCUMVENT APPROVAL THRESHOLD AND TENDERS PROCEDURES (=₦266,599,590.00)

Description of Findings

Section 20(2) of the Public Procurement Act (PPA) (2007) states, "The accounting officer of every procuring entity shall have overall responsibility for the planning of, organization of tenders, evaluation of tenders and execution of all procurements and in particular shall be responsible for…(e) ensuring that no reduction of values or splitting of procurements is carried out such as to evade the use of the appropriate procurement method…" Also, paragraph 1 of the Establishment Circular Ref. No. PROC/OSGF/BPP/709/85 of 19th January, 2022 states, "…the Federal Government has approved the revision of subsisting Prior Review and Monetary Thresholds for Service Wide Application for procurement of Goods, Works and Services as follows:

Table 1.0: Approved Prior Review Thresholds for Service Wide Application

Approving Authority/ "No Objection" to award	Goods	Works	Non-Consultant/Services
BPP Certificate of "No Objection" to Contract award/FEC approved	₦300 million and above	₦1.5 billion and above	₦300 million and above
Ministerial Tenders Board	₦20 million and above but less than ₦300 million	₦30 million and above but less than ₦1.5 billion	₦20 million and above but less than ₦300 million
Parastatal Tenders Board	₦10 million and above but less than ₦100 million	₦20 million and above but less than ₦500 million	₦10 million and above but less than ₦100 million
Accounting Officer: Permanent Secretary	Less than ₦20 million	Less than ₦30 million	Less than ₦20 million
Accounting Officer: Director General/CEO	Less than ₦10 million	Less than ₦20 million	Less than ₦10 million

Table 2.0: Approved Prior Review Thresholds for Service Wide Application

Procurement/Selection Method and Prequalification	Goods (₦)	Works (₦)	Non-Consultant/Services (₦)	Consultant Services (₦)
International/ National Competitive Bidding	₦300 million and above	₦1.5 billion and above	₦300 million and above	Not Applicable
National Competitive Bidding	₦20 million and above but less than ₦300 million	₦30 million and above but less than ₦1.5 billion	₦20 million and above but less than ₦300 million	Not Applicable
Request for Quotation	Less than ₦20 million	Less than ₦30 million	Less than ₦20 million	Not Applicable
Shopping (Market Survey)	Less than ₦5 million	Less than ₦5 million	Less than ₦5 million	Not Applicable
Single Source/ Direct Contracting	Less than ₦1 million	Less than ₦1 million	Less than ₦1 million	Less than ₦1 million
*Prequalification	*₦100 million and above	*₦300 million and above	*₦100 million and above	Not Applicable
Quality and Cost Based	Not Applicable	Not Applicable	Not Applicable	Less than ₦50 million
Consultant Qualifications	Not Applicable	Not Applicable	Not Applicable	Less than ₦50 million
Least Cost	Not Applicable	Not Applicable	Not Applicable	Less than ₦50 million

Audit observed that:

i. The Centre awarded contracts for the procurement of CT Scan and other specialized medical equipment to four (4) different Contractors.
ii. The appropriated sum for this expenditure in the 2022 Appropriation under the expenditure code ERGP25114363 was ₦269,745,346.00 (Two hundred and sixty nine million, seven hundred and forty five thousand, three hundred and forty six naira) which falls above the Parastatal Tenders Board approval threshold.
iii. To evade the set monetary threshold, the Centre engaged in contract splitting, thereby circumventing the tenders' procedures, and
iv. The contract in the sum of ₦266,599,590.00 (Two hundred and sixty six million, five hundred and ninety nine thousand, five hundred and ninety naira) was split and awarded to four (4) contractors in varying sums.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Medical Centre, Bida.

Risks

i. Misappropriation and uneconomical spending of public funds.
ii. Duplication of contracts.

Management's Response

The 2022 Capital appropriation has a budget line for the supply of CT scan and other specialised equipment amounting to ₦249,745,346. The equipment procured under this budget lines had specialised peculiarity and thus were grouped according to departmental needs. However, the Centre is aware of the implication of contract splitting

and the need to always have value for money for every procurement as stressed in the PPA, 2007.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦266,599,590.00 (Two hundred and sixty six million, five hundred and ninety nine thousand, five hundred and ninety naira), being the sum paid for split contracts.
ii. Recover and remit to the Treasury, the sum of ₦266,599,590.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to split of contracts and irregular or wrong payment in paragraphs 3116 and 3106 of the Financial Regulations (2009) respectively, should apply.

ISSUE 4: UNJUSTIFIED WAREHOUSING OF PUBLIC MONEY IN PRIVATE ACCOUNT OF STAFF (= ₦37,889,705.86)

Description of Findings

Paragraph 713 of the Financial Regulations (FR) (2009) states, "Personal money shall in no circumstances be paid into a government bank account, nor shall any public money be paid into a private bank account. An officer who pays public money into a private account is deemed to have done so with fraudulent intention."

Audit observed that:

i. The sum of ₦37,889,705.86 (Thirty seven million, eight hundred and eighty nine thousand, seven hundred and five naira, eighty six kobo) was paid to a staff account to carry out various purchases for the centre and to refund money paid for outsourced services under the guise of Special Programmes
ii. The amounts in (i) above were paid into a staff personal account between the period of January to December 2022, in violation of e-payment and TSA guidelines, and
iii. No sufficient supporting documents were attached to the payment vouchers, nor were the relevant documents made available to the audit team for examination.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Medical Centre, Bida.

Risks

i. Diversion of public funds
ii. Mismanagement and underutilization of public funds

Management's Response

The Centre has a standing logistics Committee that oversees day to day running of the clinical activities of the hospital. The Centre's cash Officer (Abubakar Fatima Mahmoud) is the Accountant of the Standing Committee and the funds released in her favour were used to urgent hospital consumable to mitigate effect of out-of-stock before completing procurement circle thereby controlling service failure or on the other hand, lead to effective service delivery. The funds had all being retired and the evidence of retirements are hereby attached as Appendix III.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦37,889,705.86 (Thirty seven million, eight hundred and eighty nine thousand, seven hundred and five naira, eighty six kobo), being public money warehoused in private accounts of staff of the Centre.
ii. Recover and remit to the Treasury, the sum of ₦37,889,705.86.
iii. Forward evidence of the remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments, specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 5: UNDER-REMITTANCE OF INTERNALLY GENERATED REVENUE TO THE CONSOLIDATED REVENUE FUND (=₦15,993,238.06)

Description of Findings

Paragraph 3(b) of the Treasury Circular Ref. No. TRY/A10&B10/2016 OAGF/CAD/026/V.111/101 of 22nd November, 2016, states, "all partially-funded Federal Government Agencies/Parastatals should limit their annual budgetary expenditure to no more than 75 percent (75%) of their gross revenue, and remit the 25 percent (25%) to the CRF or pay 80 percent (80%) of their Operating Surplus computed according to the approved template to the CRF, whichever is higher;"

Audit observed that:

i. The Centre's Internally Generated Revenue (IGR) reported for the year 2022 does not wholly reflect the elements of 25% IGR meant to be remitted into the Consolidated Revenue Fund for the year under review.
ii. The revenue generated for the year 2022 amounted to ₦76,402,465.00 (Seventy six million, four hundred and two thousand, four hundred and sixty five naira).
iii. The 25% of the IGR for the year 2022 was ₦19,100,616.25 (Nineteen million, one hundred thousand, six hundred and sixteen naira, twenty five kobo) and the Centre generated an independent revenue of ₦4,986,804.31 (Four million, nine hundred and eighty six thousand, eight hundred and four naira, thirty one kobo) both

totalling ₦24,087,420.56 (Twenty four million, eighty seven thousand, four hundred and twenty naira, fifty six kobo), and

iv. The Centre remitted the sum of ₦8,094,182.50 (Eight million, ninety four thousand, one hundred and eighty two naira, fifty kobo) leaving an unremitted sum of ₦15,993,238.06 (Fifteen million, nine hundred and ninety three thousand, two hundred and thirty eight naira, six kobo) as outstanding Revenue yet to be remitted into the Consolidated Revenue Fund Account as shown in the Table below:

S/N	NON-REVOLVING	AMOUNT (₦)
1	ACCOMMODATION FEE	19,176,990.00
2	CONSULTATION FEE	17,092,630.00
3	AMBULANCE	1,048,785.00
4	UTILITY CHARGES	13,867,150.00
5	PRIVATE ACCOMMODATION	4,536,500.00
6	DEATH CERTIFICATE	363,595.00
7	BIRTH CERTIFICATE	369,995.00
8	MEDICAL CERTIFICATE	2,355,005.00
9	BID	107,055.00
10	MEDICAL RECORDS (CARDS, FOLDERS, ANTENATAL)	14,816,760.00
11	REGISTRATION	2,668,000.00
	SUB TOTAL	**76,402,465.00**
	25% CHARGEBALE (A)	**19,100,616.25**
	ADD:	
12	LOAN INTEREST	82,126.81
13	TENDER FEE	1,377,677.50
14	PROCEED FROM SALES OF GOVERNMENT ASSETS	1,386,000.00
15	RENT	2,141,000.00
	SUB TOTAL (B)	**4,986,804.31**
	TOTAL EXPECTED 25% TO CRF (A+B)	**24,087,420.56**
	25% REMITTED TO CRF	**8,094,182.50**
	OUTSTANDING 25% YET TO BE REMITTED	**15,993,238.06**

SOURCE: Summary of Revenue Generation for year 2022 supplied by Revenue Unit and daily collection data from the Server

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Medical Centre, Bida.

Risks

i. Loss of government revenue.
ii. Difficulty in funding budget.

Management's Response

Please find attached evidence of remittance to the Consolidated Revenue Fund labelled as Appendix VII.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦15,993,238.06 (Fifteen million, nine hundred and ninety three thousand, two hundred and thirty eight naira, six kobo), being the outstanding amount of 25% IGR yet to be remitted.
ii. Recover and remit the sum of ₦15,993,238.06 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to failure to collect and account for Government Revenue, specified in paragraph 3112 (ii) of the Financial Regulations (2009) should apply.

ISSUE 6: NON-SUBMISSION OF AUDITED FINANCIAL STATEMENTS

Description of Findings

Paragraph 3210(v) of the Financial Regulations (FR) (2009) states, "The Chief Executive Officer shall submit both the Audited Accounts and Management Report to the Auditor-General not later than 31st May of the following year of the Account."

Audit observed that:

i. The Centre failed to submit its Audited Financial Statements for the year 2022 to the Office of the Auditor-General for the Federation, and
ii. No reason was provided for the non-submission of the 2022 Audited Financial Statements as at the time of audit in October, 2023 and this practice contravenes extant regulations.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Medical Centre, Bida.

Risks

i. Impediment to Public Accounts Committees' oversights.
ii. Sub-optimal decisions by those charged with governance.

Management's Response

Please find attached the evidence of rendition for your perusal.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Medical Director should be requested to:

i. Account to the Public Accounts committees of the National Assembly, the non-submission of the 2022 Audited Financial Statements.
ii. Forward copies of the outstanding Audited Financial Statements to the Public Accounts Committees of the National Assembly, and

iii. Otherwise, sanctions relating to gross misconduct in paragraph 3129 of the Financial Regulations (2009) should apply.

ISSUE 7: DIFFERENCE BETWEEN ADVERTISED TENDER AND LETTERS OF AWARD ON SPECIFICATIONS OF EQUIPMENT (=₦97,000,000.00)

Description of Findings

Paragraph 2 of the Establishment Circular with Ref. No. SGF/OP/I/S.3/VIII/124 dated 25th August, 2009, states, "…all contracts which require variations are to be submitted to the Bureau of Public Procurement for review and issuance of necessary Due Process Certificate of "No Objection" to facilitate their approvals by the appropriate Tenders Board depending on their Revised Estimated Costs." Furthermore, paragraph 3 of the Establishment Circular with Reference No: SGF/OP/I/S.3/X/372 dated 25th July, 2013, states, "…Mr. President's approval must be formally sought and obtained for RETO/Variations above 15% of the initial Contract Award sum and/or above ₦1 billion, before forwarding same to the Bureau of Public Procurement for certification." Also, paragraph 415 of the Financial Regulations (FR) (2009) states, "The federal government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted."

Audit observed that:

i. The Centre awarded a contract on the 24th February, 2022, vide award letter with Ref. No. MD/FMCB/2022/CAP/VOL.I/103 for the supply of Radiology Equipment for ₦97,000,000.00 (Ninety seven million naira).
ii. The equipment listed on the contract award letter, invoice and store receipt voucher were different from the equipment listed in the advertised tender which was subsequently bided for in the financial bids.
iii. The equipment listed on the advertised Tender and bided for was Digital X-ray Machines Fluoroscopy whereas the equipment supplied, based on the SRV, were Mammography and C-Arm Machine, and
iv. There was no authorisation or approval to support the change and review of the Tenders Board Minute did not show any information or approval regarding the need for the change in equipment on the contract award.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Medical Centre, Bida.

Risks

i. Violation of the Public Procurement Act, 2007
ii. Procurement fraud or manipulation

Management's Response

The inflationary trend necessitated the Parastatals Tender's Board to reduce the scope of the equipment to be procured to accommodate the budgetary provision.

Auditor's Evaluation
The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations
The Medical Director should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦97,000,000.00 (Ninety seven million naira), being procurement of unapproved medical equipment.
ii. Recover and remit to the Treasury, the sum of ₦97,000,000.00.
iii. Forward evidence of the remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to inflation of contract and unauthorized variation of contract prescribed in paragraphs 3115 and 3117 of the Financial Regulations (2009) respectively, should apply.

ISSUE 8: IRREGULARITIES IN THE RECEIPT AND USAGE OF DIESEL (=₦7,970,716.00)

Description of Findings
Paragraph 2106 of the Financial Regulations (FR) (2009) states, "Every officer charged with responsibility as defined in F.R. 2402 and 2403 will ensure that proper stores ledgers are maintained to record all receipts and issues from stores." Furthermore, paragraph 2402(i) of the FR (2009) states, "On all payment vouchers for the purchase of stores, except as provided in sub-section (ii) of this Regulation, the Storekeeper must certify that the stores have been received and taken on charge in the stores ledger quoting the stores receipt voucher number and attaching the original copy of the store receipt voucher to the original L.P.O. (see F.R. 2415)."

Audit observed that:
i. The Centre procured and received one hundred and fourteen thousand, two hundred and sixty eight (114,268) litres of diesel and the register showed that one hundred thousand, eight hundred and eighty (100,880) litres was consumed during the year.
ii. Four thousand, six hundred (4,600) litres was still available as un-used balance as at 31st December, 2022, instead of thirteen thousand, three hundred and eighty eight (13,388) litres, resulting to a shortfall of eight thousand, seven hundred and eighty eight (8,788) litres of diesel which was not accounted for.
iii. The monetary value of eight thousand, seven hundred and eighty eight (8,788) litres of diesel not accounted for (at ₦907 per litre), amounting to ₦7,970,716.00 (Seven million, nine hundred and seventy thousand, seven hundred and sixteen naira).
iv. There was no surveillance or monitoring mechanism at the point of diesel usage, and
v. Diesel consumption was not metered, and no fuel management system was in place.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Medical Centre, Bida.

Risks

i. Loss of government funds.
ii. Payment for goods not supplied.

Management's Response

The Store Receipt Voucher and Store Issue Register for the supply of AGO for period under review is hereby attached for further verification. Appendix II

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦7,970,716.00 (Seven million, nine hundred and seventy thousand, seven hundred and sixteen naira), being the value of 8,788 litres of diesel not accounted for.
ii. Recover and remit to the Treasury, the sum of ₦7,970,716.00.
iii. Forward evidence of the remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments and gross misconduct, prescribed in paragraph 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

FEDERAL MEDICAL CENTRE, BIDA

At the Federal Medical Centre, Bida, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: UNJUSTIED WAREHOUSING OF PUBLIC MONEY IN PRIVATE ACCOUNT OF STAFF (=₦32,381,855.00)

Description of Findings

Paragraph 713 of the Financial Regulations (FR) (2009) states, "Personal money shall in no circumstances be paid into a government bank account, nor shall any public money be paid into a private bank account. An officer who pays public money into a private account is deemed to have done so with fraudulent intention."

Audit observed that:

i. The sum of ₦8,518,650.00 (Eight million, five hundred and eighteen thousand, six hundred and fifty naira) was transferred from overhead account to a personal bank account of a staff of the Centre for the procurement of goods and services during the year 2023.

ii. The sum of ₦23,863,205.00 (Twenty three million, eight hundred and sixty three thousand, two hundred and five naira) was further transferred to the personal bank account of the same staff from the Internally Generated Revenue account (IGR) for various services and other expenses at the Centre, and
iii. The total of the transfers in (i) and (ii) amounting to ₦32,381,855.00 (Thirty two million, three hundred and eighty one thousand, eight hundred and fifty five naira) was paid to the staff account under the guise of Special Programmes.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Medical Centre, Bida.

Risks
i. Diversion of public funds.
ii. Mismanagement and underutilization of public funds.

Management's Response
The Centre has a Standing logistics Committee that oversees day to day running of the clinical activities of the hospital. The Centre's Cash Officer (Abubakar Fatima Mahmoud) is the Accountant of the Standing Committee and the funds released in her favour were used to purchase urgent hospital consumable to mitigate effect of out-of-stock before completing the procurement circle thereby controlling service failure or on the other hand, lead to effective service delivery. The funds had all being retired and the evidence of retirements are hereby attached as Response to Issue 2.

Auditor's Evaluation
The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations
The Medical Director should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦32,381,855.00 (Thirty two million, three hundred and eighty one thousand, eight hundred and fifty five naira), being amount warehoused in personal bank account of a staff.
ii. Recover and remit to the Treasury, the sum of ₦32,381,855.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and gross misconduct specified in paragraphs 3106 and 3128 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2: DIVERSION OF PUBLIC FUNDS INTO THE PERSONAL BANK ACCOUNT OF AN EMPLOYEE (=₦9,237,600.00)

Description of Findings
Paragraph 415 of the Financial Regulations (FR) (2009) states, "The federal government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted." Furthermore, paragraph 2133 of the

FR (2009) states, “Stores officers and/or stock verifiers shall not participate in the procurement of stores. They are-also not to participate in the selection of a contractor or sit on the Tenders Board. Their duties are mainly to ensure that the goods ordered are received according to specifications and recorded in the stores ledgers as appropriate.”

Audit observed that:

i. The sum of ₦9,237,600.00 (Nine million, two hundred and thirty seven thousand, six hundred naira) was for the supply of food items to the hospital canteen without any procurement process in accordance with extant regulations for such jobs.
ii. The funds were disbursed to the staff with the following account details, Zenith bank Number 2002728175 from IGR account during the year under review.
iii. Audit identified the said officer as a major supplier of food items at the Centre, all the payments were made without any deduction and remittance of taxes to relevant authorities, and
iv. In conclusion, payment amounting to ₦9,237,600.00 from (i) and (ii) above, for the supply of food items were done in disobedience of extant regulations on the above subject for the procurements of goods and services.

The above anomalies could be attributed to weaknesses in the internal control system at Federal Medical Centre Bida.

Risks

i. Diversion of Government fund.
ii. Loss of Tax Revenue.

Management’s Response

The Management of FMC, Bida had never awarded a Contract to any of her Staff because such action contradict the Public Procurement Act, 2007. However, the 5th Board of Management (BOM) mandated the Centre to reinstate the provision of call duty meal to Clinical staff on call for effective service delivery.

The management thereafter construct a Staff Canteen and then constituted a committee to oversee the affairs of the canteen. The above-mentioned amount in favour of Mr Moses Gana; the Committee’s Accountant was the cumulative value for the purchase of raw food items and perishables. The funds had all being retired and the evidence of retirements are hereby attached as Response to Issue 3.

Auditor’s Evaluation

The Management’s response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Medical Director should be requested to;

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦9,237,600.00 (Nine million, two hundred and thirty seven thousand, six hundred naira), paid for the supply of food items to the hospital canteen without any procurement process.
ii. Recover and remit to the Treasury, the sum of ₦9,237,600.00.

iii. Forward evidence of recovery and remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and gross misconduct specified in paragraphs 3106 and 3128 of the Financial Regulations (2009) respectively, should apply.

ISSUE 3: PAYMENT FOR CONTINGENCIES AND OTHER PROVISIONS WITHOUT SUPPORTING DOCUMENTS (=₦16,063,534.00)

Description of finding

Paragraph 603(i) of the Financial Regulations (FR) (2009) states, "All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets. etc." Furthermore, paragraph 708 of the FR (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied."

Audit observed that:

i. The sum of ₦2,500,000.00 (Two million, five hundred thousand) was provided as contingency in a Bill of Quantity (BOQ) in respect of a contract for the construction of Administrative Block at the Federal Medical Centre, Bida.
ii. Another Bill of Quantities (BOQ) for the construction of the Trauma Centre included a contingency provision of ₦13,563,534.00 (Thirteen million, five hundred and sixty three thousand, five hundred and thirty four naira), and
iii. The provisions in (i) and (ii) above totaling ₦16,063,534.00 (Sixteen million, sixty three thousand, five hundred and thirty four naira) was paid to contractors, but documents showing the details of how the amounts were expended were neither attached to the paid voucher nor presented for audit examination.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Medical Centre, Bida.

Risks

i. Loss of government funds.
ii. Diversion of funds.

Management's Response

The Contractor communicated the Management on the need to expend the contingencies of the above-mentioned constructions. Please find attached the breakdown of the contingencies as attached as Response to Issue 4.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦16,063,534.00 (Sixteen million, sixty three thousand, five hundred and thirty four naira), being payment of contingency not accounted for.
ii. Recover and remit to the Treasury, the sum of ₦16,063,534.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments and failure to account for public funds specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 4: DOUBTFUL EXPENDITURE ON CLEANING SERVICES (=₦2,244,473.60)

Description of Finding

Paragraph 603 (i) of the Financial Regulations (FR) (2009) states, "All vouchers shall contain full particulars of each service such as dates, numbers, quantities, distances and rates so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets etc." Furthermore, paragraph 601 of the FR (2009) states, "All payment entries in cash books /accounts shall be vouched for on one of the prescribed treasury forms. Vouchers shall be made out in favour of the person or persons to whom the money is, due. Under no circumstance shall a cheque be raised, or cash paid for service which a voucher has not been raised."

Audit observed that:

i. The Centre engaged a consultant to provide consultancy service for the cleaning and sanitation of the hospital premises.
ii. The sum of ₦2,244,473.60 (Two million, two hundred and forty four thousand, four hundred and seventy three naira, sixty kobo) due to the consultant for the services rendered was paid to a staff from the IGR account on 10th March, 2023 instead of the company, and
iii. The payment was made to the staff without any authority thereby making the expenditure doubtful.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Medical Centre, Bida.

Risks

i. Loss of Government funds.
ii. Diversion of funds.

Management's Response

The above raised observation was discussed at the exit meeting where the Management contacted the real beneficiary (Jibodo Nig. Ltd) of the said amount and the payment was acknowledged. Also, the mobile banking application was used to verify the real owner of the account which showed that Jibodo Nig. Ltd.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦2,244,473.60 (Two million, two hundred and forty four thousand, four hundred and seventy three naira, sixty kobo), being doubtful expenditure.
ii. Recover and remit to the Treasury, the sum of ₦2,244,473.60.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating gross misconduct in paragraph 3129 of the Financial Regulations (2009) should apply.

ISSUE 5: EXTRA BUDGETARY EXPENDITURE IN THE PROVISION OF 11KVA FEEDER LINE (=₦20,451,175.00)

Description of Findings

Paragraph 412 of the Financial Regulations (FR) (2009) states, "Where a contract involves supplies of goods or work done, there will be attached to the voucher a certificate that the payments are in accordance with terms of the contract agreement, that as regards supplies, the articles have been received and, in the case of work, that it has been properly done. In the case of payment on account, no money will be claimed other than the cost of the work certified to have been performed. If a deduction is made from the amount payable on a contract in respect of a penalty or fine, the net sum only will be paid, while the deduction shall be credited to the appropriate revenue head." Furthermore, Paragraph 301 of the FR (2009) states, "The Annual Estimates and Appropriation Act are instruments used to limit and arrange the disbursement of the funds of the Federal Government. No expenditure may be incurred except on the authority of a warrant d by the Minister of Finance. No expenditure may be incurred by any officer on any service, whether or not included in the Estimates, until he has received an authority to do so in accordance with one of the following provisions in these rules and regulations. Any officer controls a vote, or part thereof, who incurs expenditure without such authority does so on his sole responsibility and will consequently be held peculiarly responsible for his actions." In addition, paragraph 402(i) of the FR (2009) states, "It is the duty of every officer controlling a vote to monitor the expenditure pattern of his ministry, extra ministerial office and other arms of government with reference to the amounts provided in the Estimates." Similarly, paragraph 708 of the FR (2009) states, "On no account should payment be made for service not yet performed or for goods not yet supplied."

Audit observed that:

i. A contract awarded to a company for the provision of a dedicated 11KVA Feeder Line was captured in the 2023 appropriation as 33KVA and not 11KVA as stated in the letter of award.
ii. Two letters of award were issued for the same contract with the following details,

first letter of award; contract sum ₦28,108,025.00 (Twenty eight million, one hundred and eight thousand, twenty five naira) dated 15th February, 2023, and the second letter of award; contract sum ₦12,343,150.00 (Twelve million, three hundred and forty three thousand, one hundred and fifty naira) dated 19th April, 2023, without any justification.

iii. The sum of ₦21,927,420.00 (Twenty one million, nine hundred and twenty seven thousand, four hundred and twenty naira) and ₦6,180,605.00 (Six million, one hundred and eighty thousand, six hundred and five naira) were paid on the contract, vide PV. No. FMCB/065/2023 dated 4th April, 2023, and PV. No. FMCB/076/2023 dated 1st June, 2023 respectively, and a final payment of ₦12,343,150.00 (Twelve million, three hundred and forty three thousand, one hundred and fifty naira) vide PV. No. FMCB/079/2023 dated 23rd June, 2023.

iv. The total payment to date on the contract was ₦40,451,175.00 (Forty million, four hundred and fifty one thousand, one hundred and seventy five naira) representing 100% of the contract sum, and

v. The sum of ₦20,000,000.00 (Twenty million naira) was the actual budgetary provision in the 2023 Appropriation Act for the dedicated 33KVA feeder line while amount expended was ₦40,451,175.00 (Forty million, four hundred and fifty one thousand, one hundred and seventy five naira) leaving a difference of ₦20,451,175.00 (Twenty million, four hundred and fifty one thousand, one hundred and seventy five naira) as extra budgetary expenses.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Medical Centre, Bida.

Risks

i. Loss of funds
ii. Waste of government funds.

Management's Response

The Provision of dedicated 33KVA feeder line to the main hospital as captured in the 2022 capital appropriation of ₦44,957,558 with was executed as 11KVA feeder line due to the following reasons:

1. The Abuja Electricity Distribution Company observed that connecting 33KVA to the main hospital would not be safe for the inhabitants of the community considering the houses that the 33KVA would have to pass before getting to the Centre and thus recommended that the hospital should rather go for 11KVA.
2. The two letters of award that were issued for same the contract job with the following details, first letter of award; contract sum ₦28,108,025.00 dated 15/02/2023 and the second letter of award; contract sum ₦12,343,150.00 dated 19/04/2023; the first was an open competitive bidding of 2022 capital appropriation with attached evidences of procurement proceedings. The second award letter was as a result of change in scope of the route which necessitate additional cost of materials as per attached evidences.
3. The 2023 budget line with an appropriation of ₦20,000,000 was used for the SUPPLY AND INSTALLATION OF 6KVA AND 3KVA INVERTER SYSTEM WITH ACCESSORIES at the cost of ₦19,285,500.

4. We therefore wish to state that there were no extra budgetary expenses made on the contract. Please find attached relevant documents for your perusal as appendix VI.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦20,451,175.00 (Twenty million, four hundred and fifty one thousand, one hundred and seventy five naira), paid in excess of the provision for Feeder Line in the 2023 Appropriation Act.
ii. Recover and remit to the Treasury, the sum of ₦20,451,175.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular award of contracts, specified in paragraph 3117 of the Financial Regulations (2009) should apply.

ISSUE 6: IRREGULAR AWARD OF CONTRACTS (=₦116,271,797.60)

Description of Findings

Paragraph 113 of the Financial Regulations (FR) (2009) states, "In compliance with their special role under the Public Procurement Act, all accounting officers of ministries, extra–ministerial offices and other arms of government are hereby charged with the following responsibilities. They shall: …(i) ensure compliance with the provisions of the Public Procurement Act by their organizations, failing which they shall be personally liable for any breach or contravention thereof, whether or not such breach of contravention was caused by them in person, their subordinates or any person to whom they may have delegated their responsibilities." Also, section 58 (4) of the Public Procurement Act (PPA) (2007) states, "The following shall also constitute offences under this Act…(f) altering any procurement document with intent to influence the outcome of a tender proceeding; (g) uttering or using fake documents or encouraging their use." Similarly, Establishment Circular with Ref No SGF.50/5.52/III/652 dated 11th October, 2017, required conducting of Post-qualification/Due diligence checks on the recommended bidder for consideration for award of contract by MDAs.

Audit observed that:

i. Contract for the renovation of Dental Department, Accident Emergency Department and others was awarded to a company at the contract sum of ₦44,690,803.00 (Forty four million, six hundred and ninety thousand, eight hundred and three naira). The company presented falsified FIRS Tax Clearance Certificate with TCC No. 223547077869, TIN No. 21206961-0001 and BPP certificate No.1546720 to win Government contract
ii. Another contract for the installation of 6KVA inverter and dedicated 11KVA Feeder Line was awarded to a company at the contract sum of ₦59,736,675.00 (Fifty nine

million, seven hundred and thirty six thousand, six hundred and seventy five naira) using falsified BPP certificate No. 459314.

iii. Contract for the supply of solar system and inverter was also awarded to a company at the contract sum of ₦11,844,319.60 (Eleven million, eight hundred and forty four thousand, three hundred and nineteen naira, sixty kobo) using falsified FIRS Tax clearance with TCC No. 223230728313, TIN No. 10114802-0001 clearance and BPP certificate No. 694610

iv. Contracts from items (i) to (iii) above, totaling ₦116,271,797.60 (One hundred and sixteen million, two hundred and seventy one thousand, seven hundred and ninety seven naira, sixty kobo) were awarded and paid using falsified documents, and

v. The Centre did not conduct adequate due diligence on the records submitted by the companies prior to the award of contracts.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Medical Centre, Bida.

Risks

i. Due Process may not have been followed in the award of contracts.
ii. Contract may be award to incompetent contractor.
iii. Contract may be awarded to a related party.

Management's Response

Please find attached Company profiles of the companies for your perusal as Response to Issue 9.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦116,271,797.60 (One hundred and sixteen million, two hundred and seventy one thousand, seven hundred and ninety seven naira, sixty kobo), being contract awarded and paid on provision of falsified documents.
ii. Recover and remit to the Treasury, the sum of ₦116,271,797.60
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular award of contracts specified in paragraph 3117 of the Financial Regulations (2009) should apply.

ISSUE 7: NON-RETIREMENT OF ADMINISTRATIVE ADVANCES (=₦21,188,688.00)

Description of Findings

Paragraph 1416 of the Financial Regulations (FR) (2009) states, "The outstanding balance of any advance shall be recovered in full from the last payment of salary and/or

retirement gratuity of an officer who leaves the service on retirement, resignation, termination of appointment or dismissal." Furthermore, paragraph 1420 of the FR (2009) states, "It is the responsibility of all Accounting Officers to ensure that all advances granted to officers are fully recovered." In addition, paragraph 112 (i) of the FR (2009) states, "The functions of the Accounting Officer shall include:… (f) ensuring accurate collection and accounting for all public moneys received and expended."

Audit observed that:

i. Advances were granted to staff of the Centre for different purposes during the period under review.
ii. The administrative advances granted to one hundred and ten (110) staff of the Centre amounting to ₦21,188,688.00 (Twenty one million, one hundred and eighty eight thousand, six hundred and eighty eight naira) remain un-retired as at 31st December, 2023, and
iii. The advances are long overdue for settlement and remained in the advance records without any appropriate action by the management.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Medical Centre, Bida.

Risks

i. Loss of government funds.
ii. Misappropriation of funds.

Management's Response

The Management noted the delay in the retirement of the cash advances, but attached herewith labelled as attached as Response to Issue 10.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦21,188,688.00 (Twenty one million, one hundred and eighty eight thousand, six hundred and eighty eight naira), being amount of unretired advances.
ii. Recover and remit to the Treasury, the sum of ₦21,188,688.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment, failure to spend public funds effectively, non-retirement of advances, and gross misconduct, proscribed in paragraphs 3106, 3115, 3124, and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 8: PAYMENTS WITHOUT PAID VOUCHERS AND PRE-PAYMENT AUDIT (=₦117,629,315.42)

Description of Findings

Paragraph 601 of the Financial Regulations (FR) (2009) states, "All payments entries in the cashbook/account shall be vouched for on one of the prescribed treasury forms. Vouchers shall be made out in favour of the person(s) to whom the money is actually due. Under no circumstances shall a cheque be raised, or cash paid for services for which a voucher has not been raised." Furthermore, paragraph 1705 of the FR (2009) states, "The Head of Internal Audit Unit in all ministries/extra-ministerial offices and other arms of government shall ensure that 100% pre-payment audit of all checked and passed vouchers is carried out and the vouchers forwarded under security schedule direct to the appropriate Central Pay Office for payment..."

Audit observed that:

i. The sum of ₦59,982,820.61 (Fifty nine million, nine hundred and eighty two thousand, eight hundred and twenty naira, sixty one kobo) was disbursed from Capital Development Fund to three (3) companies for the supply of office furniture & equipment, construction of erosion and flood control channel and consultancy services
ii. Paid vouchers raised for the above payments did not pass through pre-payment audit by the Internal Auditor.
iii. Other expenses were also paid from E-collection Account, NHIA Account and Drugs Accounts amounting to ₦57,646,494.81 (Fifty seven million, six hundred and forty six thousand, four hundred and ninety four naira, eighty one kobo) without raising paid vouchers.
iv. The PV. No. and date stated in the cash book could not be traced to any of the paid vouchers presented for audit examination during the exercise, and
v. The above led to the payment totalling ₦117,629,315.42 (One hundred and seventeen million, six hundred and twenty nine thousand, three hundred and fifteen naira, forty two kobo) without evidence of pre-payment audit.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Medical Centre, Bida.

Risks

i. Loss of government funds.
ii. Misstatement of financial records.

Management's Response

Please find attached payment vouchers for the above payments for your perusal as Response to Issue 11.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦117,629,315.42 (One hundred and seventeen million, six hundred and twenty nine thousand, three hundred and fifteen naira, forty two kobo), being payments made without raising payment vouchers and pre-payment audit.
ii. Recover and remit to the Treasury, the sum of ₦117,629,315.42.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and gross misconduct specified in paragraphs 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 9: IRREGULARITIES IN AWARDS AND PAYMENTS FOR CONTRACTS (=₦11,844,319.60)

Description of Findings

Section 58 (9) of the Public Procurement Act (PPA) (2007) states, "Collusion shall be presumed from a set of acts from which it can be assumed that there was an understanding, implicit, formal or informal, overt or covert under which each person involved reasonably expected that the other would adopt a particular course of action which would interfere with the faithful and proper application of the provisions of this Act." Also, paragraph 415 of the Financial Regulations (FR) (2009) states, "The Federal Government requires all officers responsible for expenditure to exercise due economy, Money must not be spent merely because, it has been voted." Furthermore, paragraph 603(i) of the FR (2009) states, "All vouchers shall contain full particulars of each service such as dates, numbers, quantities, distances, and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported with relevant documents such as local purchase orders, invoices, special letters of authority, time sheets, etc."

Audit observed that:

i. The contract was awarded to a company for the supply of inverters and a solar system in three locations, namely: CHC Zungeru, Molecular Laboratory, and the third location, which could not be ascertained/traced from the documents presented during the audit.
ii. Two payments totaling ₦2,247,728.00 (Two million, two hundred and forty seven thousand, seven hundred and twenty eight naira) were for the supply and installation of inverter accessories. at CHC Zungeru, another ₦3,937,625.20 (Three million, nine hundred and thirty seven thousand, six hundred and twenty five naira, twenty kobo) was paid for the supply and installation of inverter and accessories at the Molecular Laboratory while the sum ₦5,617,966.40 (Five million, six hundred and seventeen thousand, nine hundred and sixty six naira, forty kobo) was paid for the supply of solar system and inverter to an unknown location of the Centre, and
iii. The above expenditures, which were capital in nature, were paid from the internally generated revenue account of the Centre.

The above anomalies could be attributed to weaknesses in the internal control systems at Federal Medical Centre Bida.

Risks

i. Diversion of government funds.
ii. Possibility of compromise during the procurement process.

Management's Response

The Centre wish to state that the IGR could also be used to argument capital/overhead expenses for effective service delivery. Find attached document of Microlanyx Technologies Limited for your perusal as Response to Issue 13**.**

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦11,844,319.60 (Eleven million, eight hundred and forty four thousand, three hundred and nineteen naira, sixty kobo), spent on irregular contract.
ii. Recover and remit to Treasury, the sum of ₦11,844,319.60.
iii. Forward evidence of remittance particulars to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to payment for job not executed and failure to manage public funds effectively, specified in paragraphs 3104 and 3115 of the Financial Regulations (2009) respectively, should apply.

FEDERAL MEDICAL CENTRE, LOKOJA

At the Federal Medical Centre, Lokoja, for the period 1st January to 31st December, 2022, the following observations were made:

ISSUE 1: UNRETIRED CASH ADVANCES (=₦49,535,866.00)

Description of Findings

Paragraph 1405 of the Financial Regulations (FR) (2009) states, "Accounting Officers are responsible for ensuring the prompt repayment of all advances by installments or otherwise." Furthermore, paragraph 1416 of the FR (2009) states, "The outstanding balance of any advance shall be recovered in full from the last payment of salary and/or retirement gratuity of an officer who leaves the service on retirement, resignation, termination of appointment or dismissal." In addition, paragraph 1420(i) of the FR (2009) states, "It is the responsibility of all Accounting Officers to ensure that all advances granted to officers are fully recovered."

Audit observed that:

i. The sum of ₦49,535,866.00 (Forty nine million, five hundred and thirty five thousand, eight hundred and sixty six naira) was recorded as unretired cash advances during the year under review.
ii. The hospital granted advances to forty six (46) staff for different purposes, and
iii. Some of the advances had exceeded a year without being recovered from the salaries of the beneficiaries in accordance with extant regulations.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Medical Centre, Lokoja.

Risks

i. Loss of public funds.
ii. Diversion of public funds.

Management's Response

The management has circularized the Officers concerned and deadline given to them to retire all the advances, failure to do this at the expiration of the deadline will amount to deduction at source from their salaries and no further advances will be given to the staff affected.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦49,535,866.00 (Forty nine million, five hundred and thirty five thousand, eight hundred and sixty six naira), being unretired advances.
ii. Recover and remit to the Treasury, the sum of ₦49,535,866.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment, failure to spend public funds effectively, non-retirement of advances, and gross misconduct, prescribed in paragraphs 3106, 3115, 3124, and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2: NON-RETIREMENT OF IMPREST (=₦9,651,620.00)

Description of Findings

Paragraph 1011 (i) of the Financial Regulations (FR) (2009) states, "All standing imprests must be retired on or before the 31st December of the financial year in which they are granted while Special Imprests shall be retired immediately the reasons for which they were granted cease to exist. Retirement will be effected by the production of vouchers and/or cash for the full amount of the imprest." Furthermore, paragraph 1420

of the FR (2009) states, "It is the responsibility of all Accounting Officers to ensure that all advances granted to officers are fully recovered."

Audit observed that:

i. The sum of ₦9,651,620.00 (Nine million, six hundred and fifty one thousand, six hundred and twenty naira) was granted to one hundred and four (104) officers as Imprest for various departments/units of the Centre which was yet to be retired as at 31st December, 2022.
ii. Some imprests were granted above the stipulated limit.
iii. Imprests were granted without adequate control because the Centre had no Central Imprest Holder, and
iv. All Imprests issued or disbursed were not recorded in the special Imprest ledger account in the name and designation of the Imprest holder.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Medical Centre, Lokoja.

Risks

i. Diversion of public funds.
ii. Loss of public funds.

Management's Response

All Imprest paid were retired and are available for sighting.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly the sum of ₦9,651,620.00 (Nine million, six hundred and fifty one thousand, six hundred and twenty naira), being unretired imprest.
ii. Recover and remit to the Treasury, the sum of ₦9,651,620.00.
iii. Forward evidence of remittance to Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to failure to retire cash advances and irregular payments prescribed in paragraphs 3124 and 3106 of the Financial Regulations (2009) respectively, should apply.

ISSUE 3: IRREGULAR SPONSORSHIP OF STAFF FOR PROFESSIONAL PROGRAMMES (=₦8,719,021.00)

Description of Findings

Paragraph 1 of the Establishment Circular with reference No. HCSF/PSO/ 666/11/214 of 1st April, 2009, states, "…henceforth, Ministries, Departments and Agencies of

Government shall no longer pay annual membership subscriptions, professional fees and other related charges which are linked to the career progression of individual officers to professional bodies/organizations, on behalf of officers in the Service. Henceforth, such professional fees/annual subscriptions should be borne by the affected officers." Also, paragraph 415 of the Financial Regulations (FR) (2009) states, "All officers responsible for expenditure to exercise due economy by ensuring that money is not spent just because it has been voted."

Audit observed that:

i. The sum of ₦8,719,021.00 (Eight million, seven hundred and nineteen thousand, twenty one naira) was paid on behalf of staff in respect of professional fees and conferences.
ii. The Centre sponsored forty four (44) officers during the year under review, and
iii. These payments contravene the provision of the extant circular stopping the payment of annual subscriptions and conferences for government officials.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Medical Centre, Lokoja.

Risks

i. Misapplication of public funds.
ii. Loss of public funds.

Management's Response

This issue is noted and action taken immediately, henceforth no payment of professional/conference fees will be made to staff except where the staff is representing the hospital.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦8,719,021.00 (Eight million, seven hundred and nineteen thousand, twenty one naira), being payment for sponsoring staff for professional programmes.
ii. Recover and remit to the Treasury, the sum of ₦8,719,021.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and failure to manage public funds effectively stated in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 4: FAILURE TO INSURE GOVERNMENT ASSETS

Description of Findings

Section 68 of the Nigeria Insurance Act (2003) states, "No vehicle, inclusive of Government vehicles shall be used on roads unless a liability which may thereby be

incurred in respect of damages to property of third parties is insured with a registered insurer." Also, Establishment Circular with reference No. CM/87/T/7 of 22nd February, 2001, states, "Fixed assets in government establishments should be insured against risk/peril." Furthermore, Establishment Circular Ref. No. SGF/OP/I/S.3/VII/931 dated 21st July, 2008, states, "Government Assets/Properties must be insured in accordance with Section 68 of the National Insurance Act 1997."

Audit observed that:
i. During the year under review, the Centre insured only one (1) motor vehicle out of seventeen (17) vehicles.
ii. There were no measures put in place to ensure the safety and proper maintenance of all assets under the Centre's control, and
iii. These vehicles and other uninsured assets are at high risk of total loss in case of any eventuality.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Medical Centre, Lokoja.

Risks
i. Loss of government funds.
ii. Complete loss of government assets due to an eventuality.

Management's Response
The fund provided for insurance in 2022 budget was N1,700,000, this money is not adequate to insure all assets in the hospital. We are making effort to seek for more fund in the coming year to enable us insure all hospital assets

Auditor's Evaluation
The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations
The Medical Director should be requested to:
i. Justify to the Public Accounts Committees of the National Assembly, the reasons for the failure to insure government assets.
ii. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (FR) (2009) should apply.

ISSUE 5: IRREGULAR PAYMENT OF CONTINGENCIES (=₦18,006,540.69)

Description of Findings
Paragraph 603(i) of the Financial Regulations (FR) (2009) states, "All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets. etc." Furthermore, paragraph 708 of the FR (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied."

Audit observed that:

i. The sum of ₦18,006,540.69 (Eighteen million, six thousand, five hundred and forty naira, sixty nine kobo) was paid to seven (7) contractors during the year, and
ii. The payments were described as part of the contract sum without evidence of additional work done nor evaluation certificates,

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Medical Centre, Lokoja.

Risks

i. Loss of government funds
ii. Diversion of public funds.

Management's Response

Air Separation Nig. Ltd - Project ongoing, no contingency paid to date
Amsomops Ent. Ltd. - Project ongoing, no contingency paid to date
Gflox – Not part of 2022 appropriation but 2021, see copy of 2021 appropriation attached
De-X-Ray – Completion of construction of equipping of theatre suite and CT scan building not part of 2022 projects.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦18,006,540.69 (Eighteen million and six thousand, five hundred and forty naira, sixty-nine kobo), being additional expenditure incurred by the companies mentioned above.
ii. Recover and remit to the Treasury, the sum of ₦18,006,540.69.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

ISSUE 6: IRREGULAR PAYMENT OF SALARIES TO GHOST WORKERS (=₦30,246,474.62)

Description of Findings

Paragraph 1507(i) of the Financial Regulations (FR) (2009) states, "The officer controlling expenditure shall promptly be informed of any variation or contingency likely to affect officers' salary such as death, resignation, interdiction, suspension, dismissal, in order that instructions to withhold pay may be issued without delay." Furthermore, paragraph 1507(ii) of the FR (2009) states, "An officer who first receives information about the resignation, termination, dismissal, death, withdrawal or retirement, of another officer shall pass the information promptly by submitting a copy of such letter/ notice to

the Accounts Department for the salary of officer to be stopped. The original letter/notice of such information shall be endorsed to the effect that a copy has been sent to the accounts department."

Audit observed that:

i. The sum of ₦30,246,474.62 (Thirty million, two hundred and forty six thousand, four hundred and seventy four naira, sixty two kobo) was paid as salaries to individuals whose names were not contained in the Medical Centre's nominal roll, and
ii. There were sixty eight (68) individuals who were involved in respect of the above, during the year under review.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Medical Centre, Lokoja.

Risks

i. Loss of public funds.
ii. Payment for services not rendered.
iii. Misappropriation of funds.

Management's Response

The hospital has no record of Ghost workers and the records are available anytime for Audit. The names listed as ghost workers are actually Resident Doctors that are all still in the system. No clarification was sought on this so that explanation can be given before writing this report. Resident Doctors are not permanent staff and can therefore not be part of the staff nominal roll. They were all captured under IPPIS platform as a result Federal Government directive.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦30,246,474.62 (Thirty million, two hundred and forty six thousand, four hundred and seventy four naira, sixty two kobo), paid to individuals whose names were not captured in the Centre's nominal roll.
ii. Recover and remit to the Treasury, the sum of ₦30,246,474.62.
iii. Forward evidence of recovery and remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to payments of public fund to ghost-workers, specified in paragraph 3110 of the Financial Regulations (2009) should apply.

ISSUE 7: SERIOUS FINANCIAL EMBARRASSMENT FACED BY STAFF

Description of Findings

Paragraph 100414(1) of the Public Service Rules (PSR) (2021) states, "For the purpose of these rules, the expression "serious financial embarrassment" means the state of an officer's indebtedness which, having regard to the amount of debt incurred by him, has actually caused serious financial hardship to him. Without prejudice to the general meaning of the said expression, an officer shall be deemed to be in serious financial embarrassment: (a) if the aggregate of his unsecured debts and liabilities at any given time exceed the sum of three times his monthly emoluments." Furthermore, paragraph 100414(2) of the PSR (2021) states, "Serious financial embarrassment from whatever cause shall be regarded as necessarily impairing the efficiency of an officer and rendering him liable to disciplinary action."

Audit observed that:

i. Forty five (45) staff of the Centre were faced with serious financial embarrassment at different times during the review of the Centre's payroll made available for audit.
ii. These staff were receiving monthly salaries below ₦1,000.00 (one thousand naira) within the period covered by the audit.
iii. These ridiculous amounts being paid at the end of the month were due to deductions/loan repayments by the affected staff, and
iv. The Centre could not substantiate how the affected staff got into the situation.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Medical Centre, Lokoja.

Risks

i. Poor attitude to work.
ii. Inability of the Centre to effectively carry out its mandate.

Management's Response

This is a problem that affects many MDA's on IPPIS. This arises as a result of several online loan available that staff engage in without the knowledge of the institution. The online loan companies enter into an agreement with IPPIS where deduction were made at source. This is difficult to control by MDA's and we have made complaints to IPPIS office on this issue.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Medical Director should be requested to:

i. Submit to the Public Accounts Committees of the National Assembly, evidence of efforts being made by the hospital to curtail such misconduct amongst its staff, and
ii. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (FR) (2009) should apply.

FEDERAL MEDICAL CENTRE, OWERRI

At the Federal Medical Centre, Owerri, for the period 1st January to 31st December, 2023, the following observation was made:

ISSUE 1: AWARD OF CONTRACT TO UNQUALIFIED CONTRACTORS (=₦50,917,708.50)

Description of Findings

Section 23(1) of the Public Procurement Act (PPA) (2007) states, "Where a procuring entity has made a decision with respect to the bidders, minimum qualifications of suppliers, contractors or service providers by requesting interested persons to submit applications in reaching decisions as to which supplier, contractor or service provider qualifies, apply only the criteria set out in the pre-qualification documents and no more." Also, paragraph 2909 of the Financial Regulations (FR) (2009) states, "All bidders in a contract for public procurement must show proof of eligibility for the award of the contract. They must prove the following amongst others, viz: (a) they possess the necessary technical qualification (b) they possess the machinery, equipment, and manpower for the job (c) they have the legal capacity to enter into the contract…." Similarly, paragraph 50.2 of Procurement Procedures Manual states "…. compliance with the following requirements should be examined using the bidding documents as the reference point: *Stage 1:* To ascertain whether: The bidder is eligible - Example: (a)The bidder shall not be blacklisted; (b) In case of goods, works and consultancy contracts the domestic bidder should have required CAC registration; Tax Clearance Certificate, comply with Pension Fund and Industrial Training Fund (ITF) contributions…"

Audit observed that:

i. The Centre awarded contracts amounting to ₦50,917,708.50 (Fifty million, nine hundred and seventeen thousand, seven hundred and eight naira, fifty kobo) to two companies for road opening from Orlu road to the Trauma Centre, and for supply of items to the Centre.
ii. The above contracts were awarded without due diligence as required by extant regulations, and
iii. The status of these companies on the website of the Corporate Affairs Commission were inactive and had not been filling annual returns to the Commission.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Medical Centre Owerri.

Risks

i. Award of contracts to unqualified contractors.
ii. Possibility of compromise and collusion.

Management's Response

The Company M/s NK System Ltd and Light Replica Nig Ltd are companies duly incorporated with the Corporate Affairs Commission.

As at the time the contract was awarded, the company was active based on the information available to the management of the hospital.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦50,917,708.50 (Fifty million, nine hundred and seventeen thousand, seven hundred and eight naira, fifty kobo), being award and payment to unqualified contractors.
ii. Recover and remit to the Treasury, the sum of ₦50,917,708.50.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly.
iv. Otherwise, sanctions relating to irregular payments, specified in paragraph 3106 of the Financial Regulations (2009) should apply.

FEDERAL MEDICAL CENTRE, OWO

At the Federal Medical Centre, Owo, for the period 1st January to 31st December, 2022, the following observations were made:

ISSUE 1: PAYMENTS WITHOUT PAID VOUCHERS (=₦200,171,360.98)

Description of Findings

Paragraph 601 of the Financial Regulations (FR) (2009) states, "All payment entries in the cash book/accounts shall be vouched for on one of the prescribed treasury forms. Vouchers be made out in favour of the person or persons to whom the money is actually due. Under no circumstances shall a cheque be raised or cash paid for services for which a voucher has not been raised."

Audit observed that:

i. Sixty (60) payments amounting to ₦200,171,360.98 (Two hundred million, one hundred and seventy one thousand, three hundred and sixty naira, ninety eight kobo) were made in respect of stamp duty, withholding tax and value added tax.
ii. There was no payment vouchers raised for the payments stated in (i) above being deductions on capital and overhead expenditure.
iii. The exact date of transactions was also not written in the cashbook but the months and years were captured, and
iv. This is a clear violation of the above extant regulation.

The above anomalies could be attributed to the weaknesses in the internal control system at the Federal Medical Centre, Owo.

Risks

i. Loss of public funds.
ii. Payment for non-existent transactions.

Management's Response

All payments for statutory deductions are duly recorded and reflected in the records.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦200,171,360.98 (Two hundred million, one hundred and seventy one thousand, three hundred and sixty naira, ninety eight kobo), being payments made without raising payment vouchers.
ii. Recover and remit to the Treasury, the sum of ₦200,171,360.98.
iv. Forward evidence of recovery and remittance to the Public Accounts Committees of the National Assembly, and
v. Otherwise, sanctions relating to irregular payment and gross misconduct specified in paragraphs 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2: PROCUREMENT OF ICT FACILITIES WITHOUT APPROVAL FROM THE NATIONAL INFORMATION TECHNOLOGY DEVELOPMENT AGENCY (=₦44,720,000.00)

Description of Findings

Paragraph 4 of the Establishment Circular Ref. No. 59736/S.2/C.II/125 dated 31st August, 2018, states, "For the avoidance of doubt, MDAs and other government establishments are to relate with and obtain prior approval from National Information Technology Development Agency (NITDA) for the implementation of Information Technology (IT) projects as well as the procurement of locally assembled IT components."

Audit observed that:

i. The sum of ₦44,720,000.00 (Forty four million, seven hundred and twenty thousand naira) was paid to a contractor for the supply of IT equipment including laptops, photocopiers, scanner etc vide P.V No. 110/22 dated 16th March, 2023, and
ii. The contract was awarded and executed without obtaining prior approval from the National Information Technology Development Agency (NITDA), the Federal Government-designated authority responsible for certifying and authorizing IT contractors for all IT projects and procurement of IT components across Ministries, Departments, and Agencies.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Medical Centre (FMC), Owo.

Risks

i. Engagement of unqualified or uncertified IT contractors.
ii. Substandard IT project implementation and poor service delivery.

Management's Response

NITDA has been duly communicated.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Medical Director is requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦44,720,000.00 (Forty four million, seven hundred and twenty thousand naira), being payment for the procurement of IT equipment without obtaining approval from NITDA.
ii. Recover and remit to the Treasury, the sum of ₦44,720,000.00.
iii. Forward evidence of recovery to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and gross misconduct prescribed in paragraphs 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 3: UNJUSTIFIED ALTERATIONS OF PAID VOUCHER, BOQ AND VALUATION CERTIFICATE (= ₦158,660,531.00)

Description of Findings

Paragraph 610 of the Financial Regulations (FR) (2009) states, "Alterations to the amount of a voucher whether in words or figure are not allowed. A new voucher must be Prepared when necessary. Any other alteration must be supported by the full signature of the officer certifying the voucher or, if the alteration is in the receipt, of the Payee."

Audit observed that:

i. Five (5) capital paid vouchers amounting to ₦158,660,531.00 (One hundred and fifty eight million, six hundred and sixty thousand, five hundred and thirty one naira) were raised and paid to different contractors for work purportedly done, and
ii. There were alterations on the paid vouchers, Bill of Quantity (BOQ) and the valuation certificates raised by the engineer in claiming the payments in (i) above.

The above anomalies could be attributed to the weakness in the internal control system at the Federal Medical Centre (FMC), Owo.

Risks
i. Loss of public funds.
ii. Possible diversion of public funds.

Management's Response
No response.

Auditor's Evaluation
Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations
The Medical Director should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦158,660,531.00 (One hundred and fifty eight million, six hundred and sixty thousand, five hundred and thirty one naira), paid using altered payment voucher, BOQ and valuation certificate.
ii. Recover and remit to the Treasury, the sum of ₦158,660,531.00.
iii. Forward evidence of recovery to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

ISSUE 4: PAYMENTS WITHOUT REVALIDATION OF PAID VOUCHERS (=₦79,090,585.00)

Description of Findings
Paragraph 422 (i) of Financial Regulations (FR) (2009) states, "Officers controlling votes are responsible for ensuring that, as far as possible, payment for services rendered are settled within the financial year in which they were rendered. When necessary reminders should be sent to private parties to forward their claims without delay. Neglect to do this will not prejudice the private party but the officer who has neglected to press this necessity upon their subordinate officers…" Furthermore, paragraph 611 of the FR (2009) states, "A Sub-Accounting Officer may not make payment against a Voucher unless: … (c) It is not more than three months since the voucher was signed by officer controlling expenditure…"

Audit observed that:
i. Sixty three (63) paid vouchers totaling ₦79,090,585.00 (Seventy nine million, ninety thousand, five hundred and eighty five naira) was raised and paid from the overhead account and Internally Generated Revenue for various services rendered to the Centre.
ii. The paid vouchers were raised for over three (3) months, and were eventually paid without revalidation, and
iii. The payments from the IGR were not budgeted for, in the Revenue Budget. .

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Medical Centre (FMC), Owo.

Risks

i. Multiple payments on a single payment voucher.
ii. Loss of public funds.

Management's Response

Payment vouchers are duly re-validated when funds are available for payments.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦79,090,585.00 (Seventy nine million, ninety thousand, five hundred and eighty five naira), paid using stale vouchers.
ii. Recover and remit to the Treasury, the sum of ₦79,090,585.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 5: NON-PERSONAL ADVANCES GRANTED ABOVE STATUTORY LIMIT (=₦28,403,270.07)

Description of Findings

Paragraph 3 of the Treasury Circular Ref. No. TRY/A7 & B7/2015/OAGF/CAD/026/V.1/178 of 12th August, 2015, states, "All Accounting Officers and Officers controlling expenditure are to ensure that all local procurement of stores and services costing above ₦200,000.00 shall be made only through Award of Contracts, except as provided by the Public Procurement Act, 2007." Also, paragraph 2302 (ii) of the Financial Regulations (FR) (2009) states, "On no account shall special imprest or cash advance be used in place of Local Purchase Order or Job Order of the procurement of stores locally." Furthermore, paragraph 1420 of the FR (2009) states, "It is the responsibility of all Accounting Officers to ensure that all advances granted to officers are fully recovered."

Audit observed that:

i. The sum of ₦28,403,270.07 (Twenty eight million, four hundred and three thousand, two hundred and seventy naira, seven kobo) was granted to seventy nine (79) staff as non-personal advances for the procurement of goods and services.

ii. Members of staff were engaged to carry out the procurement of goods and services instead of awarding it to competent contractor, and
iii. This irregularity has denied the Federal Government of accrued revenue in form of stamp duty, value added tax (VAT) and withholding tax amounting to ₦3,834,441.46 (Three million, eight hundred and thirty four thousand, four hundred and forty one naira, forty six kobo).

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Medical Centre (FMC), Owo.

Risks
i. Loss of revenue accruable to government.
ii. Difficulty in funding the nation's budget.
iii. Loss of public funds.

Management's Response
No response.

Auditor's Evaluation
Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations
The Medical Director should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦28,403,270.07 (Twenty eight million, four hundred and three thousand, two hundred and seventy naira, seven kobo), being non-personal advances granted above statutory limit.
ii. Recover and remit to the Treasury, the sum of ₦28,403,270.07.
iii. Forward evidence of recovery and remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments and gross misconduct prescribed in paragraph 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 6: MISAPPLICATION OF PERSONNEL AND OVERHEAD FUNDS (=₦81,091,893.20)

Description of Findings
Paragraph 313 of the Financial Regulations (FR) (2009) states, "The authority conveyed to Accountant-General and to Officers controlling votes, by recurrent warrant is limited to the amount provided under each subheading the approved estimates…" Furthermore, paragraph 417 of the FR (2009) states, "Expenditure shall strictly be classified in accordance with the Estimates, and votes must be applied only to the purpose for which money is provided. Expenditure incorrectly charged to a vote shall be disallowed." Also, section 80(2) of the Constitution of the Federal Republic of Nigeria, 1999 (as amended) states, "No money shall be withdrawn from the Consolidated Revenue Fund of the Federation except to meet expenditure that is charged upon the Fund by this

Constitution or where the of those moneys has been authorized by an Appropriation Act, Supplementary Appropriation Act or an Act passed in pursuance of the National Assembly." Similarly, paragraph 415 of the FR (2009) states, "The federal government requires all officers responsible for expenditure to exercise due economy, Money must not be spent merely because, it has been voted."

Audit observed that:

i. The sum of ₦81,091,893.20 (Eighty one million, ninety one thousand, eight hundred and ninety three naira, twenty kobo) was not strictly classified in accordance with the estimates but was paid from the various subheads of overhead vote to non-regular staff of the Centre for 2022.
ii. These unclassified payments/expenditures from the various subheads were lumped together.
iii. There was no Budgetary provision for these sub-heads in the 2022 budget, and
iv. Allowances were actually paid to some regular staff of the Centre whose monthly emoluments were already consolidated in their salaries.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Medical Centre, Owo.

Risks

i. Unapproved expenditures.
ii. Reckless spending may occur.
iii. Possible Diversion of Government funds.

Management's Response

The Funds in question are running imprest granted to designated officers as indicated in the schedule of the Auditor's report tagged Appendix XIV.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦81,091,893.20 (Eighty one million, ninety one thousand, eight hundred and ninety three naira, twenty kobo), being misapplication of personnel and overhead funds.
ii. Recover and remit to the Treasury, the sum of ₦81,091,893.20.
iii. Forward evidence of recovery and remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and gross misconduct prescribed in paragraphs 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 7: IRREGULARITIES IN THE AWARD OF CLEANING AND SECURITY SERVICES CONTRACTS (=₦98,922,000.00)

Description of Findings

Section 24(1) of the Public Procurement Act (PPA) (2007) states, "Except as provided by this Act, all procurements of goods and works by all procuring entities shall be conducted by open competitive bidding." Furthermore, section 2922(iii) of the PPA (2007) states, "A national competitive bidding shall be advertised on the notice board of the procuring entity, two (2) national newspapers, the websites of the procuring entity and in the procurement journal at least six (6) weeks before the deadline for the submission of bids." Also, paragraph 2907(i) of the Financial Regulations (FR) (2009) states, "In order to ensure transparency and accountability, achievement of value for money, economy and efficiency, and equity and fairness, all procurements falling within the bureau's thresholds shall be by way of open competitive bidding.'' Furthermore, paragraph 603(i) of the FR (2009) states, "All vouchers shall contain full particulars of each service such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets, etc."

Audit observed that:

i. Contract for cleaning services was awarded to a company for the contract sum of ₦45,000,000.00 (Forty five million naira) per annum (i.e. ₦3,750,000.00 monthly).
ii. Another contract for security services was awarded to a company for the contract sum of ₦53,922,000.00 (Fifty three million, nine hundred and twenty two thousand naira) per annum (i.e. ₦4,493,500.00 monthly).
iii. The two (2) contracts were awarded at the contract sum of ₦98,922,000.00 (Ninety eight million, nine hundred and twenty two thousand naira)
iv. There was no evidence of Tenders Board's consideration, no approval for the contracts as well as the Service Level Agreement (SLA) between Centre and the two (2) contractors.
v. Evidence of advert placement or quotations from three unrelated contractors were not sighted, and
vi. The contract sums of these awards were above the approval limit of the Medical Director.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Medical Centre, Owo.

Risks

i. Possibility of awarding contracts to incompetent contractors.
ii. Loss of public funds.

Management's Response

Due process in the engagement of service providers for out-sourced services was duly followed.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦98,922,000.00 (Ninety eight million, nine hundred and twenty two thousand naira), being amount paid on irregular award of contracts
ii. Recover and remit to the Treasury, the sum of ₦98,922,000.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular award of contract and failure to spend public funds effectively prescribed in paragraphs 3117 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 8: UNDER REMITTANCE OF IGR TO THE CONSOLIDATED REVENUE FUND (=₦54,057,922.15)

Description of Findings

Paragraph 217 of the Financial Regulations (FR) (2009) states, "It is the duty of the Accounting Officer responsible for the collection of revenue or other moneys due to Government, to ensure that all collections for which he is responsible are correctly and promptly brought to account, whether such collections are payable direct to him, or to a Sub-Accounting Officer or through any other channel. None of the checks which are required by these Regulations to be carried out by Sub-Accounting Officers relieves the Accounting Officer of the ultimate responsibility of verifying that all collections are brought to account…." Furthermore, paragraph 236 of the FR (2009) states, "Revenue paid into the Revenue Accounts for Internally Generated Revenue (IGR) of MDAs shall be transferred to the CRF before the 15th of the Month following the month of collection of the Revenue." Also, paragraph 3(b) of the Treasury Circular Ref. No. TRY/A10&B10/2016 OAGF/CAD/026/V.111/101 of 22nd November, 2016, states, "all partially-funded Federal Government Agencies/Parastatals should limit their annual budgetary expenditure to no more than 75 percent (75%) of their gross revenue, and remit the 25 percent (25%) to the CRF or pay 80 percent (80%) of their Operating Surplus computed according to the approved template to the CRF, whichever is higher."

Audit observed that:

i. The Centre generated revenue amounting to ₦213,331,704.00 (Two hundred and thirteen million, three hundred and thirty one thousand, seven hundred and four naira) for the year 2022.
ii. The 25% internally generated revenue (Non-Revolving Fund) for the year 2022 was ₦56,916,605.15 (Fifty six million, nine hundred and sixteen thousand, six hundred and five naira, fifteen kobo), but the Centre only remitted ₦2,858,683.00 (Two million, eight hundred and fifty eight thousand, six hundred and eighty three naira), and
iii. The sum of ₦54,057,922.15 (Fifty four million, fifty seven thousand, nine hundred and twenty two naira, fifteen kobo), being the difference between the amount remitted as

highlighted in (ii) above and the actual amount meant to be remitted, was yet to be paid into the CRF.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Medical Centre, Owo.

Risks

i. Loss of revenue accruable to government.
ii. Difficulty in funding the nation's budget.

Management's Response

Internal Generated Revenue (IGR) are separate from cost Revolving Funds (CRF). The required 25% due to the Consolidated Revenue Fund (CRF) are paid as and when due. Please see ANNEXURE 6.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦54,057,922.15 (Fifty four million, fifty seven thousand, nine hundred and twenty two naira, fifteen kobo), being under-remitted IGR.
ii. Remit the sum of ₦54,057,922.15 to the Consolidated Revenue Fund (CRF).
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to failure to collect and account for government revenue specified in paragraph 3112(ii) of the Financial Regulations (2009) should apply.

ISSUE 9: IRREGULARITIES AND PAYMENT OF SALARY TO OFFICERS ON STUDY LEAVE WITHOUT APPROVAL (=₦42,270,923.16)

Description of Findings

Paragraph 120226 of the Public Service Rule (PSR) (2021) states, "...An officer may be granted study leave with pay, study leave without pay, or in-service training provided that his Permanent Secretary/Head of Extra-Ministerial Office certifies the following: (i) evidence of letter of admission; (b) evidence of duration of the course; (c) that the course is necessary to enhance the performance of the Officer and to add value to the service; (d) that the course is relevant to the Officer's profession." Furthermore, paragraph 120228 of the PSR (2021) states, "Study leave with pay shall be granted to an officer with normal emoluments. This is granted when the course of study is relevant to the mandate of the MDA, and the schedule of duty of the concerned Officer. If, however, there is acceptable justification, one year extension shall be granted."

Audit observed that:

i. Ten (10) officers from various departments of the hospital applied for study leave with pay, which was granted as shown in their individual files.
ii. The total gross emolument of the affected officers was ₦42,270,923.16 (Forty two million, two hundred and seventy thousand, nine hundred and twenty three naira, sixteen kobo)
iii. Approval from the Office of the Head of the Civil Service of the Federation authorizing full sponsorship was not obtained.
iii. The duration of the study in some of the provisional admission letters were not clearly stated.
iv. Some of the officer's area of study or programme was not in line with their areas of specialization.
v. There was no bond or agreement signed between the management of the Centre and the officers on study leave with pay contrary to the provision of the extant laws above.
vi. The duration of the study leave granted exceeded two years, and
vii. Evidence of payment to the Institution was not made available for audit.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Medical Centre, Owo.

Risks

i. Loss of public funds.
ii. Shortage of manpower at the Hospital.

Management's Response

The Hospital Board of Management as inaugurated by the Federal Ministry of health, Abuja, duly approved the Leave of Absence for the affected staff.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦42,270,923.16 (Forty two million, two hundred and seventy thousand, nine hundred and twenty three naira, sixteen kobo), paid to officers on study leave without approval.
ii. Recover and remit to the Treasury, the sum of ₦42,270,923.16.
iv. Forward evidence of recovery and remittance to the Public Accounts Committees of the National Assembly, and
v. Otherwise, sanctions relating to irregular payment and gross misconduct prescribed in paragraphs 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 10: VIOLATION OF E-PAYMENT POLICY OF THE FEDERAL GOVERNMENT (=₦6,006,934.21)

Description of Findings

Paragraph 713 of the Financial Regulations (FR) (2009) states, "Personal money will in no circumstances be paid into a government bank account nor shall any public money be paid into a private bank account. An officer who pays public money into a private account is deemed to have done so with fraudulent intention." Also, paragraph 4(vii) of the Treasury Circular Ref. No. TRY/A88&B8/2008/OAGF/CAD/026/Vol.11/465 dated 22nd October, 2008, states, "Henceforth all employees of the Federal Government of Nigeria must each open an account with a commercial bank into which all payments due to him/her must be paid." Similarly, paragraph 613 of the FR (2009) states, "Payments shall be made only to the persons named in the vouchers or their properly authorized representatives. Paying Officers must satisfy themselves that the person claiming the payment is the person authorised to receive the amount and it is the duty of the ministry, extra-ministerial office and other arms of Government authorizing payment to furnish proof of identity if required..."

Audit observed that:

i. The sum of ₦6,006,934.21 (Six million, six thousand, nine hundred and thirty four naira, twenty one kobo) vide fourteen (14) payments were made to beneficiaries other than the original beneficiaries.
ii. The payments were meant for HIV programs and stipends for the security operatives, etc, and
iii. Schedules of payments were made and attached to the payment voucher but payment was made to a single staff without evidence of acknowledgement of receipt by the beneficiaries as against e-payment policy.

The above anomalies could be attributed to the weaknesses in the internal control system at the Federal Medical Centre, Owo.

Risks

i. Diversion of public funds.
ii. Loss of government funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦6,006,934.21 (Six million, six thousand, nine hundred and thirty four naira, twenty one kobo), paid in violation of e-payment policy.
ii. Recover and remit to the Treasury, the sum of ₦6,006,934.21.

iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating irregular payments prescribed in paragraph 3106 of the Financial Regulations (2009) should apply.

SECTION 6

FEDERAL POLYTECHNICS & COLLEGES OF EDUCATION AUDIT DEPARTMENT (FP & CoEAD)

FEDERAL COLLEGE OF EDUCATION, GOMBE, GOMBE STATE

At the Federal College of Education, Gombe, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: NON-DEDUCTION OF VAT & WHT FROM PAYMENT TO CONTRACTORS (=₦72,523,896.52)

Description of Findings

Paragraph 234 (i) of Financial Regulations (FR) (2009) states, "It is mandatory for Accounting Officers to ensure full compliance with the dual roles of making provision for the Value Added Tax (VAT) and Withholding Tax (WHT) due on supply and services contract and actual remittance of same." Furthermore, paragraph 234 (ii) of the FR (2009) states, "Any loss of government revenue through direct payment of VAT and WHT to contractor or failure to provide for VAT and WHT due and remitting same to Federal Inland Revenue Service by any ministry/extra-ministerial department shall be recovered from the statutory allocation of the defaulting ministry/extra-ministerial office and other arms of government. Remittance shall be made not later than 21 days after deduction."

Audit observed that:

i. The sum of ₦580,967,172.11 (Five hundred and eighty million, nine hundred and sixty seven thousand, one hundred and seventy two naira, eleven kobo) was paid to fourteen (14) contractors as mobilization fee between 14th August and 14th November, 2023.
ii. The College failed to deduct statutory taxes at the point of payment as required by extant regulations, and
iii. The above payments were not subjected to withholding tax amounting to ₦29,048,358.61 (Twenty nine million, forty eight thousand, three hundred and fifty eight naira, sixty one kobo) and Value Added Tax (VAT) amounting to ₦43,475,537.91 (Forty three million, four hundred and seventy five thousand, five hundred and thirty seven naira, ninety one kobo) totalling ₦72,523,896.52 (Seventy two million, five hundred and twenty three thousand, eight hundred and ninety six naira, fifty two kobo).

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Education, Gombe.

Risks

i. Loss of Government revenue.
ii. Difficulty in funding budget.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦72,523,896.52 (Seventy two million, five hundred and twenty three thousand, eight hundred and ninety six naira, fifty two kobo), being VAT and WHT not deducted from payment to Contractors.
ii. Recover and remit to the Treasury, the sum of ₦72,523,896.52.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to failure to remit VAT and WHT, and failure to collect and account for government revenue prescribed in paragraphs 234 (ii) and 3112 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2: PAYMENTS WITHOUT PRE-PAYMENT AUDIT (=₦75,544,042.47)

Description of Findings

Paragraph 1705 of the Financial Regulations (FR) (2009) states, "The Head of Internal Audit Unit in all ministries/extra-ministerial offices and other arms of government shall ensure that 100% pre-payment audit of all checked and passed vouchers is carried out and the vouchers forwarded under security schedule direct to the appropriate Central Pay Office for payment. Checked and passed vouchers received in the Internal Audit Unit must be promptly dealt with and, under no circumstance, shall a voucher be held in that Unit for more than forty-eight (48) hours."

Audit observed that:

i. The sum of ₦75,544,042.47 (Seventy five million, five hundred and forty four thousand, forty two naira, forty seven kobo) were paid to a company for the Construction and Furnishing of Student Early Grade Reading Resource Centre Building with External Works vide paid voucher No. 034 dated 26th April, 2023, and
ii. None of the payment vouchers were checked and passed by the Internal Audit before payment as required by extant regulations.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Education, Gombe.

Risks

i. Loss of Government funds.
ii. Misapplication of public funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations.

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦75,544,042.47 (Seventy five million, five hundred and forty four thousand, forty two naira, forty seven kobo), paid without pre-payment audit.
ii. Recover and remit to the Treasury, the sum of ₦75,544,042.47
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 3: UNDER-DEDUCTION OF WITHHOLDING TAX FROM PAYMENT TO CONTRACTOR (=₦2,919,248,79)

Description of Findings

Paragraph 234 (i) of the Financial Regulations (FR) (2009) states, "It is mandatory for Accounting Officers to ensure full compliance with the dual roles of making provision for the Value Added Tax (VAT) and Withholding Tax (WHT) due on supply and services contract and actual remittance of same." Furthermore, paragraph 235 of the FR (2009) states, "Deductions for WHT, VAT and PAYE shall be remitted to the Federal Inland Revenue at the same time the payee who is the subject of the deduction is paid."

Audit observed that:

i. Three (3) payments totalling ₦116,769,923.16 (One hundred and sixteen million, seven hundred and sixty nine thousand, nine hundred and twenty three naira, sixteen kobo) were made to three contractors for construction and supply of goods.
ii. The statutory 5% Withholding Tax (WHT) amounting to ₦5,838,496.16 (Five million, eight hundred and thirty eight thousand, four hundred and ninety six naira, sixteen kobo) was due for deduction on the payments, and
iii. The sum of ₦2,919,248.08 (Two million, nine hundred and nineteen thousand, two hundred and forty eight naira, eight kobo) was deducted thereby leaving a balance of ₦2,919,248.08 as under deduction.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Education, Gombe.

Risks

i. Loss of revenue due to the government.
ii. Difficult to fund government budget.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦2,919,248.08 (Two million, nine hundred and nineteen thousand, two hundred and forty eight naira, eight kobo), being under-deduction of withholding tax.
ii. Recover and remit to the Treasury, the sum of ₦2,919,248.08.
iii. Forward evidence of remittances to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to failure to collect and account for Government revenue specified in paragraph 3112(i) of the Financial Regulations (2009) should apply.

ISSUE 4: PAYMENT WITHOUT RELEVANT SUPPORTING DOCUMENTS (=₦53,461,350.00)

Description of Findings

Paragraph 708 of the Financial Regulations (FR) (2009) states, “On no account should payment be made for services not yet performed or for goods not yet supplied.” Furthermore, paragraph 603(i) of the FR (2009) states, “All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets. etc.” In addition, paragraph 415 of the FR (2009) states, “The federal government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted.”

Audit observed that:

i. Fourteen (14) paid vouchers totalling ₦53,461,350.00 (Fifty three million, four hundred and sixty one thousand, three hundred and fifty naira) were raised and paid to different companies for security and cleaning service between 14th March and 31st December, 2023, and
ii. Relevant supporting documents such as invoices, letter of award, contract agreement, receipts, etc., were not attached to the vouchers to validate the expenditures as legitimate charges against public fund.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Education, Gombe.

Risks

i. Loss of Government funds.
ii. Misapplication of public funds

Management's Response

No response.

Auditor’s Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦53,461,350.00 (Fifty three million, four hundred and sixty one thousand, three hundred and fifty naira), paid without relevant supporting documents.
ii. Recover and remit to the Treasury, the sum of ₦53,461,350.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments and failure to account for public funds specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 5: NON-SUBMISSION OF AUDITED FINANCIAL STATEMENTS FOR THE YEAR 2022

Description of Findings

Paragraph 3210(v) of the Financial Regulations (FR) (2009) states, "The Chief Executive Officer shall submit both the Audited Accounts and Management Report to the Auditor-General not later than 31st May of the following year of the Account." Also, paragraph 4 of the Treasury Circular Ref. OAGF/CAD/026/VOL.III/7 dated 18th March, 2016, requires MDAs to prepare annual statutory financial reports in addition to the monthly trial balance to be submitted to Treasury. Similarly, paragraph 5.3 of the Treasury Circular Ref. OAGF/CAD/026/VOL.III/108, dated 1st December, 2016, requires each MDA to prepare IPSAS accrual basis annual statutory financial statements effective 1st January, 2016. The Circular requires all MDAs to prepare the following annual statutory financial statements:

i. Statements of Financial Performance
ii. Statements of Financial Position
iii. Cash Flow Statement
iv. Statements of Changes in Net Assets/Equity
v. Statements of Comparison of Actual and Budget
vi. Notes to the Account

The financial statements are to be forwarded to the Treasury and be in the public domain (Website, Publications, etc.) after certification by the Auditor-General for the Federation.

In spite of the above:

i. The Management of the College failed to prepare and submit its audited Financial Statements and Management Report for the year 2022 to the Office of the Auditor-General for the Federation.
ii. The submission of the Audited Financial Statements and Management Report had fallen in arrears for one (1) financial year, and
iii. The last set of audited annual financial statements submitted was for the 2021 financial year.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Education, Gombe.

Risks
i. Lack of accountability and transparency.
ii. Loss of public and stakeholder confidence

Management's Response
No response.

Auditor's Evaluation
Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations
The Provost should be requested to:
i. Prepare and submit its audited financial statement for the year 2022 to the Public Accounts Committees of the National Assembly.
ii. Forward evidence of compliance to the Public Accounts Committees of the National Assembly, and
iii. Otherwise, sanctions relating gross misconduct in paragraph 3129 of the Financial Regulations (2009) should apply.

ISSUE 6: NON-RETIREMENT OF ADVANCES (=₦3,735,000.00)

Description of Findings
Paragraph 1011 (i) of the Financial Regulations (FR) (2009) states, "All standing imprests must be retired on or before the 31st December of the financial year in which they are issued while Special Imprests shall be retired immediately the reasons for which they were granted cease to exist. Retirement will be effected by the production of vouchers and/or cash for the full amount of the imprest." Furthermore, paragraph 1420 of the FR (2009) states, "It is the responsibility of all Accounting Officers to ensure that all advances granted to officers are fully recovered."

Audit observed that:
i. The sum of ₦3,735,000.00 (Three million, seven hundred and thirty five thousand naira) was granted as advances to eighty two (82) members of staff of the College between January and December 2023.
ii. The advances granted remained unretired as at the time of audit exercise in July 2024, and
ii. Some of these officers were granted multiple advances when the previous ones had not been retired.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Education, Gombe.

Risks
i. Loss of government funds.
ii. Diversion of public funds.

Management's Response
No response.

Auditor's Evaluation
Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations
The Provost should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦3,735,000.00 (Three million, seven hundred and thirty five thousand naira) being unretired advances.
ii. Recover and remit to the Treasury, the sum of ₦3,735,000.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to failure to retire cash advances and irregular payments prescribed in paragraphs 3124 and 3106 of the Financial Regulations (2009) respectively, should apply.

FEDERAL COLLEGE OF EDUCATION, OBUDU

At the Federal College of Education, Obudu, Cross River State, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: UNJUSTIFIED PAYMENTS FOR CONTINGENCIES AND OTHER LOGISTICS (= ₦15,073,037.50)

Description of Findings
Paragraph 412 of the Financial Regulations (FR) (2009) states, "Where a contract involves supplies of goods or work done, there will be attached to the voucher a certificate that the payments are in accordance with terms of the contract agreement, that as regards supplies, the articles have been received and, in the case of work, that it has been properly done. In the case of payment on account, no money will be claimed other than the cost of the work certified to have been performed." Furthermore, paragraph 415 of the FR (2009) states, "The Federal Government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted." Similarly, paragraph 603(i) of the FR (2009) states, "All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets. etc."

Audit observed that:
i. Provisions were made in the Bill of Quantity (BOQ) during the award of contracts for project site preparations/drawings, contingency, insurance and preliminaries as items in Bill 1 and Bill 2, and

ii. Sample extracts of two (2) such provisions drawn from Nine (9) contracts awarded by the College showed that the sum of ₦15,073,037.50 (Fifteen million, seventy three thousand, thirty seven naira, fifty kobo) paid as Project site preparation/insurance and contingency could not be accounted for or supported with relevant documents.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Education, Obudu.

Risks

i. Loss of government funds.
ii. Possibility of payment for jobs not executed and goods not supplied.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦15,073,037.50 (Fifteen million, seventy three thousand, thirty seven naira, fifty kobo), being unaccounted payments for contingency and other logistics.
ii. Recover and remit to the Treasury the sum of ₦15,073,037.50.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to payment for job not executed and irregular payment specified in paragraphs 3104(iii) and 3106 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2: IRREGULARITIES IN THE AWARD AND PAYMENT OF CONTRACT (=₦45,125,000.00)

Description of Findings

Paragraph 603(i) of the Financial Regulations (FR) (2009) states, "All vouchers shall contain full particulars of each service such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets, etc." Furthermore, paragraph 415 of the FR (2009) requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted. Similarly, paragraph 412 of the FR (2009) states, "Where a contract involves supplies of goods or work done, there will be attached to the voucher a certificate that the payments are in accordance with the terms of the contract agreement, that is as regards supplies, the articles have been received and, in the case of work, that it has been properly done…" In addition,

paragraph 708 of the FR (2009) states, “On no account should payment be made for services not yet performed or for goods not yet supplied.”

Audit observed that:

i. Contract for the Rehabilitation of Old Bursary / Registry Block was awarded to a company vide an award letter Ref. No. FCE/OB/CAP/2022/73 dated 20th September, 2022 at the contract sum of ₦45,125,000.00. (Forty five million, one hundred and twenty five thousand naira)
ii. All the relevant supporting documents to confirm that due process was followed in the award of contract were not attached to the paid vouchers, neither was it in the contract file.
iii. The contract sum was paid to the contractor including the sum of ₦9,583,156.34 (Nine million, five hundred and eighty three thousand, one hundred and fifty six naira, thirty four kobo) through paid voucher No.14 dated 10th November, 2023 as final payment without any valuation certificate or job completion certificate, and
iv. The final payment was made without deduction of 5% retention in the sum of ₦2,250,000.00 (Two million, two hundred and fifty thousand naira).

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Education, Obudu.

Risks

i. Payment for job not executed.
ii. Diversion of public funds.

Management’s Response

No response.

Auditor’s Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦45,125,000.00. (Forty five million, one hundred and twenty five thousand naira), being amount paid on irregular award and payments of contract.
ii. Recover and remit to the Treasury, the sum of ₦45,125,000.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to payment for job not executed and irregular payment specified in paragraphs 3104 and 3106 of the Financial Regulations (2009) respectively, should apply.

ISSUE 3: PAYMENTS FOR SECURITY SERVICES WITHOUT RELEVANT SUPPORTING DOCUMENTS (= ₦13,494,000.00)

Description of Findings

Paragraph 603(i) of the Financial Regulations (FR) (2009) states, "All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets. etc." Furthermore, paragraph 708 of the FR (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied."

Audit observed that:

i. The sum of ₦1,124,500.00 (One million, one hundred and twenty four thousand, five hundred naira), was paid to a security company on monthly basis for security services rendered for a year totalling ₦13,494,000.00 (Thirteen million, four hundred and ninety four thousand naira).
ii. The relevant supporting documents such as Service Level Agreement (SLA) Memorandum of Understanding (MoU) showing details of the terms and conditions of engagement; and the number of security men deployed by the security company were not made available despite several and repeated requests from the College, and
iii. Evidence of these payments to the company, in form of receipts and invoices from the beneficiary firm were not attached to the paid vouchers.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Education, Obudu.

Risks

i. Loss of government funds.
ii. Diversion of public funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦13,494,000 (Thirteen million, four hundred and ninety four thousand naira), paid without relevant supporting documents.
ii. Recover and remit to the Treasury, the sum of ₦13,494,000.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments and failure to account for public funds specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 4. NON-SUBMISSION OF FIVE YEARS AUDITED FINANCIAL STATEMENTS

Description of Findings

Paragraph 3210(v) of the Financial Regulations (FR) (2009) states, "The Chief Executive Officer shall submit both the Audited Accounts and Management Report to the Auditor-General not later than 31st May of the following year of the Account." Also, paragraph 4 of the Treasury Circular Ref. OAGF/CAD/026/VOL.III/7 dated 18th March, 2016, requires MDAs to prepare annual statutory financial reports in addition to the monthly trial balance to be submitted to Treasury. Similarly, paragraph 5.3 of the Treasury Circular Ref. OAGF/CAD/026/VOL.III/108, dated 1st December, 2016, requires each MDA to prepare IPSAS accrual basis annual statutory financial statements effective 1st January, 2016. The Circular requires all MDAs to prepare the following annual statutory financial statements:

i. Statements of Financial Performance
ii. Statements of Financial Position
iii. Cash Flow Statement
iv. Statements of Changes in Net Assets/Equity
v. Statements of Comparison of Actual and Budget
vi. Notes to the Account

The financial statements are to be forwarded to the Treasury and be in the public domain (Website, Publications, etc.) after certification by the Auditor-General for the Federation.

In spite of the above:

i. The Management of the College failed to prepare and submit the audited Financial Statements and Management Report from 2019 to 2023 to the Office of the Auditor-General for the Federation.
ii. The submission of the Audited Financial Statements and Management Report had fallen in arrears for five (5) financial years, and
iii. The last set of audited annual financial statements submitted was for the 2018 financial year.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Education, Obudu.

Risks

i. Government finances may not be properly accounted for.
ii Delay in decision making.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Prepare and submit the five (5) years audited financial statements from 2019 to 2023 to the Public Accounts Committees of the National Assembly.
ii. Forward evidence of compliance to the Public Accounts Committees of the National Assembly, and
iii. Otherwise, sanctions relating gross misconduct in paragraph 3129 of the Financial Regulations (2009) should apply.

ISSUE 5: VIOLATION OF E-PAYMENT POLICY OF THE FEDERAL GOVERNMENT (=₦3,288,000.00)

Description of Findings

Paragraph 713 of the Financial Regulations (FR) (2009) states, "Personal money will in no circumstances be paid into a government bank account nor shall any public money be paid into a private bank account. An officer who pays public money into a private account is deemed to have done so with fraudulent intention." Also, paragraph 4(vii) of the Treasury Circular Ref. No. TRY/A88&B8/2008/OAGF /CAD/026/Vol.11/465 dated 22nd October, 2008, states, "Henceforth all employees of the Federal Government of Nigeria must each open an account with a commercial bank into which all payments due to him/her must be paid." Furthermore, paragraph 613 of the FR (2009) states, "Payments shall be made only to the persons named in the vouchers or their properly authorized representatives. Paying Officers must satisfy themselves that the person claiming the payment is the person authorised to receive the amount and it is the duty of the ministry, extra-ministerial office and other arms of Government authorizing payment to furnish proof of identity if required..."

Audit observed that:

i. Two (2) payments totalling ₦3,288,000.00 (Three million, two hundred and eighty eight thousand naira) were made in violation of E-payment policy, and
ii. There was no evidence to show that the above payments got to the rightful beneficiaries.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Education, Obudu.

Risks

i. Loss of government funds.
ii. Diversion of public funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦3,288,000.00 (Three million, two hundred and eighty eight thousand naira), paid in violation of the e-payment policy of the Federal Government.
ii. Recover and remit to the Treasury, the sum of ₦3,288,000.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating irregular payments prescribed in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 6: PAYMENT FOR PROCUREMENT OF NON-EXISTING LAPTOPS (=₦25,500,000.00)

Description of Findings

Paragraph 708 of the Financial Regulations (FR) (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied." Furthermore, paragraph 603(i) of the FR (2009) states, "All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distance, and rates, so as to enable them to be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets etc." In addition, paragraph 415 of the FR (2009) states, "The Federal Government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted."

Audit observed that:

i. The sum of ₦25,500,000.00 (Twenty five million, five hundred thousand naira) was paid to FBN Account No. 200696344 and Account Name COEASU (Colleges of Education Academic Staff Union) on 20th November, 2023, for Procurement of Computer Laptops.
ii. Evidence of utilisation of the funds for the purpose stated could not be traced, and
iii. Specification and number of computer laptops to be procured were not stated and documents such as Store receipt voucher (SRV), invoice and receipts were not attached to the paid voucher.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal college of Education, Obudu.

Risks

i. Loss of Government fund.
ii. Diversion of Government fund.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦25,500,000.00 (Twenty five million, five hundred thousand naira), being payment for the procurement of non-existing laptops.
ii. Recover and remit to the Treasury, the sum of ₦25,500,000.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 7: PAYMENT FOR CONTRACT WITHOUT DUE PROCESS (=₦13,537,500.00)

Description of Findings

Section 16(1) of the Public Procurement Act (PPA) (2007) states, "Subject to any exemption allowed by this Act, all public procurement shall be conducted:… (e) with the aim of achieving value for money and fitness for purpose;… (f) in a manner which promotes competition, economy and efficiency; and (g) in accordance with the procedures and timeline laid down in this Act and as may be specified by the Bureau from time to time…." Also, paragraph 412 of the Financial Regulations (FR) (2009) states, "Where a contract involves supplies of goods or work done, there will be attached to the voucher a certificate that the payments are in accordance with the terms of the contract agreement, that is as regards supplies, the articles have been received and, in the case of work, that it has been properly done…" Furthermore, paragraph 708 of the FR (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied."

Audit observed that:

i. The contract for the perimeter survey and master plan for Bebi Satellite Campus was awarded to a company vide award letter Ref. No. FCE/OB/CAP/2023/75 dated 20th February, 2023 at the contract sum of ₦13,537,500.00 (Thirteen million, five hundred and thirty seven thousand, five hundred naira).
ii. Evidence of due process in the engagement of the consultant, such as quotations submitted by bidders, bids evaluation report, in- house estimate, basis of arriving at the contract sum, job specification, contract agreement, etc., were not provided for review, and
iii. The Consultant was fully paid without evidence of job performance.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal college of Education, Obudu.

Risks

i. Payment for job not executed.
ii. Diversion of public funds for private use.

Management's Response

No response.

Auditor's Evaluation
Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations
The Provost should be required to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦13,537,500.00 (Thirteen million, five hundred and thirty seven thousand five hundred naira), paid for contract awarded without due process and evidence of job execution.
ii. Recover and remit to the Treasury, the sum of ₦13,537,500.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and failure to spend public funds effectively prescribed in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 8: UNJUSTIFIED PAYMENT FOR OUT-OF-POCKET EXPENSES (=₦1,633,491.00)

Description of Findings
Paragraph 415 of the Financial Regulations (FR) (2009) states, "The Federal Government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted."

Audit observed that:
i. The sum of ₦1,633,491.00 (One million, six hundred and thirty three thousand, four hundred and ninety one naira) was paid to three (3) individuals as Out of Pocket Expenses (OPE) for transport and flight ticket for Council meeting held between 17th - 19th May, 2023;
ii. The amount paid in (i) above included the sum of ₦1,005,491.00 (One million, five thousand, four hundred and ninety one naira) made via PV No. TSA/235 dated 18th May, 2023 and
iii. The sum of ₦628,000.00 (Six hundred and twenty eight thousand naira) was made through PV No. TSA/240 dated 11th May, 2023 to another individual, and
iv. The flight ticket attached to the voucher has no connection to the acclaimed council meeting.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Education, Obudu.

Risks
i. Loss of government funds.
ii. Diversion of public funds.

Management's Response
No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦1,633,491.00 (One million, six hundred and thirty three thousand, four hundred and ninety one naira), being unjustified out of pocket expenses.
ii. Recover and remit to the Treasury, the sum of ₦1,633,491.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 9: NON-PERSONAL ADVANCES GRANTED ABOVE STATUTORY LIMIT (=₦4,372,450.00)

Description of Findings

Paragraph 3 of the Treasury Circular Ref. No. TRY/A7 & B7/2015/OAGF/CAD/026/V.1/178 of 12th August, 2015, states, "All Accounting Officers and Officers controlling expenditure are to ensure that all local procurement of stores and services costing above ₦200,000.00 shall be made only through Award of Contracts, except as provided by the Public Procurement Act, 2007." Also, paragraph 2302 (ii) of the Financial Regulations (FR) (2009) states, "On no account shall special imprest or cash advance be used in place of Local Purchase Order or Job Order of the procurement of stores locally." Furthermore, paragraph 1420 of the FR (2009) states, "It is the responsibility of all Accounting Officers to ensure that all advances granted to officers are fully recovered."

Audit observed that:

i. The sum of ₦4,372,450.00 (Four million, three hundred and seventy two thousand, four hundred and fifty naira), was granted as cash advances to some officers of the College for direct procurement of store items and rendering of services to the College.
ii. The advances granted in (i) above were in excess of the statutory limit of ₦200,000 (Two hundred thousand naira) in contravention of the provision of extant circular, and
iii. The direct procurement using advances resulted to loss of tax revenue to the government in form of (WHT & VAT) totalling ₦546,556.25 (Five hundred and forty six thousand, five hundred and fifty six naira, twenty five kobo) that would have accrued from taxes if the procurement were awarded.

The above anomalies could be attributed to weaknesses in the internal control system at Federal College of Education, Obudu.

Risks

i. Diversion of public funds.
ii. Payment for goods not supplied.
iii. Loss of government revenue.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦4,372,450.00 (Four million, three hundred and seventy two thousand, four hundred and fifty naira), being advances granted above the statutory limit.
ii. Recover and remit to the Treasury, the sum of ₦4,372,450.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments and gross misconduct prescribed in paragraph 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 10: PROCUREMENT AND PAYMENT FOR ICT FACILITIES WITHOUT APPROVAL BY THE NATIONAL INFORMATION TECHNOLOGY DEVELOPMENT AGENCY (=₦89,732,860.15)

Description of Findings

Paragraph 4 of the Establishment Circular Ref. No. 59736/S.2/C.II/125, dated 31st August, 2018, states, "For the avoidance of doubt, MDAs and other government establishments are to relate with and obtain prior approval from National Information Technology Development Agency (NITDA) for the implementation of Information Technology (IT) projects as well as the procurement of locally assembled IT components."

Audit observed that:

i. Contract for the supply and installation of ICT facilities to the College was awarded to a company vide award letter dated 22nd September, 2023, for ₦89,732,860.15 (Eighty nine million, seven hundred and thirty two thousand, eight hundred and sixty naira, fifteen kobo) under the TETFUND Zonal Intervention Projects for 2023.
ii. The above amount was paid to the contractor vide paid voucher No. 107 dated 24th October, 2023.
iii. There was no clearance obtained from NITDA prior to embarking on such procurement as required by the above circular, and
iv. There was no evidence of manufacturer's certificate to authenticate the genuineness of the goods supplied.

The above anomalies could be attributed to weaknesses in the internal control system at Federal College of Education, Obudu

Risks

i. Award of contract to incompetent contractors.
ii. Substandard items may be supplied.

Management's Response

No response.

Auditor's Evaluations

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦89,732,860.15 (Eighty nine million, seven hundred and thirty two thousand, eight hundred and sixty naira, fifteen kobo), for the award of ICT contracts without obtaining clearance from NITDA.
ii. Recover and remit to the Treasury, the sum of ₦89,732,860.15.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and gross misconduct prescribed in paragraphs 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 11: IRREGULARITIES IN THE AWARD OF CONTRACT (=₦218,298,974.00)

Description of Findings

Paragraph 2907 (i) of the Financial Regulations (FR) (2009) states, "In order to ensure transparency and accountability, achievement of value for money, economy and efficiency, and equity and fairness, all procurements falling within the bureau's thresholds shall be by way of open competitive bidding.'' Furthermore, paragraph 708 of the FR (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied." Similarly, paragraph 603(i) of the FR (2009) states, "All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets, etc."

Audit observed that:

i. Contract for the construction of ICT/CBT Centre was awarded to a contractor at the contract sum of ₦218,298,974.00 (Two hundred and eighteen million, two hundred and ninety eight thousand, nine hundred and seventy four naira) vide Ref.

No. FCE/OB/TETF/2021-2022/81 dated 19th December, 2022 under TETFUND Intervention Fund.

ii. Two (2) paid vouchers Nos. 30 and 78 dated 4th April, 2023, and 25th September, 2023 respectively were raised and paid to the contractor.

iii. There was no evidence that due diligence was conducted on both legal and financial capability of contractor prior to the award.

iv. The Parastatal's Tender Board meeting conducted prior to the award could not be confirmed as the minutes of meeting could not be sighted, and

v. 30% mobilisation was paid to the Contractor upon presentation of Advance Payment Guarantee and Performance Bond without confirming the authenticity of documents.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Education, Obudu.

Risks

i. Loss of government funds.

ii. Diversion of government funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦218,298,974.00 (Two hundred and eighteen million, two hundred and ninety eight thousand, nine hundred and seventy four naira), being payment for irregular award of contract.

ii. Recover and remit to the Treasury, the sum of ₦218,298,974.00.

iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and

iv. Otherwise, sanctions relating to payment for jobs not executed and gross misconduct specified in paragraphs 3104(iii) and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 12: OVERPAYMENT TO CONTRACTOR (=₦15,391,635.00)

Description of Findings

Paragraph 415 of the Financial Regulations (FR) (2009) states, "The Federal Government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted." Furthermore, paragraph 412 of the FR (2009) states, "Where a contract involves supplies of goods or work done, there will be attached to the voucher a certificate that the payments are in accordance with the terms of the contract agreement, that is as regards supplies, the articles have

been received and, in the case of work, that it has been properly done…" In addition, paragraph 708 of the FR (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied."

Audit observed that:

i. The contract for the Procurement, Installation, Testing, and Commissioning of 30KVA Solar Power Reticulation was awarded to a company vide award letter dated 14th February, 2023 at the contract sum of ₦51,305,450.00 (Fifty one million, three hundred and five thousand, four hundred and fifty naira).
ii. Three (3) payments were made to the contractor as follows:

S/N	P.V NO & DATES	DESCRIPTION	AMOUNT
1	41 of 5/5/2023	30% Advance	15,391,635.00
2	64 of 20/7/2023	2nd payment	32,674,840.00
4	104 of 6/12/2023	3rd payment	18,630,610.00
		TOTAL	**66,697,085.00**

iii. The contractor was paid far and above the contract sum resulting in an over-payment in the sum of ₦15,391,635.00 (Fifteen million, three hundred and ninety one thousand, six hundred and thirty five naira) without any evidence of additional item supplied by the contractor.
iv. The College did not confirm the Advanced Payment Guarantee (APG) submitted by the contractor before the 30% advance payment, and
v. There was no evidence of commissioning and training of any staff as prescribed in the job specification.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Education, Obudu.

Risks

i. Diversion of government funds.
ii. Payment for job not executed.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦15,391,635.00 (Fifteen million, three hundred and ninety one thousand, six hundred and thirty five naira), being overpayment to a contractor.
ii. Recover and remit to the Treasury, the sum of ₦15,391,635.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and

iv. Otherwise, sanctions relating to irregular payment and failure to spend public funds effectively prescribed in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 13: UNJUSTIFIED TRANSFER OF FUNDS (=₦79,076,819.49)

Description of Findings

Section 85 (2) of the Constitution of the Federal Republic of Nigeria, 1999 (as amended) states, "…the Auditor-General or any person authorised by him in that behalf shall have access to all the books, records, returns and other documents relating to those accounts." Also, paragraph 112 of the Financial Regulations (FR) (2009) states, "The functions of the Accounting Officer shall include:…(f) ensuring accurate collection and accounting for all public moneys received and expended…" Furthermore, paragraph 415 of the FR (2009) states, "The Federal Government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted."

Audit observed that:

i. The sum of ₦79,076,819.49 (Seventy nine million, seventy six thousand, eight hundred and nineteen naira, forty nine kobo) was transferred from the Revitalization account to an unknown bank account, as shown in the table below, and

S/N	DATE	PARTICULARS	AMOUNT	REMARKS
1	9/11/2023	Account to account transfer	13,843,999.00	no description
2	10/11/2023	Account to account transfer	2,300,381.75	no purpose of the transaction
3	5/12/2023	Account to account transfer	62,932,438.74	
	TOTAL		**79,076,819.49**	

ii. The purposes of the transfers were neither described in the Bank Statements nor were the payment records provided for audit scrutiny.

The above anomalies could be attributed to weaknesses in the internal control system at Federal College of Education, Obudu

Risks

i. Diversion of public funds.
ii. Loss of government funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦79,076,819.49 (Seventy nine million, seventy six thousand, eight hundred and nineteen naira, forty nine kobo), being unjustified transfers.
ii. Recover and remit to the Treasury, the sum of ₦79,076,819.49.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and failure to manage public funds effectively prescribed in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 14: UNRETIRED ADVANCES (=₦11,757,400.00)

Description of Findings

Paragraph 1405 of the Financial Regulations (FR) (2009) states, "Accounting Officers are responsible for ensuring the prompt repayment of all advances by installments or otherwise." Furthermore, paragraph 1420(i) of the FR (2009) states, "It is the responsibility of all Accounting Officers to ensure that all advances granted to officers are fully recovered." In addition, paragraph 1416 of the FR (2009) states, "The outstanding balance of any advance shall be recovered in full from the last payment of salary and/or retirement gratuity of an officer who leaves the service on retirement, resignation, termination of appointment or dismissal."

Audit observed that:

i. The sum of ₦11,757,400.00 (Eleven million, seven hundred and fifty seven thousand, four hundred naira) on fourteen (14) paid vouchers was granted as advances to some staff of the College for the purchase of various items, and
ii. These advances were not retired as at the time of the audit exercise in April 2024.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Education, Obudu.

Risks

i. Loss of government funds.
ii. Misappropriation of funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦11,757,400.00 (Eleven million, seven hundred and fifty seven thousand, four hundred naira), being unretired advances.
ii. Recover and remit to the Treasury, the sum of ₦11,757,400.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to failure to retire cash advances and irregular payments prescribed in paragraphs 3124 and 3106 of the Financial Regulations (2009) respectively, should apply.

ISSUE 15: OVER-INVOICING OF CONTRACT (=₦21,140,000.00).

Description of Findings

Section 31(3) of the Public Procurement Act (PPA) (2007) states, "The following shall not be sought, offered or permitted (a) changes in prices; (b) changes of substance in a bid: and (c) changes to make an unresponsive bid responsive." Also, paragraph 708 of the Financial Regulations (FR) (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied."

Audit observed that:

i. The contract for the supply of ICT Items which included procurement, installation, testing and commissioning was awarded to a company vide award letter No. FCE/OB/TETF-ZN/2023/96 dated 22nd September, 2023, at a contract sum of ₦89,732,860.15 (Eighty nine million, seven hundred and thirty two thousand, eight hundred and sixty naira, fifteen kobo) under the TETFUND Zonal Intervention Projects for 2023.
ii. The contractor was fully paid vide P.V. 107 dated 24th October, 2023.
iii. There was an over-invoicing of the supplied items in the sum of ₦21,140,000.00 (Twenty one million, one hundred and forty thousand naira), and
iv. During the physical inspection of the store, 7nos of the Elite Pro Core i5 HP, 11 Generation Laptop totalling ₦2,550,000.00 (Two million, five hundred and fifty thousand naira) was claimed to have been requested and taken away by the Provost, without sighting same at the Provost's Office.

The above anomalies could be attributed to weaknesses in the internal control system at Federal College of Education, Obudu.

Risks

i. Loss of public funds.
ii. Diversion of public funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦21,140,000.00 (Twenty one million, one hundred and forty thousand naira), being inflated price paid on the contract.
ii. Recover and remit to the Treasury, the sum of ₦21,140,000.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to inflation of contract and gross misconduct prescribed in paragraphs 3102 and 3129 of the Financial Regulations (2009) respectively, should apply.

FEDERAL COLLEGE OF EDUCATION, KONTAGORA

At the Federal College of Education Kontagora, Niger State, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: FAILURE TO INSURE GOVERNMENT PROPERTY (=₦5,000,000,000.00)

Description of Findings

Section 7 (d) of the National Insurance Commission (NAICOM) Act (1997) states, “There must be adequate protection of strategic government assets and other properties.” Also, Section 68 of the NAICOM Act (1997) states, “No Vehicle, inclusive of Government Vehicles, shall be used on a road unless a liability which may thereby incur in respect of damages to property of third parties is insured with a registered insurer.” Furthermore, the Establishment Circular with Ref.No: SGF/OP/1/S.3/VII/981 of 21st July, 2008, states, "All Ministries, Departments and Agencies (MDAs) are to ensure that all assets under them are fully and adequately insured with registered Insurance companies.”

Audit observed that:

i. Government properties which include buildings, plant and equipment, motor vehicles worth ₦5,000,000,000.00 (Five billion naira) acquired by the college over the years were not insured against hazards.
ii. The college could not provide any evidence of insuring any of its properties against any probable loss, and
iii. This inaction by the management endangers the corporate existence of the college and could lead to loss of government jobs, investments, revenues’ and increase government liabilities.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Education, Kontagora.

Risks

i. Loss of government property.
ii. Exposure of public assets to avoidable risk.

Management's Response
No response.

Auditor's Evaluation
Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations
The Provost should be requested to:
i. Explain to the Public Accounts Committees of the National Assembly, the process put in place by the College to insure its properties.
ii. Forward evidence of the process to the Public Accounts Committees of the National Assembly, and
iii. Otherwise, sanction relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

ISSUE 2: UNJUSTIFIED PAYMENTS FOR "PROVISIONAL SUM FOR EXIGENCIES" (=₦250,000,000.00)

Description of Findings
Section 80(3) of the Constitution of the Federal Republic of Nigeria, 1999 (as amended) states, "No moneys shall be withdrawn from any public fund of the Federation, other than the Consolidated Revenue Fund of the Federation, unless the issue of those moneys has been authorized by an Act of the National Assembly". Furthermore, section 80(4) of the Constitution of the Federal Republic of Nigerian (1999) (as amended) states, "No moneys shall be withdrawn from the Consolidated Revenue Fund or any other public fund of the Federation, except in the manner prescribed by the National Assembly." Also, paragraph 417 of Financial Regulations (FR) (2009) states, "Expenditure shall strictly be classified in accordance with the estimate, and votes must be applied only to the purpose for which the money is provided. Expenditure incorrectly charged to a vote shall be disallowed."

Audit observed that:
i. The sum of ₦250,000,000.00 (Two hundred and fifty million naira) was released to the college as contained in the Financial Statements within the period under review, as *"PROVISIONAL SUM FOR EXIGENCIES"*
ii. There was no evidence of its utilization, contrary to the extant regulation.
iii. There was no vote-book, cashbook, and/or payment vouchers that revealed a subhead called *EXIGENCIES ITEM*, to explain its purpose and utilization, and
iv. No expenditures return was rendered either to the Office of the Accountant-General of the Federation or the Office of the Auditor-General for the Federation through Internal Audit Report for the period, to support its utilization and accountability.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Education, Kontagora.

Risks
i. Misappropriation of funds.
ii. Waste of government resources.
iii. Diversion of public funds.

Management's Response
No response.

Auditor's Evaluation
Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations
The Provost should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦250,000,000.00 (Two hundred and fifty million naira), reported in its Financial Statements as provisional sum.
ii. Recover and remit to the Treasury, the sum of ₦250,000,000.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and failure to manage public funds effectively, specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 3: NON-REMITTANCE OF INTERNALLY GENERATED REVENUE TO THE CONSOLIDATED REVENUE FUND (=₦20,024,559.69)

Description of Findings
Paragraph 236 of the Financial Regulations (FR) (2009) states, "Revenue paid into the Revenue Accounts for Internally Generated Revenue (IGR) of MDAs shall be transferred to the CRF before the 15th of the Month following the month of collection of the Revenue". Also, paragraph 3(b) of the Treasury Circular Ref. No. TRY/A10&B10/2016 OAGF/CAD/026/V.111/101 of 22nd November, 2016, states, "all partially-funded Federal Government Agencies/Parastatals should limit their annual budgetary expenditure to no more than 75 percent (75%) of their gross revenue, and remit the 25 percent (25%) to the CRF or pay 80 percent (80%) of their Operating Surplus computed according to the approved template to the CRF, whichever is higher."

Audit observed that:
i. The sum of ₦80,098,238.75 (Eighty million, ninety eight thousand, two hundred and thirty eight naira, seventy five kobo) was generated by the College as revenue for the financial year 2023, and
ii. The 25% of the internally generated revenue in (i) above amounting to ₦20,024,559.69 (Twenty million, twenty four thousand, five hundred and fifty nine naira, sixty nine kobo) was not remitted into the Consolidated Revenue Fund.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Education, Kontagora.

Risks

i. Loss of government revenue.
ii. Diversion of public funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦20,024,559.69 (Twenty million, twenty four thousand, five hundred and fifty nine naira, sixty nine kobo), being unremitted Internally Generated Revenue.
ii. Remit to the Treasury, the sum of ₦20,024,559.69.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to failure to collect and account for Government Revenue specified in paragraph 3112 (ii) of the Financial Regulations (2009) should apply.

ISSUE 4: IRREGULARITIES IN CONTRACT AWARD AND PAYMENT (=₦99,275,000.00)

Description of Findings

Paragraph 2907 (i) of the Financial Regulations (FR) (2009) states, "In order to ensure transparency and accountability, achievement of value for money, economy and efficiency, and equity and fairness, all procurements falling within the bureau's thresholds shall be by way of open competitive bidding.'' Furthermore, paragraph 708 of the FR (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied." In addition, paragraph 603(i) of the FR (2009) states, "All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets, etc." Similarly, Section 71(i) of the Finance Act (2020) states, "In addition to any other regulation as may be prescribed by the Bureau, a mobilization fee of not more than 30% for local contractors only may be paid to a supplier or contractor supported by an unconditional bank guarantee or insurance bond issued by an institution acceptable to the procuring entity until the mobilization fee is fully amortized or recovered." Also, Section 19 of the Public Procurement Act (PPA) (2007) states "Subject to regulations as may from time to time be made by the Bureau under direction of Council, a procuring

entity shall, in implementing its procurement plans:…(g) obtain and confirm the validity of any performance guarantee;…"

Audit observed that:

i. The sum of ₦99,275,000.00 (Ninety nine million, two hundred and seventy five thousand naira) was the total value of a contract entered into, vide agreement letter CA 016/2022, by the College.
ii. The contractor was paid a mobilisation fee of 51% in the sum of ₦50,715,785.76 (Fifty million, seven hundred and fifteen thousand, seven hundred and eighty five naira, seventy six kobo) as against 30% stated in extant regulations.
iii. APG submitted by the contractor was not verified by the College before advance payment was made.
iv. The contractor has been fully paid without completing the job, and
v. Relevant due process supporting documents such as Bureau of Public Procurement Certificates, Tax Clearance Certificate, Certificate of Incorporation, Job Completion Certificate, Insurance Certificate, Pension Certificate, copy of minutes of Tenders' Board meeting were not presented for audit.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Education, Kontagora.

Risks

i. Loss of government funds.
ii. Payment for job not executed.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦99,275,000.00 (Ninety nine million, two hundred and seventy five thousand naira), paid without due process.
ii. Recover and remit to the Treasury, the sum of ₦99,275,000.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to payment for jobs not executed and gross misconduct specified in paragraphs 3104(iii) and 3129 of the Financial Regulations (2009) respectively, should apply.

FEDERAL COLLEGE OF EDUCATION, YOLA, ADAMAWA STATE

At the Federal College of Education, Yola, Adamawa State, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: IRREGULAR AWARD OF CONTRACTS (=₦1,425,905,365.98)

Description of Findings

Section 23 (1) of the Public Procurement Act (PPA) (2007) states, "Where a procuring entity has made a decision with respect to the bidders, minimum qualifications of suppliers, contractors or service providers by requesting interested persons to submit applications in reaching decisions as to which supplier, contractor or service provider qualifies, apply only the criteria set out in the pre-qualification documents and no more." Also, paragraph 2909 of the Financial Regulations (FR) (2009) states, "All bidders in a contract for public procurement must show proof of eligibility for the award of the contract. They must prove the following amongst others, viz: (a) they possess the necessary technical qualification (b) they possess the machinery, equipment, and manpower for the job (c) they have the legal capacity to enter into the contract…"

Audit observed that:

i. The College awarded twenty seven (27) contracts for the Provision of Security services, the construction of a Cattle Ranch for the Agric Education Department Stage II, and other construction works at the contract price of ₦1,425,905,365.98 (One billion, four hundred and twenty five million, nine hundred and five thousand, three hundred and sixty five naira, ninety eight kobo).
ii. The contractors did not have the technical requirements and due process documents to tender for a government contract.
iii. Bidding documents such as three (3) years Financial Statements, Bureau of Public Procurement (BPP) IRR, Bank Reference, Affidavit, current ITF, PENCOM and NSITF certificate relating to the contractors were not presented for scrutiny, and
iv. Payments for the contracts were made without attaching relevant supporting documents to the payment voucher such as current TCC, NSITF, BPP IRR etc. as going concern companies.

The above anomalies could be attributed to weaknesses in internal control system at the Federal College of Education, Yola.

Risks

i. Loss of government funds.
ii. Payment for job not executed.
iii. Diversion of government funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦1,425,905,365.98 (One billion, four hundred and twenty five million, nine hundred and five thousand, three hundred and sixty five naira, ninety eight kobo), being payment for irregular contracts award.
ii. Recover and remit to the Treasury, the sum of ₦1,425,905,365.98.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular award of contract prescribed in paragraph 3117 of the Financial Regulations (2009) should apply.

ISSUE 2: EXTRA-BUDGETARY EXPENDITURE (=₦1,228,252,885.16)

Description of Findings

Section 80(4) of the Constitution of the Federal Republic of Nigeria, 1999 (as amended) states, "No moneys shall be withdrawn from the Consolidated Revenue Fund or any other public fund of the Federation, except in the manner prescribed by the National Assembly." Also, paragraph 417 of Financial Regulations (FR) (2009) states, "Expenditure shall strictly be classified in accordance with the estimate, and votes must be applied only to the purpose for which the money is provided. Expenditure incorrectly charged to a vote shall be disallowed."

Audit observed that:

i. The sum of ₦705,512,763.00 (Seven hundred and five million, five hundred and twelve thousand, seven hundred and sixty three naira) was approved for works and services in the 2022 and 2023 Appropriation Act.
ii. The sum of ₦1,933,765,648.16 (One billion, nine hundred and thirty three million, seven hundred and sixty five thousand, six hundred and forty eight naira, sixteen kobo) was spent on works and services during the year 2022 and 2023 thereby resulting in extra-budgetary spending of ₦1,228,252,885.16 (One billion, two hundred and twenty eight million, two hundred and fifty two thousand, eight hundred and eighty five naira, sixteen kobo), and
iii. Evidence of approval for the extra-budgetary spending was not provided for audit scrutiny.

The above anomalies could be attributed to weaknesses in internal control system at the Federal College of Education, Yola.

Risks

i. Loss of government funds.
ii. Diversion of public funds.
iii. Payment for jobs not executed.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦1,228,252,885.16 (One billion, two hundred and twenty eight million, two hundred and fifty two thousand, eight hundred and eighty five naira, sixteen kobo), paid as extra-budgetary expenditure.
ii. Recover and remit to the Treasury, the sum of ₦1,228,252, 885.16.
iii. Forward evidence of remittance particulars to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and failure to manage public funds effectively, stated in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 3: AWARD OF CONTRACTS WITHOUT DUE PROCESS (=₦880,120,283.05)

Description of Findings

Section 20(2) of the Public Procurement Act (PPA) (2007) states, "The accounting officer of every procurement entity has overall responsibility for the planning of, organization of tenders, evaluation of tenders and execution of all procurements and in particular shall be responsible for (a) ensuring compliance with the provisions of this Act by his entity…." Also, section 40 (2) of the PPA (2007) states, ''where a procuring entity engages in restricted tendering on the basis that; (a) The goods, works and services are available only from a limited number of suppliers or contractors, it shall invite tenders from all the suppliers or contractors who can provide the goods, works or services; and (b)The time and cost required to examine and evaluate a large number of tenders is proportionate to the value of goods, works or service, it shall select in a non-discriminatory manner of the number of suppliers or contractors to ensure effective competition" Furthermore, section 40(3) of the PPA (2007) states…the procuring entity shall cause a notice of the selected tendering proceedings to be published in the procurement journal."

Audit observed that:

i. Contracts totaling ₦880,120,283.05 (Eight hundred and eighty million, one hundred and twenty thousand, two hundred and eighty three naira, five kobo) was awarded to some contractors using selective tendering procurement method.
ii. The College invited selected contractors who were prequalified and sought approval of "No objection" to carry out restricted tendering.
iii. The contracts were awarded without final approval from the Bureau of Public Procurement, and
iv. The evidence of procurement due process and contractors' eligibility for the contract awarded such as bidding documents, company profile, certificate of registration, tax clearance certificate, PENCOM registration certificate, VAT registration certificate, etc, was not provided for audit scrutiny.

The above anomalies could be attributed to weaknesses in internal control system at the Federal College of Education, Yola.

Risks

i. Contract may be awarded to incompetent contractor.
ii. Payments for jobs not executed.
iii. Loss of public funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦880,120,283.05 (eight hundred and eighty million, one hundred and twenty thousand, two hundred and eighty three naira and five kobo), being payment for award of contract without due process.
ii. Recover and remit to the Treasury, the sum of ₦880,120,283.05.
iii. Forward evidence of remittance particulars to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular award of contracts specified in paragraph 3117 of the Financial Regulations (2009) should apply.

ISSUE 4: IRREGULAR AWARD OF CONTRACT AND SUBVERTION OF PRESIDENTIAL DIRECTIVE ON THE PURCHASE OF MOTOR VEHICLES (=₦49,990,499.00)

Description of Findings

Paragraph 2921(i) of the Financial Regulations (FR) (2009) states, "Except as exempted under the Procurement Act, all procurements of goods, works and services shall be by way of Open Competitive bidding by which is meant that all contractors/suppliers shall be subjected to the same level playing ground. The format for submission of bids, the deadline for submission and the pre-determined criteria for evaluation shall not vary from one contractor/supplier to the other, they shall be the same." Also, Establishment Circular Ref. No. SGF. OP/1/S.3/VIII/250 of 12th April, 2011 states: (i)...that as part of the Federal Government's determination to promote the growth and development of the Local Automotive Industries, the Federal Government vide Official Gazette No. 28 Vol. 81 of 3rd March 1994 directed all Ministries, Departments and Agencies (MDAs) to procure their vehicles from brands made by the Local Assembly Plants. Further to this, the President directed that in line with extant regulations, Ministries, Departments and Agencies are enjoined to patronize all brands of vehicles made in Nigeria by the Local Assembly plants appropriate or by registered and approved motor dealers in Nigeria.

Audit observed that:

i. The sum of ₦49,990,499.00 (Forty nine million, nine hundred and ninety thousand, four hundred and ninety nine naira) was the contract sum for the supply of two (2) motor vehicles vide award letter referenced FCEY/PO/PD/007/VOL.III/23 and payment made vide paid voucher No. CAP/23/003/025.
ii. The contractor procured two (2) fairly used Toyota Corolla vehicles at an exorbitant rate of ₦24,890,500.00 (Twenty four million, eight hundred and ninety thousand, five hundred naira) violating the Appropriation Act that approved the vehicles to be bought.
iii. Expired 2020 tax clearance, ITF, NSITF, PENCOM and BPP IRR were used by the Contractor to secure the 2021 contract for the supply of two (2) Toyota Corolla cars.
iv. The Bureau of Public Procurement Interim Registration Report (BPP IRR) was found to be irregular with mutilations evident on the Certificate, thereby, violating the provisions of Section 58 (4)(g) of the PPA 2007.
v. Evidence of procurement due process and Contractors eligibility for the contract award such as open competitive bidding, company profile, certificate of registration, tax clearance certificate, PENCOM registration certificate, VAT registration certificate, etc, were not produced for audit scrutiny, and
vi. Efforts made by auditors to carry out physical inspection of the items supplied was unsuccessful.

The above anomalies could be attributed to weaknesses in internal control system at the Federal College of Education, Yola, Adamawa State.

Risks

i. Diversion of public funds.
ii. Payments for Jobs not done.
iii. Loss of public funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦49,990,499.00 (Forty nine million, nine hundred and ninety thousand, four hundred and ninety nine naira), being payment for irregular contract award.
ii. Recover and remit to the Treasury, the sum of ₦49,990,499.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to payment for job not executed, irregular payment and failure to spend public funds effectively, prescribed in paragraphs 3104, 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 5: PAYMENT FOR CONTRACTS NOT EXECUTED (=₦5,779,600.00)

Description of Findings

Paragraph 708 of the Financial Regulations (FR) (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied." Furthermore, paragraph 603(i) of the FR (2009) states, "All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets. etc." In addition, paragraph 415 of the FR (2009) states, "The federal government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted."

Audit observed that:

i. The contract for the procurement of materials for the installation of internet conduits for solar power equipment and inverter at wing B of the central administrative block was awarded to a company at the sum of ₦5,779,600.00 (Five million, seven hundred and seventy nine thousand, six hundred naira).
ii. The College did not provide Store Receipt Vouchers (SRV) to show that the items were actually received, and
iii. Efforts made by auditors to carry out physical inspection of the items supplied was unsuccessful.

The above anomalies could be attributed to weaknesses in internal control system at the Federal College of Education, Yola.

Risks

i. Diversion of public funds.
ii. Payments for job not executed.
iii. Loss of public funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, for the sum of ₦5,779,600.00 (Five million, seven hundred and seventy nine thousand, six hundred naira), paid without evidence of execution.
ii. Recover and remit to the Treasury, the sum of ₦5,779,600.00.
iii. Forward evidence of remittance particulars to the Public Accounts Committees of the National Assembly, and

iv. Otherwise, sanctions relating to payment for job not executed and failure to spend public funds effectively prescribed in paragraphs 3104(iii) and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 6: IRREGULAR PAYMENT OF ALLOWANCE (=₦1,200,000.00)

Description of Findings

Section 3 of the National Salaries, Incomes and Wages Commission (NSIWC) Act, CAP N72, LFN (1999) (as amended) states, "The functions of the Commission shall be to:- … (g) propose measures for the regulation of prices and wages in the various sectors of the economy…(l) examine, streamline and recommend salary scales applicable to each post in the public service…" Furthermore, Section 13 of the NSIWC Act CAP N72, LFN (1999) (as amended) states, "Where collective agreements between employers and employees involve increase wages, salaries, and fringe benefits, three copies of the collective agreements shall be submitted to the Commission for advice." Also, paragraph 213(ii) of the Financial Regulations (FR) (2009) states, "On no account shall any withdrawal be made from the revenue account other than for the purpose of transfer to the consolidated account."

Audit observed that:

i. The sum of ₦1,200,000.00 (One million, two hundred thousand naira) was paid through two (2) transactions, to an officer of the College, between February, 2023 and August, 2023, as "Provost Security votes and allowances".
ii. There was no evidence that the allowances in (i) above were approved by the National Salaries Income and Wages Commission, and
iii. The details of the allowances were not made available for audit scrutiny.

The above anomalies could be attributed to weaknesses in internal control system at the Federal College of Education, Yola.

Risks

i. Loss of public funds.
ii. Diversion of public funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦1,200,000.00 (One million, two hundred thousand naira), being irregular payment of allowance.
ii. Recover and remit to the Treasury, the sum of ₦1,200,000.00.

iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

ISSUE 7: IRREGULAR ENGAGEMENT OF CONTRACT STAFF (=₦6,000,644.13)

Description of Findings

Paragraph 020402 of the Public Service Rules (PSR) (2021), states, “A contract appointment is temporary appointment (which does not provide for the payment of pension) to a post of the level to which appointment is made by the Federal Civil Service Commission/Governing Board in case of Parastatals and Agencies for a specific period as opposed to appointment on pensionable terms. The contract appointment must be recorded in a formal document of agreement.” Furthermore, paragraph 020403 of the PSR (2021) states, "Contract appointment may be offered…(v) to Nigerians if: (a) they are pensioners; (b) they are 50 years of age or over at the time they are being appointed; (c) they specifically request to be employed on contract terms and it is deemed in the best interest of the service; and (d) the candidate possesses specialized competencies or skills and provided such posts are duly advertised in at least three national newspapers”.

Audit observed that:

i. The College engaged twelve (12) staff on a contract basis without specialized skills.
ii. Ten (10) out of the twelve (12) staff were employed as messengers, and
iii. The sum of ₦6,000,644.13 (six million, six hundred and forty four naira, thirteen kobo) was spent to pay these contract staff.

The above anomalies could be attributed to weaknesses in internal control system at the Federal College of Education, Yola.

Risks

i. Loss of government funds.
ii. Diversion of public funds.

Management’s Response

No response.

Auditor’s Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦6,000,644.13 (Six million, six hundred and forty four naira, thirteen kobo), being payment to irregularly engaged contract staff.
ii. Recover and remit to the Treasury, the sum of ₦6,000,644.13.

iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and gross misconduct specified in paragraphs 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 8: UNSUBSTANTIATED PAYMENTS TO CONTRACTOR (=₦35,809,240.21)

Description of Findings

Paragraph 412 of the Financial Regulations (FR) (2009) states, "Where a contract involves supplies of goods or work done, there will be attached to the voucher a certificate that the payments are in accordance with terms of the contract agreement, that as regards supplies, the articles have been received and, in the case of work, that it has been properly done. In the case of payment on account, no money will be claimed other than the cost of the work certified to have been performed." Furthermore, paragraph 708 of the FR (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied." In addition, paragraph 415 of the FR (2009) states, "The Federal Government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted." Similarly, paragraph 603(i) of the FR (2009) states, "All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets. etc."

Audit observed that:

i. Payments amounting to ₦35,809,240.21 (Thirty five million, eight hundred and nine thousand, two hundred and forty naira, twenty one kobo) were made for supplies, purchases, repair of mechanical and electrical installations, etc. and
ii. There was no evidence that the work has been done and payments were not supported by relevant documents such as the contract agreement, award letters, invoices, receipts, Store Receipt Vouchers (SRV).

The above anomalies could be attributed to weaknesses in internal control system at the Federal College of Education, Yola.

Risks

i. Payment for works not done.
ii. Diversion of public funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦35,809,240.21 (Thirty five million, eight hundred and nine thousand, two hundred and forty naira, twenty one kobo), paid without relevant supporting documents.
ii. Recover and remit to the Treasury, the sum of ₦35,809,240.21.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 9: IRREGULAR PAYMENTS FOR ANNUAL SUBSCRIPTIONS, FEES AND OTHER RELATED CHARGES (=₦1,368,000.00)

Description of Findings

Paragraph 1 of the Establishment Circular with reference No. HCSF/PSO/ 666/11/214 of 1st April, 2009, states, "…henceforth, Ministries, Departments and Agencies of Government shall no longer pay annual membership subscriptions, professional fees and other related charges which are linked to the career progression of individual officers to professional bodies/organizations, on behalf of officers in the Service. Henceforth, such professional fees/annual subscriptions should be borne by the affected officers." Also, Paragraph 415 of the Financial Regulation (FR) (2009) states, "All officers responsible for expenditure to exercise due economy by ensuring that money is not spent just because it has been voted."

Audit observed that:

i. The sum of ₦1,368,000.00 (One million, three hundred and sixty eight thousand naira) was paid through two (2) vouchers to professional bodies on behalf of staff for induction, course fees and other related charges, and
ii. The payments in (i) above were linked to career progression of the officers in contravention of extant regulations.

The above anomalies could be attributed to weaknesses in internal control system at the Federal College of Education, Yola.

Risks

i. Loss of government funds.
ii. Misapplication of funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦1,368,000.00 (one million, three hundred and sixty eight thousand naira), being payment of prohibited annual subscriptions, fees and other related charges.
ii. Recover and remit to the Treasury, the sum of ₦1,368,000.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and failure to manage public funds effectively stated in paragraphs 3106 and 3115 of the Financial Regulations, (2009) respectively, should apply.

ISSUE 10: PAYMENT WITHOUT EVIDENCE OF PERFORMANCE (=₦5,179,900.00)

Description of Findings

Paragraph 603(i) of the Financial Regulations (FR) (2009) states, "All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets. etc." Furthermore, paragraph 708 of the FR (2009) states, "on no account should payment be made for services not yet performed or for goods not yet supplied.''

Audit observed that:

i. Twelve (12) paid vouchers amounting to ₦5,179,900.00 (Five million, one hundred and seventy nine thousand, nine hundred naira) were raised and paid for various engagements, and
ii. There were no supporting documents to the paid vouchers to show that the engagements applied for were carried out.

The above anomalies could be attributed to weaknesses in internal control system at the Federal College of Education, Yola.

Risks

i. Loss of government funds.
ii. Diversion of public funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of National Assembly, the sum of ₦5,179,900.00 (Five million, one hundred and seventy nine thousand, nine hundred naira), being payment without evidence of performance.
ii. Recover and remit to the Treasury, the sum of ₦5,179,900.00.
iii. Forward evidence of remittance to the Public Accounts Committees of National Assembly, and
iv. Otherwise, sanctions relating to irregular payments and gross misconduct prescribed in paragraphs 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 11: ENGAGEMENT OF EXTERNAL SOLICITORS WITHOUT THE FIAT OF THE ATTORNEY GENERAL OF THE FEDERATION (=₦475,000.00)

Description of Findings

Paragraph 2(a) of the Establishment Circular Ref. No. SGF/PS/CIR/625/1 of 16th July, 2003, states, "… approval of the Honourable Attorney-General of the Federation should be obtained before External Solicitors/Advocates are hired, and legal fees agreed upon by Ministries and their Parastatals/Agencies for any service rendered." Furthermore, Paragraph 2(b) of the Establishment Circular Ref. No. SGF/PS/CIR/625/1 of 16th July, 2003, requires that claims for professional fees, should be submitted to the Honourable Attorney-General of the Federation for clearance and approval and be accompanied by the relevant Letter of Instruction and a Comprehensive Report on the services rendered, supported by relevant copies of process filed on behalf of the Government before payment.

Audit observed that:

i. A legal practitioner was engaged to represent the Council in several suits and was paid the sum of ₦475,000.00 (Four hundred and seventy five thousand naira).
ii. The engagement of the legal advocate/solicitor was neither approved by the Attorney-General of the Federation nor his fees determined by the same office, and
iii. The College did not follow due process in engaging the legal practitioner/firm which included, but was not limited to inviting two or more other firms to bid for the job prior to award.

The above anomalies could be attributed to weaknesses in internal control system at the Federal College of Education, Yola.

Risks

i. Engagement of inexperienced/unqualified solicitors.
ii. Loss of government funds.

Management's Response

No response.

Auditor's Evaluation
Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations
The Provost should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦475,000.00 (Four hundred and seventy five thousand naira), paid for the engagement of external solicitors without the consent of the Attorney General of the Federation.
ii. Recover and remit to the Treasury, the sum of ₦475,000.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment prescribed in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 12: IRREGULAR PAYMENT OF SITTING ALLOWANCE TO STAFF (=₦3,939,500.00)

Description of Findings
Paragraph 2 of the Establishment Circular Ref. No SWC/S/04/S.310/T/65 dated 8th April, 2016, provides that the Chief Executive Officers and other Public Servants on monthly salary who are Board members in their own Establishments are not entitled to sitting allowance. The circular also pegged the frequency of meetings and maximum number of allowances to four (4) in a year. Also, paragraph 415 of the Finance Regulations (FR) (2009) states, "The Federal Government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted."

Audit observed that:
i. The sum of ₦3,939,500.00 (Three million, nine hundred and thirty nine thousand, five hundred naira) was paid as sitting allowance to staff of the College who are members of the governing council, and
ii. The payment in (i) above is contrary to the provisions of extant regulations.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Education, Yola.

Risks
i. Loss of government funds.
ii. Diversion of government funds.

Management's Response
No response.

Auditor's Evaluation
Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦3,939,500.00 (Three million, nine hundred and thirty nine thousand, five hundred naira), being irregular sitting allowance paid to staff.
ii. Recover and remit to the Treasury, the sum of ₦3,939,500.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 13: NON-PERSONAL ADVANCES GRANTED ABOVE STATUTORY LIMIT (=₦49,649,550.00)

Description of Findings

Paragraph 3 of the Treasury Circular Ref. No. TRY/A7 & B7/2015/OAGF/CAD/026/V.1/178 of 12th August, 2015, states, "All Accounting Officers and Officers controlling expenditure are to ensure that all local procurement of stores and services costing above ₦200,000.00 shall be made only through Award of Contracts, except as provided by the Public Procurement Act, 2007." Also, paragraph 2302 (ii) of the Financial Regulations (FR) (2009) states, "On no account shall special imprest or cash advance be used in place of Local Purchase Order or Job Order of the procurement of stores locally." Furthermore, paragraph 1420 of the FR (2009) states, "It is the responsibility of all Accounting Officers to ensure that all advances granted to officers are fully recovered."

Audit observed that:

i. Two hundred and thirty one (231) payments totalling ₦49,649,550.00 (Forty nine million, six hundred and forty nine thousand, five hundred and fifty naira) were granted as non-personal advances to staff, for the procurement of goods and services between January 2023 and December, 2023.
ii. The advances were granted above the statutory limit of ₦200,000.00 in contravention of extant regulations, and
iii. The cash advances deprived the government of tax revenue amounting to ₦6,702,689.25 for Value Added tax (VAT) and Withholding Taxes (WHT) that would have accrued if the jobs were awarded as contracts.

The above anomalies could be attributed to weaknesses in internal control system at the Federal College of Education, Yola.

Risks

i. Loss of government revenue.
ii. Diversion of public funds.
iii. Difficulty in funding government budget.

Management's Response

No response.

Auditor's Evaluation
Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations
The Provost should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦49,649,550.00 (Forty nine million, six hundred and forty nine thousand, five hundred and fifty naira), paid as non-personal advance above the statutory limit.
ii. Recover and remit to the Treasury, the sum of ₦49,649,550.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments and gross misconduct prescribed in paragraphs 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 14: NON-RETIREMENT OF CASH ADVANCES (=₦8,738,000.00)

Description of Findings
Paragraph 1416 of the Financial Regulations (FR) (2009) states, "The outstanding balance of any advance shall be recovered in full from the last payment of salary and/or retirement gratuity of an officer who leaves the service on retirement, resignation, termination of appointment or dismissal." Furthermore, paragraph 1420 of the FR (2009) states, "It is the responsibility of all Accounting Officers to ensure that all advances granted to officers are fully recovered." Furthermore, paragraph 112 (i) of the FR (2009) states, "The functions of the Accounting Officer shall include:… (f) ensuring accurate collection and accounting for all public moneys received and expended;…"

Audit observed that:
i. Fifteen (15) non-personal advances for the purchase of various items and rendering of services amounting to ₦8,738,000.00 (Eight million, seven hundred and thirty eight thousand naira) were granted to officers of the College between January, 2023 and December, 2023.
ii. The advances in (i) above remained unretired as at the time of audit, and
iii. Three (3) of the officers were granted multiple cash advances without retirement of previous ones.

The above anomalies could be attributed to weaknesses in internal control system at the Federal College of Education, Yola.

Risks
i. Diversion of public funds.
ii. Loss of government funds.

Management's Response
No response.

Auditor's Evaluation
Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦8,738,000.00 (Eight million, seven hundred and thirty eight thousand naira), being unretired cash advances.
ii. Recover and remit to the Treasury, the sum of ₦8,738,000.00.
iii. Forward evidence of remittances to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment, failure to spend public funds effectively, non-retirement of advances, and gross misconduct, proscribed in paragraphs 3106, 3115, 3124, and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 15: NON-REMITTANCE OF STATUTORY TAXES (=₦10,369,546.19)

Description of Findings

Paragraph 234(i) of the Financial Regulations (FR) (2009) states, "It is mandatory for Accounting Officers to ensure full compliance with the dual roles of making provision for the Value Added Tax (VAT) and Withholding Tax (WHT) due on supply and services contract and actual remittance of same." Furthermore, paragraph 235 of the FR (2009) states, "Deductions for WHT, VAT and PAYE shall be remitted to the Federal Inland Revenue at the same time the payee who is the subject of the deduction is paid." Also, paragraph 2 of the Treasury Circular Ref. No. TRY A1 & B1/2017 OAGF/CAD/026/V.111/.182 dated 20th April, 2017, states, "… a 1% Stamp Duty chargeable on Contract Agreements and the remittance be made to the Relevant Tax Authority which is the Federal Inland Revenue Service (FIRS)…" Furthermore, paragraph 3 of the Treasury Circular Ref: No. TRY A1 & B1/2017 OAGF/CAD/026/V.111/.182 dated 20th April, 2017, states, "…MDA are to ensure that Stamp Duty is accordingly deducted on Contract Agreement before payment is made to beneficiary…"

Audit observed that:

i. Payments for fourteen (14) contracts were made by the College within the year 2023, and
ii. The sum of ₦10,369,546.19 (Ten million, three hundred and sixty nine thousand, five hundred and forty six naira, nineteen kobo), being Value Added Taxes (VAT), Withholding Taxes (WHT) and Stamp Duties deducted from the contracts in (i) above was not remitted to the relevant tax authorities.

The above anomalies could be attributed to weaknesses in internal control system at the Federal College of Education, Yola.

Risks

i. Loss of government revenue.
ii. Difficulty in funding budget.
iii. Diversion of public funds.

Management's Response

No response.

Auditor's Evaluation
Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations
The Provost should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦10,369,546.19 (Ten million, three hundred and sixty nine thousand, five hundred and forty six naira, nineteen kobo), being statutory taxes not remitted.
ii. Recover and remit to the Treasury, the sum of ₦10,369,546.19.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to failure to remit VAT and WHT, and failure to collect and account for government revenue prescribed in paragraphs 234 (ii) and 3112 of the Financial Regulations (2009) respectively, should apply.

ISSUE 16: CIRCUMVENTION OF PROCUREMENT PROCESS (=₦5,125,575.00)

Description of Findings
Paragraph 3 of Treasury Circular Ref. No. TRY/A2 & 82/2009/OAGF/CAD/026/V of 24th March, 2009, requires that all procurement of stores and services exceeding 200,000.00 shall be made only through the award of contract. Also, paragraph 2302 (ii) of the Financial Regulations (2009) states "On no account shall special imprest or cash advance be used in place of Local Purchase Order (LPO) or job order of the procurement of stores locally."

Audit observed that:
i. Thirty three (33) advances were split below the threshold of ₦200,000.00. (Two hundred thousand naira)
ii. These advances amounted to ₦5,125,575.00 (Five million, one hundred and twenty five thousand, five hundred and seventy five naira), and they were done to circumvent procurement rules, and
iii. Evidence of retirements to prove that the funds were utilized for the purpose for which they were granted was not presented for audit scrutiny in contravention of extant regulations.

Risks
i. Loss of government funds.
ii. Diversion of public funds.

Management's Response
No response.

Auditor's Evaluation
Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committee of the National Assembly, the sum of ₦5,125,575.00 (Five million, one hundred and twenty five thousand, five hundred and seventy five naira), being payments made to circumvent procurement process.
ii. Recover and remit to the Treasury, the sum of ₦5,125,575.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to poor cash management specified in paragraph 3115 of the Financial Regulations (2009) should apply.

ISSUE 17: UNDER-REMITTANCE OF INTERNALLY GENERATED REVENUE TO THE CONSOLIDATED REVENUE FUND (=₦80,529,694.75)

Description of Findings

Paragraph 236 of the Financial Regulations (FR) (2009) states, "Revenue paid into the Revenue Accounts for Internally Generated Revenue (IGR) of MDAs shall be transferred to the CRF before the 15th of the Month following the month of collection of the Revenue." Also, paragraph 3(b) of the Treasury Circular Ref. No. TRY/A10&B10/2016 OAGF/CAD/026/V.111/101 of 22nd November, 2016, states, "all partially-funded Federal Government Agencies/Parastatals should limit their annual budgetary expenditure to no more than 75 percent (75%) of their gross revenue, and remit the 25 percent (25%) to the CRF or pay 80 percent (80%) of their Operating Surplus computed according to the approved template to the CRF, whichever is higher;"

Audit observed that:

i. The sum of ₦330,118,778.98 (Three hundred and thirty million, one hundred and eighteen thousand, seven hundred and seventy eight naira, ninety eight kobo) was generated as Internally Generated Revenue (IGR) for the year 2023.
ii. 25% of the internally generated revenue in (i) above amounting to ₦82,529,694.75 (Eighty two million, five hundred and twenty nine thousand, six hundred and ninety four naira, seventy five kobo) was due for remittance, and
iii. The College remitted the sum of ₦2,000,000.00 (Two million naira) to the Consolidated Revenue Fund vide paid voucher No. 290, serial number REV/23/044 dated 27th December, 2023 thereby leaving the sum of ₦80,529,694.75 (Eighty million, five hundred and twenty nine thousand, six hundred and ninety four naira, seventy five kobo) unremitted.

The above anomalies could be attributed to weaknesses in internal control system at the Federal College of Education, Yola.

Risks

i. Loss of government revenue.
ii. Difficulty in funding budget.

Management's Response

No response.

Auditor's Evaluation
Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations
The Provost should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦80,529,694.75 (Eighty million, five hundred and twenty nine thousand, six hundred and ninety four naira, seventy five kobo), being unremitted IGR.
ii. Remit to the Treasury, the sum of ₦80,529,694.75.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to failure to collect and account for Government Revenue specified in paragraph 3112 (ii) of the Financial Regulations (2009) should apply.

ISSUE 18: IRREGULAR INSERTION OF HILUX VAN INTO APPROVED BILL OF QUANTITIES (=₦55,800,000.00)

Description of Findings
Paragraph 603 of Financial Regulations (FR) (2009) provides that all vouchers shall contain full particulars of each service so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents. Furthermore, paragraph 415 of the Financial Regulations (FR) (2009) states " all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted for."

Audit observed that:
i. The sum of ₦55,800,000.00 (Fifty five million, eight hundred thousand naira) for the purchase of a motor vehicle was inserted into the approved Bill of Quantities (BOQ) for an award of contract for the Renovation and Furnishing of Office Block for the take-off of Research and Development/Centre of Excellence in the College dated 14th June, 2022 worth ₦149,901,638.88, the payment for which is still ongoing
ii. The Approval in Principle (AIP) issued by TETFUND does not provide for the Hilux Van.
iii. Evidence of approval for the extra-budgetary spending was not provided for audit scrutiny.

The above anomalies could be attributed to weaknesses in internal control system at the Federal College of Education, Yola, Adamawa State.

Risks
i. Waste of government funds.
ii. Diversion of public funds.

Management's Response
No response.

Auditor's Evaluation
Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations
The Provost should be requested to:
i. Justify to the Public Accounts Committees of the National Assembly, the extra-budgetary spending of ₦55,800,000.00 (Fifty five million, eight hundred thousand naira).
ii. Recover and remit to the Treasury, the sum of ₦55,800,000.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and failure to manage public funds effectively specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 19: PAYMENTS WITHOUT INTERNAL AUDIT PASSAGE (=₦10,625,000.00)

Description of Findings
Paragraph 1705 of the Financial Regulations (FR) (2009) states, "The Head of Internal Audit Unit in all ministries/extra-ministerial offices and other arms of government shall ensure that 100% pre-payment audit of all checked and passed vouchers is carried out and the vouchers forwarded under security schedule direct to the appropriate Central Pay Office for payment. Checked and passed vouchers received in the Internal Audit Unit must be promptly dealt with and, under no circumstance, shall a voucher be held in that Unit for more than forty-eight (48) hours."

Audit observed that:
i. The sum of ₦10,625,000.00 (Ten million, six hundred and twenty five thousand naira) was paid by the College, vide PV No. PROJ/23/009/17 dated 28th July, 2023 for first of MTN internet service after upgrade from 14mbps to 155mbps through TETFUND ICT support.
ii. The payment was made without prepayment audit, as there was no internal audit certification on the paid vouchers, and
iii. The use of Internal Audit stamps was not visibly seen on the paid voucher

The above anomalies could be attributed to weaknesses in internal control system at the Federal College of Education, Yola.

Risks
i. Loss of public funds.
ii. Diversion of public funds.

Management's Response
No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦10,625,000.00 (Ten million, six hundred and twenty five thousand naira), paid without prepayment audit.
ii. Recover and remit to the Treasury, the sum of ₦10,625,000.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment specified in paragraph 3106 of the Financial Regulations (FR) (2009) should apply.

ISSUE 20: IRREGULAR ENGAGEMENT OF A CONSULTANT (=₦10,900,733.75)

Description of Findings

Section 24(1) of the Public Procurement Act (PPA) (2007) states, "Except as provided by this Act, all procurement of goods and services by all entities shall be conducted by open competitive bidding.'' Also, paragraph 2921 of the Financial Regulations (FR) (2009) states "Except as exempted under the procurement Act, all procurement of goods, works and services shall be by way of open competitive bidden by which is meant that all contractor/ supplies shall be subject to the same level playing ground.'' Furthermore, paragraph 603 (i) of the Financial Regulations (FR) (2009) states, "All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets, etc."

Audit observed that:

i. The College engaged contractors for two (2) consultancy services at the contract sum of ₦10,900,733.75 (Ten million, nine hundred thousand, seven hundred and thirty three naira, seventy five kobo), and
ii. Evidence to show due process was followed in the procurement such as details of competitive bidding, or a due process certificate of "No Objection" from the Bureau of Public Procurement for adoption of a different procurement method was not produced for audit.

ENGAGEMENT OF CONSULTANTS WITHOUT DUE PROCESS

S/N	PV No & DATE	PARTICULARS	GROSS AMOUNT ₦
1	PROJ/23/0057/3/2023	Being payment for the construction of school of adult -Non formal and special education as per attached	8,629,300.45

2	PROJ/23/00120/1/2023	Being payment for the cost of professional services covering stage III rendered on the above-named project as per attached	2,271,433.30
		TOTAL	**10,900,733.75**

The above anomalies could be attributed to weaknesses in internal control system at the Federal College of Education, Yola.

Risks

i. Loss of government fund.
ii. Loss of government revenue.
iii. Diversion of public funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Account to the Pubic Accounts Committees of the National Assembly, the sum of ₦10,900,733.75(Ten million, nine hundred thousand, seven hundred and thirty three naira, seventy five kobo), being payment without due process and evidence of performance.
i. Recover and remit to the Treasury, the sum of ₦10,900,733.75.
ii. Forward evidence of recovery and remittances to the Pubic Accounts Committees of the National Assembly, and
iii. Otherwise, sanctions relating to irregular award of contract and failure to collect and account for government revenue specified in paragraphs 3117 and 3112 of the Financial Regulations (2009) respectively, should apply.

ISSUE 21: FOREIGN TRIPS WITHOUT THE APPROVAL BY THE HEAD OF CIVIL SERVICE OF THE FEDERATION OR THE SGF (=₦8,906,627.00)

Description of Findings

Paragraph 2(i) of the Establishment Circular Ref No. SGF/OP/I/S.3/XII/158 of 15th October, 2019, states, "…For the avoidance of doubt, all yearly travel plans for statutory meetings and engagements must receive express clearance from the Office of the Secretary to the Government of the Federation and/or the Office of the Head of the Civil Service of the Federation within the first quarter of the fiscal year before implementation…" Furthermore, paragraph 2(ii) of the Establishment Circular Ref No. SGF/OP/I/S.3/XII/158 of 15th October, 2019, states, "…All public funded travels (local and foreign) must be strictly for official purposes backed with documentary evidence.

Particularly, foreign travels must be for highly essential, statutory engagements that are beneficial to the interest of Nigeria…"

Audit observed that:

i. The sum of ₦8,906,627.00 (Eight million, nine hundred and six thousand, six hundred and twenty seven naira) was paid to staff of the College for foreign trips in 2023 vide five (5) paid vouchers, and
ii. Evidence of approvals from the Head of the Civil Service of the Federation were not provided for audit scrutiny.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Education, Yola.

Risks

i. Payment for trips not embarked on.
ii. Diversion of public funds.
iii. Loss of public funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦8,906,627.00 (Eight million, nine hundred and six thousand, six hundred and twenty seven naira), paid for foreign travels without approval.
ii. Recover and remit to the Treasury, the sum of ₦8,906,627.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 22: PROCUREMENT AND PAYMENT FOR ICT FACILITIES WITHOUT CLEARANCE OF THE NATIONAL INFORMATION TECHNOLOGY DEVELOPMENT AGENCY (=₦64,308,750.38)

Description of Findings

Paragraph 4 of the Establishment Circular Ref. No. 59736/S.2/C.II/125, dated 31st August, 2018, states, "For the avoidance of doubt, MDAs and other government establishments are to relate with and obtain prior approval from National Information Technology Development Agency (NITDA) for the implementation of Information Technology (IT) projects as well as the procurement of locally assembled IT components."

Audit observed that:

i. The sum of ₦64,308,750.38 (Sixty four million, three hundred and eight thousand, seven hundred and fifty naira, thirty eight kobo) was paid to five (5) contractors for the procurement of ICT equipment in the year 2023, and
ii. There was no clearance obtained from NITDA prior to embarking on such procurement as required by the above circular.

The above anomalies could be attributed to weaknesses in internal control system at the Federal College of Education, Yola.

Risks

i. Award of contract to incompetent contractors.
ii. Substandard items may be supplied.
iii. Loss of government funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦64,308,750.38 (Sixty four million, three hundred and eight thousand, seven hundred and fifty naira, thirty eight kobo), paid on ICT contracts without obtaining clearance from NITDA.
ii. Recover and remit to the Treasury, the sum of ₦64,308,750.38.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and gross misconduct prescribed in paragraphs 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 23: SPLITTING OF CONTRACTS TO CIRCUMVENT APPROVAL THRESHOLD AND TENDER PROCEDURES (=₦169,667,736.84)

Description of Findings

Section 20(2) of the Public Procurement Act (PPA) (2007) states, "The accounting officer of every procuring entity shall have overall responsibility for the planning of, organization of tenders, evaluation of tenders and execution of all procurements and in particular shall be responsible for… (e) ensuring that no reduction of values or splitting of procurements is carried out such as to evade the use of the appropriate procurement method…" Also, paragraph 1 of the Establishment Circular Ref. No. PROC/OSGF/BPP/709/85 of 19th January, 2022, states, "…the Federal Government has approved the revision of subsisting Prior Review and Monetary Thresholds for Service Wide Application for procurement of Goods, Works and Services as follows:

Table 1.0: Approved Prior Review Thresholds for Service Wide Application

Approving Authority/ "No Objection" to award	Goods	Works	Non-Consultant/Services
BPP Certificate of "No Objection" to Contract award/FEC approved	₦300 million and above	₦1.5 billion and above	₦300 million and above
Ministerial Tenders Board	₦20 million and above but less than ₦300 million	₦30 million and above but less than ₦1.5 billion	₦20 million and above but less than ₦300 million
Parastatal Tenders Board	₦10 million and above but less than ₦100 million	₦20 million and above but less than ₦500 million	₦10 million and above but less than ₦100 million
Accounting Officer: Permanent Secretary	Less than ₦20 million	Less than ₦30 million	Less than ₦20 million
Accounting Officer: Director General/CEO	Less than ₦10 million	Less than ₦20 million	Less than ₦10 million

Table 2.0: Approved Prior Review Thresholds for Service Wide Application

Procurement/Selection Method and Prequalification	Goods (₦)	Works (₦)	Non-Consultant/Services (₦)	Consultant Services (₦)
International/ National Competitive Bidding	₦300 million and above	₦1.5 billion and above	₦300 million and above	Not Applicable
National Competitive Bidding	₦20 million and above but less than ₦300 million	₦30 million and above but less than ₦1.5 billion	₦20 million and above but less than ₦300 million	Not Applicable
Request for Quotation	Less than ₦20 million	Less than ₦30 million	Less than ₦20 million	Not Applicable
Shopping (Market Survey)	Less than ₦5 million	Less than ₦5 million	Less than ₦5 million	Not Applicable
Single Source/ Direct Contracting	Less than ₦1 million	Less than ₦1 million	Less than ₦1 million	Less than ₦1 million
*Prequalification	*₦100 million and above	*₦300 million and above	*₦100 million and above	Not Applicable
Quality and Cost Based	Not Applicable	Not Applicable	Not Applicable	Less than ₦50 million
Consultant Qualifications	Not Applicable	Not Applicable	Not Applicable	Less than ₦50 million
Least Cost	Not Applicable	Not Applicable	Not Applicable	Less than ₦50 million

Audit observed that:

i. Contracts amounting to ₦169,667,736.84 (One hundred and sixty nine million, six hundred and sixty seven thousand, seven hundred and thirty six naira, eighty four kobo) were split into different lots and awarded to various contractors.

ii. Twenty one (21) payments were made to ten (10) contractors for contracts ranging from the supply of laboratory equipment to the school clinic, inverter for Management and Information System Department, installation of inverter in ICT Unit, upgrading of laboratory equipment (Chemistry, Biology and Physics Lab), the renovation of Aleyendeno Hall and Prof. Mustapha Baba Library Complex, and

iii. The contracts were awarded in bits in order to circumvent procurement procedures and enable them to fall within the approval threshold of the Provost.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Education, Yola.

Risks

i. Procurement of substandard items.
ii. Diversion of public funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦169,667,736.84 (One hundred and sixty nine million, six hundred and sixty seven thousand, seven hundred and thirty six naira, eighty four kobo), being payment made on contracts splitting.
ii. Recover and remit to the Treasury, the sum of ₦169,667,736.84.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to split of contracts and irregular or wrong payment specified in paragraphs 3116 and 3106 of the Financial Regulations (2009) respectively, should apply.

ISSUE 24: SUPPLY OF GOODS WITHOUT EVIDENCE OF WARRANTY (=₦110,322,956.75)

Description of Findings

Section 16 (28) of the Public Procurement Act (PPA) (2007) states, "All procurement contracts shall contain warranties for durability of goods, exercise of requisite skills in service provision and use of genuine materials and inputs in execution."

Audit observed that:

i. The sum of ₦110,322,956.75 (One hundred and ten million, three hundred and twenty two thousand, nine hundred and fifty six naira, seventy five kobo) was spent by the College for the supply of various items including Inverter, laboratory equipment and furniture, and
ii. The items supplied did not include warranties to guarantee durability.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Education, Yola.

Risks

i. Procurement of substandard items.
ii. Diversion of public funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦110,322,956.75 (One hundred and ten million, three hundred and twenty two thousand, nine hundred and fifty six naira, seventy five kobo) paid for supply of items without evidence of warranty.
ii. Recover and remit to the Treasury, the sum of ₦110,322,956.75.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (2009 should apply.

ISSUE 25: PAYMENT WITHOUT RELEVANT SUPPORTING DOCUMENTS (=₦5,600,000.00)

Description of Findings

Paragraph 603 of the Financial Regulations (FR) (2009) states, "All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distances, and rates, so as to enable them to be supported by relevant documents such as Local purchase orders, invoices, special letters of authority, time sheets etc."

Audit observed that:

i. In a letter issued by the Federal Ministry of Education to the College, the sum of ₦534,545,454.54 (Five hundred and thirty four million, five hundred and forty five thousand, four hundred and fifty five naira, fifty four kobo) was approved and released to the College.
ii. The College was to use 10% of the total fund released for staff training, which was ₦53,454,545.54 (Fifty three million, four hundred and fifty four thousand, five hundred and forty five naira, fifty four kobo),
iii. The sum of ₦5,600,000.00 (Five million, six hundred thousand naira) was paid to eight (8) staff for different programmes in the National Open University of Nigeria (NOUN), and
iv. Evidence of supporting documents to justify the appropriate approvals and purpose for the payments were not provided as there was no response from the School of Studies to that effect.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Education, Yola.

Management's Response
No response.

Auditor's Evaluation
Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations
The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦5,600,000.00.00 (Five million, six hundred thousand, naira) only released for staff training not supported with documents.
ii. Recover and remit to the Treasury the sum of ₦5,600,000.00.00 (Five million, six hundred thousand, naira)
iii. Forward evidence of recovery/remittance to the Public Accounts Committees of the National Assembly; and
iv. Otherwise, sanctions relating to irregular or wrong payments specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 26: UNJUSTIFIED PAYMENT FOR PROVISIONAL SUM (=₦1,200,000.00)

Description of Findings
Paragraph 415 of the Financial Regulations (FR) (2009) states, "The federal government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted."

Audit observed that:

i. The sum of ₦26,009,889.84 (Twenty six million, nine thousand, eight hundred and eighty nine naira, eighty four kobo) was paid for a contract for the Renovation of Aleyedeno Hall with contract reference number PFCEY/FGN/RIP/LOTA2/AL.2023/VOL.1/02 dated 3rd August, 2023, and
ii. The sum of ₦1,200,000.00 (One million, two hundred thousand naira) was paid as provisional sum from the Bill of Quantity (BOQ) without specifying the actual cost and quantity of the item.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Education, Yola.

Risks

i. Diversion of public funds.
ii. Payments for jobs not executed.

Management's Response
No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦1,200,000.00 (One million, two hundred thousand naira), paid as provisional sum without justification.
ii. Recover and remit to the Treasury, the sum of ₦1,200,000.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments and gross misconduct prescribed in paragraphs 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

FEDERAL COLLEGE OF EDUCATION, UMUNZE, ANAMBRA STATE

At the Federal College of Education, Umunze, Anambra State, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: PAYMENTS WITHOUT RELEVANT SUPPORTING DOCUMENTS (=₦3,200,000.00)

Description of Findings

Paragraph 603(i) of the Financial Regulations (FR) (2009) states, "All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets. etc." Furthermore, paragraph 708 of the FR (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied."

Audit observed that:

i. The sum of ₦3,200,000.00 (Three million, two hundred thousand naira) was paid vide paid voucher No. 936/23 dated 12th September, 2023, to a legal firm as refund of expenses in defence of suit No. FHC/AWK/CS/117/2021.
ii. The items of expenditure incurred such as filling fee, transport and defending fee had no monetary values assigned, and
iii. Relevant supporting documents to facilitate and validate the payment were not attached to the paid vouchers.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Education, Umunze.

Risks

i. Loss of government funds.
ii. Diversion of public funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦3,200,000.00 (Three million, two hundred thousand naira), paid without relevant supporting documents.
ii. Recover and remit to the Treasury, the sum of ₦3,200,000.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments and failure to account for public funds specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2: UNRETIRED NON-PERSONAL ADVANCES (=₦14,741,600.00)

Description of Findings

Paragraph 1405 of the Financial Regulations (FR) (2009) states, "Accounting Officers are responsible for ensuring the prompt repayment of all advances by installments or otherwise." Furthermore, paragraph 1420(i) of the FR (2009) states, "It is the responsibility of all Accounting Officers to ensure that all advances granted to officers are fully recovered." Furthermore, paragraph 1416 of the FR (2009) states, "The outstanding balance of any advance shall be recovered in full from the last payment of salary and/or retirement gratuity of an officer who leaves the service on retirement, resignation, termination of appointment or dismissal." In addition, paragraph 1405 of the FR (2009) states, "Accounting officers are responsible for ensuring the prompt repayment of all advances by instalment or otherwise."

Audit observed that:

i. The sum of ₦14,741,600.00 (Fourteen million, seven hundred and forty one thousand, six hundred naira) was granted to Nine (9) officers of the College as non-personal advances from the overhead and operational accounts.
ii. These non-personal advances remained unretired as at the time of the periodic checks in July, 2024, and
iii. Some officers were granted advances in excess of the approved threshold of ₦200,000.00 thereby, circumventing procurement procedures.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Education, Umunze.

Risks
i. Loss of public fund.
ii. Diversion of public funds.

Management's Response
No response.

Auditor's Evaluation
Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations
The Provost should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦14,741,600.00 (Fourteen million, seven hundred and forty one thousand, six hundred naira), being unretired non-personal advances.
ii. Recover and remit to the Treasury, the sum ₦14,741,600.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to failure to retire cash advances and irregular payments prescribed in paragraphs 3124 and 3106 of the Financial Regulations (2009) respectively, should apply.

ISSUE 3: NON-REMITTANCE OF INTERNALLY GENERATED REVENUE TO THE CONSOLIDATED REVENUE FUND (=₦4,328,246.32)

Description of Findings
Paragraph 236 of the Financial Regulations (FR) (2009) states, "Revenue paid into the Revenue Accounts for Internally Generated Revenue (IGR) of MDAs shall be transferred to the CRF before the 15th of the Month following the month of collection of the Revenue." Also, paragraph 3(b) of the Treasury Circular Ref. No. TRY/A10&B10/2016 OAGF/CAD/026/V.111/101 of 22nd November, 2016, states, "all partially-funded Federal Government Agencies/Parastatals should limit their annual budgetary expenditure to no more than 75 percent (75%) of their gross revenue, and remit the 25 percent (25%) to the CRF or pay 80 percent (80%) of their Operating Surplus computed according to the approved template to the CRF, whichever is higher."

Audit observed that:
i. The College generated the sum of ₦173,129,853.03 (One hundred and seventy three million, one hundred and twenty nine thousand, eight hundred and fifty three naira, three kobo) as Internally Generated Revenue (IGR) in the year 2023, and
ii. 25% of the revenue in (i) above amounting to ₦43,282,463.26 (Forty three million, two hundred and eighty two thousand, four hundred and sixty three naira, twenty six kobo) was not remitted as at the time of audit in July 2024.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Education, Umunze.

Risks
i. Loss of government revenue.
ii. Difficulty in funding budget.
iii. Diversion of public funds.

Management's Response
No response.

Auditor's Evaluation
Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations
The Provost should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦43,282,463.26 (Forty three million, two hundred and eighty two thousand, four hundred and sixty three naira, twenty six kobo), being 25% Internally Generated Revenue not remitted to the CRF.
ii. Remit to the Treasury, the sum of ₦43,282,463.26.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to failure to collect and account for Government Revenue specified in paragraph 3112 (ii) of the Financial Regulations (2009) should apply.

FEDERAL POLYTECHNIC, ILE OLUJI, ONDO STATE

At the Federal Polytechnic, Ile-Oluji Ondo State, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: PAYMENT FOR SUPPLY WITHOUT EVIDENCE OF EXECUTION (=₦28,164,637.50)

Description of Findings
Paragraph 603(i) of the Financial Regulations (FR) (2009) states, "All vouchers shall contain full particulars of each service such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets, etc." Furthermore, paragraph 415 of the FR (2009) requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted. In addition, paragraph 412 of the FR (2009) states, "Where a contract involves supplies of goods or work done, there will be attached to the voucher a certificate that the payments are in accordance with the terms of the contract agreement, that is as regards supplies, the articles have been received and, in the case of work, that it has been properly done…" Similarly, paragraph 708 of the FR (2009) states, "On no account should payment be made for

services not yet performed or for goods not yet supplied." In addition, paragraph 2402 (i) of the FR (2009) states, "On all paid vouchers for the purchase of stores, except as provided in sub-section (ii) of this regulation, the storekeeper must certify that the stores have been received and taken on charge in the stores ledger quoting the stores receipt voucher number and attaching the original copy of the store receipt voucher to the original L.P.O."

Audit observed that:

i. Two (2) contracts for the supply of furniture and laboratory equipment for the health centre and the supply of twenty (20) computers were awarded to a company at the contract sum of ₦46,344,625.00 (Forty six million, three hundred and forty four million, six hundred and twenty five naira).
ii. Payments were made in respect of the above contracts in the sum of ₦13,903,387.50 (Thirteen million, nine hundred and three thousand, three hundred and eighty seven naira, fifty kobo) vide P.V. No. 017/6/23 of 18th June, 2023, ₦9,800,000.00 (Nine million, eight hundred thousand naira) vide PV No. 032/10/23 of 19th October, 2023 and ₦4,461,250.00 (Four million, four hundred and sixty one thousand, two hundred and fifty naira) vide PV No. 038/12/23 of 12th December, 2023 totaling ₦28,164,637.50 (Twenty eight million, one hundred and sixty four thousand, six hundred and thirty seven naira, fifty kobo).
iii. Store Receipt Vouchers (SRVs) and Store Issued Vouchers (SIVs) were not raised and items could not be traced to the Store Ledger, and
iv. The period for execution of the contract as provided in the award letter and the contract agreement had lapsed.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Polytechnic, Ile Oluji.

Risks

i. Loss of government funds.
ii. Payment for items not supplied.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Rector should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦28,164,637.50 (Twenty eight million, one hundred and sixty four thousand, six hundred and thirty seven naira, fifty kobo), paid for supply without evidence of execution.
ii. Recover and remit to the Treasury, the sum of ₦28,164,637.50.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and

iv. Otherwise, sanctions relating to payment for job not executed and irregular payment specified in paragraphs 3104 and 3106 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2: UNJUSTIFIED PAYMENT FOR CONTINGENCIES AND UTILISATION OF PRELIMINARY ITEMS WITHOUT SUPPORTING DOCUMENTS (=₦19,637,616.23)

Description of Findings

Paragraph 412 of the Financial Regulations (FR) (2009) states, "Where a contract involves supplies of goods or work done, there will be attached to the voucher a certificate that the payments are in accordance with terms of the contract agreement, that as regards supplies, the articles have been received and, in the case of work, that it has been properly done. In the case of payment on account, no money will be claimed other than the cost of the work certified to have been performed." Furthermore, paragraph 708 of the FR (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied." In addition, paragraph 415 of the FR (2009) states, "The Federal Government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted." Similarly, paragraph 603(i) of the FR (2009) states, "All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets. etc."

Audit observed that:

i. The sum of ₦19,637,616.23 (Nineteen million, six hundred and thirty seven thousand, six hundred and sixteen naira, twenty three kobo) was included and paid in the Bill of Quantity (BOQ) of six (6) contracts as contingency/preliminaries, and
ii. Relevant supporting documents to substantiate the payment in (i) above for the contingency/preliminaries, such as application from the contractors, the approval for the utilisation of the contingency/preliminaries and breakdown of the expenditures were not produced for audit.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Polytechnic, Ile-Oluji.

Risks

i. Diversion of public funds.
ii. Payment for work not done.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Rector should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦19,637,616.23 (Nineteen million, six hundred and thirty seven thousand, six hundred and sixteen naira, twenty three kobo), paid as contingency/preliminaries without approval and evidence of utilisation.
ii. Recover and remit to the Treasury, the sum of ₦19,637,616.23.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 3: UNRETIRED SALARY ADVANCES (=₦1,075,000.00)

Description of Findings

Paragraph 1405 of the Financial Regulations (FR) (2009) states, “Accounting Officers are responsible for ensuring the prompt repayment of all advances by installments or otherwise.” Furthermore, paragraph 1420(i) of the FR (2009) states, “It is the responsibility of all Accounting Officers to ensure that all advances granted to officers are fully recovered.” Similarly, paragraph 1416 of the FR (2009) states, “The outstanding balance of any advance shall be recovered in full from the last payment of salary and/or retirement gratuity of an officer who leaves the service on retirement, resignation, termination of appointment or dismissal.”

Audit observed that:

i. The sum of ₦1,075,000.00 (One million, seventy five thousand naira) was granted to three (3) officers of the Polytechnic as salary advances in September, 2023.
ii. The advances in (i) above remained unretired as at the time of the periodic checks in April 2024, and
iii. No efforts were made to recover the money from the concerned officers.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Polytechnic, Ile-Oluji.

Risks

i. Loss of government funds.
ii. Diversion of government fund.

Management’s Response

No response.

Auditor’s Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Rector should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦1,075,000.00 (One million, seventy five thousand naira), being unretired salary advance.
ii. Recover and remit to the Treasury, the sum of ₦1,075,000.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to failure to retire cash advances and irregular payments prescribed in paragraphs 3124 and 3106 of the Financial Regulations (2009) respectively, should apply.

ISSUE 4: REMITTANCE OF REVENUE TO THE CONSOLIDATED REVENUE FUND WITHOUT EVIDENCE (=₦10,267,500.00)

Description of Findings

Paragraph 236 of the Financial Regulations (FR) (2009) states, "Revenue paid into the Revenue Accounts for Internally Generated Revenue (IGR) of MDAs shall be transferred to the CRF before the 15th of the Month following the month of collection of the Revenue". Also, paragraph 3(b) of the Treasury Circular Ref. No. TRY/A10&B10/2016 OAGF/CAD/026/V.111/101 of 22nd November, 2016, states, "all partially-funded Federal Government Agencies/Parastatals should limit their annual budgetary expenditure to no more than 75 percent (75%) of their gross revenue, and remit the 25 percent (25%) to the CRF or pay 80 percent (80%) of their Operating Surplus computed according to the approved template to the CRF, whichever is higher."

Audit observers that**:**

i. The sum of ₦10,267,500.00 (Ten million, two hundred and sixty seven thousand, five hundred naira) being 25% of revenue collected through acceptance fees for the 2022/2023 academic session was purportedly paid to the Consolidated Revenue Fund (CRF) on the 22nd June, 2023 via PV No. TSA/543/05/2023.
ii. The remittance was made without obtaining treasury receipt book 6 as evidence of acknowledgement by the Federal Treasury.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Polytechnic, Ile-Oluji.

Risks

i. Diversion of public funds.
ii. Difficulty in funding budget.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Rector should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦10,267,500.00 (Ten million, two hundred and sixty seven thousand, five hundred naira), being revenue remittance without proof.
ii. Recover and remit to the Treasury, the sum of ₦10,267,500.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to failure to collect and account for Government Revenue specified in paragraph 3112 (ii) of the Financial Regulations (2009) should apply.

ISSUE 5: MOTOR VEHICLE NOT PRESENTED FOR PHYSICAL VERIFICATION (=₦44,930,000.00)

Description of Findings

Paragraph 2001 of the Financial Regulations (FR) (2009) states, "The Accounting Officer shall be responsible for ensuring that there are effective controls in the use of government vehicles…" Furthermore, paragraph 112(i) of the FR (2009) states, "The functions of the Accounting Officer shall include… (d) ensuring the safety and proper maintenance of all government assets under his care;…" Also, paragraph 1 of the Establishment Circular Ref. No. SGF.19/S.52/V/720 dated 20th February, 2017, states, "…As part of measures to curb this undesirable practice by Officers, Permanent Secretaries and Chief Executive Officers of Ministries, Departments and Agencies (MDAs) are henceforth to ensure painstaking and strict clearance of retiring officers who should be made to submit all Government properties in their custody before their final disengagement from Service…"

Audit observed that:

i. Toyota Prado Land Cruiser with registration No. 53W-20FG and Engine No. JTEBX9FJQK232149 allocated to the Former Rector (Office of the Council Chairman) valued at ₦44,930,000.00 (Forty four million, nine hundred and thirty thousand naira) was not presented for verification, and
ii. There was no document to support the non-availability of the vehicle during the verification exercise.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Polytechnic, Ile-Oluji.

Risks

i. Conversion of government property into personal use.
ii. Loss of government property.

Management's Response

No response.

Auditor's Evaluation
Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations
The Rector should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the Toyota Prado Land Cruiser Motor Vehicle with registration No 53W-20FG and Engine No. JTEBX9FJQK232149 not presented for verification.
ii. Recover the vehicle from the affected officer and return to the Polytechnic.
iii. Forward evidence of recovery to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to gross misconduct prescribed in paragraph 3129 of the Financial Regulations (2009) should apply.

FEDERAL POLYTECHNIC, UKANA, AKWA IBOM STATE

At the Federal Polytechnic, Ukana, Akwa Ibom State, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: IRREGULAR AWARD AND EXECUTION OF CONTRACT (=₦91,204,161.00)

Description of Findings
Section 16(6) of the Public Procurement Act (PPA) (2007) states, "All bidders in addition to the requirements contained in any solicitation documents shall: (a) possess the necessary;(i) professional and technical qualifications to carry out particular procurement; (ii) financial capability;..." Also, Paragraph 708 of the Financial Regulations (FR) (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied." Furthermore, paragraph 603 (i) of the FR (2009) states, "All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distances, and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, timesheets, e.t.c." Also, section 20(2) of the PPA (2007) states, "The accounting officer of every procurement entity have overall responsibility for the planning and organization of tenders, evaluation of tenders and execution of all procurements and in particular shall be responsible for (a) ensuring compliance with the provisions of this Act by his entity…"

Audit observed that:

i. The Polytechnic awarded a contract for the procurement, installation, testing & commissioning of various equipment in Mechanical Engineering vide award letter Ref. FPU/PROC.TET.065/VOL.1/003 dated 25th April, 2023 at the contract sum of ₦91,204,161.00 (Ninety one million, two hundred and four thousand, one hundred and sixty one naira).

ii. All bidding/procurement document for other competitive bidders were not provided for audit review.
iii. The sum of ₦50,162,288.55 (Fifty million, one hundred and sixty two thousand, two hundred and eighty eight naira, fifty five kobo) was paid to the contractor vide PV No. FPU/2023/TET/P/74 dated 20th July, 2023 as balance of payment without job completion certificate or evidence of handing over of any equipment to the user department.
iv. During physical verification, the equipment was procured and stocked without being coupled, installed and tested as stated in the contract agreement, and
v. Components amounting to ₦4,364,000.000 (Four million, three hundred, and sixty four thousand naira) embedded in the contract and as contained in the BOQ were not supplied by the contractor. See details in the Table below:

S/N	NAME	QTY	AMOUNT/UNIT ₦	TOTAL ₦
1	Crucible rest or stool: Pipeclay Triangle	2	55,000.00	110,000.00
2	Stainless steel crucible tongs with looped handle	2	35,000.00	70,000.00
3	Lifter	5	45,000.00	225,000.00
4	Service man's thermometer: LCD/TFT Display	4	146,000.00	584,000.00
5	Dynamometer	1	600,000.00	600,000.00
6	Engine mounting stand	2	800,000.00	800,000.00
7	Oil fie lifter	1	1,900,000.00	1,900,000.00
8	Safety charts	3	25,000.00	75,000.00
	TOTAL			**4,364,000.00**

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Polytechnic Ukana.

Risks
i. Loss of government funds.
ii. Payment for job not properly executed.

Management's Response
No response.

Auditor's Evaluation
Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations
The Rector should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦91,204,161.00 (Ninety one million, two hundred and four thousand, one hundred and sixty one naira), being payment on irregular award and execution of contract.
ii. Recover and remit to the Treasury, the sum of ₦91,204,161.00.
iii. Forward the evidence of remittance to the Public Accounts Committees of the National Assembly, and

iv. Otherwise, sanctions relating to irregular award of contract specified in paragraph 3117 of the Financial Regulations (2009) should apply.

ISSUE 2: PAYMENT FOR CONTRACT NOT FULLY EXECUTED (=₦23,632,445.60)

Description of Findings

Paragraph 708 of the Financial Regulations (FR) (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied." Furthermore, paragraph 603(i) of the FR (2009) states, "All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distances, and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets. etc." In addition, paragraph 415 of the FR (2009) states, "The federal government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted."

Audit observed that:

i. Contract for the procurement, installation, testing & commissioning of various equipment in Mechanical Engineering department was awarded to a company vide award letter Ref. FPU/PROC.TET.065/Vol.1/009 dated17th October, 2023 at the contract sum of ₦96,733,169.84 (Ninety six million, seven hundred and thirty three thousand, one hundred and sixty nine naira, eighty four kobo).
ii. The sum of ₦29,019,950.95 (Twenty nine million, nineteen thousand, nine hundred and fifty Naira, ninety five kobo) was paid to the contractor as 30% mobilization fee vide payment voucher No. TET/P/125 dated 6/11/2023.
iii. During physical verification, the contractor supplied part of the equipment, and they were commissioned for use.
iv. Twenty one (21) equipment contained in the Bill of Quantity (BOQ) amounting to ₦23,632,445.60 (Twenty three million, six hundred and thirty two thousand, four hundred and forty five naira, sixty kobo) were not supplied by the contractor, and
v. Relevant documents such as certificate of job completion were neither attached to the paid voucher nor presented for audit.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Polytechnic Ukana.

Risks

i. Payments for work not done.
ii. Use of public funds for private activities.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Rector should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦23,632,445.60 (Twenty three million, six hundred and thirty two thousand, four hundred and forty five naira, sixty kobo), being payment for contract not executed.
ii. Recover and remit to the Treasury, the sum of ₦23,632,445.60.
iii. Forward the evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and gross misconduct specified in paragraphs 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 3: NON-DEDUCTION AND NON-REMITTANCE OF STATUTORY TAXES (=₦27,817,469.50)

Description of Findings

Paragraph 234(i) of the Financial Regulations (FR) (2009) states, "It is mandatory for Accounting Officers to ensure full compliance with the dual roles of making provision for the Value Added Tax (VAT) and Withholding Tax (WHT) due on supply and services contract and actual remittance of same." Furthermore, paragraph 235 of the FR (2009) states, "Deductions for WHT, VAT and PAYE shall be remitted to the Federal Inland Revenue at the same time the payee who is the subject of the deduction is paid." Also, paragraph 2 of the Treasury Circular with Ref. No. TRY A1 & B1/2017 OAGF/CAD/026/V.111/.182 dated 20th April, 2017, states, "… a 1% Stamp Duty chargeable on Contract Agreements and the remittance be made to the Relevant Tax Authority which is the Federal Inland Revenue Service (FIRS)…" Furthermore, paragraph 3 of the Treasury Circular with Ref. No. TRY A1 & B1/2017 OAGF/CAD/026/V.111/.182 dated 20th April, 2017 states, "…MDA are to ensure that Stamp Duty is accordingly deducted on Contract Agreement before payment is made to beneficiary…"

Audit observed that:

i. The sum of ₦939,562,980.04 (Nine hundred and thirty nine million, five hundred and sixty two thousand, nine hundred and eighty naira, four kobo) was paid to different contractors for Construction and Procurement of Goods and Services to the Polytechnic, and
ii. The sum of ₦27,817,469.50 (Twenty seven million, eight hundred and seventeen thousand, four hundred and sixty nine naira, fifty kobo) being the Value Added Tax (VAT) and Stamp Duty on the payment in (i) above were neither deducted nor remitted to the relevant tax authorities.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Polytechnic Ukana.

Risks

i. Loss of government revenue.
ii. Inability to fund government budget.
iii. Diversion of public funds.

Management's Response
No response.

Auditor's Evaluation
Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations
The Rector should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦27,817,469.50 (Twenty seven million, eight hundred and seventeen thousand, four hundred and sixty nine naira, fifty kobo), being statutory taxes not deducted and remitted to the relevant tax authorities.
ii. Recover and remit to the Treasury, the sum of ₦27,817,469.50.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to failure to remit VAT and WHT, and failure to collect and account for government revenue prescribed in paragraphs 234 (ii) and 3112 of the Financial Regulations (2009) respectively, should apply.

ISSUE 4: IRREGULAR PAYMENT OF 1% STAMP DUTY INTO A CONTRACTOR'S ACCOUNT (=₦5,205,751.12)

Description of Findings
Paragraph 2 of the Treasury Circular with Ref. No. TRY A1 & B1/2017 OAGF/CAD/026/V.111/.182 dated 20th April, 2017, states, "… a 1% Stamp Duty chargeable on Contract Agreements and the remittance be made to the Relevant Tax Authority which is the Federal Inland Revenue Service (FIRS)…" Furthermore, paragraph 3 of the Treasury Circular with Ref. No. TRY A1 & B1/2017 OAGF/CAD/026/V.111/.182 dated 20th April, 2017, states, "…MDA are to ensure that Stamp Duty is accordingly deducted on Contract Agreement before payment is made to beneficiary…"

Audit observed that:
i. The sum of ₦5,205,751.12 (Five million, two hundred and five thousand, seven hundred and fifty one naira, twelve kobo) was 1% stamp duty deducted from the contract for the provision of water reticulation to the institution, and
ii. The amount in (i) above was paid to a contractor on the 13th December, 2023 instead of relevant tax authority.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Polytechnic Ukana.

Risks
i. Loss of government revenue.
ii. Diversion of public funds.
iii. Difficulty in funding government budget.

Management's Response
No response.

Auditor's Evaluation
Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations
The Rector should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦5,205,751.12 (Five million, two hundred and five thousand, seven hundred and fifty one naira, twelve kobo), being 1% stamp duty paid to a contractor instead of relevant tax authority.
ii. Recover and remit to the Treasury, the sum of ₦5,205,751.12.
iii. Forward evidence of the remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to failure to collect and account for government revenue prescribed in paragraph 3112 of the Financial Regulations (2009) should apply.

ISSUE 5: PAYMENTS FOR CONTRACTS WITHOUT EVIDENCE OF EXECUTION (=₦261,572,191.00)

Description of Findings
Paragraph 708 of the Financial Regulations (FR) (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied." Furthermore, paragraph 603(i) of the FR (2009) states, "All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets. etc." In addition, paragraph 415 of the FR (2009) states, "The federal government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted."

Audit observed that:

i. The sum of ₦98,302,838.00 (Ninety eight million, three hundred and two thousand, eight hundred and thirty eight naira) was paid to a contractor for the procurement and installation of environmental technology equipment.
ii. Another payment amounting to ₦96,675,417.50 (Ninety six million, six hundred and seventy five thousand, four hundred and seventeen naira, fifty kobo) was made for the procurement and installation of civil engineering laboratory equipment.
iii. Three other contractors were paid the sum of ₦66,593,935.50 (Sixty six million. five hundred and ninety three thousand, nine hundred and thirty five naira, fifty kobo) for the procurement of various equipment to the Polytechnic, and
iv. The payments in (i-iii) above amounting to ₦261,572,191.00 (Two hundred and sixty one million, five hundred and seventy two thousand, one hundred and ninety

one naira) representing 85% of the contract sum has been paid to the contractors as indicated in the Remita payment report without evidence of execution of these contracts.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Polytechnic Ukana.

Risks

i. Payments for job not executed.
ii. Diversion of public funds.
iii. Loss of public funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Rector should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦261,572,191.00 (Two hundred and sixty one million, five hundred and seventy two thousand, one hundred and ninety one naira), paid for contracts without evidence of execution.
ii. Recover and remit to the Treasury, the sum of ₦261,572,191.00.
iii. Forward the evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to payment for job not executed and failure to spend public funds effectively prescribed in paragraphs 3104(iii) and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 6: NON-SUBMISSION OF AUDITED FINANCIAL STATEMENTS (2020 TO 2023)

Description of Findings

Paragraph 3210(v) of the Financial Regulations (FR) (2009) states, "The Chief Executive Officer shall submit both the Audited Accounts and Management Report to the Auditor-General not later than 31st May of the following year of the Account."

In spite of the above:

i. The Polytechnic failed to submit its Audited Financial Statements for the years 2020 to 2023 to the Office of the Auditor-General for the Federation as at the time of audit in 2024, and
ii. The last set of audited annual financial statements submitted in line with the requirement was for the financial year 2019.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Polytechnic Ukana, Akwa Ibom State.

Risks

i. Impediments to Public Accounts Committees oversight.
ii. Sub-optimal decisions by those charged with governance.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Rector should be requested to:

i. Forward copies of the outstanding audited financial statements for 2020 to 2023 to the Public Accounts Committees of the National Assembly, and
ii. Otherwise, sanctions relating to gross misconduct in paragraph 3129 of the Financial Regulations (2009) should apply.

ISSUE 7: EXTRA-BUDGETARY EXPENDITURE (=₦20,479,428.00)

Description of Findings

Section 80(4) of the Constitution of the Federal Republic of Nigeria, 1999 (as amended) states, "No moneys shall be withdrawn from the Consolidated Revenue Fund or any other public fund of the Federation, except in the manner prescribed by the National Assembly." Also, paragraph 417 of Financial Regulations (FR) (2009) states, "Expenditure shall strictly be classified in accordance with the estimate, and votes must be applied only to the purpose for which the money is provided. Expenditure incorrectly charged to a vote shall be disallowed." Furthermore, paragraph 415 of the FR (2009) states, "The federal government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted." In addition, paragraph 313 of the FR (2009) states, "The authority conveyed to the Accountant-General, and to officers controlling votes, by Recurrent Expenditure Warrants is limited to the amounts provided under each sub-head in the Approved Estimates and Supplementary Estimates. No expenditure on any sub-head of the Recurrent Estimates in excess of the provision in the Approved estimates or Supplementary Estimates may be authorized by any officer controlling a vote, without approval of the National Assembly. Such approval will be sought by means of an application for supplementary provisions or virement."

Audit observed that:

i. The sum of ₦25,000,000.00 (Twenty five million naira) was approved for Local Travel and Transport Allowance in the 2023 Appropriation Act.
ii. The sum of ₦45,479,428.00 (Forty five million, four hundred and seventy nine thousand, four hundred and twenty eight naira) was spent on Local Travel and Transport allowance in 2023 resulting in extra budgetary spending of

₦20,479,428.00 (Twenty million, four hundred and seventy nine thousand, four hundred and twenty eight naira); and

iii. Evidence of approved supplementary provision was not produced for audit scrutiny.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Polytechnic Ukana.

Risks

i. Waste of government funds.
ii. Diversion of public funds.
iii. Loss of public funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Rector should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦20,479,428.00 (Twenty million, four hundred and seventy nine thousand, four hundred and twenty eight naira), being extra-budgetary expenditure.
ii. Recover and remit to the Treasury, the sum of ₦20,479,428.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

ISSUE 8: VIOLATION OF E-PAYMENT POLICY OF THE FEDERAL GOVERNMENT (=₦42,628,125.41)

Description of Findings

Paragraph 4(vii) of the Treasury Circular Ref. No. TRY/A88 & B8/2008/OAGF/CAD/026/Vol.11/465 dated 22nd October, 2008, states, "Henceforth all employees of the Federal Government of Nigeria must each open an account with a commercial bank into which all payments due to him/her must be paid." Also, paragraph 713 of the Financial Regulations (FR) (2009) states, "Personal money will in no circumstances be paid into a government bank account nor shall any public money be paid into a private bank account. An officer who pays public money into a private account is deemed to have done so with fraudulent intention." Furthermore, paragraph 613 of the FR (2009) states, "Payments shall be made only to the persons named in the vouchers or their properly authorized representatives. Paying Officers must satisfy themselves that the person claiming the payment is the person authorised to receive the

amount and it is the duty of the ministry, extra-ministerial office and other arms of Government authorizing payment to furnish proof of identity if required..."

Audit observed that:

i. The sum of ₦42,628,125.41 (Forty two million, six hundred and twenty eight thousand, one hundred and twenty five naira, forty one kobo) was paid to the bank account of an officer of the Polytechnic instead of the ultimate beneficiaries, and
ii. There was no evidence to confirm that the beneficiaries received the payments from the officer.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Polytechnic Ukana.

Risks

i. Diversion of public funds.
ii. Funds may not get to the beneficiaries.

Management's Response

No response.

Auditor's Evaluations

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Rector should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦42,628,125.41 (Forty two million, six hundred and twenty eight thousand, one hundred and twenty five naira, forty one kobo), paid in violation of E-payment policy.
ii. Recover and remit to the Treasury, the sum of ₦42,628,125.41.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating irregular payments prescribed in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 9: PAYMENT FOR ICT EQUIPMENT WITHOUT APPROVAL BY THE NATIONAL INFORMATION TECHNOLOGY DEVELOPMENT AGENCY (=₦99,836,930.00)

Description of Findings

Paragraph 4 of the Establishment Circular Ref. No. 59736/S.2/C.II/125, dated 31st August, 2018, states, "For the avoidance of doubt, MDAs and other government establishments are to relate with and obtain prior approval from National Information Technology Development Agency (NITDA) for the implementation of Information Technology (IT) projects as well as the procurement of locally assembled IT components."

Audit observed that:

i. The contract for the supply of ICT Equipment was awarded to a company vide award letter Ref: FPU/ PROC.TET.065/VoL.1/006 dated 4th July, 2023 at the contract sum of ₦99,836,930.00 (Ninety nine million, eight hundred and thirty six thousand, nine hundred and thirty naira), and
ii. The contractor has been fully paid and there was no clearance obtained from NITDA prior to embarking on such procurement as required by the above circular.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal polytechnic, Ukana.

Risks

i. Award of contract to incompetent contractors.
ii. Substandard items may be supplied.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Rector should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦99,836,930.00 (Ninety nine million, eight hundred and thirty six thousand, nine hundred and thirty naira), paid on the award of ICT contracts without obtaining clearance from NITDA.
ii. Recover and remit to the Treasury, the sum of ₦99,836,930.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and gross misconduct prescribed in paragraphs 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 10: IRREGULAR CONVERSION OF OFFICIAL VEHICLE INTO PERSONAL USE (=₦21,600,000.00)

Description of Findings

Paragraph 2001 of the Financial Regulations (FR) (2009) states, "The Accounting Officer shall be responsible for ensuring that there are effective controls in the use of government vehicles…" Furthermore, paragraph 112(i) of the Financial Regulations (FR) (2009) states, "The functions of the Accounting Officer shall include… (d) ensuring the safety and proper maintenance of all government assets under his care;…" Also, paragraph 1 of the Establishment Circular Ref. No. SGF.19/S.52/V/720 dated 20th February, 2017, states, "…As part of measures to curb this undesirable practice by Officers, Permanent Secretaries and Chief Executive Officers of Ministries, Departments and Agencies (MDAs) are henceforth to ensure painstaking and strict clearance of

retiring officers who should be made to submit all Government properties in their custody before their final disengagement from Service…" In addition, Establishment Circular Ref. No. 59515/S.22/14/1/401 dated 25th August, 1998, states, "…No member, including a part-time chairman shall be allowed to retain an official vehicle for use on a permanent basis."

Audit observed that:

i. A Toyota Hilux with Chassis No. AMTFX22G706325716 purchased in 2014 at the cost of ₦21,600,000.00 (Twenty one million, six hundred thousand naira) was taken away by a retiring officer of the Polytechnic for use on a permanent basis, and
ii. There was no evidence showing any efforts to retrieve the vehicle by the Management of the Institution.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Polytechnic, Ukana.

Risks

i. Loss of government assets.
ii. Waste of government resources.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Rector should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the reason why government vehicle was taken away by a retiring officer of the Polytechnic.
ii. Provide evidence of recovery of the vehicle to the Public Accounts Committees of the National Assembly, and
iii. Otherwise, sanctions relating to gross misconduct prescribed in paragraph 3129 of the Financial Regulations (2009) should apply.

ISSUE 11: UNJUSTIFIED PAYMENTS FOR CONTINGENCIES AND PRELIMINARY EXPENSES (=₦19,314,696.58)

Description of Findings

Paragraph 412 of the Financial Regulations (FR) (2009) states, "Where a contract involves supplies of goods or work done, there will be attached to the voucher a certificate that the payments are in accordance with terms of the contract agreement, that as regards supplies, the articles have been received and, in the case of work, that it has been properly done. In the case of payment on account, no money will be claimed other than the cost of the work certified to have been performed." Furthermore, paragraph 708 of the FR (2009) states, "On no account should payment be made for

services not yet performed or for goods not yet supplied." In addition, paragraph 415 of the FR (2009) states, "The Federal Government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted." Similarly, paragraph 603(i) of the FR (2009) states, "All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets. etc."

Audit observed that:

i. A contract for the construction and furnishing of laboratory workshop for Department of Science Technology, was awarded to a contractor vide an award letter Ref: FPU/PROC.TET.065/Vol.1/004 dated 25th April, 2023 at the contract sum of ₦253,257,143.62 (Two hundred and fifty three million, two hundred and fifty seven thousand, one hundred and forty three naira, sixty two kobo).
ii. Provision and payment of ₦14,469,821.58 (Fourteen million, four hundred and sixty nine thousand, eight hundred and twenty one naira, fifty eight kobo) was made as preliminaries without breakdown and evidence of expenditure.
iii. The sum of ₦3,000,000.00 (Three million naira) was provided for and paid as contingencies; however, no breakdown or verifiable evidence supporting the expenditure and approval was made available.
iv. Provision and payment for landscaping and planting of flowers totalling ₦1,844,875.00 (One million, eight hundred and forty four thousand, eight hundred and seventy five naira) was made which was not executed.
v. The total payments in (ii-iv) above is ₦19,314,696.58 (Nineteen million, three hundred and fourteen thousand, six hundred and ninety six naira, fifty eight kobo), representing expenditures incurred without adequate approval, supporting documentation, or evidence of execution. and
vi. Documentary evidence of due process such as competitive bidding, Ministerial/Parastatal Tenders Board approvals, Certificate of No Objection from the Bureau of Public Procurement were not produced for audit scrutiny.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Polytechnic, Ukana.

Risks

i. Loss of government funds.
ii. Diversion of funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Rector should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦19,314,696.58 (Nineteen million, three hundred and fourteen thousand, six hundred and ninety six naira, fifty eight kobo), paid as contingency and preliminary items without evidence of utilisation.
ii. Recover and remit to the Treasury, the sum of ₦19,314,696.58.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 12: IRREGULAR PAYMENTS OF DTA TO A FORMER PRINCIPAL OFFICER (=₦21,248,460.00)

Description of Findings

Paragraph 422 (i) of the Financial Regulations (FR) (2009) states, “Officers controlling votes are responsible for ensuring that, as far as possible, payment for services rendered are settled within the financial year in which they were rendered. When necessary, reminders should be sent to private parties to forward their claims without delay. Neglect to do this will not prejudice the private party but the officer who has neglected to press this necessity upon their subordinate officers…” Furthermore, Paragraph 611 of the Financial Regulations (FR) (2009) states, “A Sub-Accounting Officer may not make payment against a Voucher unless: … (c) It is not more than three months since the voucher was signed by officer controlling expenditure…”

Audit observed that:

i. A total of ₦21,248,460.00 (Twenty one, two hundred and forty eight thousand, four hundred and sixty naira) was paid as DTA to a former principal officer of the Polytechnic.
ii. The sum of ₦16,078,730.00 (Sixteen million, seventy eight thousand, seven hundred and thirty thousand naira) was paid to his personal bank account as Duty Tour Allowance (DTA) for official trips without specific purposes of the official trip.
iii. The sum of ₦5,169,730.00 (Five million, one hundred and sixty nine thousand, seven hundred and thirty naira) was also paid to him as re-validated DTA for 2019, 2020, 2021 and 2022, and
iv. The revalidated payments in (ii) above had no approvals and necessary authorizations, contrary to provisions of extant regulations.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Polytechnic, Ukana.

Risks

i. Loss of government funds.
ii. Diversion of funds.

Managements Response
No response.

Auditor's Evaluation
Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations
The Rector should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦21,248,460.00 (Twenty one, two hundred and forty eight thousand, four hundred and sixty naira), being DTA paid without authorization.
ii. Recover and remit to the Treasury, the sum of ₦21,248,460.00.
iii. Forward the evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments specified in paragraph 3106 of the Financial Regulations (FR) (2009) should apply.

ISSUE 13: IRREGULAR PAYMENT FOR PURCHASE OF ICAN STAMP (=₦1,050.000.00)

Description of Findings
Paragraph 415 of the Financial Regulations (FR) (2009) states, "The Federal Government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted." Furthermore, paragraph 112(g) of the FR (2009) states, "The Functions of the Accounting Officer… shall include ensuring prudence in the expenditure of public funds."

Audit observed that:
i. The sum of ₦1,050,000.00 (One million, fifty thousand naira) was paid for the purchase of ICAN stamp for the External Auditor of the Polytechnic, and
ii. The payment in (i) above was made on behalf of the institution's external auditor without any justification.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Polytechnic, Ukana.

Risks
i. Waste of government funds.
ii. Misapplication of funds.

Managements Response
No response.

Auditor's Evaluation
Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Rector should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦1,050,000.00 (One million, fifty thousand naira), being irregular purchase of ICAN stamp.
ii. Recover and remit to the Treasury, the sum of ₦1,050,000.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments and gross misconduct prescribed in paragraphs 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 14: IRREGULAR PAYMENTS IN RESPECT OF CONTINGENCIES (=₦102,320,917.02)

Description of Findings

Paragraph 415 of the Financial Regulations (FR) (2009) states, "the Federal Government requires all officer responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted." Furthermore, paragraph 417 of the FR (2009) states, "Expenditure shall strictly be classified in accordance with the Estimate, and votes must be applied only to the purpose for which the money is provided. Expenditure incorrectly charged to a vote shall be disallowed."

Audit observed that:

i. Provisions for contingencies, project site preparation/drawing, preliminaries etc. were made in the Bills of Quantities in respect of one hundred and six (6) contracts awarded by the Polytechnic in 2023 totalling ₦102,320,917.02 (One hundred and two million, three hundred and twenty thousand, nine hundred and seventeen naira, two kobo).
ii. There was no evidence of occurrence of contingencies that would have warranted the release of the funds, yet payments were made to the contractors for contingencies, and
iii. Approval for the release of the funds and the retirement of same were not presented for audit.

The above anomalies could be attributed to weaknesses in the internal control system at Federal Polytechnic, Ukana.

Risks

i. Waste of government funds.
ii. Diversion of public funds.

Managements Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Rector should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, for the sum of ₦102,320,917.02 (One hundred and two million, three hundred and twenty thousand, nine hundred and seventeen naira, two kobo), paid as contingencies on six (6) contracts without evidence of utilisation.
ii. Recover and remit to the Treasury, the sum of ₦102,320,917.02.
iii. Forward evidence of remittance to the Public Accounts Committees shall of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment specified in paragraph 3106 of the Financial Regulations (2009) should apply.

SECTION 7

HIGHER EDUCATION AUDIT DEPARTMENT (HEAD)

NATIONAL OPEN UNIVERSITY OF NIGERIA, ABUJA

At the National Open University of Nigeria, Abuja, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1. EXTRA-BUDGETARY CAPITAL EXPENDITURE (=₦90,957,355.85)

Description of Findings

Section 16 (1b) of the Pubic Procurement Act (PPA) (2007) states, "Subject to any exemption allowed by this Act, all public procurement shall be conducted: based only on procurement plans supported by prior budgetary Appropriations and no procurement proceedings shall be formalized until the Procuring entity has ensured that funds are available to meet the obligations…" Also, section 80 (2) of the Constitution of the Federal Republic of Nigeria, 1999 (as amended) states, "No money shall be withdrawn from the Consolidated Revenue Fund of the Federation except to meet expenditure that is charged upon the fund by this Constitution or where the issue of those moneys has been authorised by an Appropriation Act, Supplementary Act or Act passed in pursuance of Section 81 of this Constitution." Similarly, paragraph 2906 of the Financial Regulations (FR) (2009) states, "All procurement plans must be supported by prior budgetary appropriation as proof of availability of funds. In other words, payments that are not provided for in the annual estimates shall not be accepted."

Audit observed that:

i. The University awarded four (4) contracts amounting to ₦90,957,355.85 (Ninety million, nine hundred and fifty seven thousand, three hundred and fifty five naira, eighty five kobo).
ii. The four (4) contracts in (i) above were not in the 2023 Appropriation Act, but were awarded and paid for, and
iii. Several requests for the document to suggest approval either through supplementary appropriation or virement for these projects, were not obliged. See details in the Table below:

S/N	Contracts	Amount ₦	Audit Issues
1	Network Infrastructure System at Wase, Plateau state	6,693,955.77	**Project not appropriated for in the 2023 Appropriation Act**
2	Provision of E-hailing Transportation Empowerment in Olodeokuta Surulere Lagos	17,941,976.74	"
3	Completion of construction of administrative block at NOUN Wase, Plateau State	60,726,102.52	"
4	Completion of Construction of CBT Centre with Offices in Plateau State	5,595,320.82	"
	Total	**90, 957,355.85**	

Source: NOUN 2023 Capital Payment Vouchers

The above anomalies could be attributed to weaknesses in the internal control system at the National Open University of Nigeria, Abuja.

Risks
i. Diversion of public funds.
ii. Loss of public funds.

Management's Response
These are Constituency Projects appropriated for in the Year 2022 Capital Appropriation and rolled over to June 2023 (See Appendix 1).

Auditor's Evaluation
The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations
The Vice Chancellor should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦90,957,355.85 (Ninety million, nine hundred and fifty seven thousand, three hundred and fifty five naira, eighty five kobo), being unauthorized capital expenditure.
ii. Recover and remit to the Treasury, the sum of ₦90, 957,355.85 .
iii. Forward the evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment, failure to manage public funds effectively, and gross misconduct prescribed in paragraphs 3106, 3115, and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2: IRREGULAR PAYMENT OF ALLOWANCES TO STAFF (=₦5,407,858.08)

Description of Findings
The Establishment Circular Ref. No. SWC/S/04/S.100/11/403 dated 18th January, 2007, stipulates that the items consolidated with the basic salary are transport allowance, rent allowance, meal subsidy, utility, leave grant, among others. Also, paragraph 415 of the Financial Regulations (FR) (2009) states, "The federal government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted."

Audit observed that:
i. The University paid the sum of ₦5,407,858.08 (Five million, four hundred and seven thousand, eight hundred and fifty eight naira, eight kobo) to its staff in respect of performance bonus and subsistence allowances.
ii. Payments of these allowances were not contained in the University's scheme of service, and
iii. There was no approval given to the University for such claims by the relevant authority.

The above anomalies could be attributed to weaknesses in the internal control system at the National Open University of Nigeria, Abuja.

Risks
i. Diversion of public funds.
ii. Loss of public funds.

Management's Response
The payment of Performance Bonus has been suspended since February 2023. The Subsistence Allowance is a legitimate payment made to staff pursuing foreign studies.

Auditor's Review
The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations
The Vice Chancellor should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦5,407,858.08 (Five million, four hundred and seven thousand, eight hundred and fifty eight naira, eight kobo), being irregular payment of allowances to staff.
ii. Recover and remit the sum of ₦5,407,858.08 to the Treasury.
iii. Forward the evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and failure to account for public funds specified in paragraphs 3106 and 1420 of the Financial Regulations (2009) respectively, should apply.

FEDERAL UNIVERSITY, GASHUA, YOBE STATE

At the Federal University, Gashua, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1. PAYMENTS WITHOUT RELEVANT SUPPORTING DOCUMENTS (=₦1,893,802,100.91)

Description of Findings
Paragraph 708 of the Financial Regulations (FR) (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied." Furthermore, paragraph 603(i) of the FR (2009) states, "All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets. etc." In addition, paragraph 415 of the FR (2009) states, "The federal government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted."

Audit observed that:

i. The University paid the sum of ₦1,893,802,100.91 (One billion, eight hundred and ninety three million, eight hundred and two thousand, one hundred naira, ninety one kobo) for contracts in respect of construction and supplies, and
ii. These payments were effected through fifteen (15) paid vouchers, without relevant supporting documents as required by extant regulations.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal University, Gashua.

Risks

i. Payment for jobs not executed.
ii. Loss of public funds.

Management's Response

The visual evidences of projects executed by the University were well taken and documented by project monitoring committee. Henceforth, the University will ensure projects pictures are taken at each milestone and time stamped to support each payment of any interim or final certificates are filed in each project file.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Vice Chancellor should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦1,893,802,100.91 (One billion, eight hundred and ninety three million, eight hundred and two thousand, one hundred naira, ninety one kobo), being payments without adequate supporting documents.
ii. Recover and remit the sum of ₦1,893,802,100.91 to the Treasury.
iii. Forward the evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments and failure to account for public funds specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2: PAYMENT FOR A FOREIGN TRIP WITHOUT APPROVAL (=₦6,689,233.00)

Description of Findings

Paragraph 2(i) of the Establishment Circular Ref. No. SGF/OP/I/S.3/XII/158 of 15th October, 2019, states, "…For the avoidance of doubt, all yearly travel plans for statutory meetings and engagements must receive express clearance from the Office of the Secretary to the Government of the Federation and/or the Office of the Head of the Civil Service of the Federation within the first quarter of the fiscal year before

implementation…" Furthermore, paragraph 2(ii) of the Establishment Circular Ref No. SGF/OP/I/S.3/XII/158 of 15th October, 2019, states, "…All public funded travels (local and foreign) must be strictly for official purposes backed with documentary evidence. Particularly, foreign travels must be for highly essential, statutory engagements that are beneficial to the interest of Nigeria…" Also, paragraph 140109 (b) (c) (d) of the Public Service Rule (PSR) (2021) states, "Oversea duty tour by all Public Servants and estacode allowance shall be subject to the approval of the Head of the Civil Service of the Federation, on the recommendation of the Permanent Secretary /Head of Extra-Ministerial Office. In the case other Public Officers, approval shall be obtained from the Secretary to the Government of the Federation. Estacode allowance shall be payable at the rates specified in extant circulars."

Audit observed that:

i. The University paid the sum of ₦6,689,233.00 (Six million, six hundred and eighty nine thousand, two hundred and thirty three naira) for an oversea trip vide paid voucher No. E-COLL/TSA-R/23/218 dated 10th May, 2023, and
ii. Evidence of approval from relevant authorities, and supporting documents such as the letters of invitation were not provided for audit.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal University, Gashua.

Risk

i. Payment for non-existent transactions.
ii. Diversion of public funds.
iii. Loss of public funds.

Management's Response

The University always secures approval from the Governing Council being representative of the Federal Government in the University and appointees of Mr. President before its Principal Officers can go on international assignment. However, the observation of the audit is noted.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Vice Chancellor should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦6,689,233.00 (Six million, six hundred and eighty nine thousand, two hundred and thirty three naira), being payment for a foreign trip without evidence of approval.
ii. Recover the sum of ₦6,689,233.00 and remit to the Treasury.
iii. Forward the evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 3: IRREGULAR PAYMENT TO CONTRACTORS WITH CONDITIONAL ADVANCE PAYMENT GUARANTEE (=₦875, 615,013.70)

Description of Findings

Paragraph 2.0 of the Treasury Circular No. TRY/A2 & B2/2019/OAGF/CAD/025/V.111/358 dated 8th July, 2019, with the subject, Mandatory Documents Required to Facilitate Payment for Government Contractors, states, "Consequently, the following documents are mandatory to facilitate payments of Government Contracts for goods, works and services…(iv) National Competitive Bidding Unconditional Bank Guarantee or an Insurance Bond acceptable by the procuring entity." Also, section 36 of the Public Procurement Act (PPA) (2007) states, "The provision of a Performance Guarantee shall be a precondition for the award of any procurement contract upon which any mobilization fee is to be paid,…"

Audit observed that:

i. The University paid 30% mobilization fee amounting to ₦875,615, 013.70 (Eight hundred and seventy five million, six hundred and fifteen thousand, thirteen naira, seventy kobo) to its contractors in 2023.
ii. The amount was paid based on conditional guarantee covering 2nd March, 2023 to 1st March, 2024, and
iii. The payment of contract advance with a conditional guarantee/Bond could put government at a disadvantage, should there be litigation for non-performance.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal University, Gashua.

Risk

i. Reputational damage due to litigations.
ii. Loss of public funds.

Management's Response

The APG that the University honored were Insurance Bond issued by an Insurance Company hence it is not a Conditional Bank Guarantee. The University will also look out for such conditional bank guarantees in the future.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendation

The Vice Chancellor should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦875,615, 013.70 (Eight hundred and seventy five million, six hundred and fifteen thousand, thirteen naira, seventy kobo), being payment of mobilization fee based on a Conditional Bond Guarantee instead of Unconditional Bond Guarantee.
ii. Recover and remit the sum of ₦875,615,013.70 to the Treasury.

iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment specified in paragraph 3106 of the Financial Regulations (2009) should apply.

FEDERAL UNIVERSITY OF PETROLEUM RESOURCES, EFFURUN, DELTA STATE

At the Federal University of Petroleum Resources, Effurun, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: IRREGULAR AWARD OF CONTRACT (=₦170,908,053.92)

Description of Findings

Section 24(1) of the Public Procurement Act (PPA) (2007) states, "Except as provided by this Act, all procurements of goods and works Open by all procuring entities shall be conducted by open competitive bidding." Furthermore, section 25(2)(ii) of the PPA (2007) states, "in the case of goods and works valued under National Competitive Bidding, the invitation for bids shall be advertised on the notice board of the procuring entity, any official web sites of the procuring entity, at least two national newspapers, and in the procurement journal not less than six weeks before the deadline for submission of the bids for the goods and works." Also, paragraph 2909 of Financial Regulations (FR) (2009) states, "All bidders in a contract for public procurement must show proof of eligibility for the award of the contract. They must prove the following amongst others, viz (a) they possess the necessary technical qualification; (b) they possess the machinery, equipment and manpower for the job…."

Audit observed that:

i. The University awarded a contract for the construction of classrooms and offices to a company at the sum of ₦304,000,000.00 (Three hundred and four million naira) for the duration of 32 weeks.
ii. Evidence of due process such as advertisement, competitive bidding and the basis of the selection of the contractor was not made available for audit.
iii. A total of ₦170,908,053.92 (One hundred and seventy million, nine hundred and eight thousand, fifty three naira, ninety two kobo) was paid as follows:

PV No	Details	Amount (₦)
TET005 of 31/10/22	Being payment for Consultancy	24,030,000.00
TET192 of 22/11/23	Being payment on Cert. 5	9,610,176.17
TET501 of 23/03/23	Being payment on Cert.2	21,732,355.43
TET138	Being payment on Cert. 4	72,519,296.59
TET056 of 20/06/23	Being payment on Cert.3	43,016,225.73
	TOTAL	**170,908,053.92**

iv. Physical Inspection carried out showed that substandard materials were used. For instance, Emulsion paint was used instead of Dulux, Wooden doors instead of the galvanized

bullet proof iron doors as stated in the BOQ and there were observed obvious structural defects.

v. The sum of ₦24,030,000.00 (Twenty four million, thirty thousand naira) was paid as consultancy services without evidence of work done, while the balance of ₦146,878,053.92 (One hundred and forty six million, eight hundred and seventy eight thousand, fifty three naira, ninety two kobo) was paid to another consultant for the same work, and
vi. Record of the payment of certificate No. 1 was not provided for examination, despite repeated requests.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal University of Petroleum Resources, Effurun.

Risks

i. Payment for work not done.
ii. Substandard work.
iii. Loss of public funds.

Management's Response

No response.

Auditor`s Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Vice Chancellor should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦304,000,000.00 (Three hundred and four million naira), being payment for a contract awarded without following due process.
ii. Recover and remit the sum of ₦304,000,000.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments and failure to account for public funds specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2: DENIAL OF ACCESS TO PHYSICAL INSPECTION OF COMPLETED PROJECT (=₦238,330,212.00)

Description of Findings

Paragraph 110 of the Financial Regulations (FR) (2009) states, "By virtue of their responsibilities and functions, the Accountant General and the Auditor-General or their representatives shall, at all reasonable times, have free access to books of accounts, files, safes, security documents and other records and information relating to the accounts of all federal ministries/extra-ministerial offices and other arms of' government or units. They shall also be entitled to require and receive from members of the Public Service such information, reports and explanations as they may deem necessary for the

proper performance of their functions." Furthermore, paragraph 708 of the FR (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied".

Audit observed that:

i. The University awarded contracts for the construction of, and furnishing of 500-seater-capacity auditorium to a contractor at the sum of ₦238,330,212.00 (Two hundred and thirty eight million, three hundred and thirty thousand, two hundred and twelve naira) in June, 2020.
ii. Access to the interior of the facility was not granted to auditors during inspection, as the doors were locked, and
iii. The contractor had been fully paid by the University for the facility at the time of the audit visit, yet the management of the University could not justify the payment and job completion by making the facility available for inspection.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal University of Petroleum Resources, Effurun.

Risks

i. Payment for jobs not executed.
ii. Diversion of public funds.

Management's Response

Some pictures were presented by the University.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Vice-Chancellor should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦238,330,212.00 (Two hundred and thirty eight million, three hundred and thirty thousand, two hundred and twelve naira), being payment of contract without verification of completion.
ii. Recover and remit the sum of ₦238,330,212.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments and failure to account for public funds specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

UNIVERSITY OF LAGOS, AKOKA

At the University of Lagos, Akoka, for the period 1st January to 31st December, 2023, the following observation was made:

ISSUE 1. EXTRA BUDGETARY EXPENDITURE (=₦59,639,723.44)

Description of Findings

Section 80(2) of the Constitution of the Federal Republic of Nigeria, 1999 (as amended) states, "No money shall be withdrawn from the Consolidated Revenue Fund of the Federation except to meet expenditure that is charged upon the fund by this Constitution or where the issue of those moneys has been authorised by an Appropriation Act, Supplementary Act or Act passed in pursuance of Section 81 of this Constitution."

Audit observed that:

i. The University awarded, and paid for contracts in respect of four (4) projects, amounting to ₦138,900,281.65 (One hundred and thirty eight million, nine hundred thousand, two hundred and eighty one naira, sixty five kobo) during the period under review, and
ii. The projects highlighted in (i) above, and also contained in the Table below, were not included in the 2023 Appropriation Act nor approved by the National Assembly.

S/N	Projects	AMOUNT SPENT (₦)
1	Supply and Installation of one (1) 1600kg/21 persons 12 stops/openings at 1.6m/s at Senate House-Certs.1&2.	18,202,906.98
2	Renovation of Mariere Hall-Cert.1	22,138,166.43
3	Renovation of Mariere Hall-Cert.2	38,919,484.80
4	Vertical extension of Architectural Building-Cert. No.01	59,639,723.44
	TOTAL	**138,900,281.65**

Sources: Unilag 2023 Appropriation and Capital payment vouchers

The above anomalies could be attributed to weaknesses in the internal control system at the University of Lagos.

Risk

i. Diversion of public funds.
ii. Loss of public funds.

Management's Response

While we appreciate the team's observation on the payments on capital project, we like to clarify that the amounts paid on renovation of Mariere Hall and supply and installation of lift were paid from service wide vote provided for the project to the tune of ₦100,000,000 on GIFMIS. The payment for vertical extension of Architectural building made in 2023 was from 2022 approved capital appropriation which was extended for utilization till June 2023. Evidence attached as appendix 1 and 2.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Vice Chancellor should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦59,639,723.44 (Fifty nine million, six hundred and thirty nine thousand, seven hundred and twenty three naira, forty four kobo), being extra budgetary expenditure.
ii. Recover and remit the sum of ₦59,639,723.44 to the Treasury.
iii. Forward evidence of remittance particulars to the Public Accounts Committee of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments and failure to account for public funds specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

OBAFEMI AWOLOWO UNIVERSITY, ILE- IFE, OSUN STATE

At the Obafemi Awolowo University, Ile-Ife, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: IRREGULAR PAYMENT OF MOBILIZATION FEES (=₦178,721,828.80)

Description of Findings

Paragraph 2919 of the Financial Regulations (FR) (2009) states, "The following procedure shall be observed by ministries, extra-ministerial offices, and other arms of government in implementing their procurement plans, viz: (g) obtain and confirm validity of performance guarantee." Also, section 71 (1) of the Finance Act (2020) states, "In addition to any other regulation as may be prescribed by the Bureau, a mobilisation fee of not more than 30% for local contractors only may be paid to a supplier or contractor supported by an unconditional bank guarantee or insurance bond issued by an institution acceptable to the procuring entity until the mobilisation fee is fully amortised or recovered."

Audit observed that:

i. The University paid some contractors the sum of ₦178,721,828.80 (One hundred and seventy eight million, seven hundred and twenty one thousand, eight hundred and twenty eight naira, eighty kobo) vide eighteen (18) paid vouchers for Renovation, Supply and Installation of Office Laboratory, Health Centre and Construction and Upgrading of Obafemi Awolowo University, Ile Ife Osun state, and
ii. All payments made were supported by conditional advance payment guarantee (APG), contrary to the provisions of regulations stated above.

The above anomalies could be attributed to weaknesses in the internal control system at the Obafemi Awolowo University, Ile-Ife.

Risks

i. Avoidable litigations.
ii. Loss of public funds.

Management's Response

The advance payment Guarantee/Bond in use in the University was carefully drafted to protect any advance payment made to any contractor who applies for mobilization or advance payment under a contract. No advance payment was made without a duly executed advance payment guarantee or bond, upon which adequate duties have also been paid. There had never been any loss of funds on account of an advance payment paid to any contractor. Contractors who applied for, and were paid advance payment upon submission of an APG/Bond have duly executed their contracts over and above any mobilization fees paid to them. The Government therefore has not lost any funds. Our legal unit has noted your suggestion. The University has amended APG/Bond templates to enjoined by the circular under reference. The University has a policy of total compliance with rules and regulations and further give assurance of total adherence to this policy, going forward. Samples of APG/Bond in compliance with the reference were hereby attached as appendix I.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Vice Chancellor should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦178,721,828.80 (One hundred and seventy eight million, seven hundred and twenty one thousand, eight hundred and twenty eight naira, eighty kobo), being irregular payment of mobilization fee.
ii. Recover and remit the sum of ₦178,721,828.80 to the Treasury.
iii. Forward the evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments and failure to account for public funds specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2: PAYMENT OF RETENTION FEE WITHOUT CERTIFICATION (=₦3,236,824.02)

Description of Findings

Paragraph 2.3(c(x) of Treasury Circular Reference No. TRY/A6&B6/2008 dated 16th May, 2008, and TRY/A2&B2/2019/OAGF/CAD/026/V.III/358 dated 8th July, 2019, on "Mandatory Documents Required to Facilitate Payment of Government Contractors" require that the Auditor-General for the Federation or his representative and the representative of the MDA shall co-sign the certificate releasing the final payment states for contracts having provisions for retention.

Audit observed that:

i. The University awarded a contract for the Completion of Nursing Science Building to a contractor at the sum of ₦136,287,595.98 (One hundred and thirty six million,

two hundred and eighty seven thousand, five hundred and ninety five naira, ninety eight kobo).

ii. The contract provided for retention fee of ₦3,236,824.02 (Three million, two hundred and thirty six thousand, eight hundred and twenty four naira, two kobo) and was paid through paid voucher No. CD/01/2023/AUG/000327 CPV/01/2023/AUG/000110 dated 18th September, 2023, and

iii. The retention fee was paid without a certificate appropriately co-signed by the Auditor-General for the Federation.

The above anomalies could be attributed to weaknesses in the internal control system at the Obafemi Awolowo University, Ile-Ife.

Risks

i. Diversion of public funds.
ii. Loss of public funds.

Management's Response

The certificate of completion was attached before the final payment was approved. Your observation is noted for the payment of retention forthwith. The copy of the final certificate is hereby attached herewith as appendix 2.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Vice Chancellor should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦3,236,824.02 (Three million, two hundred and thirty six thousand, eight hundred and twenty four naira, two kobo), being payment of retention fee without certification.
ii. Recover and remit the sum of ₦3,236,824.02 to the Treasury.
iii. Forward the evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments and failure to account for public funds specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 3: PROCUREMENT OF TRUCK FROM NON-ACCREDITED LOCAL MANUFACTURER (=₦63,270,000.00)

Description of Findings

Paragraph 1 of the Establishment Circular Ref. No. NADDC.NAIDP/S.137/1/36 dated 17th March, 2023 provided the updated list of accredited local manufacturers/Assemblers in Nigeria, for the procurement of federal government vehicle. Paragraph 2 of the Establishment Circular Ref. No. 58859/S.7/C.19/06 dated 30th January, 2018, states, "Accordingly, Ministries, Departments and Agencies (MDAs),

in line with the stipulations of the Executive Order - 03, are required to grant preference to local manufacturers of goods and service providers in their procurement of the goods and services…"

Audit observed that:

i. The University awarded two contracts for the supply of one (1) Tractor & Other Agricultural Equipment and Toyota Hilux Vehicle at the sum of ₦63,270,000.00 (Sixty three million, two hundred and seventy thousand naira) as shown in the Table below, and

S/N	PV NO/FEF NO & DATES	CONTRACT REF & DATES	DESCRIPTION	CONTRACT PRICE (₦)
1	CD/01/2023/JAN/000037 of 26/01/2023	R/DCA/T/01/11/2022/22 of 18/11/2022	Agricultural Equipments (Parks & Garden)	27,405,000.00
2	CD/01/2023/FEB/000041 of 02/02/2023	R/DCA/T/01/01/2023/01 of 23/01/2023	Supply of Toyota Hilux 4*4 Double Cabin 2.7 L Petrol Engine, Pick up, High Grade 2022 Model	35,865,000.00
		TOTAL		**63,270,000.00**

ii. The contractors were not among the list of government approved vehicle manufacturers/local assemblers as provided in the referenced circulars.

The above anomalies could be attributed to weaknesses in the internal control system at the Obafemi Awolowo University, Ile-Ife.

Risks

i. Procurement of substandard goods and services.
ii. Loss of public funds.

Management's Response

Invitation to tender was placed in our advertisement in the Nigerian Tribune, The Punch Newspaper of 11th July 2022 and Tender Journal of Sunday 11th July 2022, inviting bidders to the exercise. Invitation was duly placed for bidders respond and many responded accordingly and from these, we selected the most evaluated respondent bidders. The right to free servicing for three years or 100,000km manufacturing warranty which the University enjoyed. Suggestion on the regular review of the National Automotive Design and Development Council approved list is noted for future procurements. We have noted your recommendation and promise to adhere to this requirement in each of our future procurements. Attached herewith are some procurement documents as appendix 3.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Vice Chancellor should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦63,270,000.00 (Six three million, two hundred and seventy thousand naira), being irregular procurement from unapproved vehicle and automotive dealers.
ii. Recover and remit the sum of ₦63,270,000.00 to the Treasury.
iii. Forward the evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments and failure to account for public funds specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 4: STORE ITEMS NOT TAKEN ON LEDGER CHARGE (=₦61,654,375.63)

Description of Findings

Paragraph 2402(1) of the Financial Regulations (FR) (2009) states, "On all paid vouchers for the purchase of stores, except as provided in sub-section (ii) of this Regulations, the Storekeeper must certify that the stores have been received and taken on charge in the stores ledger quoting the stores receipt voucher number and attaching the original copy of the store receipt voucher to the original L.P.O." Furthermore, paragraph 2107 of the FR (2009) states, "A separate ledger shall be maintained for each store. Records of articles of the same group shall be kept in one ledger, and items should be arranged in alphabetical order. The unit of quantity shall be shown and articles shall be taken on charge in that unit. Separate folios shall be assigned to the various articles in stock and the description shall, in every case, agree with that of the tally card kept in the store. All stores ledgers must be clearly indexed."

Audit observed that:

i. The University paid the sum of ₦61,654,375.63 (Sixty one million, six hundred and fifty four thousand, three hundred and seventy five naira, sixty three kobo) to five contractors in 2023 for the supply of Stationary, Diesel, A4 papers, Letter Headed Paper, Tonner and water treatment chemicals.
ii. Those items could not be traced to stores ledger, and
iii. The payment vouchers used in effecting the payments were not supported with relevant documents such as invoices, store receipt vouchers, store issue vouchers, etc.

The above anomalies could be attributed to weakness in the internal control system at the Obafemi Awolowo University, Ile-Ife.

Risks

i. Payment for services not rendered/goods not supplied.
ii. Diversion of public funds.

Management's Response

The university being a large environment operate an imprest system with graduated limits to departments, faculties and colleges. The department, faculty and colleges

utilize the imprest to take care of small finances in their daily operations and necessary books are kept to track the expenditures.

Bulk purchases on items such as stationery, supply and installation of laboratory equipment, tyres and printed answer scripts were to be received in central stores before being taken to the units where it is needed hence SRV is attached to their payment vouchers. Your other suggestion to improve on our documentation is noted. Samples of records at Departments and central stores are attached for your perusal as appendix 4.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Vice Chancellor should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦61,654,375.63 (Sixty one million, six hundred and fifty four thousand, three hundred and seventy five naira, sixty three kobo), being store items not taken on store ledger charge.
ii. Recover and remit the sum of ₦61,654,375.63 to the Treasury.
iii. Forward the evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments and failure to account for public funds specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

FEDERAL UNIVERSITY, LAFIA, NASARAWA STATE

At the Federal University, Lafia, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: USE OF CASH ADVANCE TO CIRCUMVENT PROCUREMENT PROCEDURE (=₦112,838,816.00)

Description of Findings

Paragraph 3 of the Treasury Circular Ref. No. TRY/A7 & B7/2015/OAGF/CAD/026/V.1/178 of 12th August, 2015, states, "All Accounting Officers and Officers controlling expenditure are to ensure that all local procurement of stores and services costing above ₦200,000.00 shall be made only through Award of Contracts, except as provided by the Public Procurement Act, (2007)." Also, paragraph 2302 (ii) of the Financial Regulations (FR) (2009) states, "On no account shall special imprest or cash advance be used in place of Local Purchase Order or Job Order of the procurement of stores locally." Furthermore, paragraph 1420 of the FR (2009) states, "It is the responsibility of all Accounting Officers to ensure that all advances granted to officers are fully recovered."

Audit observed that:

i. The University made several procurements of goods and services through staff accounts amounting to ₦112,838,816.00 (One hundred and twelve million, eight hundred and thirty eight thousand, eight hundred and sixteen naira).
ii. The amount paid in (i) above to staff for the activities were granted as advances in excess of the ₦200,000.00 approved threshold, and
iii. The Federal Government and State Government lost revenue to the tune of ₦15,233,240.16 (Fifteen million, two hundred and thirty three thousand, two hundred and forty naira, sixteen kobo), accruable from withholding tax, value added tax and stamp duties, as a result of the above infraction.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal University, Lafia.

Risks

i. Substandard procurements.
ii. Loss of revenue to government.

Management's Response

Cash advance above monetary threshold: The advances were granted on condition of urgency in needs and under unavoidable situation. Such advances are granted under situations that are unavoidable to forestall strike or student unrest.

Auditor`s Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Vice Chancellor should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦112, 838,816.00 (One hundred and twelve million, eight hundred and thirty eight thousand, eight hundred and sixteen naira), being cash advances granted above the approved threshold.
ii. Recover and remit the sum of ₦112,838,816.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments and failure to account for public funds specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2: EXTRA-BUDGETARY EXPENDITURE (=₦1,169,690,434.74)

Description of Findings

Section 80(4) of the Constitution of the Federal Republic of Nigeria, 1999 (as amended) states, "No moneys shall be withdrawn from the Consolidated Revenue Fund or any other public fund of the Federation, except in the manner prescribed by the National Assembly." Also, paragraph 417 of the Financial Regulations (FR) (2009) states,

"Expenditure shall strictly be classified in accordance with the estimate, and votes must be applied only to the purpose for which the money is provided. Expenditure incorrectly charged to a vote shall be disallowed." Furthermore, paragraph 301 of the FR (2009) states, "any officer controlling a vote or part thereof, who incurs expenditure without authority, does so on his sole responsibility and will consequently be held pecuniary responsible for his action."

Audit observed that:

i. The sum ₦1,561,197,869.29 (One billion, five hundred and sixty one million, one hundred and ninety seven thousand, eight hundred sixty nine naira, twenty nine kobo) was generated as internally generated revenue in 2023 by the University.
ii. Out of the amount generated in (i) above, the sum of ₦1,169,690,434.74 (One billion, one hundred and sixty nine million, six hundred and ninety thousand, four hundred and thirty four naira, seventy four kobo) was spent by the University, leaving a balance of ₦391,507,434.55 (Three hundred and ninety one million, five hundred and seven thousand, four hundred and thirty four naira, fifty five kobo), and
iii. The expenditure of ₦1,169,690,434.74 above was made by the University Management without recourse to budgetary appropriation and approval from the National Assembly.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal University, Lafia.

Risks

i. Diversion of public funds.
ii. Loss of public funds.

Management's Response

The law establishing all Universities empowers them to keep and expend their IGR. We have budget for the IGR which serves to augment the little overhead we received from Government FR 112 and FR 114 IS complied with by the officers mentioned therein. There are no evidences of the key risk mentioned. Also, FR 301 cannot be applicable to universities like ministries based on the act establishing Universities. The IGR is not spent from CRF. There are no regulations or procedures for appropriation of Universities IGR by National Assembly and doing so will also affect the working of the university and hence the power to utilize the IGR by Universities.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Vice Chancellor should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦1,169,690,434.74 (One billion, one hundred and sixty nine million, six hundred and ninety thousand, four hundred and thirty four naira, seventy four kobo), being payment without appropriation/approval of the National Assembly.

ii. Recover and remit the sum of ₦1,169,690,434.74 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments and failure to account for public funds specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 3: PAYMENTS WITHOUT RELEVANT SUPPORTING DOCUMENTS (=₦9,593,000.00)

Description of Findings

Paragraph 708 of the Financial Regulations (FR) (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied." Furthermore, paragraph 603 of the FR (2009) states, "All vouchers shall contain full particulars of each service such as dates, numbers, quantities, distances and rates…. and will invariably be supported by relevant documents such as LPOs, invoices, special letters of authority, time sheets, rates etc."

Audit observed that:

i. The University paid a contractor the sum of ₦9,593,000.00 (Nine million, five hundred and ninety three thousand naira) for renovation during the year under review.
ii. The records presented for audit did not show any breakdown of what constituted the amount paid. Documents such as certificate of work done, record of work done, attestation from user departments to support the payment were not provided as proof that the services were genuine, and
iii. In the absence of any evidence to show what the payment was for, it would appear that the expenditure was not legitimate or a proper charge against public funds.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal University, Lafia.

Risk

i. Diversion of public funds.
ii. Loss of public funds.

Management's Response

Please find attached relevant documents/certificate in respect to above payment.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Vice Chancellor should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦9,593,000.00 (Nine million, five hundred and ninety three thousand naira), being payments without relevant supporting documents.

ii. Recover and remit the sum of ₦9,593,000.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments and failure to account for public funds specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

FEDERAL UNIVERSITY, OYE-EKITI, EKITI STATE

At the Federal University, Oye-Ekiti, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: UNRETIRED ADVANCES (=₦17,704,500.00)

Description of Findings

Paragraph 1405 of the Financial Regulations (FR) (2009) states, "Accounting officers are responsible for ensuring the prompt repayment of all advances by instalments or otherwise." Furthermore, paragraph 1420 of the FR (2009) states, "it is the responsibility of all Accounting officers to ensure that all advances granted to offices are fully recovered."

Audit observed that:

i. The University paid the sum of ₦17,704,500 (Seventeen million, seven hundred and four thousand, five hundred naira) to some of its staff as advances for various services, and
ii. The advances granted to these staff were not retired at the time of conducting the periodic check.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal University, Oye Ekiti.

Risks

i. Loss of public funds.
ii. Diversion of public funds.

Management's Response

The University Management has taken a decisive measure in addressing the issue of the unretired cash advances amounting ₦17,704,500.00 (Seventeen million, seven hundred and four thousand, five hundred naira). A significant part of the advances has been retired. Find attached the evidences of Retirement. It should be noted that some of the unretired advances were used to implement project that were ongoing as at the time of this audit.

Auditor`s Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Vice Chancellor should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦17,704,500.00 (Seventeen million, seven hundred and four thousand, five hundred naira), being unretired advances granted to staff.
ii. Recover and remit the sum of ₦17,704,500.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments and failure to account for public funds specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2: IRREGULAR PAYMENT OF 5% RETENTION FEES TO CONTRACTORS (=₦14,541,488.25)

Description of Findings

Paragraph 708 of the Financial Regulations (FR) (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied" Furthermore, paragraph 415 of the FR (2009) states, "The federal government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted."

Audit observed that:

i. The University released 5% retention fees amounting to ₦14,541,488.25 (Fourteen million, five hundred and forty one thousand, four hundred and eighty eight naira, twenty five kobo) to three (3) contractors.
ii. The retention fees in (i) above were paid to the contractors before the expiration of the defect liability period of six months, after completion of the contract, thus exposing government to avoidable risk of project defects, and
iii. No reason was provided for this anomaly and the status of the projects could not be confirmed by audit during the exercise due to lack of relevant records.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal University, Oye-Ekiti.

Risks

i. Payment for projects not executed.
ii. Loss of public funds.

Management's Response

The mentioned projects were 2023 projects and being funded by Capital Grants through GIFMIS Capital Development, the payment procedure was changed in between 2023 and all payments documents were to be uploaded thinking the payment will be in tranches but the fund was released en-block. Thus, the process did not create room for Retention Fee to be paid at a later date. GIFMIS peculiarity did not give room for Retention on the Cash Plan before the end of the financial year, as the whole sum must be paid on the GIFMIS portal. The projects have been completed. Kindly find attached the certificate of completion.

Auditor`s Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Vice Chancellor should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦14,541,488.25 (Fourteen million, five hundred and forty one thousand, four hundred and eighty eight naira, twenty five kobo), being the irregular payment of 5% retention fees to contractors.
ii. Recover and remit the sum of ₦14,541,488.25 to the Treasury.
iii. Forward the evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments and failure to account for public funds specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

FEDERAL UNIVERSITY, DUTSIN-MA, KATSINA STATE

At the Federal University, Dutsin-Ma, Katsina State, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: PAYMENT FOR CONSULTANCY SERVICES WITHOUT ECONOMIC ACTIVITY (=₦52,538,120.38)

Description of Findings

Paragraph 415 of the Financial Regulations (FR) (2009) states, "The Federal Government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because It has been voted". Furthermore, paragraph 708 of the FR (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied."

Audit observed that:

i. The sum of ₦52,538,120.36 (Fifty two million, five hundred and thirty eight thousand, one hundred and twenty naira, thirty six kobo) was paid to a company established and owned by the University.
ii. The payment was a 1.5% charge on contract sums of every contract and services rendered to the University by contractors from all votes such as Capital, TETFUND, NEEDS and Internally Generated Revenue between 2021 and 2022.
iii. There was no evidence of any economic activity carried out by the company to justify or warrant the collection of the sum.
iv. The Staff of the said company were on the University's pay roll at the time of audit, and without any clear job functions.
v. Several requests made to access the records and books of the company were denied, and

vi. The payment of staff of the company by the University is a clear indication that the company was not into business, but a mere channel to divert public funds.

The above anomalies could be attributed to the weaknesses in internal control system at the Federal University, Dutsin-Ma.

Risks

i. Diversion of public funds.
ii. Loss of public funds.

Management's Response

The University Management notes and appreciate the observation made by the team. However, the University has stopped the deduction of 1.5% on all contracts.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Vice Chancellor should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦52,538,120.36 (Fifty two million, five hundred and thirty eight thousand, one hundred and twenty naira, thirty six kobo), being 1.5% of contract sums of every contract and services rendered to the University by contractors.
ii. Recover and remit the sum of ₦52,538,120.36 to the Treasury,
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments and failure to account for public funds specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2: UNAUTHORIZED PAYMENT OF RETENTION FEES (=₦54,197,886.64)

Description of Findings

Paragraph 2.3(c(x) of Treasury Circular Reference No. TRY/A6&B6/2008 dated 16th May, 2008 and TRY/A2&B2/2019/OAGF/CAD/026/V.III/358 dated 8th July, 2019 on "Mandatory Documents Required to Facilitate Payment of Government Contractors" states, "For contracts having provisions for retention, the Auditor-General for the Federation or his representative and the representative of the MDA shall co-sign the certificate releasing the final payment."

Audit observed that:

i. The University paid ₦54,197,886.64 (Fifty four million, one hundred and ninety seven thousand, eight hundred and eighty six naira, sixty four kobo) as retention fees to contractors.

ii. The payment made included 50% of the retained 5% retention fee on some of the projects awarded during the year but were yet to be handed over to the University, and
iii. There was no evidence to show that the payments were made with consultation of the Office of the Auditor-General for the Federation as required by the extant regulations.

The above anomalies could be attributed to weaknesses in internal control system at the Federal University, Dutsin-Ma.

Risks
i. Diversion of public funds.
ii. Loss of public funds.

Management's Response
The University Management notes and appreciate the observation made by the team.

Auditor's Evaluation
The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations
The Vice Chancellor should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦54,197,886.64 (Fifty four million, one hundred and ninety seven thousand, eight hundred and eighty six naira, sixty four kobo), being retention fees paid to contractors without evidence of certification.
ii. Recover and remit the sum of ₦54,197,886.64 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments and failure to account for public funds specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 3: NON-REMITTANCE OF INTERNALLY GENERATED REVENUE TO CRF (=₦94,615,578.56)

Description of Findings
Paragraph 3(b) of the Treasury Circular Ref. No. TRY/A10&B10/2016 OAGF/CAD/026/V.111/101 of 22nd November, 2016, states, "all partially-funded Federal Government Agencies/Parastatals should limit their annual budgetary expenditure to no more than 75 percent (75%) of their gross revenue, and remit the 25 percent (25%) to the CRF or pay 80 percent (80%) of their Operating Surplus computed according to the approved template to the CRF, whichever is higher."

Audit observed that:

i. The University generated the sum of ₦946,155,785.60 (Nine hundred and forty six million, one hundred and fifty five thousand, seven hundred and eighty five naira, sixty kobo) during the period under review.
ii. Included in the amount were independent revenue items with 100% expected rate of remittance to the Consolidated Revenue Fund (CRF), and
iii. The sum of ₦94,615,578.56 (Ninety four million, six hundred and fifteen thousand, five hundred and seventy eight naira, fifty six kobo), being part of 25% of the IGR due to the Federal Government, required by extant regulations, was not remitted to the CRF.

The above anomalies could be attributed to weaknesses in internal control system at the Federal University, Dutsin-Ma.

Risks

i. Diversion of public funds.
ii. Loss of revenue.
iii. Difficulty in funding the budget.

Management's Response

The observation made by the team is well noted by the University Management and appreciates the team for the observation. The amount reported by the team was based on gross revenue generated by the institution on student's registration charges without considering corresponding expenses. However, please find attached evidences of payments amounting to ₦19 million for the remittance. The University is working hard on this to avoid future occurrence.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Vice Chancellor should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦94,615,578.56 (Ninety four million, six hundred and fifteen thousand, five hundred and seventy eight naira, fifty six kobo), representing unremitted IGR to the CRF.
ii. Recover and remit the sum of ₦94,615,578.56 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to non-remittance of revenue and failure to account for public funds specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

MODIBBO ADAMAWA UNIVERSITY, ADAMAWA STATE

At the Modibo Adamawa university, Adamawa State, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: NON-COMPLIANCE WITH DUE PROCESS IN THE AWARD OF CONTRACTS (=₦2,558,166,409.97)

Description of Findings

Section 24(1) of the Public Procurement Act (PPA) (2007) states, "Except as provided by this Act, all procurements of goods and works Open by all procuring entities shall be conducted by open competitive bidding." Furthermore, section 25(2) of the PPA (2007) states, "Every invitation to an open competitive bid shall : (ii) in the case of goods and works valued under National Competitive Bidding, the invitation for bids shall be advertised on the notice board of the procuring entity, any official web sites of the procuring entity, at least two national newspapers, and in the procurement journal not less than six weeks before the deadline for submission of the bids for the goods and works." Also, paragraph 2909 of the Financial Regulations (FR) (2009) states, "All bidders in a contract for public procurement must show proof of eligibility for the award of the contract." Furthermore, paragraph 708 of the Financial Regulations (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied."

Audit observed that:

i. The sum of ₦2,558,166,409.97 (Two billion, five hundred and fifty eight million, one hundred and sixty six thousand, four hundred and nine naira, ninety seven kobo) was paid for 21 (twenty one) contracts between 2021 and 2022 from various votes.
ii. Evidence of complying with due process in the award of contracts such as advertisement, bid submission and evaluation as well as required approvals by the Tenders Board or any other authority were not provided for audit, and
iii. The evidence of compliance with mandatory documentary requirements by contractors and fulfillment of eligibility criteria by contractors were also not made available.

The above anomalies could be attributed to weaknesses in the internal control system at the Modibo Adamawa university, Adamawa State.

Risks

i. Diversion of public funds.
ii. Award of contracts to incompetent contractor.
iii. Loss of public funds.

Management's Response

The practice in the university has always been to pre-qualifying all contractors before bidding using standard template. The pre-qualification process is always reviewed by the Parastatal Tenders Board (PTB) before

Award. It is in conceivable to say that all the 21 contracts were awarded without the stated a-h documents.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Vice Chancellor should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦2,558,166,409.97 (Two billion, five hundred and fifty eight million, one hundred and sixty six thousand, four hundred and nine naira, ninety seven kobo), being award and payment of contracts without complying with the procurement guidelines.
ii. Recover and remit the sum of ₦2,558,166,409.97 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments and failure to account for public funds specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2: PAYMENT FOR CONSULTANCY SERVICES WITHOUT EVIDENCE OF CONTRACT AWARD (=₦188,380,939.30)

Description of Findings

Paragraph 2950(i) of Financial Regulations (FR) (2009) states, "A Ministry, Extra-ministerial office or other arms of government shall call for expression of interest or Applications for pre-qualification from consultants where their services so required have been fully ascertained. Pursuant to Sub-section *(i)* above, a notice shall be published in at least 2 (two) national newspapers and the procurement journal."

Audit observed that:

i. The University paid a total of ₦188,380,939.30 (One hundred and eighty eight million, three hundred and eighty thousand, nine hundred and thirty nine naira, thirty kobo) as consultancy fees in 2022, and
ii. Evidence of due process for the procurement of the services as specified in the above regulations was not presented for audit.

The above anomalies could be attributed to weaknesses in the internal control system at the Modibo Adamawa university, Adamawa State.

Risks

i. Diversion of public funds.
ii. Award of contracts to incompetent contractors.
iii. Loss of public funds.

Management's Response

The practice in the university has always been to pre-qualifying all contractors before bidding using standard template. This pre-qualification processes are always reviewed by the Parastatal Tenders Board (PTB) before award. Evidence by no objection certificate from BPP attached. Appendix A and I Attached.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Vice Chancellor should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦188,380,939.30 (One hundred and eighty eight million, three hundred and eighty thousand, nine hundred and thirty nine naira, thirty kobo), being consultancy fees paid without evidence of compliance with the procurement guidelines.
ii. Recover and remit the sum of ₦188,380,939.30 to the Treasury.
iii. Forward the evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments and failure to account for public funds specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

SECTION 8

HEALTH RESEARCH INSTITUTIONS & SPLECIALISED HOSPITALS AUDIT DEPARTMENT (HRI & SHAD)

FEDERAL PSYCHIATRIC HOSPITAL, BENIN, EDO STATE.

At the Federal Psychiatric Hospital, Benin, Edo State, for the period 1st January to 31st December, 2023, the following observation was made:

ISSUE 1: EXTRA-BUDGETARY EXPENDITURE (=₦35,411,901.05)

Description of Findings

Section 80(4) of the Constitution of the Federal Republic of Nigeria, 1999 (as amended) states, "No money shall be withdrawn from the CRF or any other public fund of the Federation except in a manner prescribed by the National Assembly." Also, paragraph 417 of the Financial Regulations (FR) (2009) states, "Expenditure shall strictly be classified 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 shall be disallowed."

Audit observed that:

i. The sum of ₦35,411,901.05 (Thirty five million, four hundred and eleven thousand, nine hundred and one naira, five kobo) was expended from the Internally Generated Revenue (IGR) for various contracts.
ii. There was no budgetary provision either by National Assembly nor the Board of the Agency, and
iii. The contracts were not captured in the 2023 Budget submitted to the National Assembly.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Psychiatric Hospital, Benin.

Risks

i. Misappropriation of public funds.
ii. Misapplication of public funds.
iii. Diversion of public funds.

Management's Response

The finance circular Ref: No. BO/RVE/12235/VII/201 approved the utilization of 75% internally Generated Revenue of the Hospital after due remittance of 25% of the same IGR to the Consolidated Revenue fund account.

The sum of ₦35,411,901.05 (Thirty five million, four hundred and eleven thousand, nine hundred and one naira, five kobo) stated in the report was expended from the retained 75% of the Hospital's internally Generated Revenue. Furthermore, the payments were made from the corresponding charts of accounts as indicated in the year 2024 budget which was approved by the management of the Hospital.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦35,411,901.05 (Thirty five million, four hundred and eleven thousand, nine hundred and one naira, five kobo), being extra-budgetary expenditure.
ii. Recover and remit the sum of ₦35,411,901.05 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments and failure to account for public funds specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

NIGERIAN INSTITUTE OF MEDICAL RESEARCH (NIMR), LAGOS, LAGOS STATE

At the Nigerian Institute of Medical Research (NIMR), Lagos, Lagos State, for the period January to December, 2023, the following observation was made:

ISSUE 1: PROCUREMENT OF DIESEL WITHOUT DUE PROCESS (=₦33,719,593.40)

Description of Findings

Section 41 of the Public Procurement Act (PPA) (2007) states, "(1) A procuring entity may carry out procurements by requesting for quotations from suppliers or contractors where the value of the goods or works to be procured does not exceed a sum that shall be set in the procurement regulation. (2) Generally, quotations shall be obtained from at least 3 unrelated contractors or suppliers. (3b) Each contractor or supplier from whom a quotation is requested shall, give only one quotation and shall not be allowed to change or vary the quotation."

Audit observed that:

i. The Institute awarded contracts amounting to ₦33,719,593.40 (Thirty three million, seven hundred and nineteen thousand, five hundred and ninety three naira, forty kobo) for the procurement of diesel, and
ii. There was no evidence that due process was followed in the award of the contracts, as quotations were not obtained from three (3) unrelated contractors.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Institute of Medical Research (NIMR), Lagos.

Risks

i. Diversion of public funds.
ii. Payment for non-existent transactions.
iii. Loss of public funds.

Management's Response

The contract award followed the proper procedure: three quotations were obtained from independent and unrelated contractors, bid evaluations were conducted, and award were granted to the lowest evaluated, responsive bidders.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Director-General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦33,719,593.40 (Thirty three million, seven hundred and nineteen thousand, five hundred and ninety three naira, forty kobo), being payment for the procurement of diesel without following due process.
ii. Recover and remit the sum of ₦33,719,593.40 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and failure to account for public funds specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

SECTION 9

INFRASTURCUTRE AUDIT DEPARTMENT (IAD)

FEDERAL SCHOOL OF SURVEYING, OYO

At the Federal School of Surveying, Oyo State, for the period 1st January to 31st December, 2023, the following observation was made:

ISSUE 1: NON-REMITTANCE OF INTERNALLY GENERATED REVENUE INTO THE CONSOLIDATED REVENUE FUND (=₦50,284,384.5)

Description of Findings

Paragraph 236 of the Financial Regulations (FR) (2009) states, "Revenue paid into the Revenue Accounts for Internally Generated Revenue (IGR) of MDAs shall be transferred to the CRF before the 15th of the Month following the month of collection of the Revenue." Also, paragraph 1 of the Finance Circular Ref. No. FMFBNP/OTHERS/IGR/CFR/12/2021 of 20th December, 2021, states, "…(ii)all partially-funded Federal Government Agencies/Parastatals (receiving Capital or overhead allocation from the Federal Government Budget) should limit their annual budgetary expenditure from their Internally Generated Revenue (IGR) to not more than 50% (fifty percent) of their gross IGR and remit 100% (hundred percent) of the remaining 50% (fifty percent) to the Sub-Recurrent Account. All statutory revenue lines like tender fees, contractor's registration fees etc., should be remitted 100%"

Audit observed that:

i. The School generated a total of ₦100,568,769.00 (One hundred million, five hundred and sixty eight thousand, seven hundred sixty nine naira) from student fees in the 2023 financial year as Internally Generated Revenue (IGR), and
ii. 50% of the School's IGR, amounting to ₦50,284,384.50 (Fifty million, two hundred and eighty four thousand, three hundred and eighty four naira, fifty kobo) for the year 2023, was not remitted to the CRF as required by extant regulations..

The above anomalies could be attributed to weaknesses in the internal control system at the Federal School of Surveying, Oyo State.

Risks

i. Diversion of public funds.
ii. Loss of government revenue.

Management's Response

Above refers please. The IGR total collection are student's payables which was meant for a particular purpose e.g. ID Cards, School Hand Books, Log Books, Students safety jackets, Examination, Students practical's, Medical Examinations etc. For the past years, we have been remitting to the CRF any assessment given to us by the Revenue Monitoring Team.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Rector should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦50,284,384.50 (Fifty million, two hundred and eighty four thousand, three hundred and eighty four naira, fifty kobo), being non-remittance of Internally Generated Revenue to the Consolidated Revenue Fund.
ii. Remit to the Treasury, the sum of ₦50,284,384.50.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to failure to collect and account for Government Revenue specified in paragraph 3112 (ii) of the Financial Regulations (2009) should apply.

COUNCIL FOR THE REGULATION OF ENGINEERING IN NIGERIA (COREN)

At the Council for Regulation of Engineering in Nigeria (COREN), Abuja, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: PROCUREMENT OF ICT EQUIPMENT WITHOUT CLEARANCE FROM THE NATIONAL INFORMATION TECHNOLOGY DEVELOPMENT AGENCY (=₦6,549,360.38)

Description of Findings

Paragraph 4 of the Establishment Circular Ref. No. 59736/S.2/C.II/125, dated 31st August, 2018, states, "For the avoidance of doubt, MDAs and other government establishments are to relate with and obtain prior approval from National Information Technology Development Agency (NITDA) for the implementation of Information Technology (IT) projects as well as the procurement of locally assembled IT components."

Audit observed that:

i. The sum of ₦6,549,360.38 (Six million, five hundred and forty nine thousand, three hundred and sixty naira, thirty eight kobo) was paid to five (5) contractors for the upgrade and installation of IT software and the procurement of various Information Technology (IT) projects and components by the Council during the period under review, and
ii. There was no evidence of clearance obtained from NITDA before the procurement of the various Information Technology (IT) projects and components by the Council.

The above anomalies could be attributed to weaknesses in the internal control system at the Council for the Regulation of Engineering in Nigeria (COREN), Abuja.

Risks

i. Award of contract to incompetent contractors.
ii. Loss of government funds.
iii. Diversion of government funds.

Management's Response
No response.

Auditor's Evaluation
Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations
The Registrar should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦6,549,360.38 (Six million, five hundred and forty nine thousand, three hundred and sixty naira, thirty eight kobo), being procurement of ICT equipment without approval of the National Information Technology Development Agency.
ii. Recover and remit to the Treasury, the sum of ₦6,549,360.38.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and gross misconduct prescribed in paragraphs 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2: AWARD OF CONSULTANCY CONTRACT WITHOUT DUE PROCESS (=₦3,285,662.87)

Description of Findings
Section 45(2) of the Public Procurement Act (PPA) (2007) states, "The procuring entities shall procure the services of consultants by soliciting for expressions of interest by publishing a notice to that effect in two (2) national newspapers and the procurement journal."

Audit observed that:

i. The sum of ₦3,285,662.87 (Three million, two hundred and eighty five thousand, six hundred and sixty two naira, eighty seven kobo) was paid to a company in respect of consultancy services provided during the year 2023, vide paid voucher number 1647 dated 3rd November, 2023.
ii. The selection of the consultants did not follow due process as provided in the Public Procurement Act, 2007, mentioned above, and
iii. There was no due process reports, basis for selecting this particular consultant, the grading scale used for the selection, the contract time frame, paid voucher for the amount paid, etc., despite repeated requests.

The above anomalies could be attributed to weaknesses in the internal control system at the Council for the Regulation of Engineering in Nigeria (COREN), Abuja.

Risks

i. Award of contract to an unqualified contractor.
ii. Collusion of interest.
iii. Diversion of public funds.

Management's Response
No response.

Auditor's Evaluation
Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations
The Registrar should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦3,285,662.87 (Three million, two hundred and eighty five thousand, six hundred and sixty two naira, eighty seven kobo), paid for the awarded consultancy contract without following due process.
ii. Recover and remit to the Treasury, the sum of ₦3,285,662.87.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and irregular award of contract specified in paragraphs 3106 and 3117 of the Financial Regulations (2009) respectively, should apply.

FEDERAL HOUSING AUTHORITY, ABUJA

At the Federal Housing Authority, Abuja, for the period 1st January to 31st December, 2023, the following observation was made:

ISSUE 1: NON-SUBMISSION OF THE 2022 AND 2023 AUDITED FINANCIAL STATEMENTS

Description of Findings
Paragraph 3210(v) of the Financial Regulations (FR) (2009) states, "The Chief Executive Officer shall submit both the Audited Accounts and Management Report to the Auditor-General and the Accountant General not later than 31st May of the following year of Account."

In spite of the extant regulations:
i. The Authority failed to submit the 2022 and 2023 Audited Accounts and Management Reports to the Auditor General for the Federation for vetting and necessary comments as at the time of audit in September, 2024, and
ii. No justifiable reason was provided for the non-submission of the audited financial statements.

Above anomalies may be attributed to weaknesses in the internal control system at the Federal Housing Authority, Abuja.

Risks
i. Impediment to Public Accounts Committees' oversights.
ii. Sub-optimal decisions by those charged with governance.

Management's Response

The Authority prepares and submits for consideration its annual financial statements to the Office of the Auditor-General for the Federation. However, as at time of the audit inspection exercise, Authority had yet to conclude on the accounts of year 2022 due to change in management. The Authority is pleased to forward herewith copies of the 2022 financial statements while the preparations for year 2023 financial statements is at an advanced stage of completion and shall be forwarded on completion immediately.

Auditor's Evaluations

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Managing Director should be requested to:

i. Justify to the Public Accounts Committees of the National Assembly, the non-submission of the audited financial statements for the years ended 31st December 2022, and 2023.
ii. Forward copies of the audited financial statements to the Public Accounts Committees of the National Assembly and the Office of the Auditor-General for the Federation, and
iii. Otherwise, sanctions relating gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

FEDERAL MINISTRY OF WORKS HEADQUARTERS, ABUJA

At the Federal Ministry of Works, Headquarters, Abuja, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: AWARD OF CONTRACTS AND PAYMENT TO UNQUALIFIED CONTRACTORS (=₦1,184,011,937.50)

Description of Findings

Section 23 (1) of the Public Procurement Act (2007) states, "Where a procuring entity has made a decision with respect to the bidders, minimum qualifications of suppliers, contractors or service providers by requesting interested persons to submit applications in reaching decisions as to which supplier, contractor or service provider qualifies, apply only the criteria set out in the pre-qualification documents and no more." Also, paragraph 2909 of the Financial Regulations (FR) (2009) states, "All bidders in a contract for public procurement must show proof of eligibility for the award of the contract. They must prove the following amongst others, viz: (a) they possess the necessary technical qualification (b) they possess the machinery, equipment, and manpower for the job (c) they have the legal capacity to enter into the contract."

Audit observed that:

i. The Ministry awarded contracts to two (2) companies amounting to ₦1,184,011,937.50 (One billion, one hundred and eighty four million, eleven thousand, nine hundred and thirty seven naira, fifty kobo), and
ii. These companies were not registered with the Corporate Affairs Commission (CAC) and the Federal Inland Revenue Service (FIRS) as at the time the contracts were awarded, thus violating the provisions of the Public Procurement Act, 2007 and the Financial Regulations mentioned above.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Ministry of Works, Headquarters, Abuja.

Risks

i. Diversion of public funds.
ii. Collusion of interest.
iii. Loss of public funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations

Recommendations

The Permanent Secretary should be requested to:

i. Account to Public Accounts Committees of the National Assembly, the sum of ₦1,184,011,937.50 (One billion, one hundred and eighty four million, eleven thousand, nine hundred and thirty seven naira, fifty kobo), being award of contract to two (2) ineligible contractors.
ii. Recover and remit to the Treasury, the sum of ₦1,184,011,937.50.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular award of contract prescribed in paragraph 3117 of the Financial Regulations (2009) should apply.

ISSUE 2: AWARD OF CONTRACTS WITHOUT APPROVAL BY THE BUREAU OF PUBLIC PROCUREMENT (BPP) (=₦7,250,024,112.39)

Description of Findings

Paragraph 2948 (iii) of Financial Regulations (FR) (2009) states, "On cessation of the emergency situation warranting procurement under this method, the procuring entity shall file records of procurement proceedings with a view to obtaining certificate of "No objection" if necessary from the Bureau of Public Procurement." Also, section 43 (4) of the Public Procurement Act (PPA) (2007) states, "Immediately after the cessation of the

situation warranting any emergency procurement, the procuring entity shall file a detailed report thereof with the Bureau which shall verify same and if appropriate issue a Certificate of ' No Objection'."

Audit observed that:

i. The sum of ₦7,250,024,112.39 (Seven billion, two hundred fifty million, twenty four thousand, one hundred and twelve naira, thirty nine kobo) was paid to various contractors for emergency repairs and road rehabilitation contracts awarded to them, and
ii. There was no evidence of issuance of 'Certificate of No Objection' from the Bureau of Public Procurement (BPP) before the awards as required by extant regulations.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Ministry of Works, Headquarters, Abuja.

Risks

i. Loss of public funds.
ii. Fraudulent payments can be made.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Permanent Secretary should be requested to:

i. Account to Public Accounts Committees of the National Assembly, the sum of ₦7,250,024,112.39 (Seven billion, two hundred and fifty million, twenty four thousand, one hundred and twelve naira, thirty nine kobo), being award of contracts without approval from Bureau of Public Procurement (BPP).
ii. Recover and remit to the Treasury, the sum of ₦7,250,024,112.39.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular or wrong payment prescribed by paragraph 3106 of the Financial Regulations (2009) should apply.

FEDERAL MINISTRY OF HOUSING AND URBAN DEVELOPMENT, ABUJA

At the Federal Ministry of Housing and Urban Development, Abuja, for the period 1st January to 31st December, 2023, the following observation was made:

ISSUE 1: PAYMENT WITHOUT SUBMISSION OF VISUAL EVIDENCE (=₦1,720,033,280.79)

Description of Findings

Paragraph 2.0 of the Treasury Circular TRY/A2 & B2/2019 OAGF/CAD/026/V.111/358 of 8th July, 2019, requires that submission of the visual of projects, at all stages of the contract is a necessary requirement to support payment of contract. Also, paragraph 603(i) of the Financial Regulations (FR) (2009) states, "All vouchers shall contain full particulars of each service such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets, etc."

Audit observed that:

i. The sum of ₦1,720,033,280.79 (One billion, seven hundred and twenty million, thirty three thousand, two hundred and eighty naira, seventy nine kobo) was paid through eleven (11) paid vouchers to contractors for various engagements, and
ii. There was no attachment of pictorial evidence or adequate documentation of the work done as required by extant circular.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Ministry of Housing and Urban Development.

Risks

i. Contracts may not have been executed.
ii. Contracts executed may not be required specification.

Management's Response

The Ministry always attaches all necessary supporting documents in the vouchers when payments are to be made. However, because of the volume of documents involved in some payments, other supporting documents are kept in the contractors' files for future reference on request. This was the reason why the pictorial evidence of the said contracts were not attached in the vouchers but in contractors' files. The audit team did not request for the release of such specific contractors' files when they were carrying out the year 2023 audit. For the audit confirmation, the visual evidence mentioned above are available for audit perusal in my office. Furthermore, the issue raised is noted and would be given necessary attention by the Ministry.

Auditor's Evaluations

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Permanent Secretary should be requested to:

i. Account to Public Accounts Committees of the National Assembly, the sum of ₦1,720,033,280.79 (One billion, seven hundred and twenty million, thirty three

thousand, two hundred and eighty naira, seventy nine kobo), being payment without submission of visual evidence.

ii. Recover and remit to the Treasury, the sum of ₦1,720,033,280.79.

iii. Forward evidence of remittance particulars to the Public Accounts Committees of the National Assembly, and

iv. Otherwise, sanctions relating to irregular or wrong payment prescribed by paragraph 3106 of the Financial Regulations (2009) should apply.

SECTION 10

JUDICIARY AUDIT DEPARTMENT (JAD)

COURT OF APPEAL, ABUJA

At the Court of Appeal, Abuja, for the period ended 1st January, 2021 to 31st December, 2022, the following observations were made:

ISSUE 1: UNACCOUNTED PERSONNEL COST FOR JUDICIAL OFFICERS AND NON-JUDICIAL WORKERS (=₦9,622,942,082.25)

Description of Findings

Establishment Circular Ref. No. SWC.04/Vol.X/722 dated 14th November, 2019, specifies the amount payable as salaries and allowances to non-judicial workers under the consolidated public service salary structure. Also, Part II of the Certain Political, Public and Judicial Office Holders (Salaries and Allowances, etc) (Amendment) Act, 2008, specifies the salaries and allowances due to and payable to judicial officers."

Audit observed that:

i. The total amount appropriated for non-judicial court workers was ₦7,790,289,500.84 (Seven billion, seven hundred and ninety million, two hundred and eighty nine thousand, five hundred naira, eighty four kobo) comprising ₦3,751,707,612.00 (Three billion, seven hundred and fifty one million, seven hundred and seven thousand, six hundred and twelve naira) in 2021 and ₦4,038,581,888.84 (Four billion, thirty eight million, five hundred eighty one thousand, eight hundred and eighty eight naira, eighty four kobo) in 2022.

ii. The total amount released by the government as personnel costs for non-judicial court workers was ₦8,053,437,214.66 (Eight billion, fifty three million, four hundred and thirty seven thousand, two hundred and fourteen naira, sixty six kobo), which included ₦3,970,120,646.52 (Three billion, nine hundred and seventy million, one hundred and twenty thousand, six hundred and forty six naira, fifty two kobo) in 2021 and ₦4,083,316,568.14 (Four billion, eighty three million, three hundred and sixteen thousand, five hundred and sixty eight naira, fourteen kobo) in 2022.

iii. The funds released each year exceeded the appropriations. The percentages of funds released were 106% and 101% in 2021 and 2022, respectively. Additionally, in 2022, the appropriated personnel costs increased by ₦286,874,276.84 (Two hundred and eighty six million, eight hundred and seventy four thousand, two hundred and seventy six naira, eighty four kobo), representing an 8% increase over 2021 as shown in the Table below:

S/N	Year	Budget Head	Appropriation ₦	Releases ₦	Overall % of release to Appropriation	Actual Expenditure ₦	% of Actual Exp. to Releases
1	2021	Personnel	3,751,707,612.00	3,970,120,646.52	106	N/A	N/A
2	2022	Personnel	4,038,581,888.84	4,083,316,568.14	101	N/A	N/A
Total			**7,790,289,500.84**	**8,053,437,214.66**	**103**	**N/A**	**N/A**

iv. The total amount appropriated for Judicial Officers was ₦1,702,715,045.06 (One billion, seven hundred and two million, seven hundred and fifteen thousand, forty

five naira, six kobo), which includes, ₦840,913,389.00 (Eight hundred and forty million, nine hundred and thirteen thousand, three hundred and eighty nine naira) in 2021 and ₦861,801,656.06 (Eight hundred and sixty one million, eight hundred and one thousand, six hundred and fifty six naira, six kobo) in 2022.

v. The total amount released by the government for Judicial Officers' personnel costs was ₦1,569,504,867.59 (One billion, five hundred and sixty nine million, five hundred and four thousand, eight hundred and sixty seven naira, fifty nine kobo). This includes ₦732,270,593.06 (Seven hundred and thirty two million, two hundred and seventy thousand, five hundred and ninety three naira, six kobo) in 2021 and ₦837,234,274.53 (Eight hundred thirty-seven million, two hundred thirty-four thousand, two hundred seventy-four naira, fifty-three kobo) in 2022.

vi. The amounts released in each year represented 87% and 97% of the allocated funds, respectively as shown in the Table below:

S/N	Year	Budget Head	Appropriation ₦	Releases ₦	Overall % of release to Appropriation	Actual Expenditure ₦	% of Actual Exp. to Releases
1	2021	Consolidated	840,913,389.00	732,270,593.06	87%	N/A	N/A
2	2022	Consolidated	861,801,656.06	837,234,274.53	97%	N/A	N/A
		Total	**1,702,715,045.06**	**1,569,504,867.59**	**92%**	**N/A**	**N/A**

vii. The manual payroll prepared and submitted for audit did not specify the officers' (Non-Judicial Workers') step, which is necessary to ensure the completeness and accuracy of the review of salaries and allowances paid to officers.

viii. The Court failed to provide records or details outlining the components of gross salary, including grade level, step, etc., for how the total of ₦8,053,437,214.66 released in 2021 and 2022 was spent on salaries and allowances for Non-Judicial Workers.

ix. The breakdown of the ₦1,569,504,867.59 allocated to Judicial Officers in 2021 and 2022 for salaries and emoluments was not provided for review.

x. Relevant supporting documents and information such as the total payroll records for the 2021 and 2022 financial years, staff on study leave from January 2021 to December 2022, staff occupying government quarters from January 2021 to December 2022, records of staff who exited between January and December 2021, recruited staff from January 2021 to December 2022, and records of Ad-hoc Staff were not made available for audit.

xi. Due to the lack of documents and information as specified in (x) above, despite holding two meetings and the Court's non-responsiveness to the decisions made at those meetings, a reminder letter was sent to the Chief Registrar, and

xii. The lack of records and details on how the ₦9,622,942,082.25 (Nine billion, six hundred twenty-two million, nine hundred forty-two thousand, eighty-two naira, twenty-five kobo) released in 2021 and 2022 was spent on judicial officers and non-judicial workers prevented the team from verifying the accuracy, validity, and completeness of the payments to both groups.

The above anomalies could be attributed to weaknesses in the internal control system at the Court of Appeal, Abuja.

Risks

i. Misrepresentation of payroll cost in the financial Statements
ii. Non adherence to the regulations cited above.
iii. Difficulty in detection of payroll fraud.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Chief Registrar should be requested to:

i. Account to the Public Accounts Committee of the National Assembly, for the sum of ₦9,622,942,082.25 25 (Nine billion, six hundred and twenty two million, nine hundred and forty two thousand, eighty two naira, twenty five kobo), being unaccounted fund released to the court as personnel cost for judicial officers and non-judicial workers.
ii. Recover and remit to the Treasury, the sum of ₦9,622,942,082.25 25.
iii. Forward evidence of and remittance to the Public Accounts Committee of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and gross misconduct in paragraphs 3106 and 3129 of the Financial Regulations (FR) (2009) should apply.

ISSUE 2: RECRUITMENT OF JUNIOR STAFF WITHOUT DUE PROCESS

Description of Findings

Paragraph 15(b) of the Federal Judicial Service Commission (FJSC) Regulations (2010) authorizes the Court to handle the recruitment of junior staff on GL 06 and below by the Junior Staff Committee (JSC) of the Court, with the representative of FJSC in attendance.

Audit observed that:

i. A total of three hundred and sixty five (365) junior staff from salary grade level 06 and below were recruited. The breakdown of the recruitment showed that one hundred and seventy eight (178) and one hundred and eighty seven (187) were employed in 2021 and 2022 respectively.
ii. There was neither a management resolution to recruit the 365 officers in 2021 and 2022 nor delegation of powers from FJSC to the Chief Registrar in accordance with Regulation 15(b) to appoint officers at salary grade level 06 and below, and
iii. The relevant requirement for recruitment such as manpower plan for 2021 and 2022, budgetary allocations for the recruitment, approval from the Federal Character Commission, record of Junior Staff Committee (JSC) minutes on the recruitment, and evidence of attendance by a representative of the FJSC during the recruitment process provided to justify compliance with due process for the recruitment.

The above anomalies could be attributed to weaknesses in the internal control system at the Court of Appeal, Abuja.

Risks

i. Risk of hiring the wrong personnel with low performance.
ii. Non reflection of Federal Character in recruitment.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Chief Registrar should be requested to:

i. Justify to the Public Accounts Committees of the National Assembly, reasons for recruitment of junior staff without due process.
ii. Forward all documents in relation to the recruitment to the Public Accounts Committees of the National Assembly, and
iii. Otherwise, sanctions relating to gross misconduct specified in paragraphs 3129 of the Financial Regulations (2009) should apply.

SECTION 11

LEGISLATURE AUDIT DEPARTMENT (LAD)

INSTITUTE OF PEACE AND CONFLICT RESOLUTION, ABUJA

At the Institute of Peace and Conflict Resolution (IPCR), Abuja, for the period 1st January to 31st December, 2022, the following observations were made:

ISSUE 1: PAYMENTS WITHOUT RELEVANT SUPPORTING DOCUMENTS (=₦455,697,836.86)

Description of Findings

Paragraph 603(i) of the Financial Regulations (FR) (2009) states, "All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets. etc." Furthermore, paragraph 708 of the FR (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied."

Audit observed that:

i. The sum of ₦455,697,836.86 (Four hundred and fifty five million, six hundred and ninety seven thousand, eight hundred and thirty six naira, eighty six kobo) was paid in 2021, 2022, and 2023, to eighteen (18) beneficiaries for training, supplies and empowerment items as shown in the Table below, and

S/N	YEAR	No of Beneficiaries	Amount (₦)
1	2021	7	101,689,033.01
2	2022	4	164,491,504.00
3	2023	7	189,317,299.85
TOTAL		**18**	**455,697,836.86**

ii. Receipts, invoices, or distribution lists for empowerment items, and other relevant supporting documents were not attached to the affected payment vouchers, contrary to the provisions of the extant regulations.

The above anomalies could be attributed to weaknesses in the internal control system at the Institute of Peace and Conflict Resolution (IPCR), Abuja.

Risks

i. Payment for non-existent transactions.
ii. Loss of public funds.

Management's Response

LV ROBERTS

In 2021 all participants were required to fill out an attestation form, samples of these attestation forms, which represents the attendance list are attached to this response, also attached are photographs of the scene of the distribution with participants and items to be distributed or Bank accounts where stipends are to be paid.

MUSTY INTEGRATED

In 2021 rather all participants were required to fill out an attestation form, samples of these attestation forms are attached to this response, also attached are photographs of the scene of the distribution with participants and items to be distributed or Bank accounts where stipends are to be paid. (See Appendix 2).

FANE AND TERMS CONSTRUCTION

In 2021, rather all participants were required to fill out an attestation form, which represented their attendance. Samples of these attestation forms are attached to this response, also attached are photographs of the scene of the distribution with participants and items to be distributed or Bank accounts where stipends are to be paid. Fane has a delivery form with the representative of the Contractor, Honourable Member, The Store. Procurement and the Audit Unit endorsing the delivery and the receipt. (APPENDIX 3)

LV ROBERTS

NO RECEIPTS JINGLES APPENDIX

We acknowledge the observations that there were no receipts for Jingles or Hall rental payments attached to the Payment Voucher, however there are pictures of participants in the Hall and a list of participants, showing that the programme took place. We also wish to state that the contractor's invoice which cover all the supposedly extraneous items like jingles et al is attached and the contractor was paid in full. The figure stated in the BOQ which lists jingles, hall rental etc. is the same as that on the invoice presented by the contractor (APPENDIX 4)

DIAMOND LEED

We acknowledge the observations that there no receipts for Jingles or Hall rental payments attached to the Payment Voucher, however there are pictures of participants in the Hall and a list of participants, showing that the programme took place. We also wish to state that the contractor's invoice which cover all the supposedly extraneous items like jingles et al and matches the figure in the BOQ for the project, is attached and the contractor was paid in full. (APPENDIX 5)

IVEMY INTERNATIONAL LIMITED

There is ample evidence attached to the voucher that shows payment utilization to participants, there are pictures of participants as well as a list of participants and their phone numbers.

As to discrepancies arising from the attestation forms and the participant lists, considering the nature of the project, many Constituents who were not invited to the program, feeling they were being left out of projects which they should benefit from because it was being organized by their Honourables, gate crashed the program, but, the invited trainees are captured by the attestation forms. (APPENDIX 6)

ICE TARGET

There is ample evidence attached to the voucher that shows payment utilization to participants, there are pictures of participants as well as a list of participants and their phone numbers

As to discrepancies arising from the attestation forms and the participant lists, considering the nature of the project, many Constituents who were not invited to the program, feeling they were being left out of projects which they should benefit from because it was being organized by their Honorables, gate crashed the program, but, the invited trainees are captured by the attestation forms. The contractor's invoice covers all the items like jingle and hall rentals, supposedly not receipted. (APPENDIX 7)

MAIWADA GLOBAL CONCEPT
Attached to this response is a list of 300 participants who participated in the programme and where they signed for the stipends received, also attached are pictures of the event. It can be implied that if the Resource Person was not paid, there possibly would have been some level of petition or other self, help methods for seeking redress, this programme happened in 2022. The Resource Person would probably not be waiting till 2024 to get paid. (APPENDIX 7B)

ICE TARGET GLOBAL LTD
The logistics for the programme was provided by the Contractor. The contractor's receipt is attached. The time lapse between the commencement of the progamme and the final payment in December 2022, was two months, ample time for an unpaid vendor to seek redress. The contractor's receipt is attached and covers all itemized expense. (APPENDIX 7)

AZRA ROYAL CONCEPTS
Please find attached the invoice, pictures of participants, part of the attendance list which was also used to disburse stipends to participants and (APPENDIX 7B)

KAITA INTEGRATED SERVICES
The picture attached shows the programme happening in a Hall, the Contractor would have had to pay to get access to the Hall. This programme happened away from Abuja and a receipt was most likely collected by the Contractor. The contractor was paid full as shown by his invoice. A copy of the inviolate is attached. The access to the hall showed that there was a financial agreement which was fulfilled. (APPENDIX 8)

ROCKDOR NIG LTD
The uniforms were mass produced for the students, there are pictures of the handover to the school authorities and the students. Attached are pictures and extractions from the class register, showing some of the recipients

Auditor's Evaluation
The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations
The Director General should be requested to:

i. Account to Public Accounts Committees of the National Assembly, the sum of ₦455,697,836.86 (Four hundred and fifty five million, six hundred and ninety seven thousand, eight hundred and thirty six naira, eighty six kobo), being payment made without attaching relevant supporting documents to the payment vouchers.

ii. Recover and remit the sum of ₦455,697,836.86 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments and failure to account for public funds specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2: UNAUTHORISED DEDUCTION OF 5% ADMINISTRATIVE CHARGES (=₦73,600,000.00)

Description of Findings

Paragraph 412 of the Financial Regulations (FR) (2009) states, "Where a contract involves supplies of goods or work done, there will be attached to the voucher a certificate that the payments are in accordance with terms of the contract agreement, that as regards supplies, the articles have been received and, in the case of work, that it has been properly done. In the case of payment on account, no money will be claimed other than the cost of the work certified to have been performed. Furthermore, paragraph 415 of the FR (2009) states, "The Federal Government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted." Similarly, paragraph 603(i) of the FR (2009) states, "All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets. etc."

Audit observed that:
i. The sum of ₦73,600,000.00 (Seventy three million, six hundred thousand naira) was deducted at source as 5% administrative charge from the releases to the Institute for the award and payment for Zonal Intervention/Constituency Projects, and
ii. There was no authority for the deduction of 5% administrative charges in (i) above, nor was there evidence of its utilisation.

The above anomalies could be attributed to weaknesses in the internal control system at the Institute of Peace and Conflict Resolution (IPCR), Abuja.

Risks

i. Diversion of public funds.
ii. Loss of public funds.

Management's Response

The Institute relies on the circular from the Ministry of Special Duties for the application these funds, it states *"*All MDAs shall effectively fund the verification exercises of the project under their purview from the Project Administration Funds".

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Director General should be requested to:

i. Account to Public Accounts Committees of the National Assembly, the sum of ₦73,600,000.00 (Seventy three million, six hundred thousand naira), being 5% Administrative Charges deducted from payment for Zonal Intervention/Constituency Projects.
ii. Recover and remit the sum of ₦73,600,000.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 3: MISSAPLICATION OF 5% ADMINISTRATIVE CHARGES DEDUCTIONS (=₦8,815,060.00)

Description of Findings

Paragraph 417 of the Financial Regulations (FR) (2009) states, “Expenditure shall strictly be classified in accordance with the Estimates, and votes must be applied only to the purpose for which money is provided. Expenditure incorrectly charged to a vote shall be disallowed.” Furthermore, paragraph 415 of the FR (2009) states, “The federal government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted.”

Audit observed that:

i. The sum of ₦8,815,060.00 (Eight million, eight hundred and fifteen thousand, sixty naira) was paid from the 5% administrative charge deductions for various transactions during the years 2021 and 2023, contrary to the provisions of extant regulations, and
ii. The amount deducted in (i) above was used for partitioning of office, supply of laptop, furnishing of office and payment of Duty Tour Allowance (DTA), contrary to the approved purpose of the deductions, which is for monitoring constituency projects.

The above anomalies could be attributed to weaknesses in the internal control system at the Institute of Peace and Conflict Resolution (IPCR), Abuja.

Risks

i. Payment for non-existent transactions.
ii. Loss of public funds.

Management’s Response

Please find attached a circular emanating from the Ministry of Special Duties which the Institute relies on as official approval for the deduction of 5% from ZIP for Administrative charges.

The funds of this charge were, in part, used to facilitate the execution and the smooth operation of the Zonal intervention projects (APPENDIX 10).

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦8,815,060.00 (Eight million, eight hundred and fifteen thousand, sixty naira), being administrative charge deductions meant for monitoring, but used for purposes other than the one they were intended for.
ii. Recover and remit the sum of ₦8,815,060.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

ISSUE 4: CASH BALANCES UNACCOUNTED FOR (=₦18,701,159.61)

Description of Findings

Paragraph 108 of the Financial Regulations (FR) (2009) states, "…The Auditor-General shall examine and ascertain in such manner as he may deem fit the accounts relating to public funds and property and shall ascertain whether in his opinion: (a) the accounts have been properly kept; (b) all public monies have been 'fully accounted for, and the rules and procedures. applied are sufficient to secure an effective check 'on the assessment, collection and proper allocation of revenue; (c) monies have been expended for the purposes for which they were appropriated and the expenditure have been made as authorized…"

Audit observed that:

i. There were unutilized balances for constituency projects in the Institute's Cash Book amounting to ₦18,701,159.61 (Eighteen million, seven hundred and one thousand, one hundred and fifty nine naira, sixty one kobo) at the end of March 2022 and October 2023 as shown in the Table below.

DATE	DECRIPTION	TOTAL RELEASE	TOTAL UTILIZATION	BALANCE	UNUTILIZED AMOUNT	REMARK
CASH BOOK 2022						
	Opening Balance B/F 1/1/2022			**213,235,842.65**		
19/01/2022	Total Expenditure		10,245,984.77	202,989,857.88		
24/02/2022	Total Expenditure		79,924,089.33	123,065,768.55		
30/03/2022	Total Expenditure		111,097,791.79	**11,967,976.76**	**11,967,976.76**	Unaccounted Balance as at 30/3/2022
CASH BOOK 2023						

	Opening Balance as at 1/1/2023			**73,972,191.19**		
31/01/2023	Total Expenditure		1,433,575.50	72,538,615.69		
05/02/2023	Zonal Intervention /Constituency Projects	142,600,000.00		215,138,615.69		
30/02/2023	Total Expenditure		138,169,708.24	76,968,907.45		
	Returned payment by GIFMIS	35,225,581.40		112,194,488.85		
29/03/2023	Total Expenditure		88,179,415.85	24,015,073.00		
10/05/2023	Total Expenditure		3,105,907.50	20,909,165.50		
10/06/2023	Total Expenditure		20,175,982.65	733,182.85		
10/10/2023	Zonal Intervention/ Constituency Projects	26,000,000.00		26,733,182.85		
20/10/2023	Withdrawal for ZIP Project 2022, ZIP 0539		20,000,000.00	**6,733,182.85**	**6,733,182.85**	Unaccounted Balance
			GRAND TOTAL		**18,701,159.61**	

Source: Zonal Intervention/Constituency Projects Cash Books

ii. In March 2022, the closing balance of ₦11,967,976.76 (Eleven million, nine hundred and sixty seven thousand, nine hundred and seventy six naira, seventy six kobo) was not carried forward to the month of April as an opening balance; while in October 2023, the closing balance of ₦6,733,182.85 (Six million, seven hundred and thirty three thousand, one hundred and eighty two naira, eighty five kobo) was not carried forward to the month of November, and

iii. There was no evidence that the balances in (ii) were expended from the Cash Book, hence, were not accounted for, during the affected years.

The above anomalies could be attributed to weaknesses in the internal control system at the Institute of Peace and Conflict Resolution (IPCR), Abuja.

Risks

i. Unauthorized payments.
ii. Diversion of public funds.

Management's Response

The figures posited by the External Auditor are inconsistent with the figures in the ZIP cashbooks. This creates some level of confusion and ambiguity as to where his figures came from.

In that light, the cashbook balances as clearly stated in the cashbooks, this can be validated

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦18,701,159.61 (Eighteen million, seven hundred and one thousand, one hundred and fifty nine naira, sixty one kobo), being unutilised cash that was not accounted for.
ii. Recover and remit the sum of ₦18,701,159.61 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and gross misconduct specified in paragraphs 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 5: PAYMENTS FOR CONSTITUENCY PROJECTS WITHOUT AUTHORIZATION BY FEDERAL MINISTRY OF SPECIAL DUTIES AND INTER-GOVERNMENTAL AFFAIRS (=₦66,500,000.00)

Description of Findings

Paragraph 3 of the Establishment Circular Ref. No. SGF/OP/I/S.3/T/12 dated 14th January, 2015, states, "It is also important to draw the attention of MDAs that the aspect of the guidelines which mandates the Federal Ministry of Special Duties and Inter-Governmental Affairs to verify and ascertain the level of work done as well as authorize payments under the intervention/constituency projects should strictly be adhered to."

Audit observed that:

i. Contracts amounting to ₦66,500,000.00 (Sixty six million, five hundred thousand naira) were awarded to two (2) companies for the purpose of Training and Empowerment, and
ii. No authorisation for such payments was obtained from the Federal Ministry of Special Duties and Inter-Governmental Affairs, as required by the circular highlighted above.

The above anomalies could be attributed to weaknesses in the internal control system at the Institute of Peace and Conflict Resolution (IPCR), Abuja.

Risks

i. Diversion of public funds.
ii. Payment for non-existent transactions.
iii. Loss of public funds.

Management's Response

Please find attached the approval from the Federal Ministry of Special Duties and Inter-Governmental Affairs.
APPENDIX 11

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦66,500,000.00 (Sixty six million, five hundred thousand naira), being payments for training and empowerment under constituency project without authorization from Federal Ministry of Special Duties and Inter-Governmental Affairs.
ii. Recover and remit the sum of ₦66,500,000.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and gross misconduct specified in paragraphs 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 6: PROCUREMENT OF ICT FACILITIES WITHOUT CLEARANCE FROM NATIONAL INFORMATION TECHNOLOGY DEVELOPMENT AGENCY (NITDA) (=₦51,563,781.92)

Description of Findings

Paragraph 4 of the Establishment Circular Ref. No. 59736/S.2/C.II/125 dated 31st August, 2018, states, "For the avoidance of doubt, MDAs and other government establishments are to relate with, and obtain prior approval from National Information Technology Development Agency (NITDA) for the implementation of Information Technology (IT) projects as well as the procurement of locally assembled IT components."

Audit observed that:

i. The sum of ₦51,563,781.92 (Fifty one million, five hundred and sixty three thousand, seven hundred and eighty one naira, ninety two kobo) was paid in respect of four (4) contracts awarded to some Contractors/Consultants for ICT training and procurement of various IT projects/equipment, without seeking clearance from National Information and Technology Development Agency (NITDA), and
ii. There was no evidence attached to the payment vouchers showing that a written notification was sent to NITDA after completion of the contracts, resulting to no certificate of compliance obtained from NITDA.

The above anomalies could be attributed to weaknesses in the internal control system at the Institute of Peace and Conflict Resolution (IPCR), Abuja

Risks

i. Award of contracts to incompetent contractors.
ii. Diversion of public funds.
iii. Loss of public funds.

Management's Response
These ICT jobs were approved by the Tenders board and all necessary documents were obtained and appended to transactional processes. Please find attached a copy of the unconditional clearance given by NITDA. This can be verified, as the attached copy was printed from the NITDA website, for easy verification by any interested party.

Auditor's Evaluation
The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations
The Director General should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦51,563,781.92 (Fifty one million, five hundred and sixty three thousand, seven hundred and eighty one naira, ninety two kobo), being procurement of ICT facilities without clearance from NITDA.
ii. Recover and remit the sum of ₦51,563,781.92 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and gross misconduct specified in paragraphs 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 7: SPLITTING OF CONTRACT TO CIRCUMVENT PROCUREMENT THRESHOLD (=₦64,236,484.66)

Description of Findings
Section 16(1)(d) of the Public Procurement Act (PPA) (2007) states, "Subject to any exemption allowed by this Act, all public procurement shall be conducted: ...in a manner which is transparent, timely, equitable for ensuring accountability and conformity with this Act and regulations deriving therefrom;..." Furthermore, section 20(2) of the PPA (2007) states, "The accounting officer of every procuring entity shall have overall responsibility for the planning of, organization of tenders, evaluation of tenders and execution of all procurements and in particular shall be responsible for: … (e) ensuring that no reduction of values or splitting of procurements is carried out such as to evade the use of the appropriate procurement method;…" Also, paragraph 415 of the Financial Regulations (FR) (2009) states, "The federal government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted."

Audit observed that:
i. Two (2) contracts amounting to ₦64,236,484.66 (Sixty four million, two hundred and thirty six thousand, four hundred and eighty four naira, sixty six kobo) for Sensitisation and Empowerment for Victims of Banditry in Batsari/Safana/Danmusa Federal Constituency, Katsina State, were awarded to a firm on 7th September, 2020.

ii. The contracts which had the same purpose, specifications and location (the same Constituency), were awarded to the same firm, a predetermined contractor on the same date, vide Award References IPCR/ZIP/LOTC32/22 and IPCR/ZIP/LOTC33/22 dated 7th September, 2020, and
iii. This negates the principles of transparency and equity as required by extant procurement regulations.

The above anomalies could be attributed to weaknesses in the internal control system at the Institute of Peace and Conflict Resolution (IPCR), Abuja.

Risks
i. Collusion between Management and the Contractor.
ii. Bid rigging.

Management's Response
These are two different projects and are captured in the Institute's Budget. They are two different lots. Several Contractors were screened and the best was chosen, Attached are the relevant sections of the 2022 Appropriation, the Institute's Eligibility record sheet, the suitability assessment for consultancy services and the QCBS assessment sheets.

Auditor's Evaluation
The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations
The Director General should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦64,236,484.66 (Sixty four million, two hundred and thirty six thousand, four hundred and eighty four naira, sixty six kobo), being award of two contracts with the same specification and location to a predetermined contractor, and splitting of contract to circumvent MTB approval threshold.
ii. Recover and remit the sum of ₦64,236,484.66 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular award of the contract specified in paragraph 3117 of the Financial Regulations (2009) should apply.

ISSUE 8: PAYMENT FOR PARTIALLY EXECUTED CONTRACTS (=₦138,947,700.00)

Description of Findings
Section 16(1) of the Public Procurement Act (PPA) (2007) states, "Subject to any exemption allowed by this Act, all public procurement shall be conducted: …(e) with the aim of achieving value for money and fitness for purpose; (f) in a manner which promotes competition, economy and efficiency; and (g) in accordance with the procedures and time-line laid down in this Act and as may be specified by the Bureau from time to time." Also, paragraph 708 of the Financial Regulations (FR) (2009) states, "On no account

should payment be made for services not yet performed or for goods not yet supplied." Furthermore, paragraph 415 of the FR (2009) states, "The federal government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted."

Audit observed that:

i. The sum of ₦138,947,700.00 (One hundred and thirty eight million, nine hundred and forty seven thousand, seven hundred naira) was paid for contracts relating to training and empowerment programmes.
ii. There were irregularities in the benefits received by the individuals whose names were on the signed attendance sheets. When external confirmation through calls were made to a sample of participants across the various trainings and empowerment programmes, it was evident that some participants who did not attend the ICT training, received computers, while some were neither trained nor given a computer. However, some attended the training but did not receive a computer at all.
iii. Some participants whose names were on the attendance sheets of another training were not paid the ₦50,000.00 (Fifty thousand naira) stipend, while their signatures were, however, against their names.
iv. Some participants whose names were on the attendance sheet of a skill development training and empowerment programme did not attend the training and did not receive the stipend. One (1) supposed participant confirmed that he did not attend the training but was paid a stipend of ₦8,000.00 (Eight thousand naira), instead of the ₦50,000.00 (Fifty thousand naira) stipulated amount, and
v. Another participant indicated that her information had been collected, but she was neither trained nor empowered, though the attendance sheet had been purportedly signed by her.

The above anomalies could be attributed to weaknesses in the internal control system at the Institute of Peace and Conflict Resolution (IPCR), Abuja.

Risks

i. Payment for jobs not executed.
ii. Possible diversion of public funds.
iii. Loss of public funds.

Management's Response

There is ample evidence of payment to participants, there are pictures of participants as well as a list of participants and their phone numbers. The contract was fully executed and paid for. Discrepancies may have arisen from the attendance of uninvited guests who forcefully want to benefit from the programmes. Invited participants were requested to fill accreditation forms as a way of authentication.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦138,947,700.00 (One hundred and thirty eight million, nine hundred and forty seven thousand, seven hundred naira), being payment for contracts which were partially executed.
ii. Recover and remit the sum of ₦138,947,700.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and gross misconduct specified in paragraphs 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 9: DOUBLE DEDUCTION OF ADMINISTRATIVE CHARGE ON CONSTITUENCY PROJECT (=₦2,225,821.45)

Description of Findings

Paragraph 414 of the Financial Regulations (FR) (2009) states, "…Under no circumstances shall anticipated savings be utilised for payments before they are due. Likewise the unexpended portion of any sub-head shall not be drawn for the purpose of setting it in reserve to meet impending payments, or be carried to a deposit or a suspense account. On the other hand, expenditure properly chargeable to the account of a given year under, as far as possible, be met within the year, and must not be deferred or placed in suspense for the purpose of avoiding an excess on the amount provided in the Estimates..." Furthermore, paragraph 417 of the FR (2009) states, "Expenditure shall strictly be classified 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 shall be disallowed."

Audit observed that:

i. There was movement of fund totaling ₦2,225,821.45 (Two million, two hundred and twenty five thousand, eight hundred and twenty one naira, forty five kobo) from different releases and sub-heads in the Zonal Intervention/Constituency Projects Vote Book for the period under review, using 5% administrative charge after the initial deduction of the same 5% administrative charge, resulting in double charge, and
ii. The reason(s) for the double administrative charge, as well as details of the utilization of the deduction, were not provided for audit.

The above anomalies could be attributed to weaknesses in the internal control system at the Institute of Peace and Conflict Resolution (IPCR), Abuja

Risks

i. Unauthorised deductions.
ii. Diversion of public fund.

Management's Response

The 5% deduction was carried out on different transactions, the figure being referred to by the external Auditor was part of this deduction

Auditor's Evaluations

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦2,225,821.45 (Two million, two hundred and twenty five thousand, eight hundred and twenty one naira, forty five kobo), being double deductions of administrative charge on constituency project funds.
ii. Recover and remit to Treasury, the sum of ₦2,225,821.45.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and gross misconduct specified in paragraphs 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 10: CONTRACT AWARDED TO A COMPANY BUT FACILITATED/EXECUTED BY STAFF OF THE INSTITUTE (=₦51,097,068.00)

Description of Findings

Paragraph 2904 of the Financial Regulations (FR) (2009) states, "All procurement contracts in; ministries, extra ministerial offices and other arms of government shall be executed in a manner that shall be prescribed and allowed by the Bureau for Public Procurements." Also, Section 16(1)(d) of the Public Procurement Act (PPA) (2007) states, "Subject to any exemption allowed by this Act, all public procurement shall be conducted: in a manner which is transparent, timely, equitable for ensuring accountability and conformity with this Act and regulations deriving therefrom;" Furthermore, Section 57(12) of the PPA (2007) states, "A conflict of interest exists where a person…(b) possesses a direct or indirect interest in or relationship with a bidder, supplier, contractor or service provider that is inherently unethical or that may be implied or constructed to be, or make possible personal gain due to the person's ability to influence dealings…"

Audit observed that:

i. A contractor was paid the sum of ₦51,097,068.00 (Fifty one million, ninety seven thousand and sixty eight naira) for awareness program on domestic and gender-based violence for women in 22 wards at Kachia & Kagarko, Kaduna state, vide PV No. ZIP/045 dated 28th March, 2024, and
ii. The training was facilitated by two (2) staff members of the Institute for Peace and Conflict Resolution—a Deputy Director and an Assistant Director—contrary to extant regulations.

The above anomalies could be attributed to weaknesses in the internal control system at the Institute of Peace and Conflict Resolution (IPCR), Abuja

Risks

i. Conflict of interest.

ii. Payment for contract partially executed.

Management's Response

With respect to Issue 11, Mr. Mbah and Dr. Amos, both staff of the Institute, are experts in issues of Gender Based Violence in Nigeria. They do not own the company nor did they facilitate anything pertaining to the contract. The Contractor probably recognized their expertise in that field and decided to utilise their intellectual capacity, thus paid them a Resource Persons' fee

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦51,097,068.00 (Fifty one million, ninety seven thousand and sixty eight naira), being payment for contract awarded to a company but facilitated by staff of the Institute.

ii. Recover and remit the sum of ₦51,097,068.00 to the Treasury.

iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and

iv. Otherwise, sanctions relating to irregular payment and gross misconduct specified in paragraphs 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 11: IRREGULARITIES IN THE SELECTION OF CONTRACTORS AND AWARD OF CONTRACTS (=₦102,389,362.50)

Description of Findings

Paragraph 2904 of the Financial Regulations (FR) (2009) states, "All procurement contracts in ministries, extra-ministerial offices and other arms of government shall be executed in a manner that shall be prescribed and allowed by the Bureau for Public Procurements." Also, Section 16(1)(d) of the Public Procurement Act (PPA) (2007) states, "Subject to any exemption allowed by this Act, all public procurement shall be conducted: in a manner which is transparent, timely, equitable for ensuring accountability and conformity with this Act and regulations deriving therefrom;"

Audit observed that:

i. The sum of ₦102,389,362.50 (One hundred and two million, three hundred and eighty nine thousand, three hundred and sixty two naira, fifty kobo) was paid for contracts awarded to some Companies for various Skills Development Training, Sensitisation, and Empowerment Programmes.

ii. The contract for Skills Development and Capacity Training for Youths and Women in Ukwu East/West Federal Constituency, Abia State, was awarded to a company for the sum of ₦21,813,900.00 (Twenty one million, eight hundred and thirteen thousand, nine hundred naira). The company was prequalified for the financial bid and selected as the successful bidder, despite the fact that two (2) other companies were equally prequalified, but their financial submissions were not presented for evaluation by the Institute.

iii. The contract for Sensitization and Empowerment for Victims of Banditry in Batsari/Safana/Danmusa Federal Constituency, Katsina State, was awarded to a contractor at the sum of ₦33,075,062.50 (Thirty three million, seventy five thousand and sixty two naira, fifty kobo), despite the fact that another contractor met all the mandatory requirements at the technical stage but was disqualified without stating the basis for disqualification. Also, the disqualified contractor's financial bid was not received, implying that a selective bidding process was used instead of open competitive bidding, and

iv. In the selection process of contractors for Skills Development and Capacity Training for Youths and Women in Gombe South Senatorial District, awarded to a school for the sum of ₦47,500,400.00 (Forty seven million, five hundred thousand, four hundred naira), the school, a company, and another firm were all prequalified for the financials, but only the financial bid from the school was presented, and ultimately selected as the successful bidder. This could mean that the contractor had already been predetermined prior to the pre-qualification process.

The above anomalies could be attributed to weaknesses in the internal control system at the Institute of Peace and Conflict Resolution (IPCR), Abuja

Risks

i. Payment for jobs not executed.
ii. Loss of public funds.
iii. Diversion of public funds.

Management's Response

With Issue 12 (I) the contract was awarded to Rubi's Modernise after pre-qualification because they were the only company submitted the financial bid, which is a requirement. The passing score is 70%

Similar scenarios repeated themselves was repeated in 12 (ii and iii)

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦102,389,362.50 (One hundred and two million, three hundred and eighty nine thousand, three hundred and sixty two naira, fifty kobo), being payment for contracts with irregularities in the selection and award process.

ii. Recover and remit the sum of ₦102,389,362.50 to the Treasury,
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular award of contract prescribed in paragraphs 3117(i) and (ii) of the Financial Regulations (2009) respectively, should apply.

ISSUE 12: STORE ITEMS NOT TAKEN ON LEDGER CHARGE (=₦38,646,000.00)

Description of Findings

Paragraph 2402(1) of the Financial Regulations (FR) (2009) states, "On all paid vouchers for the purchase of stores, except as provided in sub-section (ii) of this Regulations, the Storekeeper must certify that the stores have been received and taken on charge in the stores ledger, quoting the stores receipt voucher number and attaching the original copy of the store receipt voucher to the original L.P.O." Furthermore, paragraph 2107 of the FR (2009) states, "A separate ledger shall be maintained for each store. Records of articles of the same group shall be kept in one ledger, and items should be arranged in alphabetical order. The unit of quantity shall be shown and articles shall be taken on charge in that unit. Separate folios shall be assigned to the various articles in stock and the description shall, in every case, agree with that of the tally card kept in the store. All stores ledgers must be clearly indexed."

Audit observed that:
i. The sum of ₦38,646,000.00 (Thirty eight million, six hundred and forty six thousand naira) was paid for the purchase of store items.
ii. The items were not taken on ledger charge as required by extant regulations, and
iii. The expenditure cannot be accepted as a legitimate charge against public funds as there was no evidence such as Store Receipt Voucher (SRV) confirming that such items were actually supplied and received by the stores.

The above anomalies could be attributed to weaknesses in the internal control system at the Institute of Peace and Conflict Resolution (IPCR), Abuja.

Risks

i. Loss of public assets/store items.
ii. Payment for non-existent transactions.
iii. Loss of public funds.

Management's Response

The materials for ZIP bought for the ZIP Programme in Yobe State were bought in Yobe State. From all indications, a Procurement Officer was charge of the process.

Auditor's Evaluations

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦38,646,000.00 (Thirty eight million, six hundred and forty six thousand naira), being payments for store items not taken on ledger charge.
ii. Recover and remit the sum of ₦38,646,000.00 to the Treasury,
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and gross misconduct specified in paragraphs 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

NIGERIA EXPORT PROCESSING ZONES AUTHORITY (NEPZA), ABUJA

At the Nigeria Export Processing Zones Authority (NEPZA), Abuja, for the period 1st January to 31st December, 2022, the following observations were made:

ISSUE 1: PAYMENTS WITHOUT PREPAYMENT AUDIT (=₦5,747,803,846.00)

Description of Findings

Paragraph 1705 of the Financial Regulations (FR) (2009) states, "The Head of Internal Audit Unit in all ministries/extra-ministerial offices and other arms of government shall ensure that 100% pre-payment audit of all checked and passed vouchers is carried out and the vouchers forwarded under security schedule direct to the appropriate Central Pay Office for payment. Checked and passed vouchers received in the Internal Audit Unit must be promptly dealt with and, under no circumstance, shall a voucher be held in that Unit for more than forty-eight (48) hours."

Audit observed that:

i. The Authority made payments for contracts awarded on forty four (44) payment vouchers to forty four (44) contractors (i.e. twenty two (22) each for the years 2021 and 2022) for various works and services amounting to ₦1,912,722,213.00 (One billion, nine hundred and twelve million, seven hundred and twenty two thousand, two hundred and thirteen naira) and ₦3,835,081,633.00 (Three billion, eight hundred and thirty five million and eighty one thousand, six hundred and thirty three naira) for 2021 and 2022 respectively.
ii. The total for the period under review was ₦5,747,803,846.00 (Five billion, seven hundred and forty seven million, eight hundred and three thousand, eight hundred and forty six naira), and
iii. The paid vouchers were not passed by the Internal Audit Unit of the Agency as required by extant regulations.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigeria Export Processing Zones Authority (NEPZA), Abuja.

Management's Response
No response.

Auditor's Evaluation
Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations
The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦5,747,803,846.00 (Five billion, seven hundred and forty seven million, eight hundred and three thousand, eight hundred and forty six naira), being payments made without pre-payment audit.
ii. Recover and remit the sum of ₦5,747,803,846.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

ISSUE 2: AWARD OF CONTRACTS WITHOUT DUE PROCESS (=₦3,792,483,416.54)

Description of Findings
Paragraph 2909 of the Financial Regulations (FR) (2009) states, "All bidders in a contract for public procurement must show proof of eligibility for the award of the contract. They must prove the following amongst others, viz (a) they possess the necessary technical qualification; (b) they possess the machinery, equipment and manpower for the job; (c) they have the legal capacity to enter into the contract, i.e. they are not under a receivership nor are they insolvent; (d) they are not tax evaders; and (e) none of their directors has been convicted in respect of any offense or crime involving fraud, financial misappropriation or falsification of records." Furthermore, paragraph 113 of the FR (2009) states, "In compliance with their special role under the Public Procurement Act, all accounting officers of ministries, extra–ministerial offices and other arms of government are hereby charged with the following responsibilities. They shall: …(i) ensure compliance with the provisions of the Public Procurement Act by their organizations, failing which they shall be personally liable for any breach or contravention thereof, whether or not such breach of contravention was caused by them in person, their subordinates or any person to whom they may have delegated their responsibilities."

Audit observed that:

i. The sum of ₦3,792,483,416.54 (Three billion, seven hundred and ninety two million, four hundred and eighty three thousand, four hundred and sixteen naira, fifty four kobo) was paid for contracts awarded by the Authority during the years 2021 and 2022.
ii. The sum of ₦3,792,483,416.54 was paid vide forty (40) paid vouchers to forty (40) contractors, twenty two (22) in 2021 and eighteen (18) in 2022, for various works

and services amounting to ₦1,257,755,925.69 (One billion, two hundred and fifty seven million, seven hundred and fifty five thousand, nine hundred and twenty five naira, sixty nine kobo) and ₦2,434,727,490.85 (Two billion, four hundred and thirty four million, seven hundred and twenty seven thousand, four hundred and ninety naira, eighty five kobo) respectively.

iii. There was no evidence that the bidding process such as advertisement, bidding, technical evaluation, financial evaluation etc., was duly adhered to, and

iv. The contracts were awarded without proper certification of the bidders to determine the most responsive and qualified contractors based on their professional, technical and financial capacity.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigeria Export Processing Zones Authority (NEPZA), Abuja

Risks

i. Loss of public funds

ii. Diversion of public funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦3,792,483,416.54 (Three billion, seven hundred and ninety two million, four hundred and eighty three thousand, four hundred and sixteen naira, fifty four kobo), being payment for contracts awarded without following due process.

ii. Recover and remit the sum of ₦3,792,483,416.54 to the Treasury.

iii. Forward evidence of recovery to Public Accounts Committees of the National assembly, and

iv. Otherwise, sanctions relating to irregular payment specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 3: CONTRACT SPLITTING TO CIRCUMVENT APPROVAL THRESHOLD (=₦888,499,381.25)

Description of Findings

Section 20(2) of the Public Procurement Act (PPA) (2007) states, "The accounting officer of every procuring entity shall have overall responsibility for the planning of, organization of tenders, evaluation of tenders and execution of all procurements and in particular shall be responsible for… (e) ensuring that no reduction of values or splitting

of procurements is carried out such as to evade the use of the appropriate procurement method…"

Audit observed that:

i. The Authority awarded six (6) contracts amounting to ₦888,499,381.25 (Eight hundred and eighty eight million, four hundred and ninety nine thousand, three hundred and eighty one naira, twenty five kobo) to three (3) companies, in the ratio of two (2) contracts to one (1) company as shown in the Table below.

S/N	COMPANY	CONTRACT REF PV NUMBER & DATES	DESCRIPTION	CONTRACT SUM (₦)
1	Same company	NEPZA/LS/SF/190/iv/14407122021 of 08/12/2021	supply of mini buses for empowerment in Osun East Senatorial District, Osun State	47,746,125.00
2		NEPZA/LS/SF/190/iv/09032022 of 09/03/2022	supply of mini buses for empowerment in Osun East Senatorial District, Osun State	95,492,250.00
3	Same company	NEPZA/LS/SF/190/iv/17012022 of 17/01/2022	Supply of 100 (One hundred) CC Motorcycles and Deep Freezers to empower farmers in the six geo-political zones	99,576,667.50
4		NEPZA/LS/SF/190/iv/09092022 of 09/03/2022	Supply of 100 (One hundred) CC Motorcycles and Deep Freezers to empower farmers in the six geo-political zones	299,068,917.50
5	Same company	NEPZA/LS/SF/190/iv/13807122021 of 8/12/2021	Award of Contract for the Rehabilitation of Roads in Mushin 2 Federal Constituency, Lagos	188,149,080.00
6		NEPZA/LS/SF/190/iv/13907122021 of 8/12/2021	Award of Contract for the Rehabilitation of Roads in Oshodi Isolo 2 Federal Constituency, Lagos	158,466,341.25
		TOTAL		**888,499,381.25**

ii. The contracts awarded to each of the companies in (i) above were identical in scope and content, and as such should be awarded as a single contract as required by extant regulations, and

iii. The Authority split the contracts price and awarded to each of the companies to circumvent the procurement approval threshold.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigeria Export Processing Zones Authority (NEPZA), Abuja.

Risks

i. Payment for fictitious transactions.

ii. Diversion of public funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Director General should be requested to:

i. Account for the sum of ₦888,499,381.25 (Eight hundred and eighty eight million, four hundred and ninety nine thousand, three hundred and eighty one naira, twenty five kobo), being payments for contracts split to circumvent the procurement approval threshold.
ii. Recover and remit the sum of ₦888,499,381.25 to the Treasury.
Iii. Forward evidence of remittance to the Public Accounts Committees of the National assembly, and
iv. Otherwise, sanctions relating to splitting of contracts and irregular payment specified in paragraphs 3116 and 3106 of the Financial Regulations (2009) respectively, should apply.

SECTION 12

MILITARY AGENCIES AUDIT DEPARTMENT (MAAD)

ARMED FORCES COMMAND AND STAFF COLLEGE, JAJI

At the Armed Forces Command and Staff College, Jaji, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: PAYMENTS TO UNQUALIFIED CONTRACTOR (=₦10,780,447.00)

Description of Findings

Paragraph 2909 of the Financial Regulations (FR) (2009) states, "All bidders in a contract for public procurement must show proof of eligibility for the award of the contract. They must prove the following amongst others, viz: (a) they possess the necessary technical qualification (b) they possess the machinery, equipment, and manpower for the job (c) they have the legal capacity to enter into the contract…." Furthermore, paragraph 2305 of the FR (2009) states, "As much as it is practicable, goods must be purchased from reputable manufacturers or their accredited agents. When goods are obtained through an agent, the purchasing officer will satisfy himself that the goods are authentic.'' Also, paragraph 03.33 of the Manual of Financial Administration for the Armed Forces of Nigeria (MAFA) (2017) states, "Before any action is taken, it should be seen that the request for payment is for items that are correctly charged to the vote it is expected to be paid from. it is essential to ensure that funds are actually available to meet the expenditure and that it will not result in over-payment in that vote."

Audit observed that:

i. The sum of ₦10,780,447.00 (Ten million, seven hundred eighty thousand, four hundred and forty seven naira) was paid to a Consultancy Firm through paid voucher No. AFCSC/RECP/11/23/065 dated 29th December, 2023, and
ii. There was no evidence to show the Firm was registered with the Corporate Affairs Commission (CAC).

The above anomalies could be attributed to weaknesses in the internal control system at the Armed Forces Command and Staff College.

Risks

i. Collusion of interest.
ii. Diversion of public funds.
iii. Loss of public funds.

Management's Response

The servicing of riffle is service that cannot be outsource to non-military personnel except by direct labour which was done by one of our officers, however the materials used for the servicing of the riffles were procured from the DANNY CONSULTANCY LTD, the irregularities observed by you was from the company and not ours, however your observation is well noted for subsequent purchases.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Commandant should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦10,780,447.00 (Ten million seven hundred eighty thousand four hundred and forty seven naira), being payment to unqualified contractor.
ii. Recover and remit to the Treasury, the sum of ₦10,780,447.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments, poor cash management and demotion in rank and transfer to another schedule specified in paragraphs 3106, 3115 and 3117 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2: PAYMENT FOR CONTRACTS WITHOUT EVIDENCE OF EXECUTION (=₦9,102,130.00)

Description of Findings

Paragraph 708 of the Financial Regulations (FR) (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied." Furthermore, paragraph 603(i) of the FR (2009) states, "All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets. etc." In addition, paragraph 415 of the FR (2009) states, "The federal government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted."

Audit observed that:

i. A Bill of Quantity (BOQ) contained an item for the sample reconstruction of 2 blocks with 5 rooms, each costs a total of ₦2,250,000.00 (Two million, two hundred and fifty thousand naira) for debris removal from the site, which was used to fill the surrounding areas.
ii. The stone-coated steel roofing sheet covers about 480m2, and 630m2 was paid for, with a difference of ₦885,000.00 (Eight hundred and eighty five thousand naira).
iii. The doors across two blocks were counted, with over 15 units provided and paid for, totalling ₦605,500.00 (Six hundred and five thousand, five hundred naira).
iv. Sixty (60) units of windows were included in the Bill of Quantities, but only fifty (50) units were verified during inspection, resulting in an excess of ten (10) units at ₦35,000.00 each, totalling ₦350,000.00 (three hundred and fifty thousand naira) in overpayment.
v. Regarding plumbing, item No. D was supposed to include 10 units of 3,000 capacity when 1 unit per block was installed. Instead, 10 units of 2,000 capacity

were paid for, but only 2 units, one in each block, were installed. These blocks also included 5 surface pump machines of 1.5 HP each, but only 1 unit was installed per block. Additionally, one elevated metal stanchion, 3 meters high, was installed instead of the 5 units paid for. The total discrepancy amounts to ₦2,473,000.00 (two million, four hundred and seventy three thousand naira).

vi. Paid voucher No. AFCSC/CAP/12/23/033 and AFCSC/CAP/12/23/033, both dated 12th December, 2023, along with the attached receipt number 1888 dated 13th December, 2023, from a plumbing firm, indicated that these materials were supplied.

vii. The sum of ₦2,538,630.00 (Two million, five hundred and thirty eight thousand, six hundred and thirty naira) represents 3% of the preliminaries, as detailed in payment voucher No. AFCSC/CAP/12/23/035 dated 8th December, 2023, site storage water scaffold, for the remodelling of a 1-Block with 5 rooms and a parlour for Junior Non-Commissioned Quarters by direct labour. This amount was not accounted for, and

viii. The total of the irregular payments for work not done in paragraphs (i-vii) was ₦9,102,130.00 (Nine million, one hundred and two thousand, one hundred and thirty naira).

The above anomalies could be attributed to weaknesses in the internal control system at the Armed Forces Command and Staff College, Jaji.

Risks

i. Loss of government funds.
ii. Diversion of public funds.

Management's Response

The above issue raised was resolved during the exit meeting, the team was informed that the project inspected were not the project under review and consideration, however the team were required to revisit the project before departure. We are not unaware of the consequences of payment for work not done and that is why the projects were carried out by direct labour for security reasons.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Commandant should be requested to:

i. Account to Public Accounts Committee of the National Assembly, for the sum of ₦9,102,130.00 (Nine million, one hundred and two thousand, one hundred and thirty naira), being payment of contracts without evidence of execution.
ii. Recover and remit to the Treasury, the sum of ₦9,102,130.00.
iii. Forward evidence of recovery and remittance to the Public Accounts Committees of the National Assembly, and

iv. Otherwise, sanctions relating to payment for job not executed and failure to spend public funds effectively specified in paragraphs 3104(iii) and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 3: PAYMENT OF ALLOWANCES TO MANAGEMENT STAFF WITHOUT APPROVAL BY THE NATIONAL SALARIES, INCOMES AND WAGES COMMISSION (=₦16,700,000.00)

Description of Findings

Paragraph 1 of the Establishment Circular with Ref. No. SWC/S/04/S.310/T/65 dated 8th April, 2016, requires that sitting allowances due to Board members of Federal Agencies, Statutory Corporations and Government-owned companies be based on different categories. Furthermore, paragraph 2 of the Establishment Circular with Ref. No. SWC/S/04/S.310/T/65 dated 8th April, 2016, states "It should be noted that chief executive officers and other public servants on a monthly salary who are board members in their own establishment are not entitled to sitting allowance. It should also be noted that a sitting may comprise more than one meeting."

Audit observed that:

i. The sum of ₦16,700,000.00 (Sixteen million, seven hundred thousand naira) was paid as sitting allowances to the Commandant, Deputy Commandant and Directors who are members of the board, other committees, and the Head of Department, along with their monthly allowances, and
ii. The payment of ₦16,700,000.00 through eight (8) paid vouchers between March 13 and August 24, 2023, was in violation of the above extant regulations.

The above anomalies could be attributed to weaknesses in the internal control system at the Armed Forces Command and Staff College, Jaji.

Risks

i. Diversion of public funds.
ii. Weak internal control system.
iii. Loss of Government funds.

Management's Response

Our mode of operation of military personnel is quite different and should be seen as such, these meetings take days and sometimes hours into the night and may not take place on weekend and holidays payment of sitting allowances is just for transportation and some light refreshment during these meeting days, the name sitting allowance may be a nomenclature issue as they are just out of pocket expenses incurred by participants during these meetings.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Commandant should be requested to:

i. Account to the Public Accounts Committee of the National Assembly, the sum of ₦16,700,000.00 (sixteen million, seven hundred thousand naira), being payment of allowances to the management staff of the College against the National Salaries, Income, and Wages Commission's directive.
ii. Recover and remit to the Treasury, the sum of ₦16,700,000.00.
iii. Forward evidence of recovery and remittance to the Public Accounts Committee of the National Assembly, and
iv. Otherwise, sanctions relating to over-payment of salaries and allowances specified in paragraph 3111 of the Financial Regulations (2009) respectively, should apply.

ISSUE 4: OVERPAYMENT OF DIRECTING STAFF ALLOWANCES (=₦20,261,100.00)

Description of Findings

Paragraph 415 of the Financial Regulations (FR) (2009) states, "The Federal Government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted.'' Also, paragraph 06.04(G2) of the Manual of Financial Administration for the Armed Forces of Nigeria (MAFA) (2017) provides for quarterly payment of the sum of ₦450,000.00 and ₦360,000.00 as directing staff allowance for Chief Instructor and Directing staff.

Audit observed that:

i. The sum of ₦1,000,000.00 (One million naira) was paid to an officer as a monthly directing allowance, while two others received ₦500,000.00 (Five hundred thousand naira) and ₦250,000.00 (Two hundred and fifty thousand naira), respectively as revealed from paid voucher number AFCSC/REC/PE/06/23/047 dated 26th June, 2023, and
ii. A total of ₦20,261,100.00 (Twenty million, two hundred sixty one thousand, one hundred naira) was the excess payments recorded from the action in paragraph (i) above which was above the stipulated amounts by ₦150,000.00 and ₦120,000.00 for the Chief Instructor and Directing staff, respectively.

The above anomalies could be attributed to weaknesses in the internal control system at the Armed Forces Command and Staff College, Jaji.

Risks

i. Diversion of public funds.
ii. Misapplication of funds.

Management's Response

These allowances are meant to run the offices of the officers responsible for one command, units and other operational departments and the daily running expenses could not be maintained other than this medium.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Commandant should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦20,261,100.00 (Twenty million, two hundred and sixty one thousand, one hundred naira), being over-payment of directing staff allowances.
ii. Recover and remit to the Treasury, the sum of ₦20,261,100.00.
iii. Forward evidence of recovery and remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and over-payment of public funds specified in paragraph 3106 and 3111 of the Financial Regulations (2009) respectively, should apply.

SECTION 13

MINISTERIAL AUDIT DEPARTMENT (MAD)

ADMINISTRATIVE STAFF COLLEGE OF NIGERIA (ASCON), BADAGRY

At the Administrative Staff College of Nigeria (ASCON), Badagry, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: NON-RECOGNITION OF INTERNALLY GENERATED REVENUE (IGR) IN THE TRIAL BALANCE (=₦235,954,214.97)

Description of Findings

Paragraph 15 of the International Public Sector Accounting Standards (IPSAS) 1 states "… The objectives of General-Purpose Financial Statements (GPFS) are to provide information about the financial position, financial performance and cash flows of an entity that is useful to a wide range of users in making and evaluating decisions about the allocation of resources. Specifically, the objectives of General-Purpose Financial Reporting in the public sector should be to provide information useful for decision making, and to demonstrate the accountability of the entity for the resources entrusted to it." Also, paragraph 3(b) of Treasury Circular Ref. No. TRY A10 & B10/2016/OAGF/CAD/026/V.III/101 dated 22nd November, 2016, states, "all partially funded Federal Government Agencies/Parastatals should limit their annual budgetary expenditure to not more than 75 percent (75%) of their gross revenue and remit the 25 percent (25%) to the Consolidated Revenue Fund (CRF) or pay 80 percent (80%) of their Operating Surplus computed according to the approved template to the CRF, whichever is higher."

Audit observed that:

i. The College generated IGR amounting to ₦1,039,376,011.63 (One billion, thirty nine million, three hundred and seventy six thousand, eleven naira, sixty three kobo), as at 31st December, 2023.
ii. The sum of ₦235,954,214.97 (Two hundred and thirty five million, nine hundred and fifty four thousand, two hundred and fourteen naira, ninety seven kobo) was receipted by the Office of the Accountant-General of the Federation (OAGF), as transfers to the Consolidated Revenue Fund (CRF) as at 31st October, 2023.
iii. There was no evidence that the revenues were recognized in the trial balance of the College, or subsequent analysis in the financial statements, and
iv. There was no evidence of remittance of the remaining proceeds for the months of November and December, 2023.

The above anomalies could be attributed to weaknesses in the internal control system at the Administrative Staff College of Nigeria (ASCON).

Risks

i. Misstatement of the Financial Statements.
ii. Understatement of Revenues.
iii. Diversion of public funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦235,954,214.97 (Two hundred and thirty five million, nine hundred and fifty four thousand, two hundred and fourteen naira, ninety seven kobo), being IGR not remitted to the CRF by the College.
ii. Remit the remaining proceeds for the financial year 2023.
iii. Forward evidence of documentation and remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to failure to collect and account for government revenue specified in paragraph 3112 of the Financial Regulations (2009) should apply.

ISSUE 2: EXTRA-BUDGETARY EXPENDITURE (=₦71,972,000.00)

Description of Findings

Section 80(4) of the Constitution of the Federal Republic of Nigeria, 1999 (as amended) states, "No moneys shall be withdrawn from the Consolidated Revenue Fund or any other public fund of the Federation, except in the manner prescribed by the National Assembly." Also, paragraph 417 of Financial Regulations (FR) (2009) states, "Expenditure shall strictly be classified 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 shall be disallowed."

Audit observed that:

i. The sum of ₦10,110,000.00 (Ten million, one hundred and ten thousand naira) was budgeted and approved by the National Assembly for the College's Research and Development in the 2023 Appropriation Act.
ii. The College spent the sum of ₦82,082,000.00 (Eighty two million, eighty two thousand naira) on the budget line in (i) above, and
iii. There was no evidence that approval was given for the extra budgetary expenditure amounting to ₦71,972,000.00 (Seventy one million, nine hundred and seventy two thousand naira), on Research and Development. (See details in the Table below)

ASCON Budget AND Actual COMPARED			
Line Items	Budget (a)	Actual (b)	Difference (c) = (a) - (b)
Research and Development	10,110,000.00		10,110,000.00
Springwells Intl - Staff Training on PMS		9,832,000.00	-9,832,000.00
Shabewa Nig Ltd-Training, Youth and Women Development		72,250,000.00	-72,250,000.00
Total (Capital)	**10,110,000.00**	**82,082,000.00**	**- 71,972,000.00**
Source: Extracts from ASCON 2023 GIFMIS Trial Balance and Vote books			

The above anomalies could be attributed to weaknesses in the internal control system at the Administrative Staff College of Nigeria (ASCON).

Risks
i. Misappropriation of public funds.
ii. Payments for non-existent transactions.
iii. Diversion of public funds.

Management's Response
No response.

Auditor's Evaluation
Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations
The Director General should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦71,972,000.00 (Seventy one million, nine hundred and seventy two thousand naira), being extra budgetary expenditure on Research and Development.
ii. Recover and Remit the sum of ₦71,972,000.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and failure to manage public funds effectively specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 3: CIRCUMVENTION OF THE PROCUREMENT PROCESS AND GRANTING OF CASH ADVANCES ABOVE THE APPROVED THRESHOLD (=₦64,672,000.00)

Description of Findings
Section 20(2) of the Public Procurement Act (PPA) (2007) states, "The accounting officer of every procuring entity shall have overall responsibility for the planning of, organization of tenders, evaluation of tenders and execution of all procurements and in particular shall be responsible for… (e) ensuring that no reduction of values or splitting of procurements is carried out such as to evade the use of the appropriate procurement method…" Also, paragraph 3 of the Treasury Circular Ref. No. TRY/A7 & B7/2015/OAGF/CAD/026/V.1/178 of 12th August, 2015, states, "All Accounting Officers and Officers controlling expenditure are to ensure that all local procurement of stores and services costing above ₦200,000.00 shall be made only through Award of Contracts, except as provided by the Public Procurement Act, 2007." Similarly, paragraph 2302 (ii) of the Financial Regulations (FR) (2009) states, "On no account shall special imprest or cash advance be used in place of Local Purchase Order or Job Order of the procurement of stores locally." Furthermore, paragraph 1420 of the FR (2009) states, "It is the responsibility of all Accounting Officers to ensure that all advances granted to officers are fully recovered."

Audit observed that:

i. The College paid five (5) staff, the sum of ₦64,672,000.00 (Sixty four million, six hundred and seventy two thousand naira) vide ninety one (91) payment vouchers, as advances for purchase of diesel. These payment vouchers were raised and paid between 17th February and 29th September, 2023.
ii. Several payments were made in tranches of ₦195,000.00 (One hundred and ninety five thousand naira) on daily basis, in order to evade the approval thresholds and procurement processes, which require that all procurement of stores above ₦200,000.00 should be made through award of contracts, and
iii. The payments deprived government of 7.5% Value Added Tax, 5% Withholding Tax (WHT) and 1% Stamp Duty amounting to ₦8,730,720.00 (Eight million, seven hundred and thirty thousand, seven hundred and twenty naira).

The above anomalies could be attributed to weaknesses in the internal control system at the Administrative Staff College of Nigeria (ASCON).

Risks

i. Loss of revenue due to government.
ii. Diversion of public funds.
iii. Difficulty in funding the budget.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦64,672,000.00 (Sixty four million, six hundred and seventy two thousand naira), being payment relating to circumvention of procurement process and cash advances above the ₦200,000.00 threshold.
ii. Recover and remit the sum of ₦64,672,000.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments and gross misconduct specified in paragraphs 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 4: UNRETIRED IMPRESTS/CASH ADVANCES (=₦12,327,000.00)

Description of Findings

Paragraph 1405 of the Financial Regulations (FR) (2009) states, "Accounting Officers are responsible for ensuring the prompt repayment of all advances by instalments or otherwise." Furthermore, paragraph 1420 of the FR (2009) states, "It is the responsibility of all Accounting Officers to ensure that all advances granted to officers are fully

recovered." Also, Treasury Circular Ref. No. TRY/A2&B2/ 2009/OAGF/ CAD/ 026/ V of 24th March, 2009, requires that frequency of reimbursement of any standing imprest shall normally be once in a quarter and shall not exceed twice in a quarter where the need arises. Furthermore, Treasury Circular Ref. No. TRY/A2&B2/ 2009/OAGF/ CAD/ 026/ V of 24th March, 2009, states, "…However, the limit of reimbursable imprests shall be as follows: Hon. Minister ₦300,000.00, Permanent Secretary/Director-General ₦200,000.00, Director ₦100,000.00, Head of Unit/Branch in state/any other imprest Holder ₦60,000."

Audit observed that:

i. The sum of ₦12,327,000.00 (Twelve million, three hundred and twenty seven thousand naira) was paid through some staff as departmental imprest allocations between 27th January and 19th June 2023.
ii. The imprests granted were unretired at the time of the periodic check in 2024.
iii. Breakdown of the payments revealed that the sum paid to each departmental head, varied from ₦153,000.00 (One hundred and fifty three thousand) and above, thereby, contravening the threshold provided by the extant regulations, and
iv. Subsequent imprests were granted without retiring the previous ones.

The above anomalies could be attributed to weaknesses in the internal control system at the Administrative Staff College of Nigeria (ASCON).

Risks

i. Diversion of public funds.
ii. Loss of public funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations

Recommendations

The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦12,327,000.00 (Twelve million, three hundred and twenty seven thousand naira), being unretired imprests/cash advances.
ii. Recover and remit the sum of ₦12,327,000.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to failure to manage public funds effectively and non-retirement of advances and imprest specified in paragraphs 3115 and 3124 of the Financial Regulations (2009) respectively, should apply.

ISSUE 5: UNACCOUNTED PROVISIONAL SUM FOR TRAINING (=₦26,970,000.00)

Description of Findings

Paragraph 112 of the Financial Regulations (FR) (2009) states, "The functions of the Accounting Officer shall include: …(i) ensuring internal guides, rules, regulations, procedures are adequately provided for the security and effective check on the assessment, collection and accounting for revenue;" Furthermore, paragraph 415 of the FR (2009) states, "The federal government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted. Similarly, paragraph 603(1) of the FR (2009) states, "All vouchers shall contain full particulars of each service such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets, etc."

Audit observed that:

i. A provisional sum of ₦26,970,000.00 (Twenty six million, nine hundred and seventy thousand naira) for the purchase of items was included in, and paid for, in the contract for training of youth and women on entrepreneurship and self-development, and
ii. There was no sufficient evidence substantiating the effective utilization of the items claimed to have been purchased.

The above anomalies could be attributed to weaknesses in the internal control system at the Administrative Staff College of Nigeria (ASCON).

Risks

i. Loss of public funds.
ii. Diversion of public funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations

Recommendations

The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦26,970,000.00 (Twenty six million, nine hundred and seventy thousand naira), being unaccounted provisional sum for training.
ii. Recover and remit the sum of ₦26,970,000.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments and failure to account for public funds specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 6: IRREGULAR PAYMENT FOR THE SUPPLY OF TEACHING/ LEARNING AIDS (=₦21,447,426.70)

Description of Findings

Paragraph 708 of the Financial Regulations (FR) (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied." Furthermore, paragraph 111 of the FR (2009) states, "The Accounting officer shall (a) be responsible for safeguarding of public funds and the regularity and propriety of expenditure under his control…" In addition, paragraph 603(i) of the FR (2009) states, "All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets. etc."

Audit observed that:

i. The sum of ₦21,447,426.70 (Twenty one million, four hundred and forty seven thousand, four hundred and twenty six naira, seventy kobo) was paid to a company for the Provision of Teaching and Learning Aids on 3rd May, 2023, vide Paid Voucher No. CAP/001/23.
ii. The award letter used in making payment was photocopy, contrary to extant circular. The company profile, including technical and financial bids, was not provided despite several and repeated requests.
iii. The agreement provided for 10% retention fee, which was paid on the same day the final payment was made. It was not clear why retention fee of 10% was included in the contract but disregarded during payment.
iv. The contract made provision for 1 smart LED TV for ₦2,159,000.00 (Two million, one hundred and fifty nine thousand naira), 5 Projectors at ₦3,448,183.70 (Three million, four hundred and forty eight thousand, one hundred and eighty three naira, seventy kobo), 10 HP monitors at ₦6,255,000.00 (Six million, two hundred and fifty five thousand naira), and 4 HP pavilion Laptops at ₦2,347,200.00 (Two million, three hundred and forty seven thousand, two hundred naira). The amounts provided for these items were unreasonably high, and
v. There was no evidence, such as stock verifiers' report and Stores Receipt Voucher (SRV) indicating the items were procured and taken on charge.

The above anomalies could be attributed to weaknesses in the internal control system at the Administrative Staff College of Nigeria (ASCON).

Risks

i. Payment for items not supplied.
ii. Diversion of public funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Director General should be requested to

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦21,447,426.70 (Twenty one million, four hundred and forty seven thousand, four hundred and twenty six naira, seventy kobo), being irregular payment for the supply of teaching/learning aids.
ii. Recover and remit the sum of ₦21,447,426.70 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular or wrong payment and irregular award of contract specified in paragraphs 3106 and 3117 of the Financial Regulations (2009) respectively, should apply.

ISSUE 7: PAYMENTS WITHOUT RELEVANT SUPPORTING DOCUMENTS (=₦60,526,451.00)

Description of Findings

Paragraph 603(i) of the Financial Regulations (FR) (2009) states, "All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets. etc." Furthermore, paragraph 708 of the FR (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied."

Audit observed that:

i. The sum of ₦60,526,451.00 (Sixty million, five hundred and twenty six thousand, four hundred and fifty one naira) was paid to eleven (11) beneficiaries for payments of services rendered to the College, and
ii. There were no relevant supporting documents such as request letter, Memoranda of Understanding (MoU), invitation letters for the various meetings and conferences, invoices, letter of authority, evidence of performance of the workshops/training, completion certificates/attendance register etc., to show that the payments were valid charges against public funds.

The above anomalies could be attributed to weaknesses in the internal control system at the Administrative Staff College of Nigeria (ASCON).

Risks

i. Diversion of public funds.
ii. Loss of public funds.

Management's Response

No response.

Auditor's Evaluation:

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations

Recommendations

The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦60,526,451.00 (Sixty million, five hundred and twenty six thousand, four hundred and fifty one naira), being payments made without relevant supporting documents.
ii. Recover and remit the sum of ₦60,526,451.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments and failure to account for public funds specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 8: NON-SUBMISSION OF 2023 AUDITED FINANCIAL STATEMENTS.

Description of Findings

Paragraph 3210(v) of the Financial Regulations (FR) (2009) states, "The Chief Executive Officer shall submit both the Audited Accounts and Management Report to the Auditor-General not later than 31st May of the following year of the Account."

Audit observed that:

i. The last set of audited annual financial statements submitted to the Auditor-General for the Federation was for the year ended 31st December, 2023, and
ii. This is in arrears as at time of the audit, in spite of the above requirement.

The above anomalies could be attributed to weaknesses in the internal control system at the Administrative Staff College of Nigeria (ASCON).

Risks

i. Impediments to Public Accounts Committees oversight.
ii. Sub-optimal decisions by those charged with governance

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations

Recommendations

The Director General should be requested to:

i. Forward to the Public Accounts Committees of the National Assembly, the College's Audited Financial Statements for the year ended 31st December, 2023, and
ii. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

ISSUE 9: IRREGULAR DISPOSAL OF GOVERNMENT VEHICLES

Description of Findings

Section 55 of the Public Procurement Act (PPA) (2007) states, "Open competitive bidding shall be the primary source of receiving offers for the purchase of any public property offered for sale." Furthermore, section 56 of the PPA (2007) states, "before slating any public property for disposal, the accounting officer … in charge of any public property set for disposal shall authorize the preparation of a valuation report for such property by an independent Evaluator, or such professional with the appropriate competence to carry out the evaluation." Also, paragraph 2965 of the Financial Regulations (FR) (2009) states, "The Accounting Officer of a disposing entity shall cause a valuation report to be prepared by an independent evaluator or such professional with the appropriate competence on public property intended to be disposed of before such property is listed for disposal."

Audit observed that:

i. Fourteen (14) listed items were presented to audit as disposed in the 2023 financial year, without evidence of the due processes followed in the disposal of the assets.
ii. Items on the lists were wrongly classified and were not listed individually but were lumped together thereby shielding the identity of each item (serial number/chassis number, as applicable).
iii. There was no Boarding committee (Board of Survey) set up, nor was there a professional valuer to value the items of the unserviceable stores to determine it disposal value.
iv. A valuation report from the Federal Ministry of Works was not provided, despite several and repeated requests.
v. There was no evidence that the list of assets disposed emanated from the stores and transport unit, which have the primary responsibility of identifying and reporting items which are unserviceable to the Management before the setting up of a Board of Survey.
vi. There was no auctioneer appointed for the purpose of ensuring a fair process which should generate more revenue for the government, and
vii. There were no details of Treasury receipts evidencing receipt of proceeds from beneficiaries, nor was there evidence that what was realized was remitted to Consolidated Revenue Fund.

The above anomalies could be attributed to weaknesses in the internal control system at the Administrative Staff College of Nigeria (ASCON).

Risks

i. Loss of revenue due to the government.
ii. Diversion of public funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations

Recommendations

The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the fourteen (14) items disposed without following due process.
ii. Recover and remit the proceeds to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to failure to collect and account for Government Revenue specified in paragraph 3112 of the Financial Regulations (2009) should apply.

ISSUE 10: IRREGULAR PAYMENT OF SALARIES TO NON-STAFF (=₦3,912,531.92)

Description of Findings

Paragraph 3110 of the Financial Regulations (FR) (2009) states, "A public officer who authorizes the payment of public fund to ghost-workers and/or knowingly processes such payment, shall be charged for gross misconduct, removed from the schedule and reported to the Economic and Financial Crimes Commission for prosecution."

Audit observed that:

i. The sum of ₦253,271.33 (Two hundred and fifty three thousand, two hundred and seventy one naira, thirty three kobo) was paid from January to December, 2023 to a non-staff of the College through GIFMIS platform.
ii. The total in (i) above was ₦3,912,531.92 (Three million, nine hundred and twelve thousand, five hundred and thirty one naira, ninety two kobo). There were no details of the staff in the nominal roll of the College for the period under review.
iii. The College also admitted that there was no recruitment in 2023, and
iv. There was no verifiable clarification as to why salaries were paid to a non-staff member of the College, as evidenced in the GIFMIS statements and the absence of the name on the nominal roll.

The above anomalies could be attributed to weaknesses in the internal control system at the Administrative Staff College of Nigeria (ASCON).

Risks

i. Payment for services not rendered.
ii. Diversion of public funds.
iii. Loss of public funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations

Recommendations

The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦3,912,531.92 (Three million, nine hundred and twelve thousand, five hundred and thirty one naira, ninety two kobo), being irregular payment of salaries to non-staff.
ii. Recover and remit the sum of ₦3,912,531.92 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to payment of public fund to ghost-workers specified in paragraph 3110 of the Financial Regulations (2009) should apply.

FEDERAL TRAINING CENTRE, CALABAR

At Federal Training Centre, Calabar, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: PAYMENT WITHOUT RELEVANT SUPPORTING DOCUMENTS (=₦1,100,282.00)

Description of Findings

Paragraph 708 of the Financial Regulations (FR) (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied." Furthermore, paragraph 603(i) of the FR (2009) states, "All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets. etc." In addition, paragraph 415 of the FR (2009) states, "The federal government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted."

Audit observed that:

i. The sum of ₦1,100,282.00 (One million, one hundred thousand, two hundred and eighty two naira), was paid to a staff of the Centre through paid voucher number FTCC/01/2022, dated 30th May, 2022, for capital project monitoring by officers from the Head of Service, and
ii. The paid vouchers were not accompanied by relevant supporting documents as required by extant regulations.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Training Centre, Calabar.

Risks

i. Loss of public funds.
ii. Diversion of public funds.

Management's Response
No response.

Auditor's Evaluations
Since the Management failed to respond to the issue raised, the findings remainvalid until the management implements the recommendations.

Recommendations
The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦1,100,282.00 (One million, one hundred thousand, two hundred and eighty two naira), being payment without relevant supporting documents.
ii. Recover and remit the sum of ₦1,100,282.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 2: IRREGULARITIES IN THE AWARD OF CONTRACT (₦8,996,760.00)

Description of Findings
Section 16 (6) of the Public Procurement Act (PPA) (2007) states, "All bidders in addition to requirements contained in any solicitation documents shall: … (b) possess the legal capacity to enter into the procurement contract…" Also, section 863 of the Company and Allied Matters Act (CAMA) (2020) states, "A person or association of persons shall not carry on business in Nigeria as a company, limited liability partnership, limited partnership or under a business name without being registered under this Act." Similarly, paragraph 113 of the Financial Regulations (FR) (2009) states, "In compliance with their special role under the Public Procurement Act, all accounting officers of ministries, extra–ministerial offices and other arms of government are hereby charged with the following responsibilities. They shall: …(i) ensure compliance with the provisions of the Public Procurement Act by their organizations, failing which they shall be personally liable for any breach or contravention thereof, whether or not such breach of contravention was caused by them in person, their subordinates or any person to whom they may have delegated their responsibilities."

Audit observed that:

i. A contract was awarded and paid for the rehabilitation and renovation of one wing of the male hostel for the sum of ₦8,996,760.00 (Eight million, nine hundred and ninety six thousand, seven hundred and sixty naira) vide paid voucher OHCSF/CMO/FTCC/05/2023 dated 29th March, 2023.
ii. There was no evidence that the Centre received the certificate of 'No Objection' from the Bureau of Public Procurement (BPP).
iii. The bid submission and bid opening registers had no dates, implying that the process was flawed and documents were just made up to appear as though the procurement processes was followed.
iv. Payment was made for the contract without a valuation certificate, although the breakdown was attached, and

v. The rooms were not tiled as provided for, in the contract.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Training Centre, Calabar

Risks

i. Loss of public funds.
ii. Payment for jobs not fully executed.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remainvalid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦8,996,760.00 (Eight million, nine hundred and ninety six thousand, seven hundred and sixty naira), being payment for a contract not properly awarded
ii. Recover and remit the sum of ₦8,996,760.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 3: IRREGULAR AWARD AND PAYMENT FOR CONTRACTS (=₦32,221,208.30)

Description of Findings

Section 16(1) of the Public Procurement Act (PPA) (2007) states, "Subject to any exemption allowed by this Act, all public procurement shall be conducted: (a) subject to the prior review thresholds as may from time to time be set by the Bureau pursuant to Section 7(1)(a)-(b); (b) based only on procurement plans supported by prior budgetary appropriations and no procurement proceedings shall be formalized until the procuring entity has ensured that funds are available to meet the obligations and subject to the threshold in the regulations made by the Bureau, has obtained a "Certificate of 'No Objection' to Contract Award" from the Bureau; (c) by open competitive bidding ; (d) in a manner which is transparent, timely, equitable for ensuring accountability and conformity with this Act and regulations deriving therefrom ; (e) with the aim of achieving value for money and fitness for purpose ; (f) in a manner which promotes competition, economy and efficiency; and (g) in accordance with the procedures and timeline laid down in this Act and as may be specified by the Bureau from time to time." Furthermore, section 16(4) of the PPA (2007) states, "Subject to the prior review thresholds as may be set by the Bureau, any procurement purported to be awarded without a "Certificate of 'No Objection' to Contract Award" duly issued by the Bureau shall be null and void."

Similarly, section 16(6) of the PPA (2007) states, “All bidders in addition to requirements contained in any solicitation documents shall :(a) possess the necessary :(i) professional and technical qualifications to carry out particular procurements ;(ii) financial capability; (iii) equipment and other relevant infrastructure; (iv) shall have adequate personnel to perform the obligations of the procurement contracts.”

Audit observed that:

i. The sum of ₦32,221,208.30 (Thirty two million, two hundred and twenty one thousand, two hundred and eight naira, thirty kobo), was paid between 2022 and 2023 for the construction of the perimeter fence of the Centre’s permanent site.
ii. There were irregularities in the award of the contract and payments made to the contractor because the bid submission register was not dated nor signed by the receiving officer, the bid opening register was not attached nor sighted, the contract was awarded in piecemeal, thus increasing the risk of contract cost inflation, the payments to a contractor were split into two, and
iii. The fencing job sighted did not commensurate with the amount of ₦32,221,208.30 (Thirty two million, two hundred and twenty one thousand, two hundred and eight naira, thirty kobo) spent on the project and the evidence of utilisation of the provisional sum was not provided.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Training Centre, Calabar.

Risks

i. Loss of public funds.
ii. Misapplication of public funds.

Management's Response

No response.

Auditor’s Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦32,221,208.30 (Thirty two million, two hundred and twenty one thousand, two hundred and eight naira, thirty kobo), being amounts relating to irregularities in the award and payment for contracts.
ii. Recover and remit the sum of ₦32,221,208.30 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and failure to manage public funds effectively specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 4: DOUBTFUL PAYMENT OF RENT (=₦1,650,000.00)

Description of Findings

Paragraph 603(i) of the Financial Regulations (FR) (2009) states, "All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets. etc." Furthermore, paragraph 708 of the FR (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied."

Audit observed that:

i. The sum of ₦1,650,000.00 (One million, six hundred and fifty thousand naira) was paid as rent for a female students' hostel vide paid vouchers 08/22 and 117/22 dated 9th February, 2022, and 15th December, 2022, respectively.
ii. There was no tenancy agreement nor rent receipt attached to the payment voucher, and
iii. The sum was paid by proxy, and there was no evidence that the landlord received the money.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Training Centre, Calabar.

Risks

i. Loss of public funds.
ii Misapplication of public funds.
iii. Misappropriation of funds.

Management's Response

No response.

Auditor's Evaluations

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦1,650,000.00 (One million, six hundred and fifty thousand naira), being doubtful payment of rent.
ii. Recover and remit the sum of ₦1,650,000.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments and failure to account for public funds specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

NATIONAL INSTITUTE OF SPORTS, LAGOS

At the National Institute of Sports, Lagos, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: VIOLATION OF E-PAYMENT POLICY OF THE FEDERAL GOVERNMENT (=₦8,406,530.00)

Description of Findings

Paragraph 4(vii) of the Treasury Circular Ref. No. TRY/A88 & B8/2008/OAGF/CAD/026/Vol.11/465 dated 22nd October, 2008, states, "Henceforth all employees of the Federal Government of Nigeria must each open an account with a commercial bank into which all payments due to him/her must be paid." Also, paragraph 713 of the Financial Regulations (FR) (2009) states, "Personal money will in no circumstances be paid into a government bank account nor shall any public money be paid into a private bank account. An officer who pays public money into a private account is deemed to have done so with fraudulent intention." Furthermore, paragraph 613 of the FR (2009) states, "Payments shall be made only to the persons named in the vouchers or their properly authorized representatives. Paying Officers must satisfy themselves that the person claiming the payment is the person authorised to receive the amount and it is the duty of the ministry, extra-ministerial office and other arms of Government authorizing payment to furnish proof of identity if required..."

Audit observed that:

i. The Institute paid the sum of ₦8,406,530.00 (Eight million, four hundred and six thousand, five hundred and thirty naira) for sundry expenditures.
ii. The payments were made to the staff of the Institute, and as such, expected to have been paid directly to the accounts of the beneficiaries, and
iii. There was no available evidence to show that the payments actually got to the beneficiaries, rather, they were made through proxies, in violation of the extant regulations.

The above anomalies could be attributed to weaknesses in the internal control system at the National Institute for Sports, Lagos.

Risks

i. Diversion of public funds.
ii. Misapplication of public funds.

Management's Response

We have noted your observations with thanks and have effected the necessary corrections.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Director General should be requested to:

i. Account to the Public Accounts Committee of National Assembly, the sum of ₦8,406,530.00 (Eight million, four hundred and six thousand, five hundred and thirty naira), being payment made in violation of the e-payment policy of the Federal Government.
ii. Recover and remit the sum of ₦8,406,530.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating irregular payments prescribed in paragraph 3106 of the Financial Regulations (2009) should apply.

NATIONAL SPORTS COMMISSION, ABUJA

At the National Sports Commission, Abuja, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: PAYMENT FOR CONTRACTS WITHOUT EVIDENCE OF EXECUTION (=₦48,695,400.00)

Description of Findings

Paragraph 708 of the Financial Regulations (FR) (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied." Furthermore, paragraph 603(i) of the FR (2009) states, "All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets. etc." In addition, paragraph 415 of the FR (2009) states, "The federal government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted."

Audit observed that:

i. The Commission paid the sum of ₦48,695,400.00 (Forty eight million, six hundred and ninety five thousand, four hundred naira), for Zonal elimination and other activities in respect of the 2023 National Youth Games, which were held from 7th to 17th September, 2023 vide paid voucher No. FMYSD/SP/OLY/015.2023.
ii. There was no evidence of utilisation relating to the youth games, and
iii. Despite several and repeated requests for documents such as invoices, receipts, SRVs etc., they were still not provided for audit scrutiny.

The above anomalies could be attributed to weakness in the internal control system at the National Sports Commission, Abuja.

Risks

i. Misapplication of public funds.
ii. Diversion of public funds.

Management's Response

All documents (official Receipt, invoices etc.) relating or evidencing the utilization of the ₦48,695,400.00 (Forty eight million, six hundred and ninety five thousand, four hundred naira). The evidence for the utilization of the funds released for the zonal elimination and others for the year 2023 national Youth Games with file No. FMYSD/SP/OLY/015/2023 is stated as follows:

Receipt		
S/N	**Details**	**Amount ₦**
1.	Galaxy Backbone PLC registration 9/7/2023	11,558,400
2.	Smile Pre-DRM and DRM software 9/7/2023	4,910,000
3.	Smile NIMC Annual License and Access verification fees 10/7/2023	4,000,000
4.	Bello Wood Hotel Asaba Accommodation and feeding for 4 days at ₦17,427,000.00 for 250 persons 10/7/2023	17,427,000.00
5.	PAT-Chukwudi catering services Launch and breakfast 16/7/2023	1,300,000
6.	Emoniyi Digital printing press 8/5/2023	500,000
7.	Abdullahi Kudu printing press invoice 18/7/2023	500,000
8.	Uncle Samuel printing Technology 9/7/2023 Payment for lamination papers and others	500,000
9.	Femi Johnson printing press Lamination papers and others 11/7/2023	1,300,000
10.	Urbandoma Catering Services Joint Launch and breakfast for 4 days at ₦ 6,500 per person for	1,300,000
11.	Fostez Catering Services Payment for breakfast and lunch for 50 persons for 4 days at ₦ 6,500 9/7/2023	1,300,000
12.	ZAYNAB Restaurant Payment for breakfast and launch 10/7/2023	1,300,000
13.	ADIDAS Commercial Press Laminating papers and others	500,000
14.	Godwin Digital Computers Nig. Ltd Payment for accreditation card and others	500,000
15.	Esther Adigun Catering Support Payment for breakfast & Launch 11/7/2023	1,300,000
16.	Abibiz Catering Services Breakfast & Lunch 10/7/2025	1,300,000
	Solomon and sons Transport **Car Hire Services**	
1	Adekunle and 1 other to and fro Lagos-Ibadan 26/6/2023	
2	Sony Malai and Car Hire Services 14/8/2023 Tochukwu Ajelike & 10 ORS 2 trips to Ebonyi to & fro Enugu	240,000
	Solomon & sons Transport and other transport Services **Red Star Express**	220,000
1	Shipping of urine & Global samples Human Specimen) to Doha	1,700,000
2.	Shipping of urine and blood to Doha 27/7/2023	1,800,000
	Total amount utilized **₦48,695,400.00.** Please see appendix 1 (Page 18-38)	

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Director General should be requested to;

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦48,695,400.00 (Forty eight million, six hundred and ninety five thousand, four hundred naira), being payment for contracts without evidence of execution
ii. Recover and remit the sum of ₦48,695,400.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to payment for job not executed and failure to spend public funds effectively specified in paragraphs 3104(iii) and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2 SPLITTING OF CONTRACTS TO CIRCUMVENT TENDERS PROCEDURES (=₦38,120,000.00)

Description of Findings

Section 20(2) of the Public Procurement Act (PPA) (2007) states, "The accounting officer of every procuring entity shall have overall responsibility for the planning of, organization of tenders, evaluation of tenders and execution of all procurements and in particular shall be responsible for… (e) ensuring that no reduction of values or splitting of procurements is carried out such as to evade the use of the appropriate procurement method…"

Audit observed that:

i. The contract for the general maintenance of Obafemi Awolowo Stadium, Ibadan, which was approved as a single appropriation head (ERGP26191225), was split and awarded as different contracts at the contract sum of ₦38,120,000.00 (Thirty eight million, one hundred and twenty thousand naira), and
ii. These contracts were awarded to three (3) companies belonging to the same person or related parties because the contact numbers on all their procurement documents were the same.

The above anomalies could be attributed to weaknesses in the internal control system at the National Sports commission, Abuja.

Risks

i. Payment for non-existent transactions.
ii. Diversion of public funds.

Management's Response

i. Contract splitting is considered as a serious offence in the procurement process that led to the award of contracts from the same budget line to the three independent companies was due to the fact that the works to be executed or projects under consideration were individually unique, technical and required expertise and timely completion in order to put the stadium into use for urgent sporting activities (National league for the year 2023). Therefore, funding the projects awarded to the three companies from the same budget line was inevitable. Since observation was raised in this regard, we assure the Auditor General for the

Federation that we shall be more pragmatic in our subsequent procurement process, and

ii. Lack of competitiveness in the procurement process.
The procurement process that led to the award of contracts to the three companies conformed to the public procurement Act 2007 which permits procuring entities to request minimum of 3 quotations from independent contractors who can offer the relevant services. Therefore, the three companies mentioned in the letter went through individual evaluation process by competing against two other companies in each project thereby resulting in their emergence as winner of the respective contracts. However, the coincidence of same phone number which appeared as the 3 contractors' contact number was an oversight, since phone number is not a critical element in the evaluation criteria. Besides, we are yet to come across any regulation mandating a person to own only one company. We really appreciate this salient observation.
We assure the Auditor General for the Federation that henceforth, phone contacts and other overlooked information of contractors will be critically examined during procurement processes.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦38,120,000.00 (Thirty eight million, one hundred and twenty thousand naira), being splitting of contracts to circumvent tenders procedures.
ii. Recover and remit the sum of ₦38,120,000.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to split of contracts and irregular or wrong payment specified in paragraphs 3116 and 3106 of the Financial Regulations (2009) respectively, should apply.

ISSUE 3: VIOLATION OF E-PAYMENT POLICY OF THE FEDERAL GOVERNMENT (=₦316,214,089.00)

Description of Findings

Paragraph 713 of the Financial Regulations (FR) (2009) states, "Personal money will in no circumstances be paid into a government bank account nor shall any public money be paid into a private bank account. An officer who pays public money into a private account is deemed to have done so with fraudulent intention." Also, paragraph 4(vii) of the Treasury Circular Ref. No. TRY/A88 & B8/2008/OAGF/CAD /026/Vol.11/465 dated 22nd October, 2008, states, "Henceforth all employees of the Federal Government of Nigeria must each open an account with a commercial bank into which all payments due to him/her must be paid." Similarly, paragraph 613 of the FR (2009) states, "Payments shall be made only to the persons named in the vouchers or their properly authorized

representatives. Paying Officers must satisfy themselves that the person claiming the payment is the person authorised to receive the amount and it is the duty of the ministry, extra-ministerial office and other arms of Government authorizing payment to furnish proof of identity if required..."

Audit observed that:

i. The Commission paid the sum of ₦316,214,089.00 (Three hundred and sixteen million, two hundred and fourteen thousand and eighty nine naira) as claims.
ii. These payments were made through the accounts of some officers, who were expected to disburse them to others for various activities.
iii. The above act violates the e-payment policy of the Federal Government, as these payments were not made directly to the beneficiaries' accounts, and
iv. There was no documentary evidence of the onward disbursement to the beneficiaries.

The above anomalies could be attributed to weaknesses in the internal control system at the National Sports commission, Abuja.

Risks

i. Payment for non-existent transactions.
ii. Diversion of public funds.

Management's Response

The observation by the Auditor regarding the payment amounting to ₦316,214,089.00 made through some officers' personal accounts for onward disbursement to other beneficiaries for various activities is duly acknowledged. This practice, though aimed at facilitating the timely execution of critical assignments in the absence of a more efficient alternative, is not intentional to work against the Federal Government's e-payment policy, which mandates that payments be made directly to the accounts of final beneficiaries to ensure transparency, accountability, and traceability.

Corrective Actions Taken:

1. Immediate Suspension of the Practice: The commission has since suspended the practice of routing payments through officers' personal accounts and has directed that all staff be enrolled on the GIFMIS platform
2. Internal Investigation and Reconciliation: A comprehensive internal review is being carried out to trace and verify all disbursements made from the officers' accounts. Where available, payment receipts, signed registers, and activity reports are being compiled as supporting documentation.
3. Policy Reinforcement: All departments have been directed to strictly adhere to the e-payment policy going forward. All future disbursements are to be made directly to the accounts of beneficiaries using the approved e-payment platform.
4. Capacity Building: Training is being organized for all finance and program staff to reinforce compliance with the financial regulations and improve internal control mechanisms.

We sincerely appreciate the Auditor's observation and assure that measures are being taken to prevent re-occurrence and ensure full compliance with extant regulations.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦316,214,089.00. (Three hundred and sixteen million, two hundred and fourteen thousand and eighty nine naira), being payment made in violation of e-payment policy of the Federal Government.
ii. Recover and remit the sum of ₦316,214,089.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committee of the National Assembly, and
iv. Otherwise, sanctions relating irregular payments specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 4: STORE ITEMS NOT TAKEN ON LEDGER CHARGE (=₦39,872,159.20)

Description of Findings

Paragraph 2402(1) of the Financial Regulations (FR) (2009) states, "On all paid vouchers for the purchase of stores, except as provided in sub-section (ii) of this Regulations, the Storekeeper must certify that the stores have been received and taken on charge in the stores ledger quoting the stores receipt voucher number and attaching the original copy of the store receipt voucher to the original L.P.O." Furthermore, paragraph 2107 of the FR (2009) states, "A separate ledger shall be maintained for each store. Records of articles of the same group shall be kept in one ledger, and items should be arranged in alphabetical order. The unit of quantity shall be shown and articles shall be taken on charge in that unit. Separate folios shall be assigned to the various articles in stock and the description shall, in every case, agree with that of the tally card kept in the store. All stores ledgers must be clearly indexed."

Audit observed that:

i. The Commission acquired store items amounting to ₦39,872,159.20 (Thirty nine million, eight hundred and seventy two thousand, one hundred and fifty nine naira, twenty kobo), and
ii. There was no evidence that these items were taken on store ledger charge, as there was no store receipt voucher attached to the payment vouchers.

The above anomalies could be attributed to weaknesses in the internal control system at the National Sports commission, Abuja.

Risks

i. Payment for items not purchased.
ii. Diversion of store items.
iii. Loss of public funds.

Management's Response

1. In the case of the beneficiary of ₦1,532,400 (Rose Kolapo), every evidence to justify the payment of that amount is attached to the payment voucher number FMY&SD/OC/206/2023 for your clear inspection please. The store officer's stamp and signature evidencing receipt of items into the store is clearly indicated for your further action. Please see appendix 7.
2. The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented. The receipt of purchase of 1000 litres of diesel amounting to ₦1,000,000 by Ogunlewe Raymond is attached to the payment voucher no FMY7SD/OC/201/2023. Please see appendix 7 for further action.
3. In the case of Salman Marafa, a store receipt voucher duly stamped and signed is attached in the payment voucher No. FMY&SD/OC/200/2023. Also, there is a receipt showing evidence of purchase. See appendix 7
4. The receipt of building/plumbing of material of material stores for the purchase of pumping machine was taken to store for charge as evidenced in the completed store receipt voucher.
   Please see appendix 7 for further details
5. In the case of Avishigh Edward of ₦4,000, 000.00 Please see appendix 7 for further details.
6. Evidence of purchase of store items by Avishigh Edward of ₦ 816,300.00 is provided by the store. Please visit appendix 7
7. A receipt evidencing purchase and store receipt voucher relating to Salman Marafa of ₦ 1,000.000 is attached to the payment voucher no: FMY&SD/OC/15/2023. Please see appendix 7 for more details.

In the case of beneficiary Biagboron Stephen, clear evidence of the purchase of consumables, payment for accommodation for 10 invited guests and hiring of chairs is shown from the presented invoice.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦39,872,159.20 (Thirty nine million, eight hundred and seventy two thousand, one hundred and fifty nine naira, twenty kobo), being payment for store items not taken on ledger charge as required by extant laws.
ii. Recover and remit the sum of ₦39,872,159.20 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and failure to spend public funds effectively specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 5: PAYMENTS WITHOUT RELEVANT SUPPORTING DOCUMENTS (=₦14,860,000.00)

Description of Findings

Paragraph 708 of the Financial Regulations (FR) (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied." Furthermore, paragraph 603 (i) of the FR (2009) states, "All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets. etc." In addition, paragraph 415 of the FR (2009) states, "The federal government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted."

Audit observed that:

i. Payment was made through an officer vide payment voucher FMYSD/SP/NBBF/061/2003 amounting to ₦14,860,000.00 (Fourteen million, eight hundred and sixty thousand naira).
ii. There was no evidence that these funds were utilized for the purpose for which it was intended. The list of the athletes involved in the out-of-competition drug testing was not provided, and
iii. There was no attached receipt or invoice from the laboratory where the tests were carried out.

The above anomalies could be attributed to weaknesses in the internal control system at the National Sports commission, Abuja.

Risks

i. Misapplication of public funds.
ii. Diversion of public funds.

Management's Response

The payment made for out of competition Drugs testing (OOCT) has every support document as evidence of payment of ₦14,860,000.00. This is shown in the receipts and invoice attached to the voucher. TOTAL AMOUNT UTILIZED IS ₦14,860,000.00. Please see appendix 8 (85-128)

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦14,860,000.00 (fourteen million eight hundred and sixty naira), being payments made without relevant supporting documents.
ii. Recover and remit the sum of ₦14,860,000.00 to the Treasury.

iii. Forward evidence of remittance to the Public Accounts Committee of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and failure to spend public funds effectively specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 6: UNSUBTANTIATED PAYMENTS (=₦41,395,212.69)

Description of Findings

Paragraph 708 of the Financial Regulations (FR) (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied." Furthermore, paragraph 603 (i) of the FR (2009) states, "All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets. etc." In addition, paragraph 415 of the FR (2009) states, "The federal government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted."

Audit observed that:

i. The sum of ₦41,395,212.69 (Forty one million, three hundred and ninety five thousand, two hundred and twelve naira, sixty nine kobo) was paid through various payment vouchers for various activities of the Commission.
ii. Relevant supporting documents were not attached to the payment vouchers to show the purpose for which the sum was expended, and
iii. Supporting document such as SRVs, end-user certificate, lists of participating officers, and course receipts were not attached.

The above anomalies could be attributed to weaknesses in the internal control system at the National Sports commission, Abuja.

Risks

i. Misapplication of public funds.
ii. Diversion of public funds.

Management's Response

1. In the case of Jubril Dahiru, the beneficiary had an attached copy of air-ticket and acknowledged receipt of estacode of the trip to Egypt by the Permanent Secretary.
2. Kolapo Rose –
3. Ameh M.U ₦3,383,000
4. Ameh M.U ₦1,804,200
   There are attached receipts to the payment voucher all amounting to ₦1,804,200. Please see appendix 9.
5. Ameh M.U (₦1,000,000).
   Evidences of fuel receipts obtained from the National Petroleum Corporation of Nigeria (NNPC) indicating purchase of fuel are attached to the payment voucher for your clarification.
   Please see appendix 9.

6. Kemi Ayongu – Only the description of payment is stated. The Auditor General did not state any other request to be treated further, hence no action was taken further.
7. YohannaTausa Sambam (₦2,378,000)
8. Haruna Amos (₦600,000)
   There is evidence of the items taken on store charge. Stores receipt voucher is attached to the voucher.
   Please, see appendix 9.
9. Omale E. Matthew (₦1,500,000)
   Attached to the payment voucher are stores receipt voucher and invoice indication of receipt of 149 copies of official portraits for the Hon. Minister of Sports.
   Please see appendix 9.
10. Omonu R (₦1,795,500)
11. Rite Attorney (₦10,000.000)
    Adequate provision in terms of evidence is made available as disclosed in the attached receipts of payment.
    Please, see appendix 9.
12. Florence Obi (₦1,000,000)
    The services were taken on store charge as shown in the stores receipt voucher.
13. David N. Goar (₦1,050,000)
    Stores receipt voucher as evidence to show that the items were taken on store charge shown.
    Please, see appendix 9.
14. Nongo L. M (₦813,305.34)
    There is a comprehensive list of security staff involved in the payment of their monthly salaries and allowances.
    Please, see appendix 9.
15. M/S ASSMAD Procurement and services Nigeria Limited (N4,324,000)

TOTAL PAYMENTS MADE:~~₦~~41,395,212.69. Please see appendix 9 (129-195)

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦41,395,212.69 (Forty one million, three hundred and ninety five thousand, two hundred and twelve naira, sixty nine kobo), being unsubstantiated payments.
ii. Recover and remit the sum of ₦41,395,212.69 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committee of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and failure to spend public funds effectively specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

SECTION 14

POLICE AFFAIRS AUDIT DEPARTMENT (PAAD)

FEDERAL MINISTRY OF POLICE AFFAIRS, ABUJA

At the Federal Ministry of Police Affairs, Abuja, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: PROCUREMENT OF ICT FACILITIES WITHOUT CLEARANCE FROM THE NATIONAL INFORMATION TECHNOLOGY DEVELOPMENT AGENCY (=₦22,799,675.00)

Description of Findings

Paragraph 4 of the Establishment Circular Ref. No. 59736/S.2/C.II/125 dated 31st August, 2018, states, "For the avoidance of doubt, MDAs and other government establishments are to relate with, and obtain prior approval from National Information Technology Development Agency (NITDA) for the implementation of Information Technology (IT) projects as well as the procurement of locally assembled IT components." Also, paragraph 2907 (i) of the Financial Regulations (FR) (2009) states, "In order to ensure transparency and accountability, achievement of value for money, economy and efficiency, and equity and fairness, all procurements falling within the bureau's thresholds shall be by way of open competitive bidding." Furthermore, paragraph 415 of the FR (2009) states, "The federal government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted."

Audit observed that:

i. The Ministry paid the sum of ₦22,799,675.00 (Twenty two million, seven hundred and ninety nine thousand, six hundred and seventy five naira) to a company for provision and installation of digitization equipment for the Ministry's records through paid voucher No. MPA/CAP/154/2022 dated 26th June, 2023, and
ii. The payment was doubtful as the contractor requested for payment on 23rd June, 2023, supported with Job completion certificate which was issued on the 26th June, 2023, after contractor's request for payment, and
iii. Evidence of clearance from NITDA before the procurement and payment for the ICT-related equipment, was not presented for audit.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Ministry of Police Affairs, Abuja.

Risks

i. Award of contract to incompetent contractors.
ii. Loss of public funds.
iii. Diversion of public funds.

Management's Response

The Contract was in accordance with the extant rule, the NITDA Clearance is under processing.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Permanent Secretary should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦22,799,675.00 (Twenty two million, seven hundred and ninety nine thousand, six hundred and seventy five naira), being payment made for the procurement of ICT facilities without clearance from NITDA.
ii. Recover and remit the sum of ₦22,799,675.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and gross misconduct prescribed in paragraphs 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2: PAYMENT OF RETENTION WITHOUT AUDITOR-GENERAL FOR THE FEDERATION'S CERTIFICATION (=₦9,444,696.84)

Description of Findings

Paragraph 2.2 C (x) of the Treasury Circular Ref. No. TRY/A2&B2/2019/OAGF/CAD/026/V.111/358 of 8th July, 2019 states, "For contracts having provision for retention, the Auditor General for the Federation or his representative and the representative of the MDA shall co-sign the certificate releasing the final payment."

Audit observed that:

i. The sum of ₦9,444,696.84 (Nine million, four hundred and forty four thousand, six hundred and ninety six naira, eighty four kobo) was paid to different companies at different occasions with the description 'being payment of 5% retention deduction to the contractors', and
ii. There was no evidence of Auditor-General or his representative's certification for the release of the final payments, as required by the extant regulations.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Ministry of Police Affairs, Abuja.

Key Risks

i. Payment for non-existent transactions.
ii. Diversion of public funds.

Management's Response

In line with Federal Treasury Circular ref no. TRYA5 & B5/2024, OAGF/CAD/026/Vol.V/896 dated 27th June, 2024, titled "Mandatory Transfer of Contractor's Retention Fees Deductions on Fully Executed Contracts (Works)"
Paragraph 3&4 of the above circular mandated MDAs to transfer retention fees owed to contractors to STF Retention Fees Account domiciled with the Central Bank of Nigeria

for safekeeping pending the expiration of the six (6) months defect liability period, after which the MDA could apply for the payment.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Permanent Secretary should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦9,444,696.84 (Nine million, four hundred and forty four thousand, six hundred and ninety six naira, eighty four kobo), being payment of retention without Auditor-General for the Federation's certification.
ii. Recover and remit the sum of ₦9,444,696.84 to the Treasury.
iii. Forward evidence of recovery and remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and failure to spend public funds effectively, prescribed in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 3: PAYMENT FOR OVERSEAS TRAVELS WITHOUT EVIDENCE OF APPROVAL (=₦10,794,800.00)

Description of Findings

Paragraph 2 of the Establishment Circular with Ref. No. HCSF/CSO/HRM/Pol.1402/1 on 22nd January, 2015, states, "...restricts public servants from foreign trainings, conferences, seminars, workshops and travels, except with the approval of the Secretary to the Government of Federation for political office holders and Head of Civil Service of the Federation for public servants while Mr. President approves for the Honourable Ministers."

Audit observed that:

i. The Ministry paid three (3) officers the sum of ₦10,794,800.00 (Ten million, seven hundred and ninety four thousand, eight hundred naira) as DTA and Air-ticket to attend an as an invitation to 10th working group on governance from 18th to 20th July 2023, in Lyon, France, vide paid voucher no. MPA/CAP/162/2022 dated 30th June, 2023.
ii. The mandatory documents for all payment claim and audit clearance for international travels from the OHCSF were not provided.
iii. Reports from the various seminars and conferences for which the substantial sum in (i) above was spent, were not made available for the team to authenticate that the trips were actually made, and
iv. There were no air tickets used to retire the trips as evidence of performance.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Ministry of Police Affairs, Abuja.

Risks

i. Loss of public funds.
ii. Diversion of public funds.

Management's Response

The International Criminal Police Organization (INTERPOL) Secretariat, Lyon, France, requested for representation of the Ministry in the 10th Edition of the Working Group on Governance Meeting scheduled for 18th - 20th July 2023.

Approval was given for participation of the Ministry at the meeting by the Permanent Secretary but the processing of travelling documents and other statutory approval were delayed, therefore the delegate could participate at the meeting.

The approved sum of ₦10,794,800.00 was refunded to government coffer by the individuals as stated underneath:

S/N	NAMES	AMT (₦)	RRR REF	TRV NO.	RMKS
1.	Abel, O. Enitan	5,467,100.00	1108-6837-7117	G.002528526	
2.	Azeez Margaret	2,663,850.00	1308-6834-3703	G.002528527	
3.	Aderele, B. Bola	2,663,850.00	2408-6838-8297	G.002528528	

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Permanent Secretary should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦10,794,800.00 (Ten million, seven hundred and ninety four thousand, eight hundred naira), being payment for overseas travels without evidence of appropriate approval.
ii. Recover and remit the sum of ₦10,794,800.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committee of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and failure to spend public funds effectively, specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 4: UNRETIRED ADVANCES (=₦134,527,000.00)

Description of Findings

Paragraph 1405 of the Financial Regulations (FR) (2009) states, "Accounting Officers are responsible for ensuring the prompt repayment of all advances by installments or otherwise." Furthermore, paragraph 1420 (i) of the FR (2009) states, "It is the responsibility of all Accounting Officers to ensure that all advances granted to officers are fully recovered." Similarly, paragraph 1416 of the FR (2009) states, "The outstanding balance of any advance shall be recovered in full from the last payment of salary and/or retirement gratuity of an officer who leaves the service on retirement, resignation, termination of appointment or dismissal."

Audit observed that:

i. The sum of ₦134,527,000.00 (One hundred and thirty four million, five hundred and twenty seven thousand naira) was granted as cash advances to various officers of the Ministry between January and December, 2023 vide thirty (30) paid vouchers for the purchase of various items, and
ii. These advances were not retired at the time of the audit exercise in October, 2024.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Ministry of Police Affairs, Abuja.

Risks

i. Payment for non-existent transactions.
ii. Loss of public funds.

Management's Response

i. The advance granted to the officers are in compliance with government policy and are properly retired. It is highly regrettable that the retirement vouchers were not presented for the auditing due to engagement of officers responsible in another official assignment. The vouchers have been presented for the auditing

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Permanent Secretary should be requested to:

i. Account to the Public Accounts Committees of the National Assembly the sum of ₦134,527,000.00 (One hundred and thirty four million, five hundred and twenty seven thousand naira), being unretired advances granted to staff.
ii. Recover and remit the sum of ₦134,527,000.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to failure to retire cash advances and irregular payments specified in paragraphs 3124 and 3106 of the Financial Regulations (2009) respectively, should apply.

ISSUE 5: VIOLATION OF E-PAYMENT POLICY OF THE FEDERAL GOVERNMENT (=₦24,209,987.48)

Description of Findings

Paragraph 713 of the Financial Regulations (FR) (2009) states, "Personal money will in no circumstances be paid into a government bank account nor shall any public money be paid into a private bank account. An officer who pays public money into a private account is deemed to have done so with fraudulent intention." Also, paragraph 4(vii) of the Treasury Circular Ref. No. TRY/A88 & B8/2008/OAGF/CAD/026/Vol.11/465 dated 22nd October, 2008, states, "Henceforth all employees of the Federal Government of

Nigeria must each open an account with a commercial bank into which all payments due to him/her must be paid." Similarly, paragraph 613 of the FR (2009) states, "Payments shall be made only to the persons named in the vouchers or their properly authorized representatives. Paying Officers must satisfy themselves that the person claiming the payment is the person authorised to receive the amount and it is the duty of the ministry, extra-ministerial office and other arms of Government authorizing payment to furnish proof of identity if required..."

Audit observed that:

i. The sum of ₦24,209,987.48 (Twenty four million, two hundred and nine thousand, nine hundred and eighty seven naira, forty eight kobo) was paid into the private accounts of some staff of the Ministry during the year under review.
ii. These payments were made to some Officers other than the ultimate beneficiaries in violation of the Federal Government's e-payment circular, and
iii. No letter of authority was written and signed by the final beneficiaries authorizing the few individuals to receive the allowance payments on their behalf.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Ministry of Police Affairs, Abuja.

Risks

i. Diversion of public funds
ii. Misapplication of public funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Permanent Secretary should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦24,209,987.48 (Twenty four million, two hundred and nine thousand, nine hundred and eight seven naira, forty eight kobo), being payment made in violation of e-payment policy of the Federal Government.
ii. Recover and remit the sum of ₦24,209,987.48 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating irregular payments specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 6: PAYMENTS WITHOUT RELEVANT SUPPORTING DOCUMENTS (=₦24,209,987.48)

Description of Findings

Paragraph 708 of the Financial Regulations (FR) (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied."

Furthermore, paragraph 603(i) of the FR (2009) states, “All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets. etc.” In addition, paragraph 415 of the FR (2009) states, “The federal government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted.”

Audit observed that:

i. The sum of ₦24,209,987.48 (Twenty four million, two hundred and nine thousand, nine hundred and eighty seven naira, forty eight kobo) was paid, vide twenty four (24) paid vouchers to some members of staff and contractors for various services rendered, and
ii. There were no attachments of adequate supporting documents such as copy of memo, evidence of invitation for workshop, attendance certificates, evidence of travels, receipts, copies of advert publications, etc., to substantiate the payment.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Ministry of Police Affairs, Abuja.

Risks

i. Payment for services not rendered.
ii. Loss of public funds.

Management's Response

The payment made to the officers are majorly Repatriation/Disengagement Allowance meant for officers who have served in the Ministry in their various capacity in the state offices (Commands) and headquarter but now retired after the statutory age/length of service without enrolment on the GIFMIS (Employee Payable) platform for payment other than salary.

The payments were transferred to the beneficiaries (retired officers) accounts respectfully. Evidence of payments have been presented.

Auditor’s Evaluation

The Management’s response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Permanent Secretary should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦24,209,987.48 (Twenty four million, two hundred and nine thousand, nine hundred and eight seven naira, forty eight kobo), being payments without relevant supporting documents.
ii. Recover and remit the sum of ₦24,209,987.48 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and

iv. Otherwise, sanctions relating to irregular payment specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 7: DOUBTFUL PAYMENT FOR JUNIOR STAFF PROMOTION EXERCISE (=₦6,987,500.00)

Description of Findings

Paragraph 713 of the Financial Regulations (FR) (2009) states, "Personal money will in no circumstances be paid into a government bank account nor shall any public money be paid into a private bank account. An officer who pays public money into a private account is deemed to have done so with fraudulent intention." Also, paragraph 4(vii) of the Treasury Circular Ref. No. TRY/A88 & B8/2008/OAGF/CAD/026/Vol.11/465 dated 22nd October, 2008, states, "Henceforth all employees of the Federal Government of Nigeria must each open an account with a commercial bank into which all payments due to him/her must be paid." Also, Paragraph 603(i) of the FR (2009) states, "All vouchers shall contain full particulars of each service such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets, etc." Furthermore, paragraph 613 of the FR (2009) states, "Payments shall be made only to the persons named in the vouchers or their properly authorized representatives. Paying Officers must satisfy themselves that the person claiming the payment is the person authorised to receive the amount and it is the duty of the ministry, extra-ministerial office and other arms of Government authorizing payment to furnish proof of identity if required..."

Audit observed that:

i. The sum of ₦6,987,500.00 (Six million, nine hundred and eighty seven thousand, five hundred naira) was paid to an officer on 17th October, 2023 vide paid voucher MPA/ADV/OH/234/2023 for servicing of meeting, working materials, honorarium and report writing for the conduct of 2023 Junior Staff Promotion Exercise.
ii. The sum of ₦3,480,000.00 (Three million, four hundred and eighty thousand naira) was paid as honorarium to thirty one (31) officers whose names were on a list attached to the paid voucher. These names were not in the application or approval sheet of the payment, and
iii. There were no documents to show acknowledgement by the supposed beneficiaries as evidence of receipt of the funds from the officer concerned.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Ministry of Police Affairs, Abuja.

Risks

i. Diversion of public funds
ii. Payment for non-existent transactions.

Management's Response

i. The urgency to conduct of 2023 Junior Staff Promotion Exercise so that this ministry will not be behind other MDAs prompted the payment.

ii. The sum was spent in piecemeal to buy stationary other petty things during the promotion exercise.
iii. The 31 officers were handpicked as a result of the urgency of the exercise. Their names is herewith presented.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Permanent Secretary should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦6,987,500.00 (Six million, nine hundred and eighty seven thousand, five hundred naira), being questionable payment for junior staff promotion exercise.
ii. Recover and remit the sum of ₦6,987,500.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating irregular payments specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 8: PAYMENT FOR ICT FACILITIES WITHOUT CLEARANCE FROM NATIONAL INFORMATION TECHNOLOGY DEVELOPMENT AGENCY (=₦5,731,261.00)

Description of Findings

Paragraph 4 of the Establishment Circular Ref. No. 59736/S.2/C.II/125 dated 31st August, 2018, states, "For the avoidance of doubt, MDAs and other government establishments are to relate with and obtain prior approval from National Information Technology Development Agency (NITDA) for the implementation of Information Technology (IT) projects as well as the procurement of locally assembled IT components."

Audit observed that:

i. The Ministry paid the sum of ₦5,731,261.00 (Five million seven hundred and thirty one thousand, two hundred and sixty one naira) to two companies for ICT-related services without obtaining mandatory clearance from the National Information Technology Development Agency (NITDA).
ii. The sum of ₦4,298,387.50 (Four million, two hundred and ninety eight thousand, three hundred and eighty seven naira, fifty kobo) was paid to one (1) company on 6th April, 2023, vide paid voucher MPA/OH/OC/067/2023 for the repairs of computers, development of internet protocol (IP), phones and supply of computer software and accessories while the other company was awarded the contract for the Supply of computers, computer software and consumables for IPPIS Self Service Centre of the Ministry and paid the contract sum of ₦1,432,873.50 (One million, four hundred and thirty two thousand, eight hundred and seventy three naira, fifty kobo) on 13th April, 2023, vide paid voucher MPA/OH/OC/073/2023, and

iii. Evidence of clearance and certification from NITDA before the procurement and payment for the ICT-related facilities was not presented for audit.

The above anomalies could be attributed to weaknesses in the internal control system in the Federal Ministry of Police Affairs, Abuja.

Risks

i. Payment to incompetent contractors.
ii. Payment for contract not properly executed.
iii. Loss of public funds.

Management's Response

The Contract was in accordance with the extant rule, the NITDA Clearance is under processing.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The permanent secretary should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦5,731,261.00. (Five million, seven hundred and thirty one thousand, two hundred and sixty one naira), being payment for ICT-related facilities without clearance from NITDA.
ii. Recover and remit the sum of ₦5,731,261.00 to the Treasury.
iii. Forward the evidence of remittance particulars to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

ISSUE 9: IRREGULAR PAYMENT OF DTA/ESTACODE TO THE SPECIAL ASSISTANTS TO THE HONOURABLE MINISTER (=₦4,800,750.00)

Description of Findings

Paragraph 1 of the Establishment Circular Ref. No. 59729/T.1/154 dated 22nd October, 2007, states, "It has become necessary to reiterate and clarify the non-eligibility for payment of duty tour allowance (DTA)/Estacode allowance to personal assistants of political appointees while accompanying their principals on local or foreign trips."

Audit observed that:

i. The Ministry paid the Special Assistants to the Minister of Police Affairs, DTA and Estacode amounting to ₦4,800,750.00 (Four million, eight hundred thousand, seven hundred and fifty naira).

ii. The payment mentioned in (i) above was made through two (2) staff of the Ministry vide six (6) paid vouchers between 17th - 20th November, 2023.
iii. There was no evidence to show the Special Assistant to the Minister attended the 91st session of the Interpol General Assembly in Vienna, Austria, and therefore the sum was not paid to him, and
iv. The money was utilised by the Minister because the amount raised for him on the trip was inadequate. There was also no evidence of attendance at the workshop and the screening exercise for applicants seeking admission into the 10th Regular Course of the Nigeria Police academy, Wudil, Kano state.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Ministry of Police Affairs, Abuja.

Risks
i. Diversion of public funds.
ii. Misapplication of public funds.

Management's Response
i. (SA to the Minister) did not attend the 91st session of the Interpol General Assembly in Vienna Austria so the sum was not paid to him
ii. The sum was utilized by the Minister as the sum raised for him on the trip was inadequate.

They also did not the workshop and the screening exercise for applicants seeking admission into the 10th regular academy, Wudil, Kano state

Auditor's Evaluation
The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations
The Permanent Secretary should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦4,800,750.00 (Four million, eight hundred thousand, seven hundred and fifty naira), being irregular payment of DTA/estacode to the Special Assistants to the Minister.
ii. Recover and remit the sum of ₦4,800,750.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 10: IRREGULAR PAYMENT FOR IN-HOUSE CAPACITY- BUILDING TRAINING (=₦4,400,000.00)

Description of Findings
Paragraph 713 of the Financial Regulations (FR) (2009) states, "Personal money will in no circumstances be paid into a government bank account nor shall any public money

be paid into a private bank account. An officer who pays public money into a private account is deemed to have done so with fraudulent intention." Furthermore, paragraph 613 of the FR (2009) states, "Payments shall be made only to the persons named in the vouchers or their properly authorized representatives. Paying Officers must satisfy themselves that the person claiming the payment is the person authorised to receive the amount and it is the duty of the ministry, extra-ministerial office and other arms of Government authorizing payment to furnish proof of identity if required..."

Audit observed that:

i. The sum of ₦4,400,000.00 (Four million, four hundred thousand naira) was paid on 29th December, 2023, for DTA and refreshment for in-house capacity-building training for the staff of Budget Division as shown in the Table below.

S/N	Description	Amount ₦
1	Workshop Venue	750,000.00
2	5 (five) Resource Persons	1,500,000.00
3	Tea break	262,000.00
4	Lunch	300,000.00
5	20 folders with notebooks	380,500.00
6	Transportation for 20 participants	600,000.00
7	50% DTA for 20 participants	607,500.00
Total		**4,400,000.00**

ii. The paid voucher was raised in the name of a staff member and others, while GIFMIS payment report revealed that the payment was made to a different person on 30th December, 2023, and

iii. The name and address of the workshop venue, names of the resource persons and list of participants were not attached to the paid voucher.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Ministry of Police Affairs, Abuja.

Risks

i. Payment for non-existent transactions.
ii. Diversion of public funds.

Management's Response

i. The payment was made in consideration of the time frame and budget implementation for the year.
ii. The normal process was breached so that the sum will not go back to treasury and the training missed considering the date of release of fund.
iii. The list of 5 resource persons and 20 participants is herewith attached.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Permanent Secretary should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦4,400,000.00 (Four million, four hundred thousand naira), being irregular payment for in-house capacity building.
ii. Recover and remit the sum of ₦4,400,000.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 11: IRREGULAR PAYMENT FROM THE 2023 PERSONNEL VOTE INTO IPPIS TRANSACTION ACCOUNT (=₦82,735,190.61)

Description of Findings

Paragraph 112 of the Financial Regulations (FR) (2009) states," The functions of the accounting officer shall include: (b) Ensuring that the essential management control tools are put in place to minimize waste and fraud…(g) Ensuring prudence in the expenditure of public funds." Furthermore, paragraph 415 of the FR (2009) states, "The federal government requires all officers responsible for expenditure to exercise due economy, money must not be spent merely because, it has been voted."

Audit observed that:

i. The sum of ₦82,735,190.61 (Eighty two million, seven hundred and thirty five thousand, one hundred and ninety naira, sixty one kobo) was paid from personnel vote into IPPIS Transaction Account during the year under review.
ii. The sum of ₦24,697,936.02 (Twenty four million, six hundred and ninety seven thousand, nine hundred and thirty six naira, two kobo) was transferred on 17th November, 2023 as October 2023 salary while ₦58,037,254.59 (Fifty eight million, thirty seven thousand, two hundred and fifty four naira, fifty nine kobo) was paid on 3rd December, 2023 as November 2023 salary, and
iii. The reasons for this payment and list of beneficiaries were not stated.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Ministry of Police Affairs, Abuja.

Risks

i. Diversion of public funds.
ii. Loss of public funds.

Management's Response

It is advisable that this issue be submitted to OAGF since payment of Personnel Emolument Cost is domiciled there.

Auditor's Evaluations

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Permanent Secretary should be requested to:

i. Account to the Public Accounts Committees of the National Assembly the sum of ₦82,735,190.61 (Eighty two million, seven hundred and thirty five thousand, one hundred and ninety naira, sixty one kobo), being irregular transfers to IPPIS Transaction Account.
ii. Recover and remit the sum of ₦82,735,190.61 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment specified in paragraph 3106 of the Financial Regulations (2009) should apply.

NIGERIA POLICE FORCE HEADQUARTERS, ABUJA

At the Nigerian Police Force Headquarters, Abuja, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: NON-INSURANCE OF NEWLY ACQUIRED VEHICLES BY THE POLICE FORCE (=₦3,238,387,012.50)

Description of Findings

Establishment Circular Ref. No. SGF/OP/I/S.3/VII/981 of 21st July, 2008, requires all MDAs to ensure that all assets under them are fully and adequately insured with registered insurance companies. Also, section 68 of the National Insurance Act (1997) provides that no vehicle, inclusive of Government vehicles shall be used on roads unless a liability which may thereby be incurred in respect of damages to property of third parties is insured with a registered insurer.

Audit observed that:

i. The Nigeria Police Force acquired forty one (41) vehicles for the sum of ₦3,238,387,012.50 (Three billion, two hundred and thirty eight million, three hundred and eighty seven thousand, twelve naira, fifty kobo) in 2023.
ii. The forty one (41) vehicles were not insured with a registered insurance company, hence, insurance policies and certificates were not obtained at the time of audit in July, 2024, and
iii. The Nigeria Police Force aircrafts were also not insured in the year 2023.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigeria Police Force, Headquarters, Abuja.

Risks
i. Loss of public assets.
ii. Loss of public funds.

Management's Response
No response.

Auditor's Evaluation
Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations
The Inspector-General of Police should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦3,238,387,012.50 (Three billion, two hundred and thirty eight million, three hundred and eighty seven thousand, twelve naira, fifty kobo), being payment for vehicles without insurance cover.
ii. Provide justification for the exposure of government assets to huge risk relating to non-insurance, and
ii. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

ISSUE 2: PAYMENT OF PRIOR YEAR'S LIABILITIES FROM CURRENT YEAR'S ALLOCATION (=₦287,502,085.00)

Description of Findings
Paragraph 314 of the Financial Regulations (FR) (2009) states, "If provision is required to complete payment for an item for which provision was made in the previous year's estimates and which cannot be contained within the current year's estimate an application for supplementary provision or for virement must be made. An unspent balance on a current expenditure vote cannot be revoted." Furthermore, paragraph 413(i) of the FR (2009) states, "The authority for recurrent expenditure conveyed by any of the warrants contained in Chapter 3 lapses at the end of the financial year to which it relates. Any unspent balance required for the completion of a service must be provided for in the Estimates of the year in which the Sum will actually be expended."

Audit observed that:
i. The Force paid some contractors the sum of ₦287,502,085.00 (Two hundred and eighty seven million, five hundred and two thousand, eighty five naira) vide twenty one (21) overhead paid vouchers.
ii. The payments in (i) above were for the settlement of previous year's liabilities, and
iii. There was no evidence that these expenditures were provided for, in year 2023 Approved Estimates.

The above anomalies could be attributed to weaknesses in the Internal control system at the Nigeria Police Force Headquarters, Abuja.

Risks
i. Misapplication of funds.
ii. Diversion of funds.
iii. Loss of funds.

Management's Response
No response.

Auditor's Evaluation
Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations
The Inspector-General of Police (IGP) should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦287,502,085.00 (Two hundred and eighty seven million, five hundred and two thousand eighty five naira), being payment for the previous year's liabilities without evidence of provision for such, in the current year's approved estimates.
ii. Recover and remit the sum of ₦287,502,085.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 3: NON-DESTRUCTION OF OBSOLETE FIREARMS WAREHOUSED IN THE ARMOURY

Description of Findings
Paragraph 2609 (b) of the Financial Regulations (FR) (2009) states, "unserviceable stores buildings, plants, motor Vehicles and equipment may be written-off and disposed of under the personal authority of the Accounting officer, provided that the stores building, plants, motor vehicles or equipment have been surveyed and found to be obsolete, unserviceable or dilapidated, as the case may be by Independent Board of survey". Furthermore, paragraph 2613 of the FR (2009) states, "It is the duty of the officer directly in charge of a store to segregate unserviceable articles and to report to his Head of Department or Unit on the circumstances leading to the stores being rendered unserviceable." In addition, paragraph 2618 of the FR (2009) states, "Unserviceable stores authorized to be destroyed must be destroyed in such a manner as to render the articles unusable for their original purpose. The certificate of destruction, signed by at least two officers who witnessed the destruction must be completed to include details of the quantities destroyed and the method of destruction used. The certificate will be attached to the copy of the relevant Treasury Form 147 in the possession of the Accounting Officer."

Audit observed that:
i. A significant number of obsolete firearms were warehoused at the Force Headquarters Armoury at the time of audit.
ii. The firearms, though obsolete, were still lethal and could be misused.

iii. The firearms occupied space which could be put to more productive use. They were not properly kept, thereby making the environment untidy, and
iv. There was no evidence that the Force had initiated the process of destroying these obsolete firearms.

The above anomalies could be attributed to weaknesses in the internal control system at Nigeria Police Force Headquarters, Abuja.

Risks
i. Misuse of arms.
ii. Pilferage of firearms.
iii. Increased rate of crime/insecurity.

Management's Response
No response.

Auditor's Evaluation
Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations
The Inspector-General of Police (IGP) should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, all obsolete firearms and ammunition warehoused at the Force Headquarters.
ii. Forward to the Public Accounts Committees of the National Assembly, the comprehensive record of all unserviceable firearms and ammunition and up-to-date record/schedule of expended ammunition, and
iii. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

POLICE SERVICE COMMISSION, ABUJA

At the Police Service Commission, Abuja for the period 1st January to 31st December, 2023, the following observation was made:

ISSUE 1: STORE ITEMS NOT TAKEN ON LEDGER CHARGE (=₦47,350,413.07)

Description of Findings
Paragraph 2402(1) of the Financial Regulations (FR) (2009) states, "On all paid vouchers for the purchase of stores, except as provided in sub-section (ii) of this Regulations, the Storekeeper must certify that the stores have been received and taken on charge in the stores ledger quoting the stores receipt voucher number and attaching the original copy of the store receipt voucher to the original L.P.O." Furthermore, paragraph 2107 of the FR (2009) states, "A separate ledger shall be maintained for each store. Records of articles of the same group shall be kept in one ledger, and items should be arranged in alphabetical order. The unit of quantity shall be shown and articles shall be taken on charge in that unit. Separate folios shall be assigned to the various articles

in stock and the description shall, in every case, agree with that of the tally card kept in the store. All stores ledgers must be clearly indexed."

Audit observed that:

i. The sum of ₦47,350,413.07 (Forty seven million, three hundred and fifty thousand, four hundred and thirteen naira, seven kobo) was spent on the procurement of various items through the award of contracts and non-personal advances to staff.
ii. The items procured were not taken on store ledger charge, and
iii. The procurement process of some of the items was fraught with price inflation and non-compliance with the due process of competitive bidding.

The above anomalies could be attributed to weaknesses in the internal control system at the Police Service Commission, Abuja

Risks

i. Diversion of public funds.
ii. Loss of public funds.

Management's Response

A study of the enumerated store items as reported has been made.
Most of the items however, were directly supplied to the offices at the corporate Head Office of the Commission where they were installed, utilized during the commission's relocation from the Federal Secretariat to its permanent office in Jabi

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Chairman should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦47,350,413.07 (Forty seven million, three hundred and fifty thousand, four hundred and thirteen naira, seven kobo), being payments for store items procured not taken on store Ledger charge.
ii. Recover and remit the sum of ₦47,350,413.07 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and failure to spend public funds effectively specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

SECTION 15

PROGRAMMES & PERFORMANCE AUDIT DEPARTMENT (PPAD)

FEDERAL COLLEGE OF FOREST RESOURCES MANAGEMENT ISHIAGU, EBONYI STATE

At the Federal College of Forest Resources Management Ishiagu, Ebonyi State, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: PAYMENT FOR EQUIPMENT NOT SUPPLIED (=₦13,309,273.75)

Description of Findings

Paragraph 708 of the Financial Regulations (FR) (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied." Furthermore, paragraph 603 (i) of the FR (2009) states, "All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distances, and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets, e.t.c."

Audit observed that:

i. The College awarded a contract for the Procurement of Meteorological and Drawing Studio Equipment to a company at the sum of ₦41,847,223.75 (Forty one million, eight hundred and forty seven thousand, two hundred and twenty three naira, seventy five kobo), vide an award letter dated 25th May, 2023, with a completion period of six (6) weeks.
ii. The sum of ₦39,159,723.75 (Thirty nine million, one hundred and fifty nine thousand, seven hundred and twenty three naira, seventy five kobo), representing 93.58% of the contract value in (i) above had been paid to the contractor in two (2) installments.
iii. The value of items/equipment supplied and confirmed during the verification exercise amounted to ₦25,850,450.00 (Twenty five million, eight hundred and fifty thousand, four hundred and fifty naira) out of the amount paid in (ii) above.
iv. The payments in (ii) above and the confirmed supply made in (iii) above resulted to payment of ₦13,309,273.75 (Thirteen million, three hundred and nine thousand, two hundred and seventy three naira, seventy five kobo) for equipment not supplied by the contractor, and
v. The College had issued a Certificate of Practical Completion on 29th December, 2023, in respect of the contract.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Forest Resources Management Ishiagu, Ebonyi State.

Risks

i. Payment for work not executed.
ii. Diversion of public funds

Management's Response

Kindly find attached SRVs detailing the items not sighted by the Auditors due to filing lapses by the clerical officers. It should be noted that the sum of ₦13,309,273.75 which

is part of the total sum of ₦39, 159,723.75 paid is inclusive of VAT, Withholding Tax and Stamp Duty amounting to ₦4,917,983.00. The total amount of payment made directly to the Contractor is ₦34,241,749.83. Also find attached the BOQ of the contract. See Appendix 1.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦13,309,273.75 (Thirteen million, three hundred and nine thousand, two hundred and seventy three naira, seventy five kobo), being payment for equipment not supplied.
ii. Recover and remit the sum of ₦13,309,273.75 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment, failure to collect assets from supplier and gross misconduct specified in paragraphs 3106, 3109 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2: IRREGULARITIES IN THE AWARD OF CONTRACT FOR CONSULTANCY SERVICES (=₦8,600,000.00)

Description of Findings

Section 24 (1) of the Public Procurement Act (2007) states, "Except as provided by this Act, all procurements of goods and works by all procuring entities shall be conducted by open competitive bidding." Also, paragraph 415 of the Financial Regulations (FR) (2009) requires all officers responsible for expenditure to exercise due economy, and money must not be spent merely because it has been voted. Furthermore, paragraph 708 of the FR (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied."

Audit observed that:

i. A consulting firm was paid the sum of ₦8,600,000.00 (Eight million, six hundred thousand naira) for the supervision of three (3) projects executed during the year under review.
ii. There was no record showing the selection process involving the consulting firm, hence, the basis for selection could not be ascertained.
iii. There was no contract agreement defining the responsibilities of the parties to the contract or scope of supervision.
iv. There was no evidence of actual performance of the contract due to lack of progress reports on the purported supervised three (3) projects upon which ₦8,600,000.00 was paid, and
v. The Interim Performance Certificate (IPCs) raised on the projects did not correspond with the value of work done. For instance, the amount certified on the

Procurement of Meteorological and Drawing equipment was more than the actual value of equipment supplied, while the Construction of Poultry and Piggery Houses was misrepresented as the Procurement of Equipment.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Forest Resources Management Ishiagu, Ebonyi State.

Risks

i. Payment for works not executed.
ii. Diversion of public funds.

Management's Response

Due to the organogram/ administrative nature of FRIN and her 7 Colleges, the engagement of the Consultant and the procedure involved were undertaken by FRIN for all her colleges. Kindly find attached documents sent from the head office as regards to the award of consultancy services contract to Messrs. Ample Procurement Optimizes Consults for FRIN and Her Colleges. The College is a new one and she hopes to float new programmes for both resource inspection and accreditation, part of the requirement for the accreditation, is the possession of the equipment concerned.

The Meteorological & Drawing Studio equipment is an unknown terrain for the College hence the need for the Consultant to come in and wield his expertise wand in such matters. See Appendix 2

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Provost should be requested to:

i Account to the Public Accounts Committees of the National Assembly, the sum of ₦8,600,000.00 (Eight million, six hundred thousand naira), being payment for irregular award of contract to a consulting firm.
ii. Recover and remit the sum of ₦8,600,000.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular award of contract and irregular or wrong payment specified in paragraphs 3117 and 3106 of the Financial Regulations (2009) respectively, should apply.

ISSUE 3: PAYMENT FOR CONTRACT NOT EXECUTED (=₦2,250,000.00)

Description of Findings

Paragraph 708 of the Financial Regulations (FR) (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied." Furthermore, paragraph 603(i) of the FR (2009) states, "All vouchers shall contain full

particulars of each service, such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets. etc." In addition, paragraph 415 of the FR (2009) states, "The federal government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted."

Audit observed that:

i. A company was awarded a contract for the construction of Poultry and Piggery Houses on 25th May, 2023, at a contract price of ₦37,699,153.50 (Thirty seven million, six hundred and ninety nine thousand, one hundred and fifty three naira, fifty kobo).
ii. The sum of ₦2,250,000.00 (Two million, two hundred and fifty thousand naira), representing ₦1,750,000.00 (One million, seven hundred and fifty thousand naira) for the provision of water reticulation and ₦500,000.00 (Five hundred thousand naira) for poultry accessories to the Poultry Building, was included in the College's Bill of Quantities (BOQ).
iii. The consultant, who was engaged for the supervision of the project, certified that all elements of works had been executed by the contractor, which necessitated the payment of ₦30,265,448.80 (Thirty million, two hundred and sixty five thousand, four hundred and forty eight naira, eighty kobo), representing 80.28% of the contract sum, and
iv. There was no evidence that the works in (ii) above, were executed by the contractor despite the issuance of Certificate of Practical Completion by the College, leading to the payment of ₦2,250,000.00 for work not executed.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Forest Resources Management Ishiagu, Ebonyi State.

Risks

i. Payment for work not executed.
ii. Diversion of public funds

Management's Response

The Contractor has been contacted but response has not been gotten due to the time frame given for the response of this observation. We shall furnish the Office of the Auditor General with the responses as soon as possible.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦2,250,000.00 (Two million, two hundred and fifty thousand naira), being payment made for contract not executed.
ii. Recover and remit the sum of ₦2,250,000.00 to the Treasury.

iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to payments for jobs not executed and irregular payments specified in paragraphs 3104 (iii) and 3106 of the Financial Regulations (2009) respectively, should apply.

NIGERIA SOCIAL INSURANCE TRUST FUND, ABUJA

At the Nigeria Social Insurance Trust Fund (NSITF), Abuja, for the period 1st January to 31st December, 2022, the following observations were made:

ISSUE 1: AWARD OF CONTRACT WITHOUT NEEDS ASSESSMENT AND EVALUATION (=₦1,366,296,000.00)

Description of Findings

Section 18 of the Public Procurement Act (PPA) (2007) states, ‘‘subject to regulations as may from time to time be made by the Bureau under the direction of the Council, a procuring entity shall plan its procurement by: (a) Preparing the needs assessment and evaluation (b) identifying the goods, works and services required.”

Audit observed that:

i. A company was awarded the contract for the Procurement of e-NSITF Digitalisation/Automation of the Activities, Processes and Enterprise Business Suite for the Nigeria Social Insurance Trust Fund.
ii. The contract was awarded via letter Ref: NSITF/AC/PROC/5/S. II/2021/0820 of 8th July, 2022, at the price of ₦1,366,296,000.00 (One billion, three hundred and sixty six million, two hundred and ninety six thousand naira) with a completion period of four (4) months.
iii. The Fund did not conduct Needs Assessment and Evaluation before initiating the procurement process for this project that resulted into the final award of contract to the company in (i) above, and
iv. No response was provided to the enquiry regarding the award of contract without a needs assessment and evaluation.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigeria Social Insurance Trust Fund (NSITF), Abuja.

Risks

i. Diversion of public funds.
ii. Payment for non-existent transactions.

Management’s Response

The Nigeria Social Insurance Trust Fund (the Fund) may not have had a comprehensive Needs Assessment but the project was included in the budget year 2021 and subsequently uploaded in the procurement plan. In addition, the regulatory body Bureau of Public Procurement (BPP) has a price intelligence unit that reviews and approves

appropriate price for the project, in order to control the issue of over bloated prices which was the reason for the downward review.

In conclusion, there was a conception for full automation, which was included in the budget, uploaded in the NOCOPO plan, including NITDA platform. The in-house estimate was lifted from the budget and the project was sent for an approval from BPP, who did their own due diligence & reviewed the price downwards.

However, the recommendations are noted and Management is taking measures to ensure strict compliance with procurement planning requirements by conducting comprehensive Needs Assessment for all projects.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Managing Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦1,366,296,000.00 (One billion, three hundred and sixty six million, two hundred and ninety six thousand naira), being award of contract for the procurement of e-NSITF digitalization/automation of the activities, processes and enterprise business suite without a need assessment.
ii. Recover and remit the sum of ₦1,366,296,000.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv Otherwise, sanctions relating to irregular payment specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 2: IRREGULARITIES IN THE AWARD OF CONTRACT (=₦1,366,296,000.00)

Description of Findings

Section 18 (c) of the Public Procurement Act (PPA) (2007) states, ''subject to regulations as may from time to time be made by the Bureau under the direction of the Council, a procuring entity shall plan its procurement by: carrying out appropriate market and statistical surveys and on that basis prepare an analysis of the cost implications of the proposed procurement; aggregating its requirements whenever possible, both within the procuring entity and between procuring entities, to obtain economy of scale and reduce procurement cost.''

Audit observed that

i. The sum of ₦1,366,296,000.00 (One billion, three hundred and sixty six million, two hundred and ninety six thousand naira) was paid by the Fund for the contract awarded for the Procurement of e-NSITF Digitalisation/Automation of the Activities, Processes and Enterprise Business Suite for the Nigeria Social

Insurance Trust Fund without evidence that an in-house estimate was prepared to benchmark the pricing from contractors.

ii. The Fund relied solely on the contractor's quoted estimate of ₦1,800,166,000.00 (One billion, eight hundred million, one hundred and sixty six thousand naira), which was reviewed to ₦1,366,296,000.00 by the Bureau of Public Procurement (BPP). The downward review of the Fund's initial project cost by BPP resulted to cost reduction of ₦433,870,000.00 (Four hundred and thirty three million, eight hundred and seventy thousand naira), representing a 24.10% reduction of the initial contract price, and

iii. The lack of internal cost estimation exposed government establishments to arbitrary pricing, such as overpricing, which may consequently weaken its negotiation power during the procurement process.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigeria Social Insurance Trust Fund (NSITF), Abuja.

Risks

i. Loss of public funds.
ii. Over-payment of contract price/sum.

Management's Response

The Fund may not have prepared a comprehensive In-House Estimate to benchmark the pricing from contractors but the project was included in the budget year 2021 and subsequently uploaded in the procurement plan. In addition, the regulatory body Bureau of Public Procurement (BPP) has a price intelligence unit that reviews and approves appropriate price for the project, in order to control the issue of over bloated prices which was the reason for the downward review. The in-house estimate was lifted from the budget and the project was sent for an approval from BPP, who did their own due diligence & reviewed the price downwards.

However, Management has institutionalized the practice of preparing In-House Estimate by effective market surveying prior to engaging with vendors hence forth.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Managing Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦1,366,296,000.00 (One billion, three hundred and sixty six million, two hundred and ninety six thousand naira), being amount of contract awarded without in-house estimates.
ii. Recover and remit the sum of ₦1,366,296,000.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 3: IRREGULARITIES IN THE PROCUREMENT PROCESS (=₦1,366,296,000.00)

Description of Findings

Section 41(2) of the Public Procurement Act (PPA) (2007) requires the procuring entity to request for quotations or Expression of Interest (EOI) from at least 3 unrelated contractors or suppliers where the value of the goods or works to be procured does not exceed a sum that shall be set in the procurement regulation.

Audit observed that:

i. There were irregularities in the bidding process for the e-NSITF contract. Specifically, contract for the Procurement of e-NSITF Digitalization/Automation of the Activities, Processes and Enterprise Business Suite for the Nigeria Social Insurance Trust Fund valued at ₦1,366,296,000.00 (One billion, three hundred and sixty six million, two hundred and ninety-six thousand naira) did not comply with the principles of competitive bidding as stipulated by relevant sections of procurement regulations.
ii. Contrary to the provisions requiring quotations from at least three (3) unrelated companies, the Fund obtained bids from four companies that shared common directors and business addresses, obviously being related companies.
iii. Among the five companies that submitted bids, only one was found to be unrelated to the other four companies.
iv. Therefore, it will appear that the procurement process had been structured in a manner that favoured a particular group of related companies, culminating in the selection of the preferred bidder. This action undermined the principles of fair competition and may have misled the Bureau of Public Procurement (BPP) and the Federal Executive Council (FEC) into approving the contract under the assumption of a competitive process, and
v. The method of selection employed in this procurement process contravenes the provisions of the Public Procurement Act, 2007, which promotes transparency, fairness, and competitiveness in public procurement by procuring entity.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigeria Social Insurance Trust Fund (NSITF), Abuja.

Risks

i. Bid rigging.
ii. Payment for non-existent transactions.
iii. Loss of public funds.

Management's Response

We acknowledge your observations in the irregularities in the bidding process; current evaluations have been equipped to prevent such re-occurrence.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Managing Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦1,366,296,000.00 (One billion, three hundred and sixty six million, two hundred and ninety-six thousand naira), being payment for contracts awarded based on a rigged procurement process.
ii. Recover and remit the sum of ₦1,366,296,000.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular or wrong payments and gross misconduct specified in paragraphs 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

NATIONAL ENVIRONMENTAL STANDARDS AND REGULATIONS ENFORCEMENT AGENCY (NESREA), ABUJA.

At the National Environmental Standards and Regulations Enforcement Agency (NESREA), Abuja, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: LABORATORY EQUIPMENT PROCURED BUT NOT PUT TO USE (=₦22,924,375.00)

Description of Findings

Paragraph 603(i) of the Financial Regulations (FR) (2009) states, "All vouchers shall contain full particulars of each service such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets, etc." Furthermore, paragraph 415 of the FR (2009) requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted. Similarly, paragraph 412 of the FR (2009) states, "Where a contract involves supplies of goods or work done, there will be attached to the voucher a certificate that the payments are in accordance with the terms of the contract agreement, that is as regards supplies, the articles have been received and, in the case of work, that it has been properly done…"

Audit observed that:

i The Agency awarded a contract for the procurement of Laboratory Equipment for National Reference Laboratories in Port Harcourt and Kano at the sum of ₦22,924,375.00 (Twenty two million, nine hundred and twenty four thousand, three hundred and seventy five naira), vide award letter Ref. No. NES/PROC/1285/I/21 dated 30th November, 2023.
ii Twelve months after the supply of the equipment in (i) above, they were still kept in the store located at the Agency's Headquarters, Abuja.
iii Physical inspection to the Agency's Kano State Office confirmed that the equipment had not yet been delivered from the Headquarters and put to use, and

iv It is evident that the equipment was not procured based on the needs of the beneficiary units.

The above anomalies could be attributed to weaknesses in the internal control system at the National Environmental Standards and Regulations Enforcement Agency (NESREA).

Risks

i. Loss of public funds.
ii. Diversion of public funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendation

The Director-General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦22,924,375.00 (Twenty two million, nine hundred and twenty four thousand, three hundred and seventy five naira), being payment made for supply not needed.
ii. Recover and remit the sum of ₦22,924,375.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to payment for job not executed and irregular payment specified in paragraphs 3104 and 3106 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2: UNRETIRED CASH ADVANCES (=₦2,515,050.00)

Description of Findings

Paragraph 1405 of the Financial Regulations (FR) (2009) states, "Accounting Officers are responsible for ensuring the prompt repayment of all advances by installments or otherwise." Furthermore, paragraph 1420(i) of the FR (2009) states, "It is the responsibility of all Accounting Officers to ensure that all advances granted to officers are fully recovered." In addition, paragraph 1416 of the FR (2009) states, "The outstanding balance of any advance shall be recovered in full from the last payment of salary and/or retirement gratuity of an officer who leaves the service on retirement, resignation, termination of appointment or dismissal."

Audit observed that:

i The Agency granted twenty eight (28) cash advances totaling ₦2,515,050.00 (Two million, five hundred and fifteen thousand, fifty naira) between March and December 2023.
ii Additional advances were granted to officers when they had not retired the previous ones, and

iii The cash advances granted in (i) above were not retired as at the time of audit.

The above anomalies could be attributed to weaknesses in the internal control system at the National Environmental Standards and Regulations Enforcement Agency (NESREA).

Risks
i Loss of public funds.
ii Diversion of public funds.

Management's Response
No response.

Auditor's Evaluation
Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations

Recommendations
The Director General should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦2,515,050.00 (Two million, five hundred and fifteen thousand, fifty naira), being unretired cash advances granted to officers.
ii. Recover and remit the sum of ₦2,515,050.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to failure to retire cash advances and irregular payments specified in paragraphs 3124 and 3106 of the Financial Regulations (2009) respectively, should apply.

FEDERAL COLLEGE OF FOREST RESOURCES MANAGEMENT, MAIDUGURI

At the Federal College of Forest Resources Management, Maiduguri, Borno State, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: PAYMENT FOR CONTRACTS NOT EXECUTED (=₦41,281,711.60)

Description of Findings
Paragraph 708 of the Financial Regulations (FR) (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied." Furthermore, paragraph 603(i) of the FR (2009) states, "All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets. etc." In addition, paragraph 415 of the FR (2009)

states, “The federal government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted.”

Audit observed that:

i. A company was awarded contract of ₦38,618,031.25 (Thirty eight million, six hundred and eighteen thousand, thirty one naira, twenty five kobo) for the Procurement and Installation of methological station farm at Federal College of Forest Resources Management in Maiduguri, vide award letter Ref. No. FCFRMM/CG/22/05/30 dated 15th May, 2023, with a completion period of eight (8) weeks.

ii. The award letter was the only document sighted in respect of the contract. There was no contract agreement defining the responsibilities of the parties to the contract. Also, there was no Bill of Quantities (BoQ) to clearly show the element of works, prices and specification with respect to the execution of the supposed contract.

iii. Twelve (12) weeks after the award of contract, and without any specific documents showing the deliverables and obligations of the parties to the contract, the College paid the contractor 30% mobilization fee amounting to ₦11,585,409.38 (Eleven million, five hundred and eighty five thousand, four hundred and nine naira, thirty eight kobo) vide paid voucher 78/FCFRMM/2023 dated 14th August, 2023.

iv. Two (2) weeks after the receipt of 30% mobilization fee, the contractor presented a delivery note with reference number 0104 dated 25th August, 2023 stating that the items and other accessories listed therein for the installation of the methological station were supplied to the College, while the items and other accessories were not documented as received.

v. Two (2) weeks after the purported delivery of some items and other accessories, the contractor, through a letter dated 8th September, 2023 notified the college of job completion and requested for the balance payment of 70% of contract value.

vi. Following the request in (v) above, the College paid an additional sum of ₦12,441,310.93 (Twelve million, four hundred and forty one thousand, three hundred and ten naira, ninety three kobo) to the contractor vide paid voucher with PV No. 85/FCFRMM/2023 dated 10th September, 2023.

vii. At the time of audit in October, 2024, a verification exercise on procurement and installation of methological station farm upon which the aggregate sum of ₦24,026,720.31 (Twenty four million, twenty six thousand, seven hundred twenty naira, thirty one kobo), representing 62.22% of the contract sum was paid, revealed that the project was non-existent.

viii. Another company was awarded contract for Animal Pen Poultry Building at Federal College of Forest Resources Management in Maiduguri. The contract was awarded vide Letter Ref. No. FCFRMM/CG/20/05/29 dated 15th May, 2023 with twelve (12) weeks’ completion period, at the sum of ₦29,961,341.13 (Twenty nine million, nine hundred and sixty one thousand, three hundred and forty one naira, thirteen kobo).

ix. The approved 2023 Appropriation Act for Construction and Equipping of Modern Animal Pens for Teaching, Learning and Research for the College was ₦32,517,867.00 (Thirty two million, five hundred and seventeen thousand, eight hundred and sixty seven naira) while 92.14% of the sum, amounting to ₦29,961,341.13 (Twenty nine million, nine hundred and sixty one thousand, three hundred and forty one naira, thirteen kobo), was for the contract in (viii) above.

x. Apart from the award letter in par (viii) above, there was no other records provide for audit, such as evidence of selection process of the contractor, contract agreement defining the responsibilities of the parties to the contract, and Bill of Quantities to clearly show the element of work, prices and specification of the work to be executed.

xi. The sum of ₦17,254,991.29 (Seventeen million, two hundred and fifty four thousand, nine hundred and ninety one naira, twenty nine kobo), representing 58% of the awarded contract price, was paid in two instalments of ₦8,988,402.35 (Eight million, nine hundred and eighty eight thousand, four hundred and two naira, thirty five kobo) and ₦8,266,588.94 (Eight million, two hundred and sixty six thousand, five hundred and eighty eight naira, ninety four kobo) vide Paid Voucher Nos. 73/FCFRMM/2023 and 83/FCFRMM/2023 dated 14th August, 2023 and 10th September, 2023 respectively, as 30% advance payment and additional payment.

xii. The building for the modern animal pens was uncompleted and empty as at the time of audit. Additionally, there were no records or evidence of materials purchased for the construction of the modern animal pens upon which the cumulative sum of ₦17,254,991.29 (Seventeen million, two hundred and fifty four thousand, nine hundred and ninety one naira, twenty nine kobo), being 58% of the contract value had so far been expended, and

xiii. The payment for the first contract in (viii) and the payment for the second contract in (xi) amounted to ₦41,281,711.60 (Forty one million two hundred and eighty one thousand, seven hundred and eleven naira, sixty kobo) paid on contract without commensurate level of work done.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Forest Resources Management, Maiduguri.

Risks

i. Loss of public funds.
ii. Misapplication of public funds.

Management's Response

i.1. Messrs Granzy Global Resources Limited of No. 17 Tougghurt Street, Zone 2, Wuse Abuja was actually awarded contract for the procurement and installation of methological station farm at the College. The award followed Procurement selection process as stipulated by the Bureau of Public Procurement (BPP) Act.

i.2. Just like the awarded letter, all other procurement documents to showing that the College followed due selection process in the award of contract were made available in the contract file. However, since this contract was awarded by the Forestry Research Institute of Nigeria (FRIN) Headquarters and the College only implement the execution, the documents got missing in transit as the FIRN relocated from its former building to the present one.

i.4. The contractor was paid 30% mobilization upon which the equipment and accessories for the installation were procured. And subsequently part payment to enable the contractor complete the work was not adequate and government did not release funds to the college up to the time of the audit.

i.5. However, the college after the audit in October, 2024 has recalled the contractor and efforts are on grounds to complete the installation of the methological station.

ii.2. The award of contract to Messrs Labishat Marketing Concept Limited for animal pen poultry building at the FCFRMM, and construction and equipping of modern animal pens for teaching, learning and research facilities is one and the same contract and purpose. Further, when the FRIN Headquarters conducted in-house estimate prior to the award of contract, the committee report recommended ₦29,961,341,13 which was a little lower than ₦32,517,867 approved amount in the 2023 Appropriation Act. And for economy of expenditure, the FRIN adopted the that of the report of the in-house estimate.

ii.3. Similarly to i.2 above, the procurement got missing on transit. Hence the complete procurement documents could not be provided as at the time of the audit.

ii.4. The building however has been completed and awaiting furnishing. The College got stuck owing to paucity of funds.

ii.5. The College may accept audit final recommendation if government releases funds for the projects and 100% payments made to the contractors and yet the work is not commensurable completed.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendation

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦41,281,711.60 (Forty one million, two hundred and eighty one thousand, seven hundred and eleven naira, sixty kobo), being payments made for contracts not executed.
ii Recover and remit the sum of ₦41,281,711.60 to the Treasury.
iii Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv Otherwise, sanctions relating to payments for jobs not executed and irregular payments specified in paragraphs 3104 (iii) and 3106 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2: PAYMENTS WITHOUT RELEVANT SUPPORTING DOCUMENTS (=₦44,284,664.97)

Description of Findings

Paragraph 603(i) of the Financial Regulations (FR) (2009) states, "All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets. etc." Furthermore, paragraph 708 of the FR (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied."

Audit observed that:

i. The College paid the sum of ₦44,284,664.97 (Forty four million, two hundred and eighty four thousand, six hundred and sixty four naira, ninety seven kobo) vide nine (9) paid vouchers to various companies for some services.
ii. The payments were in respect of mobilization, procurements & installation, and consultancy services, and
iii. There were no supporting documents such as certificate of Job completion, invoices/cash receipt, consultancy service report, minutes of Tenders Board meeting, among others, to validate the authenticity and genuineness of the payments to the respective service providers.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Forest Resources Management, Maiduguri.

Risks

i. Payments for services not rendered.
ii. Loss of government funds.

Management's Response

i. The Federal College of Forest Resources Management, Maiduguri, did not conduct the procurement process leading to the award of 2023 contracts. The contracts were procured and awarded by the FRIN Headquarters which some of the procurement documents were not sent to the College during the execution of the projects, and
ii. During the audit in October, 2024. The College requested for the contract files and other procurement document but was said by the FRIN Headquarters that some of the contract documents got missing during the relocation of the FRIN Headquarters to a new location. However, audit issues are noted for subsequent correction.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦44,284,664.97 (Forty four million, two hundred and eighty four thousand, six hundred and sixty four naira, ninety seven kobo), being payments made without relevant supporting documents.
ii. Recover and remit the sum of ₦44,284,664.97 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments and failure to account for public funds specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

FEDERAL COLLEGE OF WILDLIFE MANAGEMENT, NEW BUSSA

At the Federal College of Wildlife Management, New Bussa, Niger State, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: PAYMENT FOR ITEMS NOT SUPPLIED (=₦32,895,775.00)

Description of Findings

Paragraph 708 of the Financial Regulations (FR) (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied." Furthermore, paragraph 603 (i) of the FR (2009) states, "All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distances, and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets, e.t.c."

Audit observed that:

i. The sum of ₦32,895,775.00 (Thirty two million, eight hundred and ninety five thousand, seven hundred and seventy five naira) was paid for work not done in the contracts awarded to some companies.
ii. The College made payments on contracts awarded to a company for the Reinforcement/Fortification of Mini Zoo including Procurement of Museum Specimen at the price of ₦18,816,000.00 (Eighteen million, eight hundred and sixteen thousand naira). The contract was awarded vide letter Ref. No. CWM/CG:103/X1/001 dated 16th October, 2023 with a completion period of six (6) weeks.
iii. The sum of ₦11,248,500.000 (Eleven million, two hundred and forty eight thousand, five hundred naira), inclusive of value added tax, was paid for the supply of some animal species, fabrication of quarantined cages and reinforcement of mini zoo. The contract had been fully paid at the sum of ₦18,816,000.00 (Eighteen million, eight hundred and sixteen thousand naira), i.e. 100%, including project management fee of ₦1,100,000.00 (One million, one hundred thousand naira).
iv. During audit verification exercise, the value of the contract executed was ₦7,567,500.00 (Seven million, five hundred and sixty seven thousand, five hundred naira), representing 40.22% including the project management fee. This implies that ₦11,248,500.000 (Eleven million, two hundred and forty eight thousand, five hundred naira), representing 59.78% was paid for unexecuted contract, contrary to extant laws on payments for services.
v. Another company was awarded contract for the Procurement of Furnishing and Museum Specimen at the price of ₦60,183,498.75 (Sixty million, one hundred and eighty three thousand, four hundred and ninety eight naira and seventy five kobo). The contract was awarded vide letter referenced CWM/CG:103/X1V/1805 dated 16th May, 2023 with a completion period of eight (8) weeks.
vi. Included in the priced bill of quantities of ₦60,183,498.75 (Sixty million, one hundred and eighty three thousand, four hundred and ninety eight naira and seventy five kobo), was the sum of ₦28,760,550.000 (Twenty eight million, seven hundred and sixty thousand, five hundred and fifty naira), inclusive of value added tax for the supply of museum animal specimen and college zoo animal species. The contract

was fully paid with amount totaling ₦60,183,498.75 (Sixty million, one hundred and eighty three thousand, four hundred and ninety eight naira and seventy five kobo), i.e. 100% including project management fee of ₦3,750,000.00 (Three million, seven hundred and fifty thousand naira).

vii. During audit verification, the value of the contract executed was ₦38,536,223.75 (Thirty eight million five hundred and thirty six thousand two hundred and twenty three naira seventy five kobo), representing 64.03% including the project management fee. The implication of payment of ₦60,183,498.75 (Sixty million, one hundred and eighty three thousand, four hundred and ninety eight naira and seventy five kobo) was that the sum of ₦21,647,275.00 (Twenty one million six hundred and forty seven thousand two hundred and seventy five naira) representing 35.97% was paid for unexecuted part of the contract, contrary to extant laws.

viii. There was no evidence provided to support the aggregate payment of ₦32,895,775.00 (Thirty two million eight hundred and ninety five thousand seven hundred and seventy five naira) for unexecuted part of the two (2) contracts, and

ix. The payment of ₦32,895,775.00 (Thirty two million eight hundred and ninety five thousand seven hundred and seventy five naira) for the unexecuted portion of the contracts is viewed as illegitimate charge against public funds.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Wildlife Management, New Bussa.

Risks

i. Payments for jobs not executed.
ii. Diversion of public fund.

Management's Response

Messrs M & A Global Projects Limited

The contract for the reinforcement/fortification of MIni Zoo and supply of specimen was fully executed. The reinforcement/fortification aspect of it has to do with works while the other part was goods. Please find the attached pictorial evidence of work done for the reinforcement/fortification of Mini zoo and supply of specimen.

Messrs Femimat Concepts Limited

The contract was fully delivered as contained in the schedule of delivery and there was no part of the contract that was not executed. Please find the attached photocopies of delivery notes with internal audit stamp, stores receipt vouchers as a prove of evidence that these items were received by the store unit of the College.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦32,895,775.00 (Thirty two million, eight hundred and ninety five thousand seven

hundred and seventy five naira), being payments made for unexecuted portion of the contracts.

ii. Recover and remit to the Treasury, the sum of ₦32,895,775.00.

iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and

iv. Otherwise, sanctions relating to irregular payment, failure to collect assets from supplier and gross misconduct specified in paragraphs 3106, 3109 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2: VIOLATION OF E-PAYMENT POLICY OF THE FEDERAL GOVERNMENT (=₦11,541,999.00)

Description of Findings

Paragraph 4(vii) of the Treasury Circular Ref. No. TRY/A88 & B8/2008/OAGF/CAD/026/Vol.11/465 dated 22nd October, 2008, states, "Henceforth all employees of the Federal Government of Nigeria must each open an account with a commercial bank into which all payments due to him/her must be paid." Also, paragraph 713 of the Financial Regulations (FR) (2009) states, "Personal money will in no circumstances be paid into a government bank account nor shall any public money be paid into a private bank account. An officer who pays public money into a private account is deemed to have done so with fraudulent intention." Furthermore, paragraph 603 (i) of the FR (2009) states, "All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distances, and rates, as to enable them be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoice, special letters of authority, time sheet etc."

Audit observed that:

i. The sum of ₦11,541,999.00 (Eleven million, five hundred and forty one thousand, nine hundred and ninety nine naira) was paid to an officer of the College for various transactions in the year 2023.

ii. The sum in (i) above comprises ₦10,321,999.00 (Ten million, three hundred and twenty one thousand, nine hundred and ninety nine naira) paid to the officer for cleaning services, security services, fuel, duty tour allowance, honorarium, etc., and ₦1,220,000.00 (One million, two hundred and twenty thousand naira) paid as advance on the analysis of revenue cashbook.

iii. There was no evidence that the money was paid to the ultimate beneficiaries as required by the federal government's e-payment policy, and

iv. The sighted documents had no details of locations where the electricity bills were settled, the amount due for payment, invoices or copies of receipts of recharge units showing the meter number, amount purchased, address, registered name on the meter etc. as evidence of prudent utilization of disbursed public funds to the officer.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Wildlife Management, New Bussa.

Risks

i. Loss of public funds.
ii. Misapplication of public funds.

Management's Response

The College presented records to the Audit team but they were not satisfied and decided to call it unsubstantiated transactions. Payment and retirement vouchers were presented with evidence of signature by recipients of the fund with an explanation that they are local vigilante and cleaners engaged for securing and cleaning the College for both the temporary and permanent offices. Please find attached supporting documents.

The payment and Retirement vouchers were presented to the Audit team with receipt that energy bill was paid for and they also are witnesses that the College has light during their visit to confirm that energy was purchased. Please find the attached supporting documents.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦11,541,999.00 (Eleven million, five hundred and forty one thousand, nine hundred and ninety nine naira), being payment for unsubstantiated transactions.
ii. Recover and remit the sum of ₦11,541,999.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating irregular payments specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 3: UNLAWFUL PAYMENT OF HONORARIUM (=₦1,234,030.00)

Description of Findings

The Salaries, Income and Wages Commission Circular with Ref. No. SWC/S/04/S.310/T/65 dated 8th April, 2016, requires that the sitting allowances due to Board members of Federal Agencies, Statutory Corporations and Government owned companies based on different categories. It should be note that chief executive officers and other public servants on monthly salary who are board members in their own establishment are not entitled to sitting allowance. This Circular also stipulates the minimum and maximum number of meetings allowed for each category of staff. Also, paragraph 415 of the Financial Regulations states "The federal government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted."

Audit observed that

i. The College paid honorarium and sitting allowances amounting to ₦1,234,030.00 (One million, two hundred and thirty four thousand, and thirty naira) to staff from its IGR for routine administrative duties during official working hours.
ii. These payments were made for duties already encompassed within the job descriptions of the recipients and are typically covered by regular salaries. Consequently, what should be discretionary gestures of appreciation has transformed into obligatory statutory remunerations, and
iii. There was no justification provided for payment of the honorarium and sitting allowances to staff performing some tasks within their job description at the normal official work hour.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Wildlife Management, New Bussa.

Risks

i. Loss of public funds.
ii. Misapplication of public funds.

Management's Response

The amount tagged as honorarium was amount paid to invited guests of the College for different assignments of the College at different times during the year and also examination invigilation token paid to invigilators and not unlawful as alleged by this report

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦1,234,030.00 (One million, two hundred and thirty four thousand, and thirty naira), being unlawfu payment of honorarium and sitting allowances to staff.
ii. Recover and remit the sum of ₦1,234,030.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments and gross misconduct specified in paragraph 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

FEDERAL RESEARCH INSTITUTE OF NIGERIA (FRIN), IBADAN

At the Federal Research Institute of Nigeria, (FRIN), Ibadan, Oyo State, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: EXTRA BUDGETARY EXPENDITURE (₦1,008,180,261.90)

Description of Findings

Section 80(4) of the Constitution of the Federal Republic of Nigeria, 1999 (as amended) states, "No moneys shall be withdrawn from the Consolidated Revenue Fund or any other public fund of the Federation, except in the manner prescribed by the National Assembly." Also, paragraph 417 of Financial Regulations (FR) (2009) states, "Expenditure shall strictly be classified in accordance with the estimate, and votes must be applied only to the purpose for which the money is provided. Expenditure incorrectly charged to a vote shall be disallowed."

Audit observed that:

i. The sum of ₦339,450,377.00 (Three hundred and thirty nine million, four hundred and fifty thousand three hundred and seventy seven naira) was approved by the National Assembly for research and development of the Institute.
ii. The sum of ₦1,347,630,638.90 (One billion, three hundred and forty seven million six hundred and thirty thousand six hundred and thirty eight naira, ninety kobo) was however, expended.
iii. The above expenditure resulted in extra-budgetary spending of ₦1,008,180,261.90 (One billion, eight million, one hundred and eighty thousand, two hundred and sixty one naira ninety kobo).

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Research Institute of Nigeria, (FRIN), Ibadan.

Risks

i. Loss of public funds.
ii. Payment for non-existent transactions.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦1,008,180,261.90 (One billion, eight million, one hundred and eighty thousand, two hundred and sixty one naira, ninety kobo), being extra-budgetary expenditure on research and development.
ii. Recover and remit the sum of ₦1,008,180,261.90 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and failure to manage public funds effectively, specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2: IRREGULARITIES IN THE AWARD AND PAYMENT OF CONSULTANCY SERVICES (=₦75,449,250.00)

Description of Findings

Paragraph 2950 of the Financial Regulations (FR) (2009) states, "A ministry/extra-ministerial office or other arms of Government shall call for expression of Interest or application for pre-qualification from consultants where their services so required have been fully ascertained." Furthermore, paragraph 708 of the FR (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied." Similarly, paragraph 603(i) of the FR (2009) states, "All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets, etc."

Audit observed that:

i. A consultancy firm was originally engaged in 2014 through an engagement letter with Ref. No. FR/CG.305/S.1/10 dated 20th December, 2014. The scope of services to be rendered included supervision of projects, production of bid documents, preparation of periodic reports and payment certificates for each of the projects among others. The contractual relationship was for a period of two (2) years in the first instance with renewal subject to confirmation of satisfactory job performance.

ii. Since 2014, the company remained the sole consultant to the Institute through re-engagement every two (2) years without evidence of an application for pre-qualification from the consultant and without expression of interest from other professional consulting firms to ensure competitive selection processes. Arising from this lack of transparency in the re-engagement of the firm, the company enjoyed its retainership for over a decade. It is pertinent to note that placing this firm on retainership has no justification under the procurement laws or any other government regulations, particularly paragraph 2950 of the Financial Regulations.

iii. Ten (10) years later, the Institute allegedly recognised its error regarding non-compliance in the retainership of the consultancy firm and disengaged the company vide letter Ref. No FR/CG.543/1/49 dated 9th January, 2024.

iv. On the same day, the institute also wrote to the consultant via letter referenced FR/CG.543/1/49 dated 9th January, 2024, notifying the company of the impending advertisement to engage consultants for the Institute's capital projects. The direct notification by the Institute to the firm indicates that the process was already manipulated from the onset and would not ensure competitiveness.

v. The sum of ₦75,449,250.00 (Seventy five million, four hundred and forty nine thousand, two hundred and fifty naira) was paid to the consulting firm as consultancy service fee without evidence of services rendered or work done, and

vi. There was no trace of periodic reports such as monitoring reports on the contracts meant to be supervised, no tender reports, and no minutes of site meetings with the contractor.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Research Institute of Nigeria, (FRIN), Ibadan.

Risks

i. Payment for job not executed
ii. Diversion of public funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management has failed to respond to issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦75,449,250.00 (Seventy five million, four hundred and forty nine thousand, two hundred and fifty naira), being irregularities in the award and payment of consultancy services.
ii. Recover and remit the sum of ₦75,449,250.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to payment for jobs not executed and gross misconduct specified in paragraphs 3104(iii) and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 3: MISAPPROPRIATION OF CAPITAL FUNDS (=₦24,473,500.00)

Description of Findings

Section 80(4) of the Constitution of the Federal Republic of Nigeria, 1999 (as amended) states, "No moneys shall be withdrawn from the Consolidated Revenue Fund or any other public fund of the Federation, except in the manner prescribed by the National Assembly." Also, paragraph 417 of Financial Regulations (2009) states, "Expenditure shall strictly be classified in accordance with the estimate, and votes must be applied only to the purpose for which the money is provided. Expenditure incorrectly charged to a vote shall be disallowed."

Audit observed that:

i. The sum of ₦20,158,500.00 (Twenty million, one hundred and fifty eight thousand, five hundred naira) was paid to a company in respect of a 2022 contract for the provision of empowerment items to the less privileged in Ibadan South West/Ibadan North West Federal constituency, Oyo State, at the cost of ₦42,466,800.00 (Forty two million, four hundred and sixty six thousand, eight hundred naira). There was no evidence of budgetary provision in 2022 for the item.
ii. In 2023, the Institute paid the sum of ₦20,158,500.00 (Twenty million, one hundred and fifty eight thousand, five hundred naira), on the same project without evidence of appropriation. There were no records or evidence to show that the empowerment items were procured and distributed to the less privileged.
iii. The sum of ₦4,315,000.00 (Four million, three hundred and fifteen thousand naira) was earned as Internally Generated Revenue (IGR) and paid to a company without

evidence of appropriation in 2023. The payment was made in respect of consultancy services for contracts executed under the 2023 constituency projects, and

iv. The payments in (ii) and (iii) above, brought the total misappropriation of capital funds to ₦24,473,500.00 (Twenty four million, four hundred and seventy three thousand, five hundred naira).

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Research Institute of Nigeria, (FRIN), Ibadan

Risks

i. Loss of public funds.
ii. Misapplication of public funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management has failed to respond to issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦24,473,500.00 (Twenty four million, four hundred and seventy three thousand, five hundred naira), being extra-budgetary expenditure.
ii. Recover and remit to the Treasury, the sum of ₦24,473,500.00.
iii. Forward evidence of remittance particulars to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and failure to manage public funds effectively, stated in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 4: IRREGULAR AND UNSUBSTANTIATED PAYMENT OF SUBSCRIPTION (=₦20,000,000.00)

Description of Findings

Paragraph 415 of the Financial Regulations (FR) (2009) states, "The federal government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted." Furthermore, paragraph 603(i) of the FR (2009) states, "All vouchers shall contain full particulars of each service such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets, etc."

Audit observed that:

i. The sum of ₦20,000,000.00 (Twenty million naira) was paid to an agency/institution for subscription without supporting documents, such as an invoice or formal demand notice from the recipient. Additionally, there was no documented communication or agreement confirming the obligation to pay, or the amount payable.
ii. Funds were transferred from the Institute's Capital Account with the Central Bank of Nigeria (CBN) using voucher CAP/2023/170 dated 20th June, 2023 to an individual instead of FRIN.
iii. Approximately one month later, in an attempt to regularise the irregularities and circumvent applicable regulations, the Institute submitted a letter dated 17th July, 2023, to the Bureau of Public Procurement (BPP) requesting for the Certificate of "No Objection" to adopt the Direct Labour Procurement Method for this subscription under the 2023 Capital Allocation, and
iv. In response, BPP granted "No Objection" vide letter Ref. No. BPP/S.I/A&WR/23/Vol.II/247 dated 24th August, 2023.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Research Institute of Nigeria, (FRIN), Ibadan.

Risks

i. Loss of public funds.
ii. Misapplication of public funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management has failed to respond to issue raised, the findings remain valid until the Management implements the recommendations.

Recommendation

The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦20,000,000.00 (Twenty million naira), being irregular and unsubstantiated payment of subscription.
ii. Recover and remit to the Treasury, the sum of ₦20,000,000.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and failure to manage public funds effectively stated in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 5: PAYMENT FOR ICT EQUIPMENT WITHOUT APPROVAL FROM NATIONAL INFORMATION TECHNOLOGY DEVELOPMENT AGENCY (NITDA) (=₦94,787,562.50)

Description of Findings

Paragraph 4 of the Establishment Circular Ref. No. 59736/S.2/C.II/125 dated 31st August, 2018, states, "For the avoidance of doubt, MDAs and other government

establishments are to relate with and obtain prior approval from National Information Technology Development Agency (NITDA) for the implementation of Information Technology (IT) projects as well as the procurement of locally assembled IT components."

Audit observed that:

i. A company was awarded contract and paid for the procurement and installation of an Office Solar Network and Data House at the cost of ₦94,787,562.50 (Ninety four million, seven hundred and eighty seven thousand, five hundred and sixty two naira, fifty kobo) through Paid Voucher No. CAP/2023/194 dated 7th December, 2023, and
ii. There was no evidence of clearance obtained from the Nigeria Information Technology Development Agency (NITDA) produced for audit.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Research Institute of Nigeria, (FRIN), Ibadan

Risks

i. Duplication of software.
ii. loss of public funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management has failed to respond to issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦94,787,562.50 (Ninety four million, seven hundred and eighty seven thousand, five hundred and sixty two naira, fifty kobo), being procurement of information technology services without clearance from NITDA.
ii. Recover and remit the sum of ₦94,787,562.50 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and gross misconduct specified in paragraphs 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 6: NON-DISCLOSURE OF INFORMATION ON VENTURE AND ESTIMATED REVENUE THEREOF (=₦10,000,000.00)

Description of Findings

Paragraph 112(i) of the Financial Regulations (2009) "The functions of the Accounting Officer shall include:…(f) ensuring accurate collection and accounting for all public moneys received and expended;" Also, paragraph 27 of the International Public Sector

Accounting Standards (IPSAS) 1 states, “Financial statements shall present fairly the financial position, financial performance, and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events, and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue, and expenses set out in IPSASs. The application of IPSASs, with additional disclosures when necessary, is presumed to result in financial statements that achieve a fair presentation.”

Audit observed that:

i. The Institute had a Bottled Water Production Plant which was concealed and the sales proceed therefrom was not disclosed in the records of revenue source accruing to the Institution. The bottled water is branded D-FRIN water.
ii. The venture was operated under the Institute’s Business Development Unit but was not reported in the Institute's sources of internally generated revenue (IGR) schedule submitted to the audit team.
iii. The estimated production output in the year was 5,556 cartons of bottled water, sold at an average price of ₦1,800.00 per carton. This translated to an estimated revenue of ₦10,000,000.00 (Ten million naira) i.e. (₦1,800 × 5,556 cartons).
iv. After deducting operational costs (staff salaries, maintenance, packaging, utilities) estimated at ₦6,250,000.00 (Six million, two hundred and fifty thousand naira), the net income was approximately ₦3,750,000.00 (Three million seven hundred and fifty thousand naira), and
v. No records were provided to show that the net proceed was remitted to the Consolidated Revenue Fund (CRF) in accordance with extant regulations that requires accounting for all public moneys received.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Research Institute of Nigeria, (FRIN), Ibadan.

Risks

i. Loss of revenue to the government.
ii. Misappropriation of fund.
iii. Non-compliance with accounting framework

Management’s Response

No response.

Auditor’s Evaluation

Since the Management has failed to respond to issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦10,000,000.00 (Ten million naira), being non-disclosure of information on venture and estimated revenue thereof.
ii. Account for the sum of ₦10,000,000.00.
iii. Recover and remit to the Treasury, the sum of ₦10,000,000.00.

iv. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
v. Otherwise, sanctions relating to irregular payment specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 7: NON-RECOGNITION AND DISCLOSURE OF NET REVENUE (=₦1,434,635.00)

Description of Findings

Paragraph 112(i) of the Financial Regulations (2009) "The functions of the Accounting Officer shall include:…(f) ensuring accurate collection and accounting for all public moneys received and expended;" Also, paragraph 27 of the International Public Sector Accounting Standards (IPSAS) 1 states, "Financial statements shall present fairly the financial position, financial performance, and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events, and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue, and expenses set out in IPSASs. The application of IPSASs, with additional disclosures when necessary, is presumed to result in financial statements that achieve a fair presentation."

Audit observed that:

i. The Institute realized the sum of ₦36,312,432.00 (Thirty six million, three hundred and twelve thousand, four hundred and thirty two naira) as Internally Generated Revenue (IGR) from various sources during the year 2023.
ii. The IGR in (i) above included the sum of ₦15,485,785.00 (Fifteen million, four hundred and eighty five thousand, seven hundred and eighty five naira), being proceeds from supposed business transactions with two (2) companies while the Institute claimed to have incurred the sum of ₦14,051,110.00 (Fourteen million, fifty one thousand, one hundred and ten naira) as operating cost to generate the revenue, and
iii. The net revenue of ₦1,434,635.00 (One million, four hundred and thirty four thousand, six hundred and thirty five naira) arising from the investments in (ii) above was however, not disclosed and accounted for.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Research Institute of Nigeria, (FRIN), Ibadan.

Risks

i. Loss of revenue.
ii. Diversion of public funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management has failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦1,434,635.00 (One million, four hundred and thirty four thousand, six hundred and thirty five naira), being undisclosed and unaccounted net revenue.
ii. Recover and remit the sum of ₦1,434,635.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to failure to collect and account for Government Revenue specified in paragraph 3112 of the Financial Regulations (2009) should apply.

ISSUE 8: IRREGULAR EXPENDITURE FROM THE INSTITUTE REVENUE ACCOUNT (=₦1,798,350.00)

Description of Findings

Paragraph 236 of the Financial Regulations (FR) (2009) states, "Revenue paid into the Revenue Accounts for Internally Generated Revenue (IGR) of MDAs shall be transferred to the CRF before the 15th of the Month following the month of collection of the Revenue". Also, paragraph (ii) of the Finance Circular Ref. No. FMFBNP/OTHERS/IGR/CFR/12/2021 of 20th December, 2021, states, "all partially-funded Federal Government Agencies/Parastatals (receiving Capital or overhead allocation from the Federal Government Budget) should limit their annual budgetary expenditure from their Internally Generated Revenue (IGR) to not more than 50% (fifty percent) of their gross IGR and remit 100% (hundred percent) of the remaining 50% (fifty percent) to the Sub-Recurrent Account. All statutory revenue lines like tender fees, contractor's registration fees etc, should be remitted 100%"

Audit observed that:

i. The Management expended funds totaling ₦1,798,350.00 (One million, seven hundred and ninety eight thousand, three hundred and fifty naira) from the Institute's IGR/E-collection Account.
ii. The funds were used to offset claims in respect of a refund of excess air ticket and DTA incurred on the Food and Agriculture Organization (FAO) programme of Global Environment Facility (GEF) workshop, and
iii. There was no evidence of inbound and outbound tickets to support the travelling claims for which the DTA was paid.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Research Institute of Nigeria, (FRIN), Ibadan

Risks

i. Unauthorised expenditure.
ii. Diversion of public funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management has failed to respond to issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum ₦1,798,350.00 (One million, seven hundred and ninety eight thousand, three hundred and fifty naira), being irregular expenditures from the Institute's revenue account.
ii Recover and remit the sum of ₦1,798,350.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to failure to collect and account for Government Revenue specified in paragraphs 234(ii) and 3112 of the Financial Regulations (2009) should apply.

ISSUE 9: NON-DISCLOSURE OF DOMICILIARY ACCOUNT TRANSACTIONS AND INFORMATION (=₦821,894.00)

Description of Findings

Paragraph 701 of the Financial Regulations (FR) (2009) states, "No official bank account shall be opened unless authorized by the Account-General of the Federation…" Furthermore, paragraph 110 of the FR (2009) states, "By virtue of their responsibilities and functions, the Accountant General and the Auditor-General or their representatives shall, at all reasonable times, have free access to books of accounts, files, safes, security documents and other records and information relating to the accounts of all federal ministries/extra-ministerial offices and other arms of' government or units. They shall also be entitled to require and receive from members of the Public Service such information, reports and explanations as they may deem necessary for the proper performance of their functions."

Audit discovered that:

i. The Institute operated a domiciliary account FRIN - Domiciliary - 010147-USD-CDACBN-43 of which the details and nature of the transactions were not disclosed to the audit team.
ii. The domiciliary account was opened ostensibly for undisclosed reasons, and had an equivalent balance of ₦821,894.00 (Eight hundred and twenty one thousand eight hundred and ninety four naira) as at 31st December, 2023.
iii. The domiciliary account's cashbook, bank statement, payment vouchers and the monthly reconciliation statement for the account were not provided for audit to ascertain the genuineness, accuracy and validity of the transactions contained therein, and
iv. There was no record of authority or approval of the Accountant-General of the Federation to open the domiciliary account.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Research Institute of Nigeria, (FRIN), Ibadan

Risks
i. Diversion of public funds.
ii. Loss of public funds.

Management's Response
No response.

Auditor's Evaluation
Since the Management has failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations
The Director General should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦821,894.00 (Eight hundred and twenty one thousand, eight hundred and ninety four naira), being balance in undisclosed domiciliary account.
ii. Recover and remit the sum of ₦821,894.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly,
iv. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

FEDERAL COLLEGE OF FORESTRY, IBADAN

At the Federal College of Forestry, Ibadan, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: IRREGULARITIES IN AWARD OF CONSULTANCY SERVICES CONTRACT (=₦80,997,925.58)

Description of Findings
Paragraph 2950 of the Financial Regulations (FR) (2009) states, "A ministry/extra-ministerial office or other arms of Government shall call for expression of Interest or application for pre-qualification from consultants where their services so required have been fully ascertained." Furthermore, paragraph 708 of the FR (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied." Similarly, paragraph 603(i) of the FR (2009) states, "All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets, etc."

Audit observed that:
i. A Consultancy firm was paid the sum of ₦80,997,925.58 (Eighty million, nine hundred and ninety seven thousand, nine hundred and twenty five naira, fifty eight kobo) eight (8) times in the financial year for consultancy services.

ii. The 2023 Appropriation Act showed the sum of ₦1,368,438,749.00 (One billion, three hundred and sixty eight million, four hundred and thirty eight thousand seven hundred and forty nine naira) as the approved amount for the College's capital projects with their individual projects well stated.
iii. Procurement of consultancy services, not included in the approved list of the College's capital projects in the capital allocation to subheads, was however incurred and paid for as in (i) above, and
iv. Evidence of due process such as selection of the consultants, contract agreement showing responsibilities and scope of work, progress report and Service Level Agreement (SLA) were not provided for audit verification.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Forestry, Ibadan.

Risks

i. Misapplication of public funds.
ii. Diversion of public funds

Management's Response

The College wishes to clarify that all payments made to Ample Procurement Optimizes Consults were fully in line with the contract sum as stipulated in the bidding documents. Specifically, the payments are embedded in the preliminaries (Bill 1) of the tender document provided to all prospective bidders. The BOQ, as part of the tender documents, clearly outlines the cost components, with Bill 1 (Preliminaries) and Bill 2 (Project-Specific Costs) forming the basis for the general summary page of the tender document. All disbursements to the consultant were made in strict adherence to the approved contract sum, as evidenced by the tender documents and payment vouchers. For clarity and verification, we have attached the following:

- Copies of the bidding documents, including Bill 1 (Preliminaries) and Bill 2.
- The general summary page of the tender document.
- Payment vouchers and supporting documents showing alignment with the contract sum.

We trust that these documents will confirm the propriety of all payments made to the consultant.

Irregularities in the Award of Contract to the Consultant

The Federal College of Forestry, Ibadan, does not participate in the engagement or disengagement of consultants, as this responsibility lies solely with the Headquarters which is the Forestry Research Institute of Nigeria (FRIN), Ibadan. The processes for hiring and managing consultants are handled centrally by FRIN, and the College only implements directives issued by the Headquarters. Consequently, details regarding the consultant's engagement are not within the purview of the College.

We respectfully request that further inquiries regarding the consultant's engagement be directed to the Forestry Research Institute of Nigeria, Ibadan, for appropriate clarification.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦80,997,925.58 (Eighty million, nine hundred and ninety seven thousand, nine hundred and twenty five naira, fifty eight kobo), being payment for irregular award of consultancy services contract .
ii. Recover and remit the sum of ₦80,997,925.58 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to payment for jobs not executed and gross misconduct specified in paragraphs 3104(iii) and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2: PAYMENTS FOR UNAPPROPRIATED PROJECT (=₦9,134,275.00)

Description of Findings

Section 80(2) of the Constitution of the Federal Republic of Nigeria, 1999 (as amended) states, "No moneys shall be withdrawn from the Consolidated Revenue Fund of the Federation except to meet expenditure that is charged upon the fund by this Constitution or where the issue of those moneys has been authorised by an Appropriation Act, Supplementary Appropriation Act or an Act passed in pursuance of section 81 of this Constitution." Also, paragraph 313 of the Financial Regulations (FR) (2009) states, "The authority conveyed to Accountant-General and to Officers controlling votes, by recurrent warrant is limited to the amount provided under each subheading the approved estimates…" Furthermore, paragraph 417 of the FR (2009) states, "Expenditure shall strictly be classified in accordance with the Estimates, and votes must be applied only to the purpose for which money is provided. Expenditure incorrectly charged to a vote shall be disallowed."

Audit observed that:

i. The sum of ₦9,134,275.00 (Nine million, one hundred and thirty four thousand, two hundred and seventy five naira) was paid to a company for the Internal Drainage contract in the year 2023
ii. The project paid for in (i) above was not provided for in the 2023 Appropriation Act of the College.
iii. The expenditure was funded from the 2022 unspent capital allocation totaling ₦10,469,073.87 (Ten million, four hundred and sixty nine thousand, seventy three naira, eighty seven kobo).
iv. The resolution to utilize the unspent capital balance of the 2022 Appropriation for the completion of the drainage component was made at the Tenders Board meeting held on 28th April, 2023, as evidenced in the minutes of meeting, and
v. Rather than returning the unspent funds back to government coffers, the College diverted the 2022 financial year balance to execute a new project without

legislative approval, supplementary appropriation or virement warrant by the National Assembly.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Forestry, Ibadan.

Risks

i. Misapplication of public funds.
ii. Diversion of public funds

Management's Response

The College wishes to clarify that the project in question, the Construction of Internal Drainages awarded to J.C. Richards Interbiz Services Limited, was not a new project initiated in 2023. Rather, it was a continuation of an ongoing project from the 2022 financial year, duly appropriated in the 2022 budget. The payment of ₦9,134,275.00 was made following the approved appropriation for 2022 and was judiciously utilised for the execution of the project, which was undertaken and funded in 2023.

To substantiate this, we have attached the following:

- Evidence of project execution, including progress reports, completion certificates, and photographs.
- Relevant budgetary appropriation documents for 2022.
- Payment vouchers and related financial records.

These documents confirm that the project was duly executed, and all funds were appropriately utilised in line with the approved budget.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦9,134,275.00 (Nine million, one hundred and thirty four thousand, two hundred and seventy five naira), being unspent 2022 funds diverted to another project.
ii. Recover and remit the sum of ₦9,134,275.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and failure to spend public funds effectively specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 3: UNRETIRED CASH ADVANCES (=₦2,241,700.00)

Description of Findings

Paragraph 1405 of the Financial Regulations (FR) (2009) states, "Accounting Officers are responsible for ensuring the prompt repayment of all advances by installments or

otherwise." Furthermore, paragraph 1420(i) of the FR (2009) states, "It is the responsibility of all Accounting Officers to ensure that all advances granted to officers are fully recovered." Similarly, paragraph 1416 of the FR (2009) states, "The outstanding balance of any advance shall be recovered in full from the last payment of salary and/or retirement gratuity of an officer who leaves the service on retirement, resignation, termination of appointment or dismissal."

Audit observed that:

i. Cash advances amounting to ₦2,241,700.00 (Two million, two hundred and forty one thousand, seven hundred naira) were outstanding as at 31st December, 2023 in respect of four (4) staff of the College, and
ii. The cash advances remained unretired at the time of the audit exercise.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Forestry, Ibadan

Risks

i. Diversion of public funds.
ii. Payment for non-existent transactions.

Management's Response

The College, over the years, have been complying with the provisions of Paragraph 1420 of the Financial Regulations (FR) 2009, which pertains to Retirement of Cash Advances.

The Provost, the Accounting Officer of the college, ensures that cash advances granted to officers to execute immediate commitments that cannot wait for the period of passing the request through the normal processing time due to urgency of the need are retired immediately after the task is accomplished.
The list of unretired cash advances for the period under review was due for the officers involved being indisposed.

The unretired cash advances have been fully recovered after the Audit Exercise.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦2,241,700.00 (Two million two hundred and forty one thousand, seven hundred naira), being unretired advances.
ii. Recover and remit the sum of ₦2,241,700.00 to the Treasury.
iii Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv Otherwise, sanctions relating to failure to retire cash advances and irregular

payments specified in paragraphs 3124 and 3106 of the Financial Regulations (2009) respectively, should apply.

ISSUE 4: UNJUSTIFIED AWARD OF CONTRACTS TO THE HIGHEST RESPONSIVE BIDDERS (=₦83,443,816.75)

Description of Findings

Section 16 (17) of the Public Procurement Act (PPA) (2007) states, "A contract shall be awarded to the lowest evaluated responsive bid from the bidders substantially responsive to the bid solicitation." Furthermore, section 24(3) of the PPA (2007) states, "The winning bid shall be that which is the lowest evaluated responsive bid which has been responsive to the bid with regards to work specification and standard. In addition, section 33(1) of the PPA (2007) states, "The successful bid shall be that submitted by the lowest cost bidder from the bidders responsive as to the bid solicitation."

Audit observed that:

i. The College obtained bids from various contractors in respect of a series of LOTs for projects to be executed in the 2023 financial year.
ii. After the technical and financial evaluation of the bids by the Tenders Board, the seven (7) contracts were awarded to the highest responsive bidders, contrary to the provision of the Public Procurement Act, 2007.
iii. The total contract price for the seven (7) highest bids was ₦527,332,429.73 (Five hundred and twenty seven million, three hundred and thirty two thousand, four hundred and twenty nine naira, seventy three kobo) while the total for the seven (7) lowest bids was ₦443,888,613.00 (Four hundred and forty three million, eight hundred and eighty eight thousand, six hundred and thirteen naira), resulting in a variance of ₦83,443,816.75 (Eighty three million, four hundred and forty three thousand, eight hundred and sixteen naira, seventy five kobo).
iv. There was no justification provided for the Tender Board's decision to award the contracts to the highest bidders instead of contractors with the lowest bids, and
v. The action caused the government the loss of ₦83,443,816.75 (Eighty three million, four hundred and forty three thousand, eight hundred and sixteen naira, seventy five kobo) that could have been used to execute additional capital project.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Forestry, Ibadan.

Risks

i. Financial loss due to inflated procurement costs
ii. Lack of transparency and accountability.
iii. Loss of government funds.

Management's Response

The College adhered strictly to the provisions of the Public Procurement Acts (PPA) 2007, particularly Section 16(6), which stipulates "that contracts should be awarded to the lowest evaluated responsive bidder" and not necessarily the lowest bidder. The evaluation process considered technical responsiveness, financial capability, and compliance with project specifications, in addition to the bidding price.

In the year in question, the College's Tenders Board, in its wisdom, adopted a threshold of -5% deviation from the in-house estimates to ensure that selected bids were realistic and capable of delivering projects to the required standards within the stipulated timeframe. This decision was informed by the prevailing economic conditions, characterized by high inflation and market price fluctuations, which posed significant risks to project execution. Bids that were significantly lower than the in-house estimates were deemed unrealistic and likely to result in substandard delivery or project abandonment.

For transparency, we have attached the following:

- Copies of the evaluation report from the College's 2023 Capital Projects Report.
- Comparative analysis of bids, highlighting the responsiveness and financial realism of the selected bidders.

These documents confirm that the contract awards were made in compliance with the PPA 2007 and were in the best interest of the College.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦83,443,816.75 (Eighty three million, four hundred and forty three thousand, eight hundred and sixteen naira, seventy five kobo), being funds lost due to irregular award of contract to the highest responsive bidders.
ii. Recover and remit the sum of ₦83,443,816.75 to the Treasury.
iii Forwarding evidence of remittance to the Public Accounts Committees of the National Assembly; and
iv. Otherwise, sanctions relating to irregular payment specified in paragraph 3106 of the Financial Regulations (2009) should apply.

FEDERAL COLLEGE OF FORESTRY, JOS,

At the Federal College of Forestry, Jos, for the period 1st January, 2022, to 31st December, 2023, the following observations were made:

ISSUE 1: IRREGULAR AWARD OF CONTRACTS TO UNQUALIFIED CONTRACTORS (=₦127,834,432.50)

Description of Findings

Section 23 (1) of the Public Procurement Act (PPA) (2007) states, "Where a procuring entity has made a decision with respect to the bidders, minimum qualifications of suppliers, contractors or service providers by requesting interested persons to submit

applications in reaching decisions as to which supplier, contractor or service provider qualifies, apply only the criteria set out in the pre-qualification documents and no more." Also, paragraph 2909 of the Financial Regulations (FR) (2009) states, "All bidders in a contract for public procurement must show proof of eligibility for the award of the contract. They must prove the following amongst others, viz: (a) they possess the necessary technical qualification (b) they possess the machinery, equipment, and manpower for the job (c) they have the legal capacity to enter into the contract..."

Audit observed that:

i. Contracts amounting to ₦127,834,432.50 (One hundred and twenty seven million, eight hundred and thirty four thousand, four hundred and thirty two naira, fifty kobo) were awarded to contractors who did not meet the financial qualification criteria stipulated in the Public Procurement Act.
ii. The Tax Clearance Certificates (TCC) and financial statements indicated financial incapacity to handle the awarded contracts.
iii. A company, among others, was awarded contract for the Empowerment and Training of Vegetable and Agroforestry Farmers in Seanoo, Onitsha, Anambra State, at the price of ₦80,103,625.00 (Eighty million, one hundred and three thousand, six hundred and twenty five naira). A review of the company's turnover for three years (2019 - 2021) from the TCC revealed the following:
    - 2019 - ₦2,313,500.00 (Two million, three hundred and thirteen thousand, five hundred naira).
    - 2020 - ₦1,050,000.00 (One million and fifty thousand).
    - 2021- ₦78,263,346.16 (Seventy eight million, two hundred and sixty three thousand, three hundred and forty six naira, sixteen kobo).
iv. The turnover profile shows extreme fluctuations in 2021, which suddenly increased by over 7,000% compared to 2020 without supporting documentation or valid explanation. This raises concerns of possible inflation, fabrication, or backdated adjustments in financial records to meet bid requirements.
v. The three-year average annual turnover of the company was calculated at ₦27,208,948.72 (Twenty seven million, two hundred and eight thousand, nine hundred and forty eight naira, seventy two kobo), which is only 34% of the contract value, falling below acceptable industry thresholds for contract award.
vi. Additionally, the company was awarded the contract for the Construction of Internal Road/Provision and Installation of Solar Street Light at the cost of ₦27,730,807.50 (Twenty seven million seven hundred and thirty thousand, eight hundred and seven naira, fifty kobo), while the third company was awarded the contract for the Rehabilitation of the Library Roof, Burglary Proof, Purchase of Books, and Construction of Bookshelves at the cost of ₦20,000,000.00 (Twenty million naira).
vii. In both cases, there were no turnover records attached to their bid documents, contrary to the mandatory provisions of the Public Procurement Act, and
viii. The College's procurement process failed to verify the consistent financial capability of the contractors over time, contrary to Section 16(6)(a)(ii) of the Public Procurement Act, 2007, which requires that bidders possess sufficient financial capacity to perform the obligations of the contract.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Forestry, Jos

Risks

i. Abandonment of projects/contracts.
ii. Loss of public funds.

Management's Response

In awarding the said contract, turnover was not outlined as eligibility hence, financial capability indicating bank was willing to give credit facility was used, similarly considering the scale of the work classified under small work, a contractor can conveniently execute the project with bank credit facility.

Other eligibility criteria were treated as major criteria except the turnover and the College was able to procure the best and qualified contractors without delay, or abandon projects. All the contract work for the said year were done according to specification and within the completion period.

I. Based on the above the contract totaling ₦127,834,432.50 (One hundred and twenty seven million, eight hundred and thirty four thousand, four hundred and thirty two naira fifty kobo) was not awarded to financially unqualified contractors because there was no single abandoned or uncompleted project in the college and all the College project had been standing in quality for years and they are still standing.

II. Tax clearance is not the only proof of ability to handle project provided the bank are willing to offer credit facilities and all the project awarded to the said contractors were completed within the specified period without any delay due to finance or variation in specification

III/IV. Messrs D.O.T Allied ltd was confirmed with QR code which shows that he truly had an increase in his turnover in the year 2021. If FIRS Site confirmed that he had the turnover, how else can the College confirm the authenticity?

V /VI/VII. Messrs PK. Environmental was also financially capable because turnover was not outlined as criteria, but financial capability, indicating bank ability for financial support for the project when awarded the contract.

VIII. Based on section 16 (6)(a)(ii) of the procurement act 2007, financial capability is not only determined by tax clearance or turnover other, factors like amount of work at hand, liquid cash, equipment and facilities, credit facilities etc can determine financial capability

Auditor`s Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦127,834,432.50 (One hundred and twenty seven million, eight hundred and thirty

four thousand, four hundred and thirty two naira, fifty kobo), being payment for irregular award of contract to unqualified contractors.

ii. Recover and remit the sum of ₦127,834,432.50 to the Treasury.

iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and

iv. Otherwise, sanctions relating to irregular award of contract specified in paragraph 3117 of the Financial Regulations (2009) should apply.

ISSUE 2: EXTRA-BUDGETARY EXPENDITURE (=₦13,013,521.50)

Description of Findings

Section 80(4) of the Constitution of the Federal Republic of Nigeria, 1999 (as amended) states, "No moneys shall be withdrawn from the Consolidated Revenue Fund or any other public fund of the Federation, except in the manner prescribed by the National Assembly." Also, paragraph 417 of Financial Regulations (FR) (2009) states, "Expenditure shall strictly be classified in accordance with the estimate, and votes must be applied only to the purpose for which the money is provided. Expenditure incorrectly charged to a vote shall be disallowed." Furthermore, paragraph 415 of the FR (2009) states, "The federal government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted." Similarly, paragraph 313 of the FR (2009) states, "The authority conveyed to the Accountant-General, and to officers controlling votes, by Recurrent Expenditure Warrants is limited to the amounts provided under each sub-head in the Approved Estimates and Supplementary Estimates. No expenditure on any sub-head of the Recurrent Estimates in excess of the provision in the Approved estimates or Supplementary Estimates may be authorized by any officer controlling a vote, without approval of the National Assembly. Such approval will be sought by means of an application for supplementary provisions or virement."

Audit observed that:

i. A company was awarded the contract for the Construction of Internal Drainage and Provision and Installation of Solar Street Light, vide Ref. No. CFJ/CFG/256/II/XX dated 9th May, 2023, at the contract sum of ₦14,505,867.25 (Fourteen million, five hundred and five thousand, eight hundred and sixty seven naira, twenty five kobo), with six (6) weeks completion period.

ii. The sum of ₦13,013,521.50 (Thirteen million, thirteen thousand, five hundred and twenty one naira, fifty kobo), representing 89.71% had been paid in 2023 at the time of audit.

iii. The contract in (i) above was not approved in the 2023 Appropriation Act but funded from the rollover of 2022 capital allocation.

iv. The decision to utilize the rollover of 2022 capital allocation for the project not included in the 2023 appropriation, was made at the Technical Evaluation Committee meeting held on 22nd April, 2022, as evidenced in the minutes of meeting, and

v. There was no evidence of supplementary budget or virement warrant by the National Assembly authorizing the College to use the fund for project not appropriated in 2023.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Forestry, Jos.

Risks

i. Misapplication of public funds.
ii. Misappropriation of public funds,

Management's Response

₦14,505,867.25 (Fourteen million, five hundred and five thousand, eight hundred and sixty seven naira, twenty-five kobo only] was 2022 appropriation balance which was incurred in the area of needs following procurement practices.

In all of the procurement exercises there was no intention of fraud as alleged or financial irregularities every of the projects were executed as specified in the BOQ and duly completed in record time in line with professional best practices

Here in College **value for money** is our watch word and thus we are intentional about it in every of our procurement exercises

The funds were not misapplied rather the balance of 2022 capital project after execution of fiscal year fund was used to solved part of the College need that has to do with flood.

The tender board committee after the execution of the physical year fund decided that the money should be utilize to construct drainages to control flood as against the initial view of solar street light as stated in the minutes of the meeting. this decision was strictly based on priority of NEEDS (MESSRS USIJU QUALITY BASE LTD) was procure as the contractor to handle the project after an internal advertisement due to insufficient time and cost of advertising in dailies or Journals and relevant procurement steps were used to make selection.

I/II/ III/ IV/ V /VI:- The tender board prioritized the College urgent needs as against the initial suggestion of solar street light hence they decided to go for construction of drainage which was awarded to Messrs USIJU QUALITY BASE LTD

KEY NOTES

I. The public fund was not misapplied and mismanage rather it was channelled and utilized to solve the College urgent needs
II There was no fraud neither financial irregularity because the said project was done and completed
III There was no poor internal control system because due process was followed and College had never experienced any undone project or abandon project

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦13,013,521.50 (Thirteen million, thirteen thousand, five hundred and twenty one naira, fifty kobo) being payments for project not approved in the 2023 Appropriation Act.
ii. Recover and remit the sum of ₦13,013,521.50 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

ISSUE 3: AWARD OF CONTRACT TO A COMPANY WITH FALSIFIED TAX CLEARANCE CERTIFICATE (=₦63,445,118.63)

Description of Findings

Paragraph 3 of the Establishment Circular Ref. No. SGF.50/5.52/III/652 dated 11th October, 2017, states, "To this end, all Accounting Officers are to ensure that post-qualification/due diligence are carried out on all bidders recommended for award of projects and the report of such verification should form part of the documents to be submitted to the Bureau when requesting for Due Process Certificate of "No Objection..."

Audit observed that:

i. A company was awarded a contract for the Construction/Rehabilitation and Furnishing of College Building/Workshop at the cost of ₦63,445,118.63 (Sixty three million, four hundred and forty five thousand, one hundred and eighteen naira, sixty three kobo).
ii. The Tax Clearance Certificate (TCC) submitted by the company as part of prequalification requirement for the bid was falsified with an inflated turnover, as information contained therein was contrary to the result of the search conducted on the official platform of the FIRS to confirm the authenticity of the TCC.
iii. There was no control put in place by the College to verify the authenticity of the statutory prequalification documents such as: TCC, PENCOM, ITF, CAC and IRR certificates, and
iv. There was no evidence of due diligence carried out by the College before award of contracts.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Forestry, Jos.

Risks

i. Award of contracts to incompetent contractors.
ii. Loss of public funds.

Management's Response

Since turnover was not stipulated as condition for award of contract, the technical evaluation committee did not pay much attention to turnover post qualification and this explains the oversight of post evaluation of tax clearance

lowest evaluated responsive bidder post qualification evaluation on other eligibility criteria was carried out.

KEY NOTE.

I. The procurement evaluation committee have standard means of verifying the eligibility document among which are use of QR code, website checks etc.
II. Due diligence of cross verification and post qualification were done with the exclusion of turnover since it was not used in deciding the lowest evaluated responsive bid.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦63,445,118.63 (Sixty three million, four hundred and forty five thousand, one hundred and eighteen naira, sixty three kobo), being the award of contract to a company with falsified Tax Clearance Certificate (TCC).
ii. Recover and remit the sum of ₦63,445,118.63 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 4: IRREGULAR ALTERATION OF PROJECT SCOPE (=₦38,486,293.63)

Description of Findings

Section 20(2) of the Public Procurement Act (2007) states, "The accounting officer of every procurement entity has overall responsibility for the planning and organization of tenders, evaluation of tenders and execution of all procurement's and in particular shall be responsible for (a) ensuring compliance with the provisions of this Act by his entity…" Also, paragraph 415 of the Financial Regulations (2009) states, "The Federal Government requires all officers responsible for expenditure to exercise due economy, money must not be spent merely because, it has been voted."

Audit observed that

i. The College awarded a contract to a company at the sum of ₦63,445,118.63 (Sixty three million, four hundred and forty five thousand, one hundred and eighteen naira, sixty three kobo).
ii. The Bill of Quantities (BOQ), Appropriation Act, project design and drawings clearly specified the Construction and Equipment of a Wood Workshop, with a budgetary allocation of ₦24,958,825.00 (Twenty four million, nine hundred and fifty eight thousand, eight hundred and twenty five naira)

iii. Physical inspection of the project revealed that a wooden workshop budgeted for in (ii) above, was executed as Construction and Equipment of Metal Workshop, leading to an extra cost of ₦38,486,293.63 (Thirty eight million, four hundred and eighty six thousand, two hundred and ninety three naira, sixty three kobo), and
iv. There was no document provided as evidence of approval for the modifications made to the contract.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Forestry, Jos.

Risks

i. Misappropriation of public funds.
ii. Unauthorized Payments.

Management's Response

This was due to typographical error during capturing in advertisement, the actual need of the College was metal workshop and that was what was executed as specified in the BOQ.

I. Messrs Ganzy Global Resources Ltd was awarded the contract of ₦63,445,118.63. (Sixty three million, four hundred and forty five thousand, one hundred and eighteen naira, sixty three kobo only) was not use for the construction of metal workshop/laboratory alone Other project like rehabilitation of the driver's section and audio-visual classroom and furnishing were done

The portion of the money used by the contractor for metal workshop/ laboratory was ₦24,958,825.00. (Twenty four million, nine hundred and fifty eight thousand, eight hundred and twenty-five naira only).

KEY NOTES.

I. There was no deviation in the scope of work rather it was typographical error in advertisement capture.
II. There was thorough monitoring during the project execution.
III The fund amounting to ₦24,958,825.00. (Twenty four million, nine hundred and fifty-eight thousand, eight hundred and twenty five naira only). Was not misapplied, but rather used for the intended construction of metal workshop/ Laboratory in the College.
IV. The College did not produce document to the change in title of project because it was seen as a typographical error and no fraud was done in the said project.

Deliberation is always taken in our procurement principles especially in careful ranking of needs to ensure value for money, which had helped the College not to experience abandon and uncompleted project and this also shows that our control system is not weak. The responses have been reviewed as follows:

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations:
The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦38,486,293.63 (Thirty eight million, four hundred and eighty six thousand, two hundred and ninety three naira, sixty three kobo), being payments made for an unauthorized modified contract.
ii. Recover and remit the sum of ₦38,486,293.63 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 5: ENGAGEMENT OF UNLICENSED SECURITY FIRM (=₦10,832,720.93)

Description of Findings
Paragraph 2909 of the Financial Regulations (FR) (2009) requires that all bidders in a contract for public procurement must show a proof of eligibility for the award of the contract, and prove they possess the necessary technical qualification. Also, Section 1 of the Private Guard Companies Act CAP P30, LFN (2004) provides that a private security company must seek and obtain a license from Nigeria Security and Civil Defence Corps (NSCDC) to operate.

Audit observed that:

i. The College paid the sum of ₦10,832,720.93 (Ten million, eight hundred and thirty two thousand, seven hundred and twenty naira, ninety three kobo) to a private security firm in respect of security services rendered to the College in 2023.
ii. The firm was contracted as private security firm to guard the College's premises without proof of technical eligibility qualification in accordance with the provisions of extant regulations.
iii. There was no record of a valid operational license from the Nigeria Security and Civil Defence Corps (NSCDC) while the company was allowed to deploy undisclosed personnel, exposing the College to potential security and legal risks, and
iv. There was no evidence that due diligence or regulatory compliance checks were carried out before awarding the contract. This contravenes the law governing private security companies and raises concerns about the safety and integrity of the College's facilities.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Forestry, Jos.

Risks
i. Compromised security of both lives and public assets.
ii. Loss of public funds.

Management's Response

The College had always complied with both procurement Acts 2007 and Finance Act 2009 including all the recently updated version in year 2020.

Messrs Daps Global Security has his certificate of incorporation, though other eligibility like ITF, NSIF, PENCOM etc were not considered as major because the Company is not a profit-making company rather a service provider hence the College focus is more on the service rendered which had been so encouraging for years. Similarly, the Firm was employed in the year 2015 when the staff of Federal college of Forestry had not gone for procurement training and because they are doing a great work the College did not bother to change them.

I. The sum of ₦10,832,720.93 (Ten million, eight hundred and thirty-two thousand, seven hundred and twenty naira ninety three kobo only) was paid to Messrs DAPS Global Security as a LUMPSUM for accumulated SALARIES of DAPS GLOBAL WORKERS. Generally, the service provider pays their staff themselves monthly while the College will pay the service provider from overhead in LUMPSUM for whatever number of Months the College was owing.

II. Messrs DAPS Global Security Ltd was contracted as private security to guard the College when the College was having issues with VAAK Security service. During this period the College was operating under two Security agent VAAK security service provider and DAPS Global Security Ltd

III. Messrs Daps Global Security has a valid operational license from the Nigeria Security and Civil Defence Corps (NSCDC). The license No. is NSCDC/PGC/020/0001110, CATEGORY 'B' This license is in line with Private Guard companies Act. CAP 367 of the Federation of Nigeria, 1990.

IV. The College employed the security agent based on their certificate of incorporation and experience other due diligence were kept low because security agent is not a moneymaking venture organization, their procurement process is more or less like DIRECT LABOUR ACCOUNT METHOD though they are not the College staff.

V. First, security belongs to God. But the truth is that by the mercies of God they are doing a great job despite the terrain of the College.

VI The College did not breach the extant procurement laws and National security policies because the procurement process was treated as a DIRECT LABOUR PROCUREMENT though they are not our staff, and they have proved themselves capable over years hence the College did not see the need for a change despite the terrain of the College location

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦10,832,720.93 (ten million, eight hundred and thirty two thousand, seven hundred and twenty naira, ninety three kobo), being payment to an unlicensed security firm.

ii. Recover and remit the sum of ₦10,832,720.93 to the Treasury.

iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 6: AWARD AND PAYMENT OF CONTRACT WITHOUT DUE PROCESS (=₦11,435,488.37)

Description of Findings

Section 24(1) of the Public Procurement Act (PPA) (2007) states, "Except as provided by this Act, all procurements of goods and works by all procuring entities shall be by way of open competitive bidding." Also, paragraph 2907 (i) of the Financial Regulations (FR) (2009) states, "In order to ensure transparency and accountability, achievement of value for money, economy and efficiency, and equity and fairness, all procurements falling within the bureau's thresholds shall be by way of open competitive bidding."

Audit observed that:

i. The sum of ₦11,435,488.37 (Eleven million, four hundred and thirty five thousand, four hundred and eighty eight naira, thirty seven kobo) was paid to a company in respect of cleaning services in 2023.
ii. The procurement records indicated that the contract was awarded directly to the company without evidence of competitive bidding. There was no advertisement placed to invite bids from other qualified cleaning service providers, either through national dailies or the Federal Government e-Procurement Portal.
iii. The College denied other competent service providers the opportunity to participate in the procurement process, thereby undermining the principles of fairness, competitiveness, and transparency in public procurement.
iv. There were no records and evidence of technical capability or past performance as the College did not verify whether the cleaning company had the technical expertise, trained manpower, or previous experience in providing large-scale cleaning services to government institutions, and
v. There was no evidence of compliance with statutory documentation requirements as the contractor's tax clearance certificate, Industrial Training Fund (ITF) compliance certificate, National Pension Commission (PENCOM) compliance certificate, and National Social Insurance Trust Fund (NSITF) compliance certificate were either not obtained or not presented for verification.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Forestry, Jos

Risks

i. Operational inefficiencies.
ii. Mismanagement of public funds.
iii. Loss of public funds.

Management's Response

MR WASH NIG LTD was engaged by the College in the year 2007, just when Procurement ACT 2007 and Finance Acts 2009 were beginning to have the full understanding of what laws applies to procurement process

No staff of the College had been privileged then to know what eligibility requirement by BPP was then. Their engagement was based on certificate of incorporation and experience

i. The sum of ₦11,435,488.37 [eleven million, four hundred and thirty-five thousand, four hundred- and eighty-eight-naira, thirty-seven kobo only] was paid to Mr. Wash Nig. Ltd being the payment for accumulated monthly salary of Mr. Wash staff.

ii There was never any lapses in the procurement process because during their engagement there was no strict adherence to eligibility by BPP. and many of us were not even in Civil service then.

Secondly the AUDITORS should be able to testify to the SERENITY of the College environment. How else do we measure the VALUE FOR MONEY for a CLEANING SERVICE AGENT if not by the SERENITY OF THE ENVIRONMENT

iii. The amount of the contract is within the Accounting Officer threshold and selective tendering process was used to get the best cleaning agent based on experience. This cleaning agent provider had been working with the college for over 18 years without any reason to complain. Secondly their method of procurement under the selective tendering process was treated like DIRECT LABOUR Account (though they are not our staff

There can only be physical evidence of a cleaning service which was evident with the clean environment of the college but not withstanding the College will begin to snap and keep pictures of its clean environment hence forth

iv. From my knowledge of 2007 procurement ACTS when MR. Wash was engaged Competitive bidding was not yet in place it was just starting hence, the College had not in any way BYPASS COMPETITIVE BIDDING

KEY NOTES

1. From all of the above explanation there was never in any way operational inefficiency, if there were the College will not retain Mr Wash for 18 [eighteen good years] in the College

II. There was value for money because the auditors can testify to the serenity of the College environment which several outsiders used to testify to about the College unless they can explain to us how best to measure such values

iii. As explained above the College does not have a poor internal control system but rather the College should be praised for being able to maintain such a clean environment with a service provider for long period of years without any jeopardy

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦11,435,488.37 (Eleven million, four hundred and thirty five thousand, four hundred and eighty eight naira, thirty seven kobo), being payment for contract awarded without following due process.
ii. Recover and remit the sum of ₦11,435,488.37 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and irregular award of contract specified in paragraphs 3106 and 3117 of the Financial Regulations (2009) respectively, should apply.

ISSUE 7: CIRCUMVENTION OF PROCUREMENT PROCEDURES (=₦7,087,800.00)

Description of Findings

Paragraph 3 of the Treasury Circular Ref. No. TRY/A7 & B7/2015/OAGF/CAD/026/V.1/178 of 12th August, 2015, states, "All Accounting Officers and Officers controlling expenditure are to ensure that all local procurement of stores and services costing above ₦200,000.00 shall be made only through Award of Contracts, except as provided by the Public Procurement Act, 2007." Also, paragraph 2302 (ii) of the Financial Regulations (FR) (2009) states, "On no account shall special imprest or cash advance be used in place of Local Purchase Order or Job Order of the procurement of stores locally."

Audit observed that:

i. The College made a direct cash payment totaling ₦7,087,000.00 (Seven million and eighty seven thousand naira) to designated staff members for series of local procurements during the year under review.
i. The direct cash payment exceeded the approved threshold of ₦200,000.00, thereby circumventing procurement procedures, and
ii. There was no evidence of retirement of the cash payment to validate the use of the funds, and
iii. The amount paid for direct procurement in (i) above deprived the federal government of ₦531,525.00 (Five hundred and thirty one thousand five hundred and twenty five naira) that would have accrued as revenue through taxes.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Forestry, Jos

Risks

i. Loss of revenue due to government.
ii. Diversion of public funds.

Management's Response

The college made a direct payment for transactions amounted to ₦7,087,800.00 (Seven million, and eighty seven thousand eight hundred naira only) to some designated members for series of local procurement such as:

HIJET: The Hijet was bought and paid for in three instalments due to none availability of funds of which Local Purchase Order (LPO) was attached to the document. The auditors perused and confirmed all the document for the purchase. They also did the physical verification of the hijet. This transaction was processed as cash advance and was retired upon completion, of which the prescribed accountability procedures were followed.

TABLE WATER: Table water material was purchased locally and not contracted due to unavailability of funds and there was high demand of table water which we were left with no option than to collect the material on credit. All the supporting document are intact and have been cited by audit staff.

MANURE AND TOP SOIL, CHEMICALS FOR FUMIGATION, CLEARING OF DRAINAGE AND BURNING OF DRY LEAVES IN THE COLLEGE: All the advances have the supporting document and has been retired, so I doubt much if there is any refund.

Auditor' Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦7,087,000.00 (Seven million and eighty seven thousand naira), paid above the approved ₦200,000.00 threshold in circumvention of procurement procedure.
ii. Recover and remit the sum of ₦7,087,000.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 8: PROCUREMENT OF ICT FACILITIES WITHOUT APPROVAL FROM NATIONAL INFORMATION TECHNOLOGY DEVELOPMENT AGENCY (=₦4,316,786.28)

Description of Findings

Paragraph 4 of the Establishment Circular Ref. No. 59736/S.2/C.II/125 dated 31st August, 2018, states, "For the avoidance of doubt, MDAs and other government establishments are to relate with and obtain prior approval from National Information Technology Development Agency (NITDA) for the implementation of Information

Technology (IT) projects as well as the procurement of locally assembled IT components."

Audit observed that:

i. A total of ₦4,316,786.28 (Four million, three hundred and sixteen thousand, seven hundred and eighty six naira, twenty eight kobo) was paid at various times to a company for portal services purportedly rendered by the payee vendor.
ii. There was no evidence of due process such as advertisement, competitive bidding, or formal selection of bidders, Expression of Interest (EOI), technical evaluation, contract agreement etc. As required by extant regulations.
iii. There was no record of Needs Assessment and approved procurement plan for the portal service project as required by Procurement regulations, and
iv. There was no evidence of clearance obtained from the Nigeria Information Technology Development Agency (NITDA) before award and determination of the contract price.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Forestry, Jos

Risks

i. Award of contract to incompetent contractors.
ii. Loss of public funds.
iii. Diversion of public funds

Management's Response

The college followed due process in the engagement of Messrs Silver-light Technologies Limited. The contract sum was not overpriced or inflated.
Attached is the contract agreement with Messrs Silver-light Technologies Limited.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦4,316,786.28 (Four million, three hundred and sixteen thousand, seven hundred and eighty six naira, twenty eight kobo), being award of ICT contracts without obtaining clearance from NITDA.
ii. Recover and remit the sum of ₦4,316,786.28 to the Treasury.
iii. Forwarding evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv Otherwise, sanctions relating to irregular payment and gross misconduct specified in paragraphs 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 9: AWARD OF CONSTRUCTION CONTRACTS WITHOUT TOPOGRAPHICAL SURVEY OR SOIL TEST REPORT (=₦39,509,255.01)

Description of Findings

Paragraph 2925 (i) of the Financial Regulations (FR) (2009) states, "No contract work involving construction shall be considered by Tenders Board unless: (a) The land has been acquired, and the topographical map (and soil test except where it is certified by the Architect that it is not necessary) has been approved by the appropriate authority. The documents relating to the land the survey map, the soil test report or certificate of exemption by the Architect should form part of contract documents to be presented to the Tenders Board."

Audit observed that:

i. A Civil construction contracts valued at ₦39,509,255.01 (Thirty nine million, five hundred and nine thousand, two hundred and fifty naira, one kobo) were awarded to two companies without conducting the mandatory topographical survey or geotechnical (soil) investigations required for public infrastructure projects.
ii. The projects in question include the construction of Mushroom Cultivation Room / Laboratory, Wood Workshop laboratories and Rehabilitation of Drivers 'Office. A review of the contract award documents, project files, and payment vouchers indicated that these projects were executed without any documented preliminary site assessments as no evidence of geotechnical reports or topographical maps was presented for audit.
iii. Further inquiries revealed that the College proceeded with the award of contracts and subsequent payments to contractors based solely on internal cost estimates. There was no evidence of technical site investigation to determine the soil bearing capacity, subsurface stability, or slope analysis which are crucial for civil and structural projects, especially in regions like Plateau State that are prone to erosion and landslide risks due to complex terrain.
iv. Audit enquiries revealed that no consultancy services were engaged for soil testing or land surveys prior to the commencement of the projects, and
v. The absence of topographical and soil investigations contravenes regulatory provisions, which is viewed as a systemic weakness in the College's procurement and project management processes, where technical due diligence is not integrated into project planning and execution.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Forestry, Jos.

Risks

i. Lack of structural integrity.
ii. Loss of lives and public assets.
iii. Loss of public funds.

Management's Response

I The said Contractors Messrs Ganzy Global Resources Ltd and Frankotorme Nig Ltd did not carry out soil test report on the site of their respective projects because of the following reasons:-

>. The soil of the project site were stable soil and Cohesive from the College experience and knowledge of the terrain and this was confirmed during foundation digging

>. The cost of soil geological survey was not included in the bill of quantity because of the College prior knowledge of the site Location. if the Location of the site were to be in an area of clay, silt, cohesionless or collapsible soil the College would have unavoidably include soil survey in the bill of quantity

>. The project executed by these contractors were low load bearing capacity with good stable soil

II There was technical site investigation because how would the College had been able to allocate different and relevant site location to the different projects if not by site investigation

iii. Lean budget provision

iv. Topography levelling was carried out on the site with the usual instrument while the execution of project was on going

KEY NOTES

i. The College had been handling construction project standing for years and this particular project will also stand the test of time because all of the building were constructed with all the required structural element that ensures stability with nothing lacking

ii. The Metal Workshop building constructed by Messer Ganji Global Resources ltd and Mushroom building by Messer Frankotorme ltd cannot in any way pose a threat to cause flood because they are not in any way on the path of water. For instance metal workshop was standing on that same sport for many years how can the rehabilitation of the building cause flood

iii. There was no cost overturns neither was there any variation in the project, all the work were expended as specified based in the bill of quantity

iv/v. Construction of site required by the College should not and never be tagged as wastage of public fund because all this construction site were requirement for research purpose by the researchers.

vi. The College had always ensure structural engineers gives the structural designs for all the college building site all to ensure no serviceability factors or ultimate limit factors as commonly used by Civil Engineers are omitted in the design. Hence none of our building is a threat to life because adequate factors of safety were in the structural design provided in the drawings. Similarly close monitoring of work was done by the college to ensure construction work was done to specification

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦39,509,255.01 (Thirty nine million, five hundred and nine thousand, two hundred and fifty naira, one kobo), being contracts awarded without soil test and topographical studies.
ii. Recover and remit the sum of ₦39,509,255.01 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 10: PAYMENT FOR SERVICES NOT RENDERED (=₦2,463,400.00)

Description of Findings

Paragraph 708 of the Financial Regulations (FR) (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied." Furthermore, paragraph 603(i) of the FR (2009) states, "All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets. etc." In addition, paragraph 415 of the FR (2009) states, "The federal government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted."

Audit observed that:

i. A company was awarded contract for the Supply and Installation of forty five (45) integrated solar-powered streetlights including all associated works and accessories at a total contract sum of ₦27,730,807.50 (Twenty seven million, seven hundred and thirty thousand, eight hundred and seven naira, fifty kobo).
ii. The contract had been fully paid i.e. 100%. However, the value of contract executed was ₦25,267,407.50 (Twenty five million two hundred and sixty seven thousand four hundred and seven naira fifty kobo) representing 91.12% as confirmed during the verification exercise. The element of works done was forty (40) units of solar-powered streetlight poles.
iii. The percentage of work not done but paid for was 8.88% amounting to ₦2,463,400.00 (Two million, four hundred and sixty three thousand, four hundred naira), representing five (5) units of solar-powered streetlight poles out of twenty five (25) in the scope of the contract, and
iv. There was no justification provided for payment to the company for the proportion of work not executed.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Forestry, Jos.

Risks

i. Payment for jobs not executed.
ii. Diversion of public funds.
iii. Loss of public funds.

Management's Response

The college had always complied with Paragraph 708 of the Financial Regulations {FR} 2009 including the one in PPA 2007 that after mobilization fee subsequent payment should be based on amount of work done.

For the said project by KEY NOTES

i. The College had been known for transparency and accountability in all our procurement services by ensuring value for money and that explains why you will never see any uncompleted project in the College. The said project above is not an exception, the 45 street lights are presently standing in the College
ii. There has never been any corruption or misuse of public fund. The College has always been on their feet to ensure that yearly that all our capital projects are executed accurately because they are project targeted to meet the need of end user in the college. If such needs are not met the end user would have complained. There is no time the College does need assessment and fail to meet the need. we are known for accurate execution of all our project in each fiscal year according to specification, quality and quantity.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦2,463,400.00 (Two million, four hundred and sixty three thousand, four hundred naira), being payments for jobs not executed.
ii. Recover and remit the sum of ₦2,463,400.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committee of the National Assembly, and
iv. Otherwise, sanctions relating to recovery of assets from the contractors and payment for jobs not executed specified in paragraphs 3109 and 3104 (iii) of the Financial Regulations (2009) respectively, should apply.

ISSUE 11: FINANCIAL INTERFERENCE BY FORESTRY RESEARCH INSTITUTE OF NIGERIA (=₦3,357,000.00)

Description of Findings

Paragraph 2 of the Establishment Circular Reference No. SGF.6/VIII dated 8th May, 2008, states, "…the practice of Ministers and Ministries accepting or requesting for funds and financial support of any form, including loans and purchase of vehicles from the Parastatals under their supervision should be stopped henceforth. Chief Executives of Parastatals will be held accountable for such lapses including the provision of facilities and vehicles to Ministers and Ministries." Also, paragraph 415 of the Financial Regulations (FR) (2009) states, "The Federal Government requires all officers

responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted."

Audit observed that:

i. The College paid the sum of ₦3,357,000.00 (Three million, three hundred and fifty seven thousand naira) at various times during the year under review, to Forestry Research Institute of Nigeria (FRIN), the supervising Institution.
ii. The remitted funds were described as counterpart payments, which FRIN was alleged to have mandated its research tertiary institutions to contribute in order to fund the headquarters, joint research, meeting of Promotion Advisory Committee, among others.
iii. Further scrutiny of accounting records indicated that the funds were paid to private accounts and not FRIN's account even though the supervising authority was alleged to have directed such payment, and
iv. There was no valid explanation for violation of extant regulations on the provision of financial support to supervising Ministries and Agencies.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Forestry, Jos.

Risks

i. Payment for non-existent transactions.
ii. Diversion of public funds.

Management's Response

FRIN is the supervising institution of Federal College of Forestry Jos, the money sent to FRIN as counterpart funding is for the purpose of Provost/DG meeting and Provost/DG and board meeting. The money was paid into individual account being that the money is not meant for FRIN but to sponsor the meetings hosted by FRIN.

Further questions should be directed to FRIN please.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦3,357,000.00 (Three million, three hundred and fifty seven thousand naira), being irregular payment to the FRIN.
ii. Recover and remit the sum of ₦3,357,000.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular and wrong payment, and failure to spend public funds effectively specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 12: UNAUTHORIZED COLLECTION OF CASH FOR PAYMENT OF SCHOOL FEES (=₦2,064,800.00)

Description of Findings

Paragraph 701 of the Financial Regulations (FR) (2009) states, "no official bank account shall be opened unless authorized by the Account-General of the Federation". Also, Guidelines on the Implementation of Treasury Single Accounts (TSA) / e-Collection d by the Office of the Accountant-General of the Federation, Ref. No.: TRY A9 & B9/2015 OAGF/CAD/026/V.II/332 prohibits opening of Accounts with Commercial Banks and Diversion of deposits to any commercial bank account. Similarly, Treasury Circular Ref. No. TRY/A7 & B7/2015 OAGF/CAD/026/V.II/240 dated 5th October, 2015, requires all accounts maintained with the Commercial Banks by MDAs would have been closed and balances transferred to the Treasury Single Account (TSA) at Central Bank of Nigeria (CBN).

Audit observed that:

i. The sum of ₦2,064,800.00 (Two million, sixty four thousand eight hundred naira) was collected as part of school fees from students for the year ended 2023. However, contrary to the extant circular that mandates all federal agencies to ensure all receipts are paid into the TSA, the College collected cash from students for school fees payment.
ii. A review of the revenue cashbook indicated that the receipt of school fees from students was highly dominant. The College collected cash payments from students for school fees instead of directing them to generate RRR and make payments through Remita into the College's TSA, and
iii. The College's act of deliberately bypassing the TSA presents significant risks of revenue leakages, misappropriation, and weak accountability.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Forestry, Jos.

Risks

i. Diversion of public funds.
ii. Loss of public funds.

Management's Response

The college had always complied with the provisions of Federal Government Circular referenced HCSF/428/S.1/120 of 7th August, 2015 which requires all Federal Government Agencies to pay all receipts into the Treasury Single Account (TSA) domiciled in the Central Bank of Nigeria (CBN).

For the said KEY NOTES The College had been known for transparency and accountability in the collection of public funds. There has been no record of any diversion of public fund for personal use in the college. There have never been any fraud or financial irregularities of public fund. Students pay school fees via RRR through Remita into the TSA. The ₦2,064,800.00 collected was for ND and HND certificate collection and then purchase of admission form for HND not payment of school fees. Furthermore, all collections were remitted to the college sub-account with Central Bank of Nigeria (CBN).

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦2,064,800.00 (Two million, sixty four thousand eight hundred naira), being receipts of school fees through desk cash payment instead of Remita platform.
ii. Recover and remit the sum of ₦2,064,800.00 to the Treasury.
iii. Forward the evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

ISSUE 13: CIRCUMVENTION OF PROCUREMENT PROCEDURE AND GRANTING OF CASH ADVANCES ABOVE THE THRESHOLD (₦1,850,400.00)

Description of Findings

Paragraph 3 of the Treasury Circular Ref. No. TRY/A7 & B7/2015/OAGF/CAD/026/V.1/178 of 12th August, 2015, states, "All Accounting Officers and Officers controlling expenditure are to ensure that all local procurement of stores and services costing above ₦200,000.00 shall be made only through Award of Contracts, except as provided by the Public Procurement Act, 2007." Also, paragraph 2302 (ii) of the Financial Regulations (FR) (2009) states, "On no account shall special imprest or cash advance be used in place of Local Purchase Order or Job Order of the procurement of stores locally." Furthermore, paragraph 1420 of the FR (2009) states, "It is the responsibility of all Accounting Officers to ensure that all advances granted to officers are fully recovered."

Audit observed that:

i. The College paid the sum of ₦1,850,400.00 (One million, eight hundred and fifty thousand, four hundred naira) as cash advance to staff for the procurement of seedlings during the year.
ii. The cash advances were above the approved threshold of ₦200,000.00, thereby, circumventing procurement procedures, and
iii. The granting of advances in (i) above deprived the federal government of ₦249,804.00 (Two hundred and forty nine thousand, eight hundred and four naira) that would have accrued as revenue through taxes, and
iv. There were no records of the seedlings purportedly bought through cash advances that were granted, neither was there records of retirement as at 31st December, 2023.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Forestry, Jos.

Risks

i. Diversion of public funds.
ii. Payment for non-existent transactions.

Management's Response

The college had always complied with the provisions Paragraph 2301 (ii) of the Financial Regulations (FR) 2009 and also, Treasury Circular Reference TRY/A2 & B2/2009OAGF/CAD/26/V dated 24th March 2009.

The staff concerned have retired at least 90% of the cash advances given to them as at date. The cash advances were granted to execute immediate official commitments that cannot wait as overhead does not come in monthly.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦1,850,400.00 (One million, eight hundred and fifty thousand, four hundred naira), being payment of cash advances above approved threshold.
ii. Recover and remit the sum of ₦1,850,400.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments and gross misconduct specified in paragraphs 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 14: PAYMENT OF UNAPPROVED ALLOWANCES TO STAFF (=₦591,500.000.00)

Description of Findings

Section 3 of the National Salaries, Incomes and Wages Commission (NSIWC) Act, CAP N72, LFN (1999) as amended, states, "The functions of the Commission shall be to:- … (g) propose measures for the regulation of prices and wages in the various sectors of the economy…(I) examine, streamline and recommend salary scales applicable to each post in the public service…" Furthermore, Section 13 of the NSIWC Act CAP N72, LFN (1999) as amended, states, "Where collective agreements between employers and employees involve increase wages, salaries, and fringe benefits, three copies of the collective agreements shall be submitted to the Commission for advice." Also, paragraph 213(ii) of the Financial Regulations (FR) (2009) states, "On no account shall any withdrawal be made from the revenue account other than for the purpose of transfer to the consolidated account."

Audit observed that:

i. The College paid the sum of ₦591,500.00 (Five hundred and ninety one thousand, five hundred naira) to its staff from its IGR, for routine administrative duties during official working hours.
ii. These payments were made for duties already encompassed within the job descriptions of the recipients and are typically covered by regular salaries. Consequently, what should be discretionary gestures of appreciation have transformed into obligatory statutory remunerations, and
iii. The legality and propriety of these payments lack justification under government regulations and would appear not to be deemed as legitimate expenditures from public funds.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Forestry, Jos.

Risks

i. Diversion of public funds.
ii. Misapplication of funds.

Management's Response

The college had always complied with the provisions of Part 3 of circular referenced SWC/S/04/S.310/T/65 dated 8th April, 2016.

The above mentioned ₦591,500.00 were for refreshments during management and tender board meetings which was monetized for the staff.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦591,500.00 (Five hundred and ninety one thousand, five hundred naira), paid as sitting allowances to staff of the College without the approval of NSIWC.
ii. Recover and remit the sum of ₦591,500.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and overpayment of public funds stated in paragraphs 3106 and 3111 of the Financial Regulations (2009) respectively, should apply.

SECTION 16

TREASURY AUDIT DEPARTMENT (TAD)

NATIONAL COUNCIL ON CLIMATE CHANGE (NCCC), ABUJA

At the National Council on Climate Change (NCCC), Abuja, for the period 1st January to 31st December 2023, the following observations were made:

ISSUE 1: PAYMENTS WITHOUT RELEVANT SUPPORTING DOCUMENTS (=₦329,314,334.00)

Description of Findings

Paragraph 603(i) of the Financial Regulations (FR) (2009) states, "All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets. etc." Furthermore, paragraph 708 of the FR (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied."

Audit observed that:

i. Fifteen (15) paid vouchers totalling ₦329,314,334.00 (Three hundred and twenty nine million, three hundred and fourteen thousand, three hundred and thirty four naira) were raised and paid between January and December 2022 to staff of NCCC and some contractors for various purposes related to COP 28 in Dubai, and
ii. Relevant supporting documents such as approved payment schedules, invoices, Store Receipt Vouchers (SRV), and evidence of beneficiaries receiving funds were not attached to the Payment Vouchers.

The above anomalies could be attributed to weaknesses in the internal control system at the National Council on Climate Change (NCCC).

Risks

i. Payment for items not purchased or jobs not executed.
ii. Diversion of government funds.

Management's Response

Management of the National Council on Climate Change Secretariat has thrived to implement all government directives contained in the Financial Regulations as well as the extant rules provided by other legislations. This is noted, corrections have been taken into consideration. Approval for the payment of ₦347,355,010.00 was duly given and the relevant supporting documents are here attached (see Appendix A1 to 49b).

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Director-General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦329,314,334.00 (Three hundred and twenty nine million, three hundred and fourteen thousand, three hundred and thirty four naira), being payments without relevant supporting documents.
ii. Recover and remit to the Treasury, the sum of ₦329,314,334.00.
iii. Forward evidence of recovery and remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment specified in paragraph 3106 of the Financial Regulations (FR) (2009) should apply.

ISSUE 2: NON-DEDUCTION AND NON-REMITTANCE OF TAXES (=₦23,809,798.26)

Description of Findings

Paragraph 2 of the Treasury Circular Ref. No. TRY A1 & B1/2017 OAGF/CAD/026/V.111/.182 dated 20th April, 2017, states, "… a 1% Stamp Duty chargeable on Contract Agreements and the remittance be made to the Relevant Tax Authority which is the Federal Inland Revenue Service (FIRS)…" Furthermore, paragraph 3 of the Treasury Circular Ref. No. TRY A1 & B1/2017 OAGF/CAD/026/V.111/.182 dated 20th April, 2017, states, "…MDA are to ensure that Stamp Duty is accordingly deducted on Contract Agreement before payment is made to beneficiary…" Also, paragraph 234(i) of the Financial Regulations (FR) (2009) states, "It is mandatory for Accounting Officers to ensure full compliance with the dual roles of making provision for the Value Added Tax (VAT) and Withholding Tax (WHT) due on supply and services contract and actual remittance of same." Furthermore, paragraph 235 of the FR (2009) states, "Deductions for WHT, VAT and PAYE shall be remitted to the Federal Inland Revenue at the sametime the payee who is the subject of the deduction is paid."

Audit observed that:

i. A total of ₦176,368,876.00 (One hundred and seventy six million, three hundred and sixty eight thousand, eight hundred and seventy six naira) was paid to Five (5) contractors for different purposes in connection with Cop 28 in Dubai
ii. Evidence of tax (1% Stamp Duty, 5% WHT and 7.5% VAT) deductions from the contracts, as required by the extant regulations, were not made available, and
iii. The action in (ii) above led to a loss of tax revenue of ₦23,809,798.26 (Twenty three million, eight hundred and nine thousand, seven hundred and ninety eight naira, twenty six kobo) to the Government.

The above anomalies could be attributed to weaknesses in the internal control system at the National Council on Climate Change (NCCC).

Risks

i. Loss of revenue to the government.
ii. Inability of government to fund its budget.

Management's Response

The non-deduction and remittance of taxes such as Value Added Tax (VAT), Withholding Tax (WHT) and Stamp Duty was an oversight on the part of the National Council on Climate Change Secretariat. However, the Relevant Tax Authority, the Federal Inland Revenue Service has carried out a tax audit of all the non-deduction and remittance of taxes observed in the audit you carried out and other non-deducted taxes were also discovered, which was showed to us during the exit meeting. Reconciliation was made and the remaining tax liabilities were duly acknowledged. We are waiting for the final tax liabilities to be submitted to us for payment. Attached is the letter of the tax audit by staff the Federal Inland Revenue Service (see Appendix B)

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Director-General should be requested to:

i. Account to Public Accounts Committees of the National Assembly, the sum of ₦23,809,798.26 (Twenty three million, eight hundred and nine thousand, seven hundred and ninety eight naira, twenty six kobo), being non-deduction and non-remittance of taxes.
ii. Recover and remit to the Treasury, the sum of ₦23,809,798.26.
iii. Forward evidence of recovery and remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to loss of government revenue and failure to collect and account for government revenue specified in paragraphs 234(ii) and 3112 of the Financial Regulations (2009) respectively, should apply.

ISSUE 3: PAYMENTS WITHOUT APPROVAL (=₦107,000,000.00)

Description of Findings

Paragraph 603(i) of the Financial Regulations (2009) states, "All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets. etc." Furthermore, paragraph 420 of the FR (2009) states, "Before making any payment a Sub-Accounting Officer shall satisfy himself that: (a) The expenditure has been authorized by Warrant and the voucher correctly classified in accordance with the Estimates or Supplementary Estimates. (b) The information furnished on the voucher is correct, the certificates on voucher completed where necessary and the vouchers signed by the appropriate officer."

Audit observed that:

i. Two (2) payments totalling ₦107,000,000.00 (One hundred and seven million naira) were made to a contractor for the COP 28 Pavilion, and

ii. The payments in (i) above were neither approved nor submitted with the relevant supporting documents attached.

The above anomalies could be attributed to weaknesses in the internal control system at the National Council on Climate Change (NCCC).

Risks

i. Diversion of public funds.
ii. Waste of public funds.
iii. Payment for goods not purchased or services not rendered.

Management's Response

The payments of ₦107,000,000.00 was duly approved. The total approval was ₦164,900,000.00 (see Appendix G and H).

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Director-General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦107,000,000.00 (One hundred and seven million naira), being payment without approval.
ii. Recover and remit to the Treasury, the sum of ₦107,000,000.00.
iii. Forward evidence of recovery and remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments and gross misconduct specified in paragraphs 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

NATIONAL POPULATION COMMISSION (NPC): SERVICE-WIDE FUND

At the National Population Commission (NPC), Abuja, Service-Wide Fund for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: ENGAGEMENT OF EXTERNAL SOLICITORS WITHOUT THE APPROVAL OF THE ATTORNEY-GENERAL OF THE FEDERATION (=₦60,500,000.00)

Description of Findings

Paragraph 2(a) of the Establishment Circular Ref. No. SGF/PS/CIR/625/1 of 16th July, 2003 states, "… approval of the Honourable Attorney-General of the Federation should be obtained before External Solicitors/Advocates are hired, and legal fees agreed upon by Ministries and their Parastatals/Agencies for any service rendered." Furthermore,

paragraph 2(b) of the Establishment Circular Ref. No. SGF/PS/CIR/625/1 of 16th July, 2003, requires that claims for professional fees, should be submitted to the Honourable Attorney-General of the Federation for clearance and approval and be accompanied by the relevant Letter of Instruction and a Comprehensive Report on the services rendered, supported by relevant copies of process filed on behalf of the Government before payment.

Audit observed that:

i. The Commission paid the sum of ₦60,500,000.00 (Sixty million, five hundred thousand naira) as part payment to an external solicitor as legal fee for census petitions and appeals handled by the Solicitor on behalf of the commission.
ii. The payment in (i) above was not supported with the approval of the Attorney - General of the Federation, and
iii. The payments lack some vital supporting documents such as, letter of engagement and acceptance letter, list of cases/petitions handled, evidence of job execution and job completion, minutes of the meetings in respect of the negotiations of the claims from ₦600,000,000.00 (Six hundred million naira) down to ₦136,000,000.00 (One hundred and thirty six million naira).

The above anomalies could be attributed to weaknesses in the internal control system at the National Population Commission.

Risks

i. Engagement of inexperience/unqualified solicitor.
ii. Diversion of public fund.

Management's Response

No response.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations:

The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦60,500,000.00 (Sixty million naira), being legal fees to external solicitors without Attorney General's approval.
ii. Forward to the Public Accounts Committees of the National Assembly the relevant approvals of the Attorney General of the Federation to justify the payment of the legal fee.
iii. Recover and remit the sum of ₦60,500,000.00 to the Treasury.
iv. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
v. Otherwise, sanctions relating to irregular payments specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 2: PAYMENT OF FOREIGN COURSE FEE TO A STAFF MEMBER WITHOUT APPROVAL (=₦24,097,500.00)

Description of Findings

Paragraph 2(i) of the Establishment Circular Ref No. SGF/OP/I/S.3/XII/158 of 15th October, 2019, states, "…For the avoidance of doubt, all yearly travel plans for statutory meetings and engagements must receive express clearance from the Office of the Secretary to the Government of the Federation and/or the Office of the Head of the Civil Service of the Federation within the first quarter of the fiscal year before implementation…" Furthermore, paragraph 2(ii) of the Establishment Circular Ref No. SGF/OP/I/S.3/XII/158 of 15th October, 2019, states, "…All public funded travels (local and foreign) must be strictly for official purposes backed with documentary evidence. Particularly, foreign travels must be for highly essential, statutory engagements that are beneficial to the interest of Nigeria…"

Audit observed that:

i. The sum of ₦24,097,500.00 (Twenty four million, ninety seven thousand, five hundred naira) was paid to a member of staff of the Commission as foreign course fee for five (5) participants.
ii. The payment in (i) above was not supported with the approval of the Head of Civil Service of the Federation or Secretary to the Government of the Federation before embarking on the oversea trip. Documents such as visa, data page showing in and out of the country visited, back home report were not produced for audit, and
iii. Evidence of onward remittance of the course fee to the appropriate international body or facilitator was not produced for audit.

The above anomalies could be attributed to weaknesses in the internal control system at the National Population Commission.

Risks

i. Diversion of public fund
ii. Loss of public fund

Management's Response

No response.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦24,097,500.00 (Twenty four million, ninety seven thousand, five hundred naira), being payment to a staff of the Commission for foreign course fee of the five (5) participants.

ii. Recover and remit the sum of ₦24,097,500.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 3: UNVERIFIED CONTRACTS FOR WORKS AND SUPPLIES PAID IN 2022 (=₦2,894,465,032.25)

Description of Findings

Paragraph 708 of the Financial Regulations (FR) (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied."

Audit observed that:

i. The Commission awarded and paid for contracts totaling ₦2,894,465,032.25 (Two billion, eight hundred and ninety four million, four hundred and sixty five thousand, thirty two naira, twenty five kobo) for various supplies such as supply of 1500 Personal Digital Assistants PDAS, 1500 power banks and 32 gb SD RAM, notification bundles (OTP.SMS and Value Added Services), and 30% part-payment for variation contract for the construction of NPOPC headquarter building at plot 24, Mabushi District, Abuja etc., as shown in the Table below.

S/n	Payment Date	Details of Payment	Amount Paid ₦	Remarks
1	Paid -26/07/2022	30% Part payment for variation contract for the construction of NPOPC headquarter s building at plot 24 Mabushi District Abuja	2,032,782,622.14	
2	Paid -19/08/2022	Payment for 70% balance of payment for 1500 Nos of personal digital assistants (PDAS) south east	261,733,783.50	
3	Paid -30/08/2022	Payment for supply of 1500 personal digital assistants PDAS 1500 power banks and 32 GB SD ram	261,578,127.12	
4	Paid -02/11/2022	Payment for supply of notification bundles (OTP.SMS and value added services)	259,850,361.94	
5	Paid -19/08/2022	Payment for 30% part payment for supply of 1500 personal digital assistants (PDAS) power banks Sd ram	78,520,137.55	
		Total	**2,894,465,032.25**	

ii. The items concerned in (i) above which were reported to have been supplied and executed could not be verified and as such the team could not attest to their existence.

The above anomalies could be attributed to weaknesses in the internal control system at the National Population Commission.

Risks

i. Payment for incomplete or undelivered/unexecuted works.
ii. Diversions of public funds.
iii. Procurement of substandard items.

Management's Response

No response.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦2,894,465,032.25 (Two billion, eight hundred and ninety four million, four hundred and sixty five thousand, thirty naira, twenty five kobo), being payments for contracts not verified by the Office of the Auditor General for the Federal.
ii. Recover and remit the sum of ₦2,894,465,032.25 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 4: UNRETIRED CASH ADVANCES/EXCESSIVE GRANT OF CASH ADVANCES ABOVE N200,000 APPROVED THRESHOLD (=₦3,189,906,137.40)

Description of Findings

Paragraph 3 of the Treasury Circular Ref. No. TRY/A7 & B7/2015/OAGF/CAD/026/V.1/178 of 12th August, 2015, states, "All Accounting Officers and Officers controlling expenditure are to ensure that all local procurement of stores and services costing above ₦200,000.00 shall be made only through Award of Contracts, except as provided by the Public Procurement Act, 2007." Also, paragraph 2302 (ii) of the Financial Regulations (FR) (2009) states, "On no account shall special imprest or cash advance be used in place of Local Purchase Order or Job Order of the procurement of stores locally." Furthermore, paragraph 1420 of the FR (2009) states, "It is the responsibility of all Accounting Officers to ensure that all advances granted to officers are fully recovered." Similarly, paragraph 1405 of the FR (2009) states, "Accounting Officers are responsible for ensuring the prompt repayment of all advances by installments or otherwise."

Audit observed that:

i. The sum of ₦3,189,906,137.40 (Three billion, one hundred and eighty nine million, nine hundred and six thousand, one hundred and thirty seven naira, forty kobo) was granted to staff of the Commission as cash advances for the provision of

various services such as 2022 population and housing census preparatory activities, etc.

ii. The payment in (i) above were not captured in the Commission advance ledger to ascertain the level of retirement nor was evidence of the services that was rendered produced for scrutiny, and

iii. There was no justification for the non-retirement of the cash advances nor justification for the non-compliance with adherence to advances limit/threshold.

The above anomalies could be attributed to weaknesses in the internal control system at the National Population Commission.

Risks

i. Loss of government funds
ii. Diversion of public funds

Management's Response

No response.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦3,189,906,137.40 (Three billion, one hundred and eighty nine million, nine hundred and six thousand, one hundred and thirty seven naira forty kobo), being cash advances granted to staff above the threshold without retirement.
ii. Recover and remit the sum of ₦3,189,906,137.40 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 5: AWARD OF INFORMATION COMMUNICATION TECHNOLOGY (ICT) CONTRACTS/PROJECTS WITHOUT CLEARANCE FROM NITDA (=₦861,682,410.11)

Description of Findings

Paragraph 4 of the Establishment Circular Ref. No. 59736/S.2/C.II/125 dated 31st August, 2018, states, "For the avoidance of doubt, MDAs and other government establishments are to relate with and obtain prior approval from National Information Technology Development Agency (NITDA) for the implementation of Information Technology (IT) projects as well as the procurement of locally assembled IT components." Furthermore, Establishment Circular Ref. No. SGF/6/S.19/T/65 dated 18th of April, 2006, requires all MDAs embarking on any IT project to obtain clearance from NITDA. Also, paragraph 5(1) and paragraph 6(d) of NITDA Guidelines, 2018, require

Public Institutions (PIs) to obtain approval (clearance) from NITDA for their IT projects and to, upon completion of the cleared IT project, the Public Institutions shall notify NITDA in writing, obtain a certificate of compliance.

Audit observed that:

i. Information Technology (IT) related contracts worth of ₦861,682,410.11 (Eight hundred and sixty one million, six hundred and eighty two thousand, four hundred and ten naira, eleven kobo) were awarded by the Commission during the year under review.
ii. The payments for the award in (i) above were made from the special funds released in 2022.
iii. The award in (i) above was for 70% balance of payment for 1500 number of Personal Digital Assistants (PDAS) South-East, supply of 1500 Personal Digital Assistants PDAS 1500 power banks and 32 GB SD RAM etc.
iv. There was no evidence to show that the Commission obtained necessary clearance from the Nigerian Information Technology Development Agency (NITDA) before the award of these contracts, and
v. There was no evidence of written notification sent to NITDA after completing the contracts to obtain a certificate of compliance as shown in the Table below:

S/n	Payment date	Details	Amount	Remarks
1	Paid - 19/08/2022	Payment for 70% balance of payment for 1500 Nos of personal digital assistants (PDAS) south east	261,733,783.50	
2	Paid - 30/08/2022	Payment for supply of 1500 personal digital assistants PDAS 1500 power banks and 32 Gb Sd ram	261,578,127.12	
3	Paid - 02/11/2022	Payment for supply of notification bundles (OTP.SMS and value added services)	259,850,361.94	
4	Paid - 19/08/2022	Payment for 30% part payment for supply of 1500 personal digital assistants (PDAS) power banks SD ram	78,520,137.55	
		TOTAL	**861,682,410.11**	

The above anomalies could be attributed to weaknesses in the internal control system at the National Population Commission.

Risks

i. Payment of contracts not executed.
ii. Inflation of contracts.

Management's Response

No response.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦861,682,410.11 (Eight hundred and sixty one million, six hundred and eighty two thousand, four hundred and ten naira, eleven kobo), being award of ICT related contracts without prior approval from NITDA.
ii. Recover and remit the sum of ₦861,682,410.11 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 6: INELIGIBLE EXPENDITURES FROM SPECIAL FUND ACCOUNT (=₦2,032,782,622.14)

Description of Findings

Paragraph 2(b) of Presidential Approval circular reference number SH/COS/27/A/250 dated 2nd September, 2021, states, "Kindly note that Mr. President has: approved the release of the sum of ₦18,316,441,053.00, in two tranches to the National Population Commission for the continuation of Pre Census preparation in 2023 from Wheat Flour Leavy Account which has a balance of ₦44,253,998,198 only as at 13th August, 2022. (d) Direct the Chairman of the Commission to provide the supporting documents to present the cost estimates for the completion of their Headquarters Building and the refreshment of their existing facilities to the BPP for them to review independently on its merits and represent same to Mr. President for consideration and further directives."

Audit observed that:

i. The sum of ₦18,316,441,053.00 (Eighteen billion, three hundred and sixteen million, four hundred and forty one thousand, fifty three naira) was approved and released to the Commission from the special funds account of the Federal Government between 2022 and 2023 for the continuation of Pre Census preparation in 2023 from Wheat Flour Levy account based on Mr. President directive via document Reference SH/COS/27/A/250 dated 2nd September, 2021.
ii. The Commission spent the sum of ₦2,032,782,622.14 (Two billion, thirty two million, seven hundred and eighty two thousand, six hundred and twenty two naira, fourteen kobo) on variation of contract for the construction of NPOPC headquarters building at Plot 24, Mabushi District, Abuja from the special fund released, and
iii. The expenditure in (ii) above contradicts the provision of paragraph 2(d) of the Presidential approval quoted above which required the Chairman of the Commission to provide the supporting documents to present the cost estimates for the completion of their Headquarters Building and the refurbishment of their existing facilities to the BPP for them to review independently on its merits and represent same to Mr. President for consideration and further directives.

The above anomalies could be attributed to weaknesses in the internal control system at the National Population Commission.

Risks

i. Abuse of Presidential approval.
ii. Diversion of public fund.

Management's Response

No response.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦2,032,782,622.14 (Two billion, thirty two million, seven hundred and eighty two thousand, six hundred and twenty two naira, fourteen kobo), being ineligible payments contrary to Mr. President Approval.
ii. Recover and remit the sum of ₦2,032,782,622.14 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 7: PAYMENT FOR INTERNATIONAL TRAVELS WITHOUT APPROVAL (=₦171,409,119.00)

Description of Findings

Paragraph 2(i) of the Establishment Circular Ref No. SGF/OP/I/S.3/XII/158 of 15th October, 2019, states, "…For the avoidance of doubt, all yearly travel plans for statutory meetings and engagements must receive express clearance from the Office of the Secretary to the Government of the Federation and/or the Office of the Head of the Civil Service of the Federation within the first quarter of the fiscal year before implementation…" Furthermore, paragraph 2(ii) of the Establishment Circular Ref No. SGF/OP/I/S.3/XII/158 of 15th October, 2019, states, "…All public funded travels (local and foreign) must be strictly for official purposes backed with documentary evidence. Particularly, foreign travels must be for highly essential, statutory engagements that are beneficial to the interest of Nigeria…"

Audit observed that:

i. The sum of ₦171,409,119.00 was paid to staff of the Commission to embarked on several international tours, and
ii. The payments in (i) above were not supported with the approval/clearance of the Head of Civil Service of the Federation or the Secretary to the Government of the Federation before embarking on those international tours.

The above anomalies could be attributed to weaknesses in the internal control system at the National Population Commission.

Risks

i. Diversion of public fund.
ii. Loss of public fund.

Management's Response

No response.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦171,409,119.00 (One hundred and seventy one million, four hundred and nine thousand, one hundred and nineteen naira), being payment for foreign travel without express approval.
ii. Recover and remit the sum of ₦171,409,119.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 8: CIRCUMVENTION OF PROCUREMENT PROCEDURE/ UNRETIRED CASH ADVANCE ABOVE ₦200,000.00 GRANTED (=₦4,175,682,985.28)

Description of Findings

Paragraph 3 of the Treasury Circular Ref. No. TRY/A7 & B7/2015/OAGF/CAD/026/V.1/178 of 12th August, 2015, states, "All Accounting Officers and Officers controlling expenditure are to ensure that all local procurement of stores and services costing above ₦200,000.00 shall be made only through Award of Contracts, except as provided by the Public Procurement Act, 2007." Also, paragraph 2302 (ii) of the Financial Regulations (FR) (2009) states, "On no account shall special imprest or cash advance be used in place of Local Purchase Order or Job Order of the procurement of stores locally." Furthermore, paragraph 1420 of the FR (2009) states, "It is the responsibility of all Accounting Officers to ensure that all advances granted to officers are fully recovered." Similarly, Paragraph 1405 of the FR (2009) states, "Accounting Officers are responsible for ensuring the prompt repayment of all advances by installments or otherwise."

Audit observed that:

i. The sum of ₦4,175,682,985.28 was granted to staff of the Commission as cash advances for the provision of various services such as 2023 population and housing census preparatory activities, state level refresher training functionaries allowance, state level training of functionaries provision of logistics, census

stakeholders summit media and publicity, national capacity building workshop in collaboration with NOA, logistics for 2023 population and housing census for state level training of functionaries, hiring of vehicles and boats for 2023 population and housing census activities etc.

ii. The payment in (i) above were not captured in the Commission advances ledger to show the status of retirement nor evidence of the services that were rendered provided for audit scrutiny, and

iii. There was no justification for the non-retirement of the cash advances.

The above anomalies could be attributed to weaknesses in the internal control system at the National Population Commission.

Risks

i. Loss of government funds.

ii. Diversion of public funds.

Management's Response

No response.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦4,175,682,985.28 (Four billion, one hundred and seventy five million, six hundred and eighty two thousand, nine hundred and eighty five naira twenty eight kobo), being cash advances granted to staff above the threshold without retirement.

ii. Recover and remit the sum of ₦4,175,682,985.28 to the Treasury.

iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly , and

iv. Otherwise, sanctions relating to irregular payments specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 9: UNVERIFIED 2023 SUPPLIES MADE FROM THE SPECIAL FUNDS RELEASED (= ₦6,092,423,277.66)

Description of Findings

Paragraph 708 of the Financial Regulations (FR) (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied."

Audit observed that:

i. The Commission awarded contracts totaling ₦6,092,423,277.66 (Six billion, ninety two million, four hundred and twenty three thousand, two hundred and seventy seven naira, sixty six kobo) for various supplies such as supply of geo-spatial

software architecture solution, 50,000 units of personal digital assistance devices, pelican cases, branded reflective jackets, raincoats etc., and

ii. The items procured in (i) above which were reported to have been supplied to the 36 states and FCT could not be verified by the team, and as such the team could not ascertained their existence.

The above anomalies could be attributed to weaknesses in the internal control system at the National Population Commission.

Risks

i. Payment for incomplete or undelivered items.
ii. Diversions of governments stores/items.
iii. Procurement of substandard items.

Management's Response

No response.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦6,092,423,277.66 (Six billion, ninety two million, four hundred and twenty three thousand, two hundred and seventy seven naira, sixty six kobo), being payments for contracts not verified by the Office of the Auditor General for the Federation.
ii. Recover and remit the sum of ₦6,092,423,277.66 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 10: AWARD OF INFORMATION TECHNOLOGY (IT) CONTRACTS/PROJECTS WITHOUT CLEARANCE FROM NITDA (=₦4,421,730,975.53)

Description of Findings

Paragraph 4 of the Establishment Circular Ref. No. 59736/S.2/C.II/125 dated 31st August, 2018, states, "For the avoidance of doubt, MDAs and other government establishments are to relate with and obtain prior approval from National Information Technology Development Agency (NITDA) for the implementation of Information Technology (IT) projects as well as the procurement of locally assembled IT components."

Audit observed that:

i. Information Technology (IT) related contracts worth of ₦4,421,730,975.53(Four billion, four hundred and twenty one million, seven hundred and thirty thousand, nine hundred and seventy five naira, fifty three kobo) were awarded by National Population Commission during the year under review.
ii. The payments for the award in (i) above was made from the special funds released in 2023.
iii. The award in (i) above was for the provision of a Geo-Spatial Software Architecture solution based on the environmental system and supply of 50,000 units of Personal Digital Assistance devices (PDAs) and other accessories for 2023 NPHC in the North Central zones.
iv. There was no evidence to show that the Commission obtained necessary clearance from the Nigerian Information Technology Development Agency (NITDA) before the award of these contracts, and
v. There was no evidence of written notification sent to NITDA after completing the contracts to obtain a certificate of compliance.

The above anomalies could be attributed to weaknesses in the internal control system at the National Population Commission.

Risks

i. Payment of contracts not executed.
ii. Inflation of contracts.

Management's Response

No response.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦4,421,730,975.53 (Four billion, four hundred and twenty one million, seven hundred and thirty thousand, nine hundred and seventy five naira, fifty three kobo), being award of IT related contracts without prior approval from NITDA.
ii. Recover and remit the sum of ₦4,421,730,975.53 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 11: INELIGIBLE EXPENDITURE FROM SPECIAL FUND ACCOUNT (=₦1,830,000,498.98)

Description of Findings

Paragraph 2(b) of Presidential Approval Circular reference number SH/COS/27/A/250 dated 2nd September, 2021, states, "Kindly note that Mr President has: approved the

release of the sum of ₦18,316,441,053.00, in two tranches to the National Population Commission for the continuation of Pre Census preparation in 2023 from Wheat Flour Leavy Account which has a balance of ₦44,253,998,198 only as at 13th August, 2022. (d) Direct the Chairman of the Commission to provide the supporting documents to present the cost estimates for the completion of their Headquarters Building and the refreshment of their existing facilities to the BPP for them to review independently on its merits and represent same to Mr. President for consideration and further directives."

Audit observed that:

i. The sum of ₦18,316,441,053.00 (Eighteen billion, three hundred and sixteen million, four hundred and forty four thousand, fifty three naira) was released to the Commission from the special funds account of the Federal Government between 2022 and 2023 for the continuation of Pre Census preparation in 2023 from Wheat Flour Levy account based on Mr. President's directive via document Reference SH/COS/27/A/250 dated 2nd September, 2021.
ii. The Commission spent the sum of ₦1,830,000,498.98 (One billion, eight hundred and thirty million, four hundred and ninety eight naira, ninety eight kobo) on construction and remodeling of existing offices across the 36 states and FCT from the special fund released, and
iii. The expenditure in (ii) above contradicts the provision of paragraph 2(d) of the Presidential approval quoted above which emphasized Mr. President's directive for the Chairman of the Commission to provide the supporting documents to present the cost estimates for the completion of their Headquarters Building and the refreshment of their existing facilities to the BPP for them to review independently on its merits and represent same to Mr. President for consideration and further directives.

The above anomalies could be attributed to weaknesses in the internal control system at the National Population Commission.

Risks

i. Abuse of Presidential approval.
ii. Diversion of public fund

Management's Response

No response.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦1,830,000,498.98 (One billion, eight hundred and thirty million, four hundred and ninety eight naira, ninety eight kobo), being ineligible payments contrary to Mr. President Approval.
ii. Recover and remit the sum of ₦1,830,000,498.98 to the Treasury.

iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 12: VIOLATION OF E- PAYMENT POLICY OF THE FEDERAL GOVERNMENT (=₦69,000,000.00)

Description of Findings

Paragraph 713 of the Financial Regulations (FR) (2009) states, "Personal money will in no circumstances be paid into a government bank account nor shall any public money be paid into a private bank account. An officer who pays public money into a private account is deemed to have done so with fraudulent intention." Also, paragraph 4(vii) of the Treasury Circular Ref. No. TRY/A88 & B8/2008/OAGF/CAD/026/Vol.11/465 dated 22nd October, 2008, states, "Henceforth all employees of the Federal Government of Nigeria must each open an account with a commercial bank into which all payments due to him/her must be paid." Furthermore, paragraph 613 of the FR (2009) states, "Payments shall be made only to the persons named in the vouchers or their properly authorized representatives. Paying Officers must satisfy themselves that the person claiming the payment is the person authorized to receive the amount and it is the duty of the ministry, extra-ministerial office and other arms of Government authorizing payment to furnish proof of identity if required..."

Audit observed that:

i. The Commission through three (3) payments paid a total of ₦69,000,000.00 (Sixty nine million naira) to a staff member other than the original beneficiary stated in the payment documents, and
ii. There was no evidence that the amount in (i) above got to the ultimate beneficiary.

The above anomalies could be attributed to weaknesses in the internal control system at the National Population Commission.

Risks

i. Diversion of public fund.
ii. Payment not getting to the ultimate beneficiary.

Management's Response

No response.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦69,000,000.00 (Sixty nine million naira), being payments made contrary to the provisions of the e-payment policy of the Federal Government.
ii. Recover and remit the sum of ₦69,000,000.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 13: PAYMENT FOR OVERSEAS TRAVELS AND CONFERENCES WITHOUT APPROVAL (=₦231,570,259.00)

Description of Findings

Paragraph 2(i) of the Establishment Circular Ref No. SGF/OP/I/S.3/XII/158 of 15th October, 2019, states, "…For the avoidance of doubt, all yearly travel plans for statutory meetings and engagements must receive express clearance from the Office of the Secretary to the Government of the Federation and/or the Office of the Head of the Civil Service of the Federation within the first quarter of the fiscal year before implementation…" Furthermore, paragraph 2(ii) of the Establishment Circular Ref No. SGF/OP/I/S.3/XII/158 of 15th October, 2019, states, "…All public funded travels (local and foreign) must be strictly for official purposes backed with documentary evidence. Particularly, foreign travels must be for highly essential, statutory engagements that are beneficial to the interest of Nigeria…"

Audit observed that:

i. The sum of ₦231,570,259.00 (two hundred and thirty one million, five hundred and seventy thousand, two hundred and fifty nine naira) was paid to staff of the Commission to embarked on several foreign tours.
ii. The payment in (i) above were not supported with the approval of the Head of Civil Service of the Federation or the Secretary to the Government of the Federation before embarking on the foreign tours as well as other relevant documents such as flight tickets, visa, data page were not produced for audit.
iii. The sum of ₦154,879,674.00 was bulk payments to ten (10) officers of the Commission, and
iv. The payments in (iii) above were without justification for making bulk payments to the concerned staff.

The above anomalies could be attributed to weaknesses in the internal control system at the National Population Commission.

Risks

i. Diversion of public fund
ii. Loss of public fund

Management's Response

No response.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦231,570,259.00 (Two hundred and thirty one million, five hundred and seventy thousand, two hundred and fifty nine naira), being payment for foreign travel without express approval.
ii. Recover and remit the sum of ₦231,570,259.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly , and
iv. Otherwise, sanctions relating to irregular payments specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 14: DIVERSION OF PUBLIC FUNDS THROUGH STAFF OF THE COMMISSION UNDER THE GUISE OF PROCUREMENT OF BOAT AND CAR HIRE SERVICES (=₦408,000,000.00)

Description of Findings

Paragraph 3 of the Treasury Circular Ref. No. TRY/A7 & B7/2015/OAGF/CAD/026/V.1/178 of 12th August, 2015, states, "All Accounting Officers and Officers controlling expenditure are to ensure that all local procurement of stores and services costing above ₦200,000.00 shall be made only through Award of Contracts, except as provided by the Public Procurement Act, 2007." Also, paragraph 713 of the Financial Regulations (FR) (2009) states, "Personal money will in no circumstances be paid into a government bank account nor shall any public money be paid into a private bank account. An officer who pays public money into a private account is deemed to have done so with fraudulent intention."

Audit observed that:

i. The sum of ₦408,000,000.00 (Four hundred and eight million naira) was paid to five (5) staff of the Commission on the 22nd March, 2023.
ii. The payment in (i) above was for provision of Boat and Car Hire services for 2023 population and housing census activities, and
iii. There was no evidence supporting the payments to show that the officers provided the services; and no justification was provided why the services in (ii) above was not contracted as required by the extant regulations.

The above anomalies could be attributed to weaknesses in the internal control system at the National Population Commission.

Risks

i. Diversion of public fund.
ii. Non execution of services.
iii. Loss of government funds.

Management's Response
No response.

Auditor's Evaluation
The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations
The Director General should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦408,000,000.00 (Four hundred and eight million naira), being diversion of funds to individuals account without evidence of job execution.
ii. Recover and remit the sum of ₦408,000,000.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 15: NON-EXISTENCE OF OFFICE FURNITURE PURPORTEDLY PURCHASED BY A STAFF MEMBER (= ₦71,000,000.00)

Description of Findings
Paragraph 3 of the Treasury Circular Ref. No. TRY/A7 & B7/2015/OAGF/CAD/026/V.1/178 of 12th August, 2015, states, "All Accounting Officers and Officers controlling expenditure are to ensure that all local procurement of stores and services costing above ₦200,000.00 shall be made only through Award of Contracts, except as provided by the Public Procurement Act, 2007."

Audit observed that:
i. The commission on the 14th April 2023 made two payments totaling ₦71,000,000.00 (Seventy one million naira) to a staff, for the procurement of office furniture.
ii. There was no evidence of procurement of the furniture in (i) above, and
iii. The act in (i) above by the Commission contravened the provisions of the extant regulations regarding procurement of stores and services.

The above anomalies could be attributed to weaknesses in the internal control system at the National Population Commission.

Risks
i. Diversion of public funds
ii. Procurement of sub standards furniture

Management's Response
No response.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦71,000,000.00 (Seventy one million naira), being payment to a staff account contrary to the Public Procurement Act and without evidence of job execution.
ii. Recover and remit the sum of ₦71,000,000.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 16: QUESTIONABLE PAYMENT TO A CONTRACTOR UNDER THE GUISE OF FAILED PAYMENT WITHOUT CONFIRMATION (= ₦163,141,818.04)

Description of Findings

Paragraph 713 of the Financial Regulations (FR) (2009) states, "Personal money will in no circumstances be paid into a government bank account nor shall any public money be paid into a private bank account. An officer who pays public money into a private account is deemed to have done so with fraudulent intention." Furthermore, paragraph 613 of the FR (2009) states, "Payments shall be made only to the persons named in the vouchers or their properly authorized representatives. Paying Officers must satisfy themselves that the person claiming the payment is the person authorised to receive the amount and it is the duty of the ministry, extra-ministerial office and other arms of Government authorizing payment to furnish proof of identity if required..." Also, paragraph 4(vii) of the Treasury Circular Ref. No. TRY/A88 & B8/2008/OAGF/CAD/026/Vol.11/465 dated 22nd October, 2008, states, "Henceforth all employees of the Federal Government of Nigeria must each open an account with a commercial bank into which all payments due to him/her must be paid."

Audit observed that:

i. The Commission, on the 7th of May, 2023, paid the sum of ₦163,141,818.04 (One hundred and sixty three million, one hundred and forty one thousand, eight hundred and eighteen naira, four kobo) to a Contractor for supply of 126042 numbers of screen guards for PDAS (South-West) for 2023 population Housing Census.
ii. The payment in (i) above was a re-presented failed payment that was earlier made from the GIFMIS payment platform.
iii. Evidence of the initial paid voucher, approval to re-present the payment from the special fund and GIFMIS print out of the failed payment were not produced for audit, and
iv. The payment was supposed to be made in favour of the initial contractor was instead the Commission paid to another who had no nexus with the payment.

The above anomalies could be attributed to weaknesses in the internal control system at the National Population Commission.

Risks

i. Diversion of public fund.
ii. Payment to a non-beneficiary.

Management's Response

No response.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦163,141,818.04 (One hundred and sixty three million, one hundred and forty one thousand, eight hundred and eighteen naira, four kobo), being payment tagged as failed without evidence of initial failed payment.
ii. Recover and remit the sum of ₦163,141,818.04 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 17: UNAUTHORIZED PAYMENTS TO A CONSULTANT FOR STATUTORY AUDIT FROM SPECIAL FUND ACCOUNT (=₦22,000,000.00)

Description of Findings

Paragraph 2(b) of Presidential Approval circular reference number SH/COS/27/A/250 dated 2nd September, 2021, states, "Kindly note that Mr President has: approved the release of the sum of ₦18,316,441,053.00, in two tranches to the National Population Commission for the continuation of Pre Census preparation in 2023 from Wheat Flour Leavy Account which has a balance of 44,253,998,198 only as at 13th August, 2022 (d) directs the Chairman of the Commission to provide the supporting documents to present the cost estimates for the completion of their Headquarters Building and the refreshment of their existing facilities to the BPP for them to review independently on its merits and represent same to Mr. President for consideration and further directives."

Audit observed that:

i. The Commission paid the sum of ₦22,000,000.00 (Twenty two million naira) on the 21st of December, 2023 to a consultant for statutory audit of National Population Commission for the year 2022 Financial Statements.

ii. The payment in (i) above was not provided and approved by Mr. President to be eligible expenditure from the special fund released.

The above anomalies could be attributed to weaknesses in the internal control system at the National Population Commission.

Risks

i. Ineligible/unauthorized expenditure of public fund
ii. Diversion of public fund

Management's Response

No response.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦22,000,000.00 (Twenty two million naira) being unauthorized payment from Mr. President Approval.
ii. Recover and remit the sum of ₦22,000,000.00 to the Treasury.
iii. Forward to the Public Accounts Committees of the National Assembly evidence of remittance to the Treasury, and
iv. Otherwise, sanctions relating to irregular payments specified in paragraph 3106 of the Financial Regulations (2009) should apply.

NIGERIAN UPSTREAM PETROLEUM REGULATORY COMMISSION

At the Nigerian Upstream Petroleum Regulatory Commission (NUPRC) for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: UNDUE FINANCIAL INTERFERENCE BY THE SUPERVISING MINISTRY AND NATIONAL ASSEMBLY COMMITTEES (=₦6,724,150.00)

Description of Findings

Paragraph 2 of the Establishment Circular, Reference No. SGF.6/VIII, dated 8th May, 2008, states, "…the practice of Ministers and Ministries accepting or requesting for funds and financial support of any form, including loans and purchase of vehicles from the Parastatals under their supervision should be stopped henceforth. Chief Executives of Parastatals will be held accountable for such lapses including the provision of facilities and vehicles to Ministers and Ministries." Furthermore, paragraph 2(i) of the Establishment Circular, Ref No. SGF/OP/I/S.3/XII/158 of 15th October, 2019, states, "…For the avoidance of doubt, all yearly travel plans for statutory meetings and engagements must receive express clearance from the Office of the Secretary to the

Government of the Federation and/or the Office of the Head of the Civil Service of the Federation within the first quarter of the fiscal year before implementation…" Also, paragraph 415 of the Financial Regulations (FR) (2009) states, "The Federal Government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted."

Audit observed that:

i. The sum of ₦6,724,150.00 (Six million, seven hundred and twenty four thousand, one hundred and fifty naira) was paid as Estacode Allowance and Conference Fees for the Offshore Technology Conference 2023 in Houston, Texas, USA, to officials outside the Commission.
ii. The beneficiaries have separate budgetary provisions for such international travels, making the expenditure contrary to extant regulations and applicable circulars.
iii. There was no evidence of approval from the Office of the Secretary to the Government of the Federation (OSGF) and/or the Office of the Head of the Civil Service of the Federation (OHCSF) prior to the payments, and
iv. The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Upstream Petroleum Regulatory Commission.

The above anomalies could be attributed to weaknesses in the internal control system at the National Population Commission.

Risks

i. Diversion of Public Funds to cronies.
ii. Wasteful spending.
iii. Double payment as officers may have been paid by their organizations.

Management's Response

The expenditure was related to oversight activities during the time under review.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Commission Chief Executive should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦6,724,150.00 (Six million, seven hundred and twenty four thousand, one hundred and fifty naira), paid as Estacode Allowance and Conference Fees for non-Commission officials, and justify the legal basis for the expenditure.
ii. Recover and remit the sum of ₦6,724,150.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular expenditure, non-compliance with the Public Procurement Act, 2007, and failure to comply with the Financial Regulations stated in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2: ENGAGEMENT OF EXTERNAL SOLICITORS WITHOUT THE APPROVAL OF THE ATTORNEY-GENERAL OF THE FEDERATION (=₦722,925,581.38)

Description of Findings

Paragraph 2(a) of the Establishment Circular, Ref. No. SGF/PS/CIR/625/1 of 16th July, 2003, states, "… approval of the Honourable Attorney-General of the Federation should be obtained before External Solicitors/Advocates are hired, and legal fees agreed upon by Ministries and their Parastatals/Agencies for any service rendered." Furthermore, paragraph 2(b) of the same Establishment Circular requires that claims for professional fees, should be submitted to the Honourable Attorney-General of the Federation for clearance and approval and be accompanied by the relevant Letter of Instruction and a Comprehensive Report on the services rendered, supported by relevant copies of process filed on behalf of the Government before payment."

Audit observed that:

i. The Commission paid the sum of ₦722,925,581.38 (Seven hundred and twenty two million, nine hundred and twenty five thousand, five hundred and eighty one naira, thirty eight kobo) to external solicitors as legal fees without prior approval of the Attorney-General of the Federation.
ii. No evidence was produced to show that the engagement of the solicitors or the determination of their fees was approved by the Attorney-General of the Federation, despite repeated audit requests.
iii. The selection and engagement process did not follow due process requirements, as there was no evidence of advertisement, competitive bidding, or financial quotations from the solicitors, and
iv. Consequently, the expenditure of ₦722,925,581.38 in (i) above cannot be accepted as a valid charge against public funds.

The above anomalies could be attributed to weaknesses in the internal control system at the Commission.

Risks

i. Engagement of inexperienced/ unqualified solicitors
ii. Fees may not be competitive
iii. Possible loss of public funds

Management's Response

By the letter dated 11th November 2022 with Ref. No.: NUPRC/1129/VOL.14/283, the Commission sought the approval of the Honorable-Attorney General of the Federation and Minister of Justice (HAGF/MJ) for the operationalization of the Commission's Sustainable Framework for the Engagement and Payment of External Solicitors (SFEPES), designed to guide the engagement and remuneration of external solicitors, and by the letter dated 29th November, 2022, with Ref. No. MJ/LIT/ABJ/NUPRC/708/2022, the HAGF/MJ graciously approved the Commission's SFEPES and revised the fees payable for each category of cases.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Commission Chief Executive should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦722,925,581.38 (Seven hundred and twenty two million, nine hundred and twenty five thousand, five hundred and eighty one naira, thirty eight kobo), paid as legal fees and provide verifiable evidence of approval from the Attorney-General of the Federation and compliance with procurement requirements.
ii. Recover and remit the sum of ₦722,925,581.38 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular expenditure, non-compliance with the Public Procurement Act, 2007, and failure to comply with the Financial Regulations stated in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

SECTION 17

UNIVERSITY TEACHING HOSPITALS & ALLIED INSTITUTIONS AUDIT DEPARTMENT (UTH&AIAD)

AMINU KANO UNIVERSITY TEACHING HOSPITAL, KANO, KANO STATE.

At Aminu Kano Teaching Hospital, Kano, for the period 1st January to 31st December, 2023, the following observation was made:

ISSUE 1: NON-DEDUCTION AND NON-REMITTANCE OF 1% STAMP DUTY (=₦758,249.77)

Description of Findings

Paragraph 2 of the Treasury Circular Ref. No. TRY A1 & B1/2017 OAGF/CAD/026/V.111/.182 dated 20th April, 2017, states, "… a 1% Stamp Duty chargeable on Contract Agreements and the remittance be made to the Relevant Tax Authority which is the Federal Inland Revenue Service (FIRS)…" Furthermore, paragraph 3 of the Treasury Circular Ref. No. TRY A1 & B1/2017 OAGF/CAD/026/V.111/.182, dated 20th April, 2017, states, "…MDA is to ensure that Stamp Duty is accordingly deducted on Contract Agreement before payment is made to beneficiary…"

Audit observed that:

i. The Hospital failed to deduct the statutory 1% stamp duty amounting to ₦758,249.77 (Seven hundred and fifty eight thousand, two hundred and forty nine naira, seventy seven kobo) on payments for contracts awarded in 2022.
ii. There was no justifiable reason provided for the failure to deduct and remit the 1% statutory Stamp Duty, and
iii. The action in (i) above resulted to a loss of revenue to the government.

The above anomalies could be attributed to weaknesses in the internal control system at the Aminu Kano University Teaching Hospital, Kano.

Risks

i. Diversion of public funds.
ii. Loss of government revenue.
iii. Inability to fund government budget.

Management's Response

These are Bond payments, and the appropriate 1% Stamp Duty on the contract has been deducted and paid in the subsequent payments made to the contractors.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Chief Medical Director should be requested to:

i Account to the Public Accounts Committees of the National Assembly, the sum of ₦758,249.77 (Seven hundred and fifty eight thousand, two hundred and forty nine naira, seventy seven kobo), being 1% Stamp Duty not deducted from payments to contractors.

ii Recover and remit to the Treasury, the sum of ₦758,249.77.

iii Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and

iv Otherwise, sanctions relating to failure to collect and account for government revenue and gross misconduct prescribed in paragraphs 3112 and 3129 of the Financial Regulations (2009) respectively, should apply.

AHMADU BELLO UNIVERSITY TEACHING HOSPITAL (ABUTH)

At the Ahmadu Bello University Teaching Hospital, Zaria, Kaduna State, for the period 1st January to 31st December, 2023, the following observation was made:

ISSUE 1: UNDER-REMITTANCE OF INTERNALLY GENERATED REVENUE TO THE CONSOLIDATED REVENUE FUND (=₦27,868,031.04)

Description of Findings

Paragraph 1(i) of the Treasury Circular Ref. No. FMFBNP/OTHERS/IGR/CFR/12/2021 dated 20th December, 2021, states, "All Ministries, Departments and Agencies (MDAs) that are fully funded through the Annual Federal Government Budget (receiving Personnel, overhead and capital allocation) should remit 100% (One Hundred Percent) of their Internally Generated Revenue (IGR) to the Sub-Recurrent Account which is a sub component of the Consolidated Revenue Fund (CRF)."

Audit observed that:

i. The Hospital Internally Generated Revenue for year 2023 was ₦112,191,124.16 (One hundred and twelve million, one hundred and ninety one thousand, one hundred and twenty four naira, sixteen kobo)

ii. The expected 25% to be remitted to Consolidated Revenue Fund was ₦28,047,781.04 (Twenty eight million, forty seven thousand, seven hundred and eighty one naira, four kobo). However, only ₦179,750.00 (One hundred and seventy nine thousand, seven hundred and fifty naira) was remitted to the CRF, and

iii. The required outstanding balance to be paid to make up for the 25% was ₦27,868,031.04 (Twenty seven million, eight hundred and sixty eight thousand, thirty one naira, four kobo) as required by extant regulation.

The above anomalies could be attributed to weaknesses in the internal control system at the Ahmadu Bello University Teaching Hospital, Zaria.

Risks

i. Loss of revenue to the government.
ii. Difficulty in funding budget.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to response to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Chief Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦27,868,031.04 (Twenty seven million, eight hundred and sixty eight thousand, thirty one naira, four kobo), being unremitted 25% of IGR to CRF.
ii. Remit the sum of ₦27,868,031.04 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanction relating to failure to collect and account for government revenue prescribed in paragraph 3112 of the Financial Regulations (2009) should apply.

FEDERAL COLLEGE OF COMPLEMENTARY AND ALTERNATIVE MEDICINE ABUJA

At the Federal College of Complementary and Alternative Medicine Abuja, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: NON-SUBMISSION OF THE COLLEGE'S AUDITED FINANCIAL STATEMENTS FOR 2008 TO 2023

Description of Findings

Paragraph 3210(v) of the Financial Regulations (FR) (2009) states, "The Chief Executive Officer shall submit both the Audited Accounts and Management Report to the Auditor-General not later than 31st May of the following year of the Account."

In spite of the above:

i. The College failed to submitted yearly audited accounts since inception, and the submission of the audited financial statements had been due for sixteen (16) financial years, that is from 2008 to 2023, and
ii. No justifiable reason was provided for the non-submission of the Audited Financial Statements since inception of the College.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Complementary and Alternative Medicine, Abuja.

Risks
i. Impediment to Public Accounts Committees' oversights.
ii. Sub-optimal decisions by those charged with governance.

Management's Response
No response.

Auditor's Evaluation
Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations
The Provost should be requested to:
i. Forward copies of the outstanding audited financial statements for 2008 to 2023 to the Public Accounts Committees of the National Assembly, and
ii. Otherwise, sanctions relating to gross misconduct in paragraph 3129 of the Financial Regulations (2009) should apply.

ISSUE 2: EMPLOYMENT OF STAFF WITHOUT APPROVAL FROM THE RELEVANT AUTHORITIES

Description of Findings
Paragraph 020206 (f) of the Public Service Rules (PSR) (2021) states, "No Officer shall be appointed into the Federal Public Service without authorized establishment and recruitment waiver from the Office of the Head of the Civil Service of the Federation." Furthermore, paragraph 020207 (a) of the PSR (2021) "No candidate shall be appointed to any post in the Federal Public Service without the prior specific approval of the Federal Civil Service Commission, or Board/Council in case of Parastatals."

Audit observed that:
i. The Management of the College recruited one hundred and twenty (120) staff into the work force of the College without approval from the Federal Civil Service Commission and the Office of the Head of the Civil Service of the Federation.
ii. The Management was unable to provide for audit, the waiver and approval from the relevant authorities for the employment made in (i) above, and
iii. There was no evidence showing the approval for the number, skills and expertise employed at the College, despite repeated request.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Complementary and Alternative Medicine Abuja

Risks
i. Employment of incompetent personnel.
ii. Illegal employment into the federal civil service.

Management's Response
No response.

Auditor's Evaluation
Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations
The Provost should be requested to:
i. Justify to the Public Accounts Committees of the National Assembly, the employment of one hundred and twenty (120) staff into the work force of the College without waiver and approval of the relevant authorities.
ii. Recover and remit all amount paid to the staff as salary and allowances, to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and.
iv. Otherwise, sanctions relating to gross misconduct in paragraph 3129 of the Financial Regulations (2009) should apply.

ISSUE 3: ILLEGAL RE-INSTATEMENT OF DISENGAGED STAFF

Description of Findings
Paragraph 020206 (f) of the Public Service Rules (PSR) (2021) states, "No Officer shall be appointed into the Federal Public Service without authorized establishment and recruitment waiver from the Office of the Head of the Civil Service of the Federation." Furthermore, paragraph 020207 (a) of the PSR (2021) "No candidate shall be appointed to any post in the Federal Public Service without the prior specific approval of the Federal Civil Service Commission, or Board/Council in case of Parastatals."

Audit observed that:
i. The College reinstated fourteen (14) disengaged staff and included their names in the nominal roll without the approval of appropriate authorities.
ii. The affected officers were laid off by the College due to various acts of misconduct. But went to court for redress. However, while the case was still on going in the court of law, the disengaged staff were reinstated, and
iii. The college could not provide clarification on how and why the staff were reinstated, even before the final judgment by court, while there was also no evidence that the case had been withdrawn from the court.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Complementary and Alternative Medicine, Abuja.

Risks
i. Possibility of payments to ghost workers.
ii. Loss of public funds.

Management's Response
No response.

Auditor's Evaluation
Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations
The Provost should be requested to:
i. Justify to the Public Accounts Committees of the National Assembly, the reinstatement of the disengaged staff into the college work force without due process and authorization.
ii. Recover and remit the amount paid to the illegally reinstated staff, to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and.
iv. Otherwise, sanctions relating to gross misconduct in paragraph 3129 of the Financial Regulations (2009) should apply.

ISSUE 4: PAYMENTS FOR STAKEHOLDER'S MEETINGS WITHOUT REPORTS (=₦4,470,000.00)

Description of Findings
Paragraph 603(i) of the Financial Regulations (FR) (2009) states, "All vouchers shall contain full particulars of each service such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets, etc." Furthermore, paragraph 415 of the FR (2009) requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted."

Audit observed that:
i. Two officers were paid the sum of ₦4,470,000.00 (Four million, four hundred and seventy thousand naira) to represent the College at stakeholders' meeting in different states comprising of Lagos, Oyo, Nasarawa, Borno etc., and
ii. The purported meetings were said to have been attended but the report and other evidence of attendance of the meetings were not provided for audit confirmation despite several and repeated requests.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Complementary and Alternative Medicine Abuja.

Risks
i. Diversion of the public funds.
ii. Loss of public funds.

Management's Response
No response.

Auditor's Evaluation
Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦4,470,000.00 (Four million, four hundred and seventy thousand naira), being payment for stakeholders' meetings without report.
ii. Recover and remit to the Treasury the sum of ₦4,470,000.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE5: UNACCOUNTED OUT-OF-POCKET EXPENSES (=₦1,999,000.00)

Description of Findings

Paragraph 603(i) of the Financial Regulations (FR) (2009) states, "All vouchers shall contain full particulars of each service such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets, etc." Furthermore, paragraph 415 of the FR (2009) requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted.

Audit observed that:

i. The sum of ₦1,999,000.00 (One million, nine hundred and ninety nine thousand naira) was expended as Out of Pocket Expenses (OPE) by two (2) staff of the College between 24th May and 28th August, 2023, and
ii. The receipts and other relevant supporting documents to justify the utilisation of the Out of Pocket Expenses were not provided for audit.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Complementary and Alternative Medicine, Abuja.

Risks

i. Diversion of public funds
ii. Loss of public funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦1,999,000.00 (One million, nine hundred and ninety nine thousand naira), being Out of Pocket expenses without evidence of utilisation.
ii. Recover and remit to the Treasury, the sum of ₦1,999,000.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanction relating to irregular payment specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 6: PAYMENT FOR TRAINING WITHOUT EVIDENCE OF ATTENDANCE (=₦1,250,000.00)

Description of Findings

Paragraph 603(i) of the Financial Regulations (FR) (2009) states, "All vouchers shall contain full particulars of each service such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets, etc." Furthermore, paragraph 415 of the FR (2009) requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted.

Audit observed that:

i. The College paid the sum of ₦1,250,000.00 (One million, two hundred and fifty thousand naira) to four (4) staff for attending training programmes during the year under review between 18th and 21st April, 2023, without any evidence of participation or attendance of the training by the beneficiaries, and
ii. There was no justifiable reason provided for the payments made in (i) above.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Complementary and Alternative Medicine Abuja.

Risks

i. Diversion of government funds.
ii. Loss of public funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Provost should be requested to:

i. Account to the Public Accounts Committees of National Assembly, the sum of ₦1,250,000.00 (One million, two hundred and fifty thousand naira), being payment for training without evidence of attendance.
ii. Recover and remit to the Treasury, the sum of ₦1,250,000.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment specified in paragraph 3106 of the Financial Regulations (2009) should apply.

FEDERAL COLLEGE OF DENTAL TECHNOLOGY, ENUGU

At the Federal College of Dental Technology, Enugu, Enugu State, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: IRREGULARITIES IN CONTRACT EXECUTION (=₦550,000,000.00)

Description of Findings

Paragraph 2925 (i) of the Financial Regulations (FR) (2009) states, "No contract work involving construction shall be considered by Tenders Board unless:… (b) The design of the building, road, etc, relating to (a) above is broken down into:(1) Architectural Design, (ii) Structural Design, (iii) Electrical Design, (iv) Mechanical Design, (v) Bills of Quantities."

Audit observed that:

i. The sum of ₦550,000,000.00 (Five hundred and fifty million naira) was paid for the Construction of Inner Road and the Construction of One-Storey Block of Classroom within the College vide two (2) paid vouchers without proper engagement of Consultants such as Architectural, Structural, Electrical, Mechanical Engineers and Quantity Surveyors design along with the contractors.
ii. This infraction resulted to observed defects during the execution of the contracts. During inspection, it was revealed that the contracts were executed via direct labour method using unqualified artisans and casual workers, and
iii. The projects were not also professionally supervised by the competent professionals leading to the shoddy jobs.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Dental Technology, Enugu.

Risks

i. Poor service delivery.
ii. Loss of government funds.

Management's Response

The appointment of consultant is optional and the College employed the services of Internal Civil Engineer, Architect, Surveyor, Electrical Engineer and Estate officers who are registered and certified by their respective regulatory council for professional services including proper supervision.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Rector should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦550,000,000.00 (Five hundred and fifty million naira), being execution of contract without using qualified personnel in line with the stated regulations.
ii. Recover and remit to the Treasury, the sum of ₦550,000,000.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular or wrong payments specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 2: VIOLATION OF APPROVAL THRESHOLD ON PROCUREMENT CONTRACT (=₦280,000,000.00)

Description of Findings

Section 20(2) of the Public Procurement Act (PPA) (2007) states, "The accounting officer of every procuring entity shall have overall responsibility for the planning of, organization of tenders, evaluation of tenders and execution of all procurements and in particular shall be responsible for… (e) ensuring that no reduction of values or splitting of procurements is carried out such as to evade the use of the appropriate procurement method…" Also, paragraph 1 of the Establishment Circular Ref. No. PROC/OSGF/BPP/709/85 of 19th January, 2022, states, "…the Federal Government has approved the revision of subsisting Prior Review and Monetary Thresholds for Service Wide Application for procurement of Goods, Works and Services as follows:

Table 1.0: Approved Prior Review Thresholds for Service Wide Application

Approving Authority/ "No Objection" to award	Goods	Works	Non-Consultant/Services
BPP Certificate of "No Objection" to Contract award/FEC approved	₦300 million and above	₦1.5 billion and above	₦300 million and above
Ministerial Tenders Board	₦20 million and above but less than ₦300 million	₦30 million and above but less than ₦1.5 billion	₦20 million and above but less than ₦300 million

Parastatal Tenders Board	₦10 million and above but less than ₦100 million	₦20 million and above but less than ₦500 million	₦10 million and above but less than ₦100 million
Accounting Officer: Permanent Secretary	Less than ₦20 million	Less than ₦30 million	Less than ₦20 million
Accounting Officer: Director General/CEO	Less than ₦10 million	Less than ₦20 million	Less than ₦10 million

Table 2.0: Approved Prior Review Thresholds for Service Wide Application

Procurement/Selection Method and Prequalification	**Goods (₦)**	**Works (₦)**	**Non-Consultant/Services (₦)**	**Consultant Services (₦)**
International/ National Competitive Bidding	₦300 million and above	₦1.5 billion and above	₦300 million and above	Not Applicable
National Competitive Bidding	₦20 million and above but less than ₦300 million	₦30 million and above but less than ₦1.5 billion	₦20 million and above but less than ₦300 million	Not Applicable
Request for Quotation	Less than ₦20 million	Less than ₦30 million	Less than ₦20 million	Not Applicable
Shopping (Market Survey)	Less than ₦5 million	Less than ₦5 million	Less than ₦5 million	Not Applicable
Single Source/ Direct Contracting	Less than ₦1 million	Less than ₦1 million	Less than ₦1 million	Less than ₦1 million
*Prequalification	*₦100 million and above	*₦300 million and above	*₦100 million and above	Not Applicable
Quality and Cost Based	Not Applicable	Not Applicable	Not Applicable	Less than ₦50 million
Consultant Qualifications	Not Applicable	Not Applicable	Not Applicable	Less than ₦50 million
Least Cost	Not Applicable	Not Applicable	Not Applicable	Less than ₦50 million

Audit observed that:

i. Two procurement contracts of ₦100,000.000.00 (One hundred million naira) and ₦180,000,000.00 (One hundred and eighty million naira) were approved and awarded by the Parastatal Tenders Board of the College during the year under review.

ii. The two contracts totalling ₦280,000,000.00 (Two hundred and eighty million naira) were above the approval threshold of the Parastatal Tenders Board and fall within the approval threshold of the Ministerial Tenders Board, as required by extant regulations, and

iii. The sum of ₦75,000,000.00 (Seventy five million naira) had been paid to the two contractors, without justification for circumventing the contracts approval threshold set by the Bureau of Public Procurement.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Dental Technology, Enugu.

Risks
i. Violation of approval limits.
ii. Diversion of public funds.
iii. Loss of public funds.

Management's Response
The Tender Board of the institution did not award any contract above its threshold.

Auditor's Evaluation
The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations
The Rector should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦280,000,000.00 (Two hundred and eighty million naira), being contracts awarded above the approval limit of the Parastatal Tenders Board of the College.
ii. Recover and remit to the Treasury the sum of ₦280,000,000.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
v. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

INTERCOUNTRY CENTRE FOR ORAL HEALTH (ICOH), JOS

At the Intercountry Centre for Oral Health (ICOH), Jos, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: AWARD OF CONTRACT WITHOUT DUE PROCESS (=₦1,567,366,436.80)

Description of Findings
Section 24(1) of the Public Procurement Act (PPA) (2007) states, "Except as provided for in this Act, all procurement of goods and works by all procuring entities shall be conducted by open competitive bidding." Furthermore, section 16(6) of the PPA (2007) states, "All bidders in addition to requirements contained in any solicitation documents shall: (a) They possess necessary professional and technical qualifications to carry out particular procurements. (b) They must possess the machinery, equipment and power

for the job. (c) They are not tax invaders. (d) They have legal capacity to enter into the procurement contract. (e) Not be in receivership, the subject of any form of winding up petition or proceedings. (f) None of their Director has been convicted in respect of any offence or crime involving fraud, financial misappropriation or falsification of records."

Audit observed that:

i. Five (5) contracts amounting to ₦1,567,366,436.9 (One billion, five hundred and sixty seven million, three hundred and sixty six thousand, four hundred and thirty six-naira, nine kobo) were awarded to three (3) contractors without evidence of observing due process as shown in the Table below, and

S/N	PV NO/ CONT. REF. NO & DATES	DESCRIPTION	AMOUNT (₦)
1	FMH/ICOH/O17/CAP/2023 of 13/4/2023	Being final payment for Remodelled Dental Clinic Complex vide payment approval via file no 331 vol 11 page 485-493.	262,696,868.00
2	031.ICOHAFRO/418/VOL.2/276 of 18/2/2022	Being payment for Remodelled Dental Clinic Complex.	204,069,828.88
3	009.ICOH/AFRO/331/Vol.2 of 28/2/2022	Being payment for Remodelled Admin Complex.	494,211,739.81
4	FMH/ICOH/001/CAP/2023 of 23/10/2023	Being payment for the Extension of completion of Remodelled ICOH Dental Clinic. (Internal car park, External Car Park and Badminton Court).	100,138,000.00
5	FMH/ICOH/040/CAP/2023INACTIVE of 12/12/2023	Being part payment for Mobilization fees for the Acquisition of the Research Facility, Abuja.	506,250,000.00
	TOTAL		**1,567,366,436.8**

ii. The contracts were not uploaded into the Nigeria Open Contracting Portal (NOCOPO) as required by extant guidelines and regulations.

The above anomalies could be attributed to weaknesses in the internal control system at the Intercountry Center for Oral Health (ICOH), Jos

Risks

i. Possible inflation of contracts.
ii. Contract arm's length transactions.
iii. Loss of public funds.

Management's Response

i. All the contracts listed are ongoing and were awarded in line with Public Procurement Act (PPA) 2007.
ii. Some of the Observations could not be verified to support the Centre's response. This is because the entire Centre's procurement process documents, including contract files are with ICPC, due to the ongoing investigation activities of the Centre. Please see *Appendix 'A'* an acknowledgement copy of ICPC.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Executive Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly the award of contract amounting to ₦1,567,366,436.9 (One billion, five hundred and sixty seven million, three hundred and sixty six thousand, four hundred and thirty six naira, nine kobo) without due process.
ii. Recover and remit to the Treasury the sum ₦1,567,366,436.9.
iii. Forwarding evidence of remittance particulars to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular or wrong payment and irregular award of contract in paragraphs 3106 and 3117 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2: IRREGULAR AWARD OF CONTRACT (=₦29,301,000.00)

Description of Findings

Paragraph 113 of the Financial Regulations (FR) (2009) states, "In compliance with their special role under the Public Procurement Act, all accounting officers of ministries, extra–ministerial offices and other arms of government are hereby charged with the following responsibilities. They shall: …(i) ensure compliance with the provisions of the Public Procurement Act by their organizations, failing which they shall be personally liable for any breach or contravention thereof, whether or not such breach of contravention was caused by them in person, their subordinates or any person to whom they may have delegated their responsibilities."

Audit observed that:

i. The contract for Procurement and Equipping of Auditorium amounting to ₦29,301,000.00 (Twenty nine million, three hundred and one thousand) was awarded to a company and paid for vide PV No. FMH/ICOH/054/CAP/2023 dated 21st December, 2023, and
ii. The pre-award documents such as market and statistical survey, due diligence report and certificate of Original Equipment Manufacturer (EOM), were not provided for audit.

The above anomalies could be attributed to weaknesses in the internal control system at the Intercountry Centre for Oral Health (ICOH), Jos.

Risks

i. Award of contract to unqualified contractor.
ii. Delivery of a low-quality job.
iii Loss of government funds.

Management's Response

The Equipping of Auditorium awarded to Dunas Integrated Nigeria Limited does not require evidence of Original Equipment Manufacturer (OEM) certification.

i. All the contracts listed are ongoing and were awarded in line with Public Procurement Act (PPA) 2007.

ii. Some of the Observations could not be verified to support the Centre's response. This is because the entire Centre's procurement process documents, including contract files are with ICPC, due to the ongoing investigation activities of the Centre. Please see Appendix 'A' an acknowledgement copy of ICPC.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Executive Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦29,301,000.00 (Twenty nine million, three hundred and one thousand), being irregular award of contract.
ii. Recover and remit to the Treasury, the sum of ₦29,301,000.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular award of contracts specified in paragraph 3117 of the Financial Regulations (2009) should apply.

ISSUE 3: STORE ITEMS NOT TAKEN ON LEDGER CHARGE (=₦133,380,199.58)

Description of Findings

Paragraph 2402(1) of the Financial Regulations (FR) (2009) states, "On all paid vouchers for the purchase of stores, except as provided in sub-section (ii) of this Regulations, the Storekeeper must certify that the stores have been received and taken on charge in the stores ledger quoting the stores receipt voucher number and attaching the original copy of the store receipt voucher to the original L.P.O." Furthermore, paragraph 2107 of the FR (2009) states, "A separate ledger shall be maintained for each store. Records of articles of the same group shall be kept in one ledger, and items should be arranged in alphabetical order. The unit of quantity shall be shown and articles shall be taken on charge in that unit. Separate folios shall be assigned to the various articles in stock and the description shall, in every case, agree with that of the tally card kept in the store. All stores' ledgers must be clearly indexed."

Audit observed that:

i. The sum of ₦133,380,199.58 (One hundred and thirty three million, three hundred and eighty thousand, one hundred and ninety nine naira, fifty eight kobo) was paid to four (4) Contractors by the College for the procurement of various items such as surgery Consumables, Laboratory Equipment, Project Vehicles etc, in the year 2023, and
ii. The items procured by the companies could not be traced to the store as there was no Store Receipt Voucher attached to the payment voucher

The above anomalies could be attributed to weaknesses in the internal control system at the Intercountry Centre for Oral Health (ICOH), Jos.

Risks

i. Possibility of payment for goods not supplied.
ii. Possibility of loss of store items.
iii. Loss of public funds.

Management's Response

The above items were received and consequently taken on charge. Observation is noted and the recommendations will be complied with. Please see *Appendix 'B'* for these documents (SRVs, SIVs, Store Ledgers, Bin card, SRV Dispatch Register and invoices).

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Executive Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦133,380,199.58 (One hundred and thirty three million, three hundred and eighty thousand, one hundred and ninety nine naira, fifty eight kobo), being payments for store items not taken on ledger charge.
ii. Recover and remit to the Treasury, the sum of ₦133,380,199.58.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and failure to spend public funds effectively, prescribed in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 4: PAYMENTS WITHOUT PAYMENT VOUCHERS (=₦60,430,892.48)

Description of Findings

Paragraph 601 of the Financial Regulations (FR) (2009) states, "All payment entries in the cash book/accounts shall be vouched for on one of the prescribed treasury forms. Vouchers shall be made out in favour of the person or persons to whom the money is actually due. Under no circumstances shall a cheque be raised or cash paid for services for which a voucher has not been raised." Furthermore, paragraph 1705 of the FR (2009) states, "The Head of Internal Audit Unit in all ministries/extra ministerial offices and other arms of government shall ensure that 100% pre-payment audit of all checked and passed vouchers. is carried out and the vouchers forwarded under security schedule direct to the appropriate Central Pay Office for payment. Checked and passed vouchers received in the Internal Audit Unit must be promptly dealt with and, under no circumstance, shall a voucher be held in that Unit for more than forty-eight (48) hours."

Audit observed that:

i. Four (4) payments totaling ₦60,430,892.48 (Sixty million, four hundred and thirty thousand, eight hundred and ninety two naira, forty eight kobo) were made by the Centre for various expenditures such as procurement of medical consumables, equipment and furniture, and other office equipment.
ii. The payments in (i) above were made without raising Payment Vouchers as required by extant regulations, and
iii. Requests for provision of the payment vouchers were not honoured by the Centre.

The above anomalies could be attributed to weaknesses in the internal control system at the Intercountry Centre for Oral Health (ICOH), Jos.

Risks

i. Loss of government funds.
ii. Diversion of public funds.

Management's Response

The above items were received and consequently taken on charge. Observation is noted and the recommendations will be complied with. Please see *Appendix 'B'* for these documents (SRVs, SIVs, Store Ledgers, Bin card, SRV Dispatch Register and invoices).

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Executive Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦60,430,892.48 (Sixty million, four hundred and thirty thousand, eight hundred and ninety two naira, forty eight kobo), being payments without raising payment vouchers.
ii. Recover and remit the sum of ₦60,430,892.48 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and failure to spend public funds effectively, prescribed in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

LAGOS UNIVERSITY TEACHING HOSPITAL, (LUTH) IDI-ARABA, LAGOS STATE

At the Lagos University Teaching Hospital, (LUTH) Idi-Araba, for the period 1st January to 31st December, 2023, the following observation was made:

ISSUE 1: UNDER-REMITTANCE OF INTERNALLY GENERATED REVENUE TO THE CONSOLIDATED REVENUE FUND (=₦50,499,189.85)

Description of Findings

Paragraph 236 of the Financial Regulations (FR) (2009) states, "Revenue paid into the Revenue Accounts for Internally Generated Revenue (IGR) of MDAs shall be transferred to the CRF before the 15th of the Month following the month of collection of the Revenue." Also, paragraph 3(b) of the Treasury Circular Ref. No. TRY/A10&B10/2016 OAGF/CAD/026/V.111/101 of 22nd November, 2016, states, "all partially-funded Federal Government Agencies/Parastatals should limit their annual budgetary expenditure to no more than 75 percent (75%) of their gross revenue, and remit the 25 percent (25%) to the CRF or pay 80 percent (80%) of their Operating Surplus computed according to the approved template to the CRF, whichever is higher;"

Audit observed that:

i. The Hospital realized a total of ₦149,316,488.46 (One hundred and forty nine million, three hundred and sixteen thousand, four hundred and eighty eight naira, forty six kobo) as Internally Generated Revenue (IGR) in the year under review, and

ii. From the amount in (i) above, the sum of ₦50,499,189.85 (Fifty million, four hundred and ninety nine thousand, one hundred and eighty nine naira, eighty five kobo) was not remitted as shown in the Table below:

S/N	Revenue Sub Head Name	Amount (₦)
	IGR:	
3	Medical Consultancy fees	39,984,163.37
4	Death Registration Fees	1,054,900.00
5	Land Use Fees	7,576,861.00
6	School Tuition/Reg./Exam.	37,324,000.51
7	School Tuition/Reg./Exam.	. 3,770,654.80
8	Sundry Fines	2,869,310.65
10	Sales of Forms	7,834,205.00
11	Earnings from the use of Govt. Halls/Others	4,667,000.00
12	Hire of Academic Gown/Book	6,722,816.03
13	Earnings from Library Services (100%)	57,000.00
14	Rent on Federal Government Quarters	23,666,141.59
	TOTAL	131,756,398.15
	Required Remittance (25%) A	**32,939,099.54**
	STATUTORY REVENUE (100%):	
	Contractor Registration Fees (100%)	1,057,825.00
	Tender Fees (100%)	4,076,615.31
	Proceed from sales of goods by auction (100%)	12,425,650.00
	Total B	**17,560,090.31**
	Total Required Remittance (A + B)	50,499,189.85
	Amount Remitted	0.00
	Unremitted IGR	**50,499,189.85**

The above anomalies could be attributed to weaknesses in the internal control system at the Lagos University Teaching Hospital, (LUTH), Idi-Araba,

Risks

i. Diversion of public funds.
ii. Loss of revenue to government.

Management's Response

In response to your observation, out of the remittable amount of ₦51,441,853.57. A total sum of ₦4,076,615.31 representing tender fees for the year 2023 has been deducted from source through Remita. Hence, the outstanding unremitted amount should be ₦47,365,238.27. Due to insufficient releases from Federal Government on Overhead, which is not sufficient to cater for even the Hospital's electricity expenses, reliance is been placed on IGR to cater for electricity and outsourced services such as (i) security, (ii) cleaning, (iii) laundry. Due to the Government to refund expenses on outsourced services as promised, the pressure has on IGR and because of the critical nature of these services to the operations of the Hospital, it becomes expedient to service this expenditure from IGR. As a result, the IGR is overburdened and there is a shortage of fund available for Hospital consumables and other expenses. Hence, delay in remittance of 25% IGR to the Consolidated Revenue Fund.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Chief Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦50,499,189.85 (Fifty million, four hundred and ninety nine thousand, one hundred and eighty nine naira, eighty five kobo), being under-remittance of Internally Generated Revenue.
ii. Remit to the Treasury, the sum of ₦50,499,189.85.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to failure to collect and account for Government Revenue specified in paragraph 3112 (ii) of the Financial Regulations (2009) should apply.

MEDICAL REHABILITATION THERAPIST (REGISTRATION) BOARD OF NIGERIA, YABA, LAGOS

At the Medical Rehabilitation Therapist (Registration) Board of Nigeria, Yaba, Lagos, for the period 1st January to 31st December, 2023, the following observation was made:

ISSUE 1: UNRETIRED CASH ADVANCES (=₦2,711,000.00)

Description of Findings

Paragraph 3 of the Treasury Circular Ref. No. TRY/A7 & B7/2015/OAGF/CAD/026/V.1/178 of 12th August, 2015, states, "All Accounting Officers and Officers controlling expenditure are to ensure that all local procurement of stores

and services costing above ₦200,000.00 shall be made only through Award of Contracts, except as provided by the Public Procurement Act, 2007." Also, paragraph 2302 (ii) of the Financial Regulations (FR) (2009) states, "On no account shall special imprest or cash advance be used in place of Local Purchase Order or Job Order of the procurement of stores locally." Furthermore, paragraph 1420 of the FR (2009) states, "It is the responsibility of all Accounting Officers to ensure that all advances granted to officers are fully recovered."

Audit observed that:

i. Fourteen (14) cash advances amounting to ₦2,711,000.00 (Two million, seven hundred and eleven thousand naira) were granted to fourteen (14) staff of the Board in 2023, and
ii. The advances remained unretired as at the time of this report.

The above anomalies could be attributed to weaknesses in the internal control system at the Medical Rehabilitation Therapist (Registration) Board of Nigeria, Yaba

Risks

i. Diversion of public funds.
ii. Loss of government funds.

Management's Response

Your observation on the issue is highly appreciated and noted. We have corrected this in the subsequent year. See annexure 1 for details.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Registrar should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦2,711,000.00 (Two million, seven hundred and eleven thousand naira), being advances granted to fourteen (14) staff of the Board without retirement.
ii. Recover and remit to the Treasury, the sum of ₦2,711,000.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment, failure to spend public funds effectively, non-retirement of advances, and gross misconduct, specified in paragraphs 3106, 3115, 3124, and 3129 of the Financial Regulations (2009) respectively, should apply.

NATIONAL HEALTH INSURANCE AUTHORITY (NHIA), ABUJA

At the National Health Insurance Authority, Abuja, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: IRREGULAR PAYMENT FOR INSURANCE PREMIUM (=₦86,985,300.82)

Description of Findings

Paragraph 603(i) of the Financial Regulations (FR) (2009) states, "All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets. etc." Furthermore, paragraph 708 of the FR (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied."

Audit observed that:

i. The contract for the provision of comprehensive insurance cover for the Authority's sixteen (16) No. vehicles, comprising thirteen (13) project monitoring vehicles, one (1) operational/utility vehicle and two (2) special purpose vehicle was awarded to an Insurance Broking Firm at the sum of ₦86,985,300.82 (Eighty six million, nine hundred and eighty five thousand, three hundred naira, eighty two kobo) vide award letter Ref no: NHIA/PROC/23/010,011 & 012 dated 29th August, 2023.
ii. The insurance contract was in the proportion of: Insurance Company A, B and C in the percentage of 40% (₦34,794,120.328), 30% (₦26,095,590.246) and 30% (₦26,095,590.246), respectively, and
iii. Documents such as acceptance letter, letter of engagement of the Insurance Broker and details of the vehicles covered, were not attached.

The above anomalies could be attributed to weaknesses in the internal control system at the National Health Insurance Authority.

Risks

i. Loss of government properties.
ii. Diversion of government funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Director-General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦86,985,300.82 (Eighty six million, nine hundred and eighty five thousand, three hundred naira, eighty two kobo), being contract for insurance cover without supporting documents.
ii. Recover and remit to the Treasury, the sum of ₦86,985,300.82.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and

iv. Otherwise, sanctions relating to irregular payments and failure to account for public funds specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2: PROCUREMENT OF ICT SOFTWARE AND EQUIPMENT WITHOUT NITDA CLEARANCE (=₦172,430,000.00)

Description of Findings

Paragraph 4 of the Establishment Circular Ref. No. 59736/S.2/C.II/125 dated 31st August, 2018, states, "For the avoidance of doubt, MDAs and other government establishments are to relate with and obtain prior approval from National Information Technology Development Agency (NITDA) for the implementation of Information Technology (IT) projects as well as the procurement of locally assembled IT components."

Audit observed that:

i. The Authority awarded nine (9) Information and Communication Technology related contracts totaling ₦172,430,000.00 (One hundred and seventy two million, four hundred and thirty thousand naira), between 22nd February, 2023 and 5th May, 2023, without clearance from the National Information Technology Development Agency (NITDA).
ii. There was no evidence of the contractor's registration attached to the payment vouchers and the contractors' files, and
iii. The contracts were not awarded to Original Equipment Manufacturers with Local Content Compliance Certificates neither were the contractors experienced or accredited dealers.

The above anomalies could be attributed to weaknesses in the internal control system at the National Health Insurance Authority.

Risks

i. Duplication of software upgrade.
ii. High cost of installation.
iii. Loss of public funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Director-General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦172,430,000.00 (One hundred and seventy two million, four hundred and thirty

thousand naira), being payment for ICT software and equipment without NITDA clearance.

ii. Recover and remit to the Treasury, the sum of ₦172,430,000.00.

iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and

iv. Otherwise, sanctions relating to irregular payment and gross misconduct prescribed in paragraphs 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

NATIONAL TUBERCULOSIS AND LEPROSY REFERAL HOSPITAL AND TRAINING CENTRE

At the National Tuberculosis and Leprosy Referral Hospital & Training Centre, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: NON-DEDUCTION AND NON-REMITTANCE OF 1% STAMP DUTIES TO RELEVANT TAX AUTHORITY (=₦19,840,081.29)

Description of Findings

Paragraph 2 of the Treasury Circular Ref. No. TRY A1 & B1/2017 OAGF/CAD/026/V.111/.182 dated 20th April, 2017, states, "… a 1% Stamp Duty chargeable on Contract Agreements and the remittance be made to the Relevant Tax Authority which is the Federal Inland Revenue Service (FIRS)…" Furthermore, paragraph 3 of the Treasury Circular Ref. No. TRY A1 & B1/2017 OAGF/CAD/026/V.111/.182, dated 20th April, 2017, states, "…MDA is to ensure that Stamp Duty is accordingly deducted on Contract Agreement before payment is made to beneficiary…"

Audit observed that:

i. The sum of ₦19,840,081.29 (Nineteen million, eight hundred and forty thousand, eighty one naira, twenty nine kobo) was the statutory 1% Stamp Duty on payments to contractors/consultants, and

ii. The amount in (i) above was paid back to the Contractors/Consultants instead of deducting and remitting to the Federal Inland Revenue Service (FIRS).

The above anomalies could be attributed to weaknesses in the internal control system at the National Tuberculosis and Leprosy Referral Hospital & Training Centre.

Risks

i. Overpayment to Contractors/Consultants.

ii. Loss of revenue to the government.

iii. Difficulty in funding budget.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Chief Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦19,840,081.29 (Nineteen million, eight hundred and forty thousand, eighty one naira, twenty nine kobo), being 1% Stamp Duty paid back to the contractors/consultants.
ii. Recover and remit to the FIRS, the sum of ₦19,840,081.29.
iii. Forward evidence of recovery and remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to failure to collect and account for government revenue and gross misconduct prescribed in paragraphs 3112 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2: UNACCOUNTED CAPITAL FUND (=₦123,257,921.50)

Description of Findings

Paragraph 112 (i) of the Financial Regulations (FR) (2009) states, "The functions of the Accounting Officer shall include: (f) ensuring accurate collection and accounting for all public moneys received and expended…" Furthermore, paragraph 802 of the FR (2009) states, "A Sub-Accounting Officer shall enter promptly into the cash book all sums of money received by him or paid by him as a public officer, supporting such entries by a receipt or payment voucher on the prescribed form. Receipt and payment vouchers shall be numbered consecutively, from No.1 each month in the order in which the amounts are received or paid, and will be entered into the cash book accordingly."

Audit observed that:

i. A total of ₦114,479,039.09 (One hundred and fourteen million, four hundred and seventy nine thousand, thirty nine naira, nine kobo) was released vide Warrant Number W01-00019202 to the Centre but was entered into the cash book as ₦41,221,117.59 (Forty one million, two hundred and twenty one thousand, one hundred and seventeen thousand, fifty nine kobo) with a difference of ₦73,257,921.50 (Seventy three million, two hundred and fifty seven thousand, nine hundred and twenty one naira, fifty kobo).
ii. The sum of ₦50,000,000.00 (Fifty million naira) was further released to the Centre vide W01-00019932 in the month of May, 2023, and was not entered into the cashbook as required by extant regulations, and
iii. The amount under-recorded in (i) and the amount not recorded in (ii) gave rise to a total of ₦123,257,921.50 (One hundred and twenty three million, two hundred and fifty seven thousand, nine hundred and twenty one naira, fifty kobo) being capital funds not entered into the cash book and vote book.

The above anomalies could be attributed to weaknesses in the internal control system at the National Tuberculosis and Leprosy Referral Hospital & Training Centre.

Risks
i. Diversion of revenue due to the Government.
ii. Loss of government funds.

Management's Response
No response.

Auditor's Evaluation
Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations
The Chief Medical Director should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦123,257,921.50 (One hundred and twenty three million, two hundred and fifty seven thousand, nine hundred and twenty one naira, fifty kobo), being capital funds not entered in the cash book, consequently, not accounted for.
ii. Recover and remit to the Treasury, the sum of ₦123,257,921.50.
iii. Forward the evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

ISSUE 3: MISAPPLICATION OF FUNDS (=₦49,500,000.00)

Description of Findings
Paragraph 417 of the Financial Regulations (FR) (2009) states, "Expenditure shall strictly be classified 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 shall be disallowed." Furthermore, paragraph 318 of the FR (2009) states, "Capital Expenditure is paid from the Development Fund, and no such expenditure may be incurred except on the authority of a warrant duly signed by the Minister of Finance." In addition, paragraph 302(1) of the FR (2009) states, "Recurrent expenditure is paid from the Consolidated Revenue Fund, and no such expenditure may be incurred except on the authority of a Warrant duly signed by the Minister of Finance."

Audit observed that:
i. Capital vote totaling ₦49,500,000.00 (Forty nine million, five hundred thousand naira) was expended on overhead related items such as cleaning, fumigation and gardening, and
ii. Evidence of approval for virement from the Minister of Finance, Budget and National Planning and the National Assembly was not provided for audit.

The above anomalies could be attributed to weaknesses in the internal control system at the National Tuberculosis and Leprosy Referral Hospital & Training Centre.

Risks
i. Diversion of public funds.
ii. Loss of government funds.

Management's Response
No response.

Auditor's Evaluation
Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations
The Chief Medical Director should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦49,500,000.00 (Forty nine million, five hundred thousand naira), being capital vote expended on recurrent expenditures.
ii. Recover and remit to the Treasury, the sum of ₦49,500,000.00.
iii. Forward evidence of remittance to Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

ISSUE 4: SPLITTING OF CONTRACTS TO CIRCUMVENT TENDERS PROCEDURES (=₦86,000,335.80)

Description of Findings
Section 20(2) of the Public Procurement Act (PPA) (2007) states, "The accounting officer of every procuring entity shall have overall responsibility for the planning of, organization of tenders, evaluation of tenders and execution of all procurements and in particular shall be responsible for… (e) ensuring that no reduction of values or splitting of procurements is carried out such as to evade the use of the appropriate procurement method…"

Audit observed that:
i. Three (3) contracts valued at ₦86,000,335.80 (Eighty six million, three hundred and thirty five naira, eighty kobo) for supply of consumables in Yorro, Taraba state, for conduct of Medical Outreach and Treatment of Women and Children on Maternal with Childhood Diseases in River State, and Supply of Empowerment Materials for Taraba State were split into tranches of 1, 2 and 3 for the three contacts respectively and awarded to different contractors, and
ii. The individual procurement which can be awarded to a single contractor was, however, split to circumvent approval threshold as set by the Bureau of Public Procurement (BPP).

The above anomalies could be attributed to weaknesses in the internal control system at the National Tuberculosis and Leprosy Referral Hospital & Training Centre.

Risks
i. Payments may be made for fictitious transactions.
ii. Diversion of public funds.

Management's Response
No response.

Auditor's Evaluation
Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations
The Chief Medical Director should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦86,000,335.80 (Eighty six million, three hundred and thirty five naira, eighty kobo), being payment for contracts split to circumvent approval threshold set by the BPP.
ii. Recover and remit to the Treasury, the sum of ₦86,000,335.80.
iii. Forward evidence of remittance to Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to splitting of contracts and irregular payment specified in paragraphs 3116 and 3106 of the Financial Regulations (2009) respectively, should apply.

ISSUE 5: PROCUREMENT OF ICT SOFTWARE AND EQUIPMENT WITHOUT NITDA CLEARANCE (=₦130,154,781.73)

Description of Findings
Paragraph 4 of the Establishment Circular Ref. No. 59736/S.2/C.II/125 dated 31st August, 2018, states, "For the avoidance of doubt, MDAs and other government establishments are to relate with and obtain prior approval from National Information Technology Development Agency (NITDA) for the implementation of Information Technology (IT) projects as well as the procurement of locally assembled IT components."

Audit observed that:
i. Four (4) payments amounting to ₦130,154,781.73 (One hundred and thirty million, one hundred and fifty four thousand, seven hundred and eighty one naira, seventy three kobo) were made in respect of contracts for the purchase of computer and IT equipment, and
ii. Evidence of clearance and certification from NITDA before the procurement of the ICT related equipment was not presented for audit.

The above anomalies could be attributed to weaknesses in the internal control system at the National Tuberculosis and Leprosy Referral Hospital & Training Centre.

Risks
i. Supply of low-quality products.
ii. High cost of installation.
iii. Loss of public funds.

Management's Response
No response.

Auditor's Evaluation
Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations
The Chief Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦130,154,781.73 (One hundred and thirty million, one hundred and fifty four thousand, seven hundred and eighty one naira, seventy three kobo), being payment for procurement of ICT software and equipment without clearance and certification from NITDA.
ii. Recover and remit to the Treasury, the sum of ₦130,154,781.73.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and gross misconduct prescribed in paragraphs 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 6: PAID VOUCHERS NOT PRESENTED FOR AUDIT (=₦215,396,751.52)

Description of Findings
Section 85(2) of the Constitution of the Federal Republic of Nigeria, 1999 (as amended) states, "… the Auditor-General or any person authorized by him in that behalf shall have access to all the books, records, returns, and other documents relating to these accounts." Also, paragraph 601 of the Financial Regulations (FR) (2009) states, "All payment entries in the cash book/accounts shall be vouched for on one of the prescribed treasury forms. Vouchers shall be made out in favour of the person or persons to whom the money is actually due. Under no circumstances shall a cheque be raised or cash paid for services for which a voucher has not been raised." Furthermore, paragraph 110 of the FR (2009) states, "By virtue of their responsibilities and functions, the Accountant General and the Auditor-General or their representatives shall, at all reasonable times, have free access to books of accounts, files, safes, security documents and other records and information relating to the accounts of all federal ministries/extra-ministerial offices and other arms of' government or units. They shall also be entitled to require and receive from members of the Public Service such information, reports, and explanations as they may deem necessary for the proper performance of their functions."

Audit observed that:

i. Fifteen (15) payments for capital expenditures amounting to ₦209,576,146.55 (Two hundred and nine thousand, five hundred and seventy six thousand, one hundred and forty six naira, fifty five kobo) and 28 payments for overhead expenditures amounting to ₦5,820,604.97 (Five million, eight hundred and twenty

thousand, six hundred and four naira, ninety seven kobo), all totaling ₦215,396,751.52 (Two hundred and fifteen million, three hundred and ninety six thousand, seven hundred and fifty one naira, fifty two kobo) were made by the Centre in the year under review, and

ii. Paid vouchers and supporting documents in respect of those payments were not presented for audit neither were they posted to the cash book of the Centre.

The above anomalies could be attributed to weaknesses in the internal control system at the National Tuberculosis and Leprosy Referral Hospital & Training Centre.

Risks

i. Payments for job/ services not executed.
ii. Loss of public funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Chief Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦215,396,751.52 (Two hundred and fifteen million, three hundred and ninety six thousand, seven hundred and fifty one naira, fifty two kobo), paid in respect of capital and overhead expenditures without presenting paid vouchers for audit.
ii. Recover and remit to the Treasury, the sum of ₦215,396,751.52.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and failure to spend public funds effectively prescribed in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

NIGERIA CENTRE FOR DISEASE CONTROL AND PREVENTION, ABUJA

At the Nigeria Centre for Disease Control and Prevention, Abuja, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: VIOLATION OF FEDERAL GOVERNMENT E-PAYMENT POLICY (=₦75,469,255.00)

Description of Findings

Paragraph 713 of the Financial Regulations (FR) (2009) states, "Personal money will in no circumstances be paid into a government bank account nor shall any public money

be paid into a private bank account. An officer who pays public money into a private account is deemed to have done so with fraudulent intention." Furthermore, paragraph 613 of the FR (2009) states, "Payments shall be made only to the persons named in the vouchers or their properly authorized representatives. Paying Officers must satisfy themselves that the person claiming the payment is the person authorised to receive the amount and it is the duty of the ministry, extra-ministerial office and other arms of Government authorizing payment to furnish proof of identity if required..." Also, paragraph 4(vii) of the Treasury Circular Ref. No. TRY/A88 & B8/2008/OAGF/CAD/026/Vol.11/465 dated 22nd October, 2008, states, "Henceforth all employees of the Federal Government of Nigeria must each open an account with a commercial bank into which all payments due to him/her must be paid."

Audit observed that:

i. Seventy nine (79) payments totaling ₦75,469,255.00 (Seventy five million, four hundred and sixty nine thousand, two hundred and fifty five naira) were raised and paid to several beneficiaries for various services during the year.
ii. These payments were made to Officers other than the ultimate beneficiaries in violation of the Federal Government's e-payment policy.
iii. No letter of authority was written and signed by the final beneficiaries authorizing the few individuals to receive the payments on their behalf, and
iv. There was no evidence to show that the payments got to the rightful beneficiaries.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigeria Centre for Diseases Control and Prevention, Abuja)

Risks

i. Diversion of government funds for personal use.
ii. Loss of government funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Director-General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦75,469,255.00 (Seventy five million, four hundred and sixty nine thousand, two hundred and fifty five naira), being payments made in violation of Federal Government E-payment Policy.
ii. Recover and remit to the Treasury, the sum of ₦75,469,255.00.
iii. Forward the evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments prescribed in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 2: STORE ITEMS NOT TAKEN ON LEDGER CHARGE (=₦45,046,875.00)

Description of Findings

Paragraph 2402(1) of the Financial Regulations (FR) (2009) states, "On all paid vouchers for the purchase of stores, except as provided in sub-section (ii) of this Regulations, the Storekeeper must certify that the stores have been received and taken on charge in the stores ledger quoting the stores receipt voucher number and attaching the original copy of the store receipt voucher to the original L.P.O." Furthermore, paragraph 2107 of the FR (2009) states, "A separate ledger shall be maintained for each store. Records of articles of the same group shall be kept in one ledger, and items should be arranged in alphabetical order. The unit of quantity shall be shown and articles shall be taken on charge in that unit. Separate folios shall be assigned to the various articles in stock and the description shall, in every case, agree with that of the tally card kept in the store. All stores ledgers must be clearly indexed."

Audit observed that:

i. Contract for the supply of store items amounting to ₦45,046,875.00 (Forty five million, forty six thousand, eight hundred and seventy five naira) was paid for vide paid voucher number: NCDC/CAP/15/61/2023 dated 13th of December, 2023, by the Centre, and
ii. The items procured were not taken on ledger charge, relevant documents such as the Store Receipt Vouchers (SRV), was not presented for audit.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigeria Centre for Diseases Control and Prevention, Abuja.

Risks

i. Payment for items not purchased.
ii. Diversion of stores.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Director-General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦45,046,875.00 (Forty five million, forty six thousand, eight hundred and seventy five naira), being payment for store items not taken on Store Ledger Charge.
ii. Recover and remit to the Treasury, the sum of ₦45,046,875.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and failure to spend public funds effectively, prescribed in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

OPTOMETRIST AND DISPENSING BOARD, ABUJA

At the Optometrist and Dispensing Board, Abuja, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: PAYMENT FOR CONTRACTS NOT EXECUTED (=₦26,424,000.00)

Description of Findings

Paragraph 603(i) of the Financial Regulations (FR) (2009) states, "All vouchers shall contain full particulars of each service such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets, etc." Furthermore, paragraph 412 of the FR (2009) states, "Where a contract involves supplies of goods or work done, there will be attached to the voucher a certificate that the payments are in accordance with the terms of the contract agreement, that is as regards supplies, the articles have been received and, in the case of work, that it has been properly done…" In addition, paragraph 708 of the FR (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied." Similarly, paragraph 2402 (i) of the FR (2009) states, "On all paid vouchers for the purchase of stores, except as provided in sub-section (ii) of this regulation, the storekeeper must certify that the stores have been received and taken on charge in the stores ledger quoting the stores receipt voucher number and attaching the original copy of the store receipt voucher to the original L.P.O."

Audit observed that:

i. Payments totaling ₦26,424,000.00 (Twenty six million, four hundred and twenty four thousand naira) were made to three (3) companies for medical and visual outreach vide three (3) payment vouchers, and
ii. There was no evidence, such as Store Receipt Voucher (SRV), pictures, video or Audio, Reports, and list of signed attendance attached to the payment voucher to justify the procurements made for the visual outreach and medical outreaches held.

The above anomalies could be attributed to weaknesses in the internal control system at the Optometrist and Dispensing Board, Abuja.

Risks

i. Procurement of substandard good or services.
ii. Diversion of public funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Registrar should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦26,424,000.00 (Twenty six million, four hundred and twenty four thousand naira), being payment for procurement of goods and services without evidence of execution.
ii. Recover and remit to the Treasury, the sum ₦26,424,000.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to payment for job not executed and irregular payment specified in paragraphs 3104 and 3106 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2: NON-DEDUCTION AND NON-REMITTANCE OF 1% STATUTORY STAMP DUTY (=₦301,212.00)

Description of Findings

Paragraph 2 of the Treasury Circular Ref. No. TRY A1 & B1/2017 OAGF/CAD/026/V.111/.182 dated 20th April, 2017, states, "… a 1% Stamp Duty chargeable on Contract Agreements and the remittance be made to the Relevant Tax Authority which is the Federal Inland Revenue Service (FIRS)…" Furthermore, paragraph 3 of the Treasury Circular Ref. No. TRY A1 & B1/2017 OAGF/CAD/026/V.111/.182, dated 20th April, 2017, states, "…MDA is to ensure that Stamp Duty is accordingly deducted on Contract Agreement before payment is made to beneficiary…"

Audit observed that:

i. The sum of ₦30,121,250.00(Thirty million, one hundred and twenty one thousand, two hundred and fifty naira) was paid for six (6) contracts between 8th August and 27th December, 2023, and
ii. 1% Stamp Duties totaling ₦301,212.50 (Three hundred and one thousand, two hundred and twelve naira, fifty kobo) was not deducted and remitted from payment made to the contractors.

The above anomalies could be attributed to weaknesses in the internal control system at the Optometrist and Dispensing Board, Abuja.

Risks

i. Loss of government revenue.
ii. Difficulty in funding budget.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised. the findings remain valid until the Management implements the recommendations

Recommendations

The Registrar should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦301,212.50 (Three hundred and one thousand, two hundred and twelve naira fifty kobo), being 1% statutory Stamp Duties not deducted and remitted to the relevant tax authority.
ii. Recover and remit to the relevant tax authority, the sum of ₦301,212.50.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to failure to collect and account for government revenue and gross misconduct prescribed in paragraphs 3112 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 3: CIRCUMVENTION OF PROCUREMENT PROCEDURES (=₦2,517,300.00)

Description of Findings

Paragraph 3 of the Treasury Circular Ref. No. TRY/A7 & B7/2015/OAGF/CAD/026/V.1/178 of 12th August, 2015, states, "All Accounting Officers and Officers controlling expenditure are to ensure that all local procurement of stores and services costing above ₦200,000.00 shall be made only through Award of Contracts, except as provided by the Public Procurement Act, 2007." Also, paragraph 2302 (ii) of the Financial Regulations (FR) (2009) states, "On no account shall special imprest or cash advance be used in place of Local Purchase Order or Job Order of the procurement of stores locally." Furthermore, paragraph 1420 of the FR (2009) states, "It is the responsibility of all Accounting Officers to ensure that all advances granted to officers are fully recovered."

Audit observed that:

i. Six (6) paid vouchers totaling ₦2,517,300.00 (Two million, five hundred and seventeen thousand, three hundred naira) were raised and paid as cash advance to four (4) officers of the Board for direct procurement of goods and services, between 31st August and 13th October, 2023.
ii. The cash advances were above the approved threshold of ₦200,000.00, thereby, circumventing procurement procedures, and
iii. The payments in (i) above deprived federal government of 7.5% Value Added Tax, 5% Withholding Tax (WHT) and 1%Stamp Duty, all totaling ₦339,835.50 (Three hundred and thirty nine thousand, eight hundred and thirty five naira, fifty kobo) that would have accrued as revenue through taxes.

The above anomalies could be attributed to weaknesses in the internal control system at the Optometrist and Dispensing Board, Abuja.

Risks

i. Loss of revenue to government.
ii. Diversion of public funds

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised. the findings remain valid until the Management implements the recommendations.

Recommendations

The Registrar should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦2,517,300.00 (Two million, five hundred and seventeen thousand, three hundred naira), granted as advances above the approved threshold of ₦200,000.00.
ii. Recover and remit to the Treasury, the sum of ₦2,517,300.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments and gross misconduct prescribed in paragraphs 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

NATIONAL INSTITUTE OF OPHTHALMOLOGY, KADUNA

At the National Institute of Ophthalmology, Kaduna, Kaduna State, for the period 1st January to 31st December, 2023, the following observation was made:

ISSUE 1: NON-SUBMISSION OF 2023 AUDITED FINANCIAL STATEMENTS

Description of Findings

Paragraph 4 of the Treasury Circular Ref. OAGF/CAD/026/VOL.III/7 dated 18th March, 2016, requires MDAs to prepare annual statutory financial reports in addition to the monthly trial balance to be submitted to Treasury. Furthermore, paragraph 5.3 of the Treasury Circular Ref. OAGF/CAD/026/VOL.III/108 dated 1st December, 2016, requires each MDA to prepare IPSAS accrual basis annual statutory financial statements effective 1st January, 2016. The Circular requires all MDAs to prepare the following annual statutory financial statements…"

Audit observed that:

i. The Hospital was yet to submit its audited financial statement for the year ended 31st December, 2023, together with management reports for the same period to the Office of the Auditor-General for the Federation as at the time of the audit in June, 2024.
ii. The last submission by the Hospital was the financial statements for the year ended 31st December, 2022, and
iii. There was no justification provided for the non-submission of IPSAS accrual financial statements for audit.

The above anomalies could be attributed to weaknesses in the internal control system at the National Institute of Ophthalmology, Kaduna.

Risks

i. Impediments to Public Accounts Committees oversight.
ii. Sub-optimal decisions by those charged with governance.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised. the findings remain valid until the Management implements the recommendations.

Recommendations

The Chief Medical Director should be requested to:

i. Justify to the Public Accounts Committees of the National Assembly, the non-submission of the audited financial statements for the year 2023 to the Office of the Auditor-General for the Federation.
ii. Forward the Audited Financial Statements for year 2023 with the management report to the Public Accounts Committees of the National Assembly, and
iii. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

UNIVERSITY OF CALABAR TEACHING HOSPITAL, CALABAR

At the University of Calabar Teaching Hospital, Calabar, for the period 1st January to 31st December, 2023, the following observation was made:

ISSUE 1: UNSUSTAINABLE DEBT BURDEN ON THE HOSPITAL (=₦1,309,559,536.00)

Description of Findings

Paragraph 301 of Financial Regulations (FR) (2009) states, "The Annual Estimates and Appropriation Acts are instruments used to limit and arrange the disbursement of the funds of the Federal Government. No expenditure may be incurred by any officer on any service, whether or not included in the estimates, until he has received an authority to do so in accordance with one of the following provisions in these rules and regulations. Any officer controlling a vote, or part thereof, who incurs expenditure without such authority does so on his sole responsibility and will consequently be held particularly responsible for his actions".

Audit observed that:

i. The books of accounts and records revealed that the Hospital has huge debt liabilities of ₦1,309,559,536.00 (One billion, three hundred and nine million, five hundred and fifty nine thousand, five hundred and thirty six naira) owed to different contractors from commercialized units that were yet to be settled during the period under review, and
ii. This act contravenes the provisions of Extant Regulations.

The above anomalies could be attributed to weaknesses in the internal control system at the University of Calabar Teaching Hospital, Calabar.

Risks

i. Litigation against the government.
ii. Increase in Government debt profile.

Management's Response

The huge debt burden of the Hospital and the attendant litigation are mostly offshoot of the previous management. We are doing all we can to see that those debts are reduced to the barest minimum especially those relating to supplies of consumables and drugs. We thank you for your observations and assure you once again, we will implement your recommendations raised which we believe will add value to the workings of our Hospital.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Chief Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦1,309,559,536.00 (One billion, three hundred and nine million, five hundred and fifty nine thousand, five hundred and thirty six naira), being excessive debt burden on the hospital
ii. Provide sustainable and acceptable plan to liquidate the ₦1,309,559,536.00 to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to poor cash management stated in paragraph 3115 of the Financial Regulations (2009) should apply.

UNIVERSITY OF NIGERIA TEACHING HOSPITAL, ITUKU-OZALLA, ENUGU

At the University of Nigeria Teaching Hospital, Ituku-Ozalla, Enugu, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: UNDER-REMITTANCE OF INTERNALLY GENERATED REVENUE TO THE CONSOLIDATED REVENUE FUND (=₦12,423,230.44)

Description of Findings

Paragraph 236 of the Financial Regulations (FR) (2009) states, "Revenue paid into the Revenue Accounts for Internally Generated Revenue (IGR) of MDAs shall be transferred to the CRF before the 15th of the Month following the month of collection of the Revenue". Also, paragraph 3(b) of the Treasury Circular Ref. No. TRY/A10&B10/2016 OAGF/CAD/026/V.111/101 of 22nd November, 2016, states, "all partially-funded Federal Government Agencies/Parastatals should limit their annual budgetary

expenditure to no more than 75 percent (75%) of their gross revenue, and remit the 25 percent (25%) to the CRF or pay 80 percent (80%) of their Operating Surplus computed according to the approved template to the CRF, whichever is higher."

Audit observed that:

i. The Hospital realized a total of ₦62,027,385.59 (Sixty two million, twenty seven thousand, three hundred and eighty five naira, fifty nine kobo) as Internally Generated Revenue (IGR).
ii. There was under-remittance of operating surplus/IGR amounting to ₦12,423,230.44 (Twelve million, four hundred and twenty three thousand, two hundred and thirty naira, forty four kobo) on some Internally Generated Revenue such as Tenders Fee, School Tuition, Rent on Federal Government Quarters etc. as shown in the Table below:

S/N	Revenue Sub Head Name	Amount (N) 25%
1	School Tuition/Reg./Exam.	33,799,836.10
2	School Tuition/Reg./Exam.	23,689,849.49
3	Sundry Fines	30,700.00
	TOTAL	57,520,385.59
	Required Remittance (25%) A	**14,380,096.40**
	STATUTORY REVENUE (100%):	**Revenue of 100%**
4	Contractor Registration Fees	2,010,000.00
5	Tender Fees	180,000.00
6	Rent on Federal Government Quarters	2,317,000.00
	Total B	**4,507,000.00**
	Total Required Remittance (A + B)	18,887,096.40
	Amount Remitted	6,463,865.96
	Under-remitted IGR	**12,423,230.44**

The above anomalies could be attributed to weaknesses in the internal control system at the University of Nigeria Teaching Hospital, Ituku-Ozalla, Enugu

Risks

i. Diversion of public funds for personal.
ii. Loss of revenue to government.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised. the findings remain valid until the Management implements the recommendations.

Recommendations

The Chief Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦12,423,230.44 (Twelve million, four hundred and twenty three thousand, two

hundred and thirty naira, forty four kobo), being under-remittance of Operating Surplus/ IGR.

ii. Remit to the Treasury, the sum of ₦12,423,230.44.

iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and

iv. Otherwise, sanctions relating to failure to collect and account for Government Revenue specified in paragraph 3112 (ii) of the Financial Regulations (2009) should apply.

ISSUE 2: IRREGULARITIES IN THE AWARD OF CONTRACTS (=₦432,089,551.50)

Description of Findings

Paragraph 113 of the Financial Regulations (FR) (2009) states, "In compliance with their special role under the Public Procurement Act, all accounting officers of ministries, extra–ministerial offices and other arms of government are hereby charged with the following responsibilities. They shall: …(i) ensure compliance with the provisions of the Public Procurement Act by their organizations, failing which they shall be personally liable for any breach or contravention thereof, whether or not such breach of contravention was caused by them in person, their subordinates or any person to whom they may have delegated their responsibilities."

Audit observed that:

i. The Hospital paid six (6) contractors a total of ₦432,089,551.50 (Four hundred and thirty two million, and eighty nine thousand, five hundred and fifty one naira, fifty kobo) for procurement of medical hospital equipment and installation of 10KVA solar system, in the period under review, and

ii. The pre-award requirements such as market and statistical survey, due diligence report, certificate of Original Equipment Manufacturer (EOM), evidence of registration on the National Database of Federal Contractors, and Company profile were not provided for audit.

The above anomalies could be attributed to weaknesses in the internal control system at the University of Nigeria Teaching Hospital, Ituku-Ozalla, Enugu

Risks

i. Award of contract to non-qualified contractors.

ii. Contract not properly executed.

iii. Loss of government funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

The Chief Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦432,089,551.50 (Four hundred and thirty two million, eighty nine thousand, five hundred and fifty one naira, fifty kobo), being payments for irregular award of contracts.

ii. Recover and remit to the Treasury, the sum of ₦432,089,551.50.

iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and

iv. Otherwise, sanctions relating to irregular award of contracts specified in paragraph 3117 of the Financial Regulations (2009) should apply.

SECTION 18

WATER RESOURCES AUDIT DEPARTMENT (WRAD)

LOWER BENUE RIVER BASIN DEVELOPMENT AUTHORITY, MAKURDI

At the Lower Benue River Basin Development Authority, Makurdi, for the period 1st January to 31st December, 2023, the following observation was made:

ISSUE 1: PAYMENTS WITHOUT RELEVANT SUPPORTING DOCUMENTS (=₦31,272,426.47)

Description of Findings

Paragraph 603(i) of the Financial Regulations (FR) (2009) states, "All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets. etc." Furthermore, paragraph 708 of the FR (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied."

Audit observed that:

i. Eight (8) paid vouchers totaling ₦31,272,426.47 (Thirty one million, two hundred and seventy two thousand, four hundred and twenty six naira, forty seven kobo) were raised and paid to eight (8) beneficiaries as payments for services purportedly rendered to the Authority, and
ii. Relevant supporting documents such as store receipt vouchers, invoices, certificates of attendance, etc. were not attached to the payment vouchers.

The above anomalies could be attributed to weaknesses in the internal control system at the Lower Benue River Basin Development Authority, Makurdi.

Risks

i. Payment for non-existence transactions.
ii. Loss of public funds.

Management's Response

Management wishes to state that we attached supporting documents in all payment vouchers.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Managing Director should be requested to:

i. Account to Public Accounts Committees of the National Assembly, the sum of ₦31,272,426.47 (Thirty one million, two hundred and seventy two thousand, four hundred and twenty six naira, forty seven kobo), being payments made without attaching relevant supporting documents.
ii. Recover and remit to the Treasury, the sum of ₦31,272,426.47.

iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments and failure to account for public funds specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

NATIONAL WATER RESEARCH INSTITUTE, KADUNA

At the National Water Research Institute, Kaduna, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: PAYMENT FOR ICT EQUIPMENT WITHOUT APPROVAL BY THE NATIONAL INFORMATION TECHNOLOGY DEVELOPMENT AGENCY (=₦11,941,923.38)

Description of Findings

Paragraph 4 of the Establishment Circular Ref. No. 59736/S.2/C.II/125 dated 31st August, 2018, states, "For the avoidance of doubt, MDAs and other government establishments are to relate with and obtain prior approval from National Information Technology Development Agency (NITDA) for the implementation of Information Technology (IT) projects as well as the procurement of locally assembled IT components."

Audit observed that:
i. The sum of ₦11,941,923.38 (Eleven million, nine hundred and forty one thousand, nine hundred and twenty three naira, thirty eight kobo) was paid to two (2) contractors for the procurement of Information and Communication Technology (ICT) related services at the Institute, and
ii. There was no evidence of approval by NITDA before procurement of the Information and Communication Technology equipment.

The above anomalies could be attributed to weaknesses in the internal control system at the National Water Resources Institute, Kaduna.

Risks

i. Award of contract to incompetent contractors.
ii. Loss of public funds.

Management's Response

National Water Resources Institute, Kaduna as an agency of the Federal Government of Nigeria is always keen to abiding by the rules and following Due process in discharging her lawful duties. An approval was sought and obtained from the National Information Technology Development Agency with Ref. No. ITPC/ 0252/00671 which will thought could cover the procurement of other similar projects. From these observations therefore, it is realized that for every procurement of IT Procurement, NITDA Approval must be obtained. We hereby promised that going forward, there will be strict compliance to that effect.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Executive Director should be requested to:

i. Account to Public Accounts Committees of the National Assembly, the sum of ₦11,941,923.38 (Eleven million, nine hundred and forty one thousand, nine hundred and twenty three naira, thirty eight kobo), being award and payment for ICT contracts without clearance from NITDA.
ii. Recover and remit to the Treasury, the sum of ₦11,941,923.38.
iii. Forward the evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and gross misconduct prescribed in paragraphs 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2: IRREGULAR PAYMENTS OF LUMP SUM PROVISION (=₦2,000,000.00)

Description of Findings

Paragraph 603(i) of the Financial Regulations (FR) (2009) states, "All vouchers shall contain full particulars of each service, such as dates, numbers, quantities, distances and rates, so as to enable them to be checked without reference to any other documents and will invariably be supported by relevant documents such as local purchase orders, invoices, special letters of authority, time sheets. etc." Furthermore, paragraph 415 of the FR (2009) states, "The federal government requires all officers responsible for expenditure to exercise due economy. Money must not be spent merely because it has been voted."

Audit observed that:

i. The sum of ₦2,000,000.00 (Two million naira) was included and paid as lump sum provision in the Bill of Quantity (BOQ) for two (2) contracts awarded by the Institute.
ii. The lump sum provision was included in contract sum and was paid to the contractor without due process, and
iii. The payments were made without any report and evidence of approval by the supervising Engineer.

The above anomalies could be attributed to weaknesses in the internal control system at the National Water Resources Institute, Kaduna.

Risks

i. Diversion of public funds.
ii. Loss of government funds.

Management's Response

The ₦2,000,000.00 (Two million naira) lump sum was a provision for pre-commissioning Inspection, monitoring and evaluation cost. The Commissioning has since taken place.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Executive Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦2,000,000.00 (Two million naira), being lump sum provision paid to contractor without report and evidence of approval from the supervising Engineer.
ii. Recover and remit to the Treasury, the sum of ₦2,000,000.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment, failure to spend public funds effectively and payment for a job not executed prescribed in paragraphs 3106, 3115 and 3104 of the Financial Regulations (2009) respectively, should apply.

SECTION 19

FEDERAL GOVERNMENT OWNED ENTERPRISES (FGoES) AUDIT

CENTRAL BANK OF NIGERIA

At the Central Bank of Nigeria (CBN), for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: OUTSTANDING PRINCIPAL BALANCE FROM CBN INTERVENTIONS LOAN GRANTED TO STATES (=₦1,252,095,444,724.82)

Description of Findings

Paragraph 227(ii) of the Financial Regulations (FR) (2009) states, "It is the responsibility of Accounting Officers to follow up outstanding items of revenue and to take all necessary steps to ensure collection or, where collection is no longer possible, to apply to the Ministry of Finance for authority for a write-off, explaining the circumstances."

Audit observed that:

i. A total of ₦1,814,380,639,812.84 (One trillion, eight hundred and fourteen billion, three hundred and eighty million, six hundred and thirty nine thousand, eight hundred and twelve naira, eighty four kobo) comprising of nine (9) interventions was disbursed to different States in the year 2023.
ii. The sum of ₦562,285,195,095.03 (Five hundred and sixty two billion, two hundred and eighty five million, one hundred and ninety five thousand, ninety five naira, three kobo) has so far been recovered as principal repaid as at 31st December, 2023, and
iii. From the amount in (i) above, a total of ₦1,252,095,444,724.82 (One trillion, two hundred and fifty two billion, ninety five million, four hundred and forty four thousand, seven hundred and twenty four naira, eighty two kobo) is the outstanding principal balance yet to be recovered.

The above anomalies could be attributed to weaknesses in the internal control system at the Central Bank of Nigeria.

Risks

i. Diversion of public funds to private purposes.
ii. Possible huge net exposure of Bank's funds.

Management's Response

The outstanding principal balance of ₦1,252,095,444,724.82' as at 31st December 2023 largely comprises of facilities with repayment plans spread across several years from the date of disbursement. This implies that repayment and recovery of these funds will materialise as the tenor of the facilities mature. Furthermore, the Bank has made substantial effort in form of change in policy and strategy to address challenges facing timely repayment and also strengthen its recovery strategy.

i. Some of the challenges faced by the interventions include:
   - Suspension of ISPO by Federal Ministry of Finance on State repayment of facilities.
   - Most of the facilities are still ongoing and are not past due (see Appendix 4).

- The repayment status has increased by over N170 billion to ₦734,085,816,033.53 as at Q2 2025 (see Appendix 4).
- The Bank concluded reconciliation engagements with States, Ministry and Bank representatives (See Appendix 2,3 & 5).
- The Bank also wrote letters to States and Banks demanding repayments of outstanding facilities (See Appendix 24 to 27)

ii. The Central Bank of Nigeria has pulled back from funding interventions and thus, refocused on recovering outstanding due obligations. To strengthen the recovery process, a number of measures have been deployed such as:
- Critical reviews of the implementation of each facility (See Appendix 7 & 8).
- Instituted legal actions against established cases (See Appendix 9).
- Implemented sanctions for identified infractions (penal charges) (See Appendix 28).
- Applied direct debit on the current accounts of Participating Financial Institutions (PFIs) for recovery of past due obligations (See Appendix 13).
- Circularization to Obligors and Banks to confirm outstanding balances (See Appendix 21).
- Engage stakeholders to understand challenges and advise on remedial steps (See Appendix 7 & 8).

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Governor of Central Bank of Nigeria (CBN) should be requested to:

i. Justify to the Public Account Committees of the National Assembly, the sum of ₦1,252,095,444,724.82 (One trillion, two hundred and fifty two billion, ninety five million, four hundred and forty four thousand, seven hundred and twenty four naira, eighty two kobo), being non-recovery of nine (9) interventions granted to different States.
ii. Recover and remit the sum of ₦1,252,095,444,724.82 to the Treasury.
iii. Forward evidence of recovery and remittance to the Public Account Committees of the National Assembly, and
iv. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

ISSUE 2: DOUBTFUL RECOVERIES OF LOANS GRANTED TO DISTRESSED AND LIQUIDATED BANKS (=₦116,179,000,000.00)

Description of Findings

Section 85 (2) of the Constitution of the Federal Republic of Nigeria (1999) states, "The public accounts of the Federation and of all offices and courts of the Federation shall be audited and reported on to the Auditor-General who shall submit his reports to the National Assembly; and for that purpose, the Auditor-General or any person authorised by him in that behalf shall have access to all the books, records, returns and other documents relating to those accounts."

Audit observed that:

i. The Statement of Financial Position and related Note to the accounts on page 120 of the Bank's Financial Statements for the year 2022 showed an outstanding loan/receivable of Other Loans (facilities given to distressed and liquidated banks) as at 31st December, 2022 was ₦116,179,000,000.00 (One hundred and sixteen billion, one hundred and seventy nine million naira).
ii. The 2023 audited or draft Financial Statements was not presented to the audit team to ascertain the level of recovery of the loans/receivables in (i) above, and
iii. Schedule of recoveries and outstanding balance against loans granted to distressed and liquidated banks were not provided for scrutiny.

The above anomalies may be attributable to failure of internal controls around accountability.

Risks

i. Loss of Public funds.
ii. Diversion of Public fund.

Management's Response

The facilities given to distressed and liquidated banks remain unchanged (₦116.19 billion) in 2023, compared with 2022. However, the Bank is currently engaging with NDIC to explore the possibility of recovering the loan via the liquidation process

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Governor of Central Bank of Nigeria (CBN) should be requested to:

i. Justify to the Public Account Committees of the National Assembly, the sum of ₦116,179,000,000.00 (One hundred and sixteen billion, one hundred and seventy nine million naira), being non-provision of documents relating to Other Loans (facilities given to distressed and liquidated banks) for audit.
ii. Recover and remit the sum of ₦116,179,000,000.00 to the Treasury.
iii. Forward evidence of recovery to the Public Account Committees of the National Assembly, and
iv. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

ISSUE 3: EXCESSIVE OUTSTANDING BALANCE ON ANCHOR BORROWERS' PROGRAMME (=₦386,168,028,870.49)

Description of Findings

Paragraph 3.0 of the Central Bank of Nigeria Anchor Borrower's Guidelines states, "…(3.3)The tenor of loans under the Programme shall be based on the gestation period of the targeted commodity. (3.4) Repayment shall be by produce and/or cash as may be prescribed by the CBN. The loans granted under the Programme shall be fully repaid

within the tenor of the facility. Where the facility was accessed through a Commodity Association, the leadership of the Association shall be responsible for full repayment of facility granted to its members."

Audit observed that:

i. The sum of ₦386,168,028,870.49 was the outstanding balance of Anchor Borrowers' Programme as at 31st December, 2023. Out of the amount, a total of ₦322,106,101,921.74 was the amount due for payment as at 31st December 2024 based on the revised maturity date after restructuring of the loans.
ii. The Anchor Borrowers' Programme is meant to support farmers to ensure sustainable food production in the country. However, the outstanding balance of ₦386,168,028,870.49 in the hands of some Anchors implies there would not be spread in the utilization, therefore hampering the plans for food security, and
iii. The numbers of beneficiaries were not provided for audit neither was the impact of the program during the period provided for audit assessment. There was no evidence of the efforts of the Bank to recover the balances, which is quite a significant amount.

The above anomalies could be attributed to weaknesses in the internal control system at the Central Bank of Nigeria.

Risks

i. Diversion of public funds to private purposes.
ii. Inability to attain food security in the Nation.

Management's Response

Despite facing challenges with intervention, the Bank has since made great progress in recovering the outstanding balance of ₦386,168,028,870.49 as at 31st December 2023. However, as at the time of this response, the outstanding ABP balance is now ₦262,859,473,249.81

i) Some of the justification/challenges encountered during the implementation of the ABP that have hampered repayments are:
   - Persistent insecurity and banditry activities (See Appendix 11).
   - Low adoption of best agronomic practices by farmers.
   - Climate change – severe weather conditions (See Appendix 11).
   - Wrong perception of ABP as a grant intervention by some beneficiaries.
   - Ineffective monitoring mechanisms by participating banks.

ii) The CBN has continued to pursue repayment despite achieving over 75% recoveries under the ABP. Some of the efforts employed by the CBN are:
   - Engagement with banks and obligors on repayment challenges and repayment plan (See Appendix 21).
   - Direct debit of past due obligations (See Appendix 13).
   - Circularization to obligors and banks to confirm outstanding balances (See Appendix 21).
   - Securitization of the outstanding Commodity Association loans through NIRSAL Plc to ease pressure and promote a sound Financial System (See Appendix 15).
   - Foreclose of obligor assets and collaterals (See Appendix 16 & 17).

- Collaboration with security agencies (DSS & EFCC) to recover outstanding loans (See Appendix 18).

iii) The Central Bank of Nigeria has pulled back from funding intervention and thus, refocused on recovering outstanding due obligations. To strengthen the recovery process a number of measures have been deployed, such as:
- Critical reviews of the implementation of each facility (See Appendix 7 & 8).
- Institute legal actions against established cases (See Appendix 9).
- Implemented sanctions for identified infractions (penal charges) (See Appendix 28).
- Applied direct debit on the current accounts of Participating Financial Institutions (PFIs) for recovery of past due obligations (See Appendix 13).
- Circularization to Obligors and banks to confirm outstanding balances (See Appendix 21).
- Engage stakeholders to understand challenges and advise on remedial steps (See Appendix 7 & 8).

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Governor of the Central Bank of Nigeria (CBN) should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦262,859,473,249.81 (Two hundred and sixty two billion, eight hundred and fifty nine million, four hundred and seventy three thousand, two hundred and forty nine naira, eighty one kobo), being outstanding amount on Anchor Borrowers' funds.
ii. Recover and remit the sum of ₦262,859,473,249.81 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

ISSUE 4: ALLEGED FRAUD AT CBN ABUJA BRANCH OFFICE (=US$6,230,000.00)

Description of Findings

Paragraph 112 (i) of the Financial Regulations (FR) (2009) states, "The functions of the Accounting Officer shall include:(a) ensuring that proper budgetary and accounting systems are established and maintained to enhance internal control, accountability and transparency; (b) ensuring that the essential management control tools minimize waste and fraud;…" Furthermore, paragraph 2501 of the FR(2009) states, "Loss or shortage of fund is a depletion of government fund at a given time. This can arise from any of (but not limited to) the following: (a) Misappropriation of funds (b) Falsification of records (c) Conversion of funds to personal use. (d) False claims (e) Fraudulent payments (f) Theft (g) Negligence."

Audit observed that:

i. There was an alleged fraud at the Abuja Branch Office amounting to US$6,230,000.00 (Six million, two hundred and thirty thousand United States Dollars) reported during the audit of foreign exchange payments process by the Internal Audit Department of the Central Bank of Nigeria (CBN).
ii. The Internal Audit Department of CBN disclosed that the payment was made based on a request for election funding purportedly made by the immediate past President of the Federal Republic of Nigeria.
iii. The approval of the erstwhile Governor of the Bank was purportedly obtained for the payment and processed by the Banking Services Department, and
iv. The investigation report of the alleged fraud was not made available to the audit team as at the time of the audit for scrutiny and confirmation.

The above anomalies could be attributed to weaknesses in the internal control system at the Central Bank of Nigeria.

Risks

i. Loss of funds.
ii. Fraudulent payments.

Management's Response

The Bank is carrying out a detailed and holistic investigation into the event and the findings shall be released in due course.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Governor of Central Bank of Nigeria (CBN) should be requested to:

i. Account to the Public Account Committees of the National Assembly, the fraudulent payment of the sum of US$6,230,000.00 (Six million, two hundred and thirty thousand United States Dollars) at the Abuja Branch office.
ii. Recover and remit the sum of US$6,230,000.00 to the Treasury.
iii. Forward evidence of recovery and the investigation report to the Public Accounts Committee of the National Assembly, and
iv. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

ISSUE 5: OVERDUE CURRENCY NOTES AWAITING EXAMINATION AT UMUAHIA BRANCH OFFICE

Description of Findings

Paragraph 112 (i) of the Financial Regulations (FR) (2009) states, "The functions of the Accounting Officer shall include:… (f) ensuring accurate collection and accounting for all public moneys received and expended."

Audit observed that:

i. At the Abia State Branch of the CBN, there were seventy seven (77) boxes of Awaiting Examination (A/E) Currency Notes as at 31st December, 2023, and
ii. All the boxes were more than 3 months.

The above anomalies could be attributed to internal control weaknesses at Umuahia Branch Office of the CBN.

Risks

i. Increase in AE boxes at the branch
ii. Mismanagement of funds.

Management's Response

The Branch Processes Awaiting-Examination (A/E) currency notes without interruption on a First-in-First-out (FIFO) basis and in-line with relevant service delivery standards, targets and the Bank's retention policy regarding currency notes. This risk (mis-management of funds) attributed to the observation is inapplicable since Awaiting Examination (A/E) currency notes are not subject to expenditure.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Governor of the Central Bank of Nigeria (CBN) should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the long overdue seventy seven (77) boxes of Awaiting Examination (A/E) Currency Notes, and
ii. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

ISSUE 6: UNSERVICEABLE VEHICLES ABANDONED AT THE LAGOS BRANCH OF THE BANK

Description of Findings

Paragraph 2609 of the Financial Regulations (FR) (2009) states, "Unserviceable stores, buildings, plants, motor vehicles and equipment may be written-off and disposed of under the personal authority of the Accounting Officer, provided that…(d) The Accounting Officer is of the opinion, after taking advice from the appropriate technical officer, that the unserviceable articles are beyond economic repair. In the case of motor vehicles, plants and equipment, ministries/ extra-ministerial offices and other arms of government which have their own engineering/technical facilities shall undertake the inspection and valuation. Those without such facilities may request the assistance of the Ministry of Works, or other ministries/extra-ministerial offices and other arms of government having such facilities, or employ the services of a registered engineering/technical workshop." Furthermore, paragraph 2001 of the FR (2009) states, "The Accounting Officer shall be responsible for ensuring that there are effective controls

in the use of Government vehicles." In addition, paragraph 2614 of the FR (2009) states, "…(ii) For boarding purposes, Boards of Survey should be convened at least once in every two months or as soon as unserviceable stores accumulate. (iii) Obsolete or unserviceable stores should similarly be disposed of either by auction sale or as directed by the Board, but disposal instruction must be carried out promptly within one month of the date of boarding."

Audit observed that:
i. During the physical verification of the Vehicles maintained by the Lagos Branch that some vehicles were unserviceable.
ii. The unserviceable vehicles have impacted negatively to the smooth operations at the Bank Branch due to the strategic roles it places for the Bank.

The above anomalies could be attributed to weaknesses in the internal control system at the Lagos Branch of the Central Bank of Nigeria.

Risks
i. Inefficiency in the Branch Operations.
ii. Delay in meeting critical currency operations.

Management's Response
The Asset Disposal Committee of the Bank had initiated the process of bidding for auto contractors for the appraisal of the boarded vehicles at the Branch premises before consequent approval to decommission the assets. Thereafter, the assets would be deleted from the Fixed Asset Register of the Bank.

Auditor's Evaluation
The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations
The Governor of the Central Bank of Nigeria (CBN) should be requested to:
i. Justify to the Public Accounts Committees of the National Assembly, the abandoned unserviceable vehicles over the years in the Branch office.
ii. Provide to the Public Accounts Committees of the National Assembly, evidence of disposal, replacements of the vehicles, and
iii. Otherwise, sanctions relating to gross misconduct as stated paragraph 3129 of the Financial Regulations (2009) should apply.

ISSUE 7: UNSERVICEABLE BULLION LORRY ABANDONED AT THE ABEOKUTA BRANCH OFFICE

Description of Findings
Paragraph 2609 of the Financial Regulations (FR) (2009) states, "Unserviceable stores, buildings, plants, motor vehicles and equipment may be written-off and disposed of under the personal authority of the Accounting Officer, provided that…(d) The Accounting Officer is of the opinion, after taking advice from the appropriate technical

officer, that the unserviceable articles are beyond economic repair. In the case of motor vehicles, plants and equipment, ministries/ extra-ministerial offices and other arms of government which have their own engineering/technical facilities shall undertake the inspection and valuation. Those without such facilities may request the assistance of the Ministry of Works, or other ministries/extra-ministerial offices and other arms of government having such facilities, or employ the services of a registered engineering/technical workshop." Furthermore, paragraph 2001 of the FR (2009) states "The Accounting Officer shall be responsible for ensuring that there are effective controls in the use of Government vehicles." In addition, paragraph 2614 of the FR (2009) states, "…(ii) For boarding purposes, Boards of Survey should be convened at least once in every two months or as soon as unserviceable stores accumulate. (iii) Obsolete or unserviceable stores should similarly be disposed of either by auction sale or as directed by the Board, but disposal instruction must be carried out promptly within one month of the date of boarding."

Audit observed that:

i. During the physical verification of the Vehicles maintained by the Abeokuta Branch, out of the eleven (11) vehicles presented and sighted, the Mercedes Benz Bullion Lorry with Chassis No. WDB6750321K26221, Registration Number DED260AA, purchased on 18th January 2018 was unserviceable, and
ii. The unserviceable Bullion Van was the only van available to the Branch, which implied that the Branch will have to rely on other Branches in the events of cash movements.

The above anomalies could be attributed to weaknesses in the internal control system at the Abeokuta Branch of the Central Bank of Nigeria.

Risks

i. Inefficiency in the Branch Operations.
ii. Delay in meeting critical currency operations.

Management's Response

No response.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Governor of the Central Bank of Nigeria (CBN) should be requested to:

i. Justify to the Public Accounts Committees of the National Assembly, the unserviceable bullion van still being maintained in the records of the Branch.
ii. Provide to the Public Accounts Committees of the National Assembly, evidence of disposal, replacements of the vehicles, and
iii. Otherwise, sanctions relating to gross misconduct as stated paragraph 3129 of the Financial Regulations (2009) should apply.

NIGER DELTA DEVELOPMENT COMMISSION

At the Niger Delta Development Commission, Port Harcourt, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: QUESTIONABLE PAYMENT OF PERSONAL LIABILITIES (PAYE) OF STAFF FROM PUBLIC FUNDS (=₦632,167,454.42)

Description of Findings

Paragraph 3106 of the Financial Regulations (FR) (2009) states, "A public officer who makes an irregular payment from public funds shall be given 21 days' notice to offer an explanation. Where no satisfactory explanation is given, the amount involved shall be recovered from the officer and such officer shall be removed from the schedule." Furthermore, paragraph 232 of the FR (2009) states, "If at any time, a Public Officer sustains a loss of Revenue due to negligence; he shall be liable to be surcharged for the amount involved."

Audit observed that:

i. The Commission paid ₦1,041,071,524.62 (One billion, forty one million, seventy one thousand, five hundred and twenty four naira, sixty two kobo) during the 2023 financial year to various State Boards of Internal Revenue, including ₦632,167,454.42 (Six hundred and thirty two million, one hundred and sixty seven thousand, four hundred and fifty four naira, forty two kobo) for prior years' Pay as you earn (PAYE) liabilities arising from under-deduction from staff salaries.
ii. The payments were made from public funds instead of recovering the under-deducted taxes from the salaries of the benefiting staff, contrary to Paragraph 232 of the Financial Regulations, which makes officers personally liable for such amounts, and
iii. This recurring failure to deduct and remit rightful PAYE taxes represents a misapplication of public funds and cannot be considered a legitimate charge against Government revenue.

The observed anomalies could be attributed to weaknesses in the internal control system at the Niger Delta Development Commission.

Risks

i. Loss of Government revenue.
ii. Misapplication of public funds.

Management's Response

i. The shortfall deficit in Pay-As-You-Earn (PAYE) deductions and remittances for the period under reference was due to the non-conformity in the PAYE computation templates adopted by the various states concerned and the template being used by the Commission.

Hence, the issue of under-deduction was raised by the relevant tax authorities during a tax audit regarding the Pay-As-You-Earn (PAYE) tax deductions by the Commission over the years. This issue was brought to light during this period.

ii. It is important to clarify the legal and administrative context under which the NDDC operates, and to distinguish between the liability of the institution and the responsibilities of its individual officers.

- Responsibility for Tax Deduction and Remittance:
  In accordance with the Personal Income Tax Act (PITA) 104 of 1993, Cap P8, LFN 2004 (as amended by the Personal Income Tax (Amendment) Act, 2011), particularly Section 82(1), employers are required to deduct and remit PAYE tax from emoluments paid to employees. The NDDC, as an employer, accepts that it has the statutory duty to ensure compliance with this provision. See appendix 5A as attached.

- Liability for Under-Deduction:
  Pursuant to Section 74 of the Personal Income Tax Act, 2011, where there is a failure to deduct or remit taxes, the burden of payment of the outstanding tax rests squarely on the employer. Section 74(1) provides that:
  "Every employer who fails to deduct, or having deducted, fails to remit to the relevant tax authority within the time prescribed, the tax due from emoluments paid to an employee, shall be liable to pay the tax which should have been deducted or remitted." (See appendix 5B)
  Consequently, the liability for any under-deduction identified during the audit rightfully lies with the NDDC as an institution.

Conclusion:
The NDDC acknowledges its obligation to ensure proper deduction and remittance of PAYE taxes and remains committed to full compliance with Nigerian tax laws**.**

Auditor's Evaluation
The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations
The Managing Director/Chief Executive Officer of the Niger Delta Development Commission should be requested to:

i. Account to the Public Accounts Committee of the National Assembly, the sum of ₦632,167,454.42 (Six hundred and thirty two million, one hundred and sixty-seven thousand, four hundred and fifty four naira, forty two kobo), representing PAYE tax under-deductions from previous years.
ii. Recover and remit the sum of ₦632,167,454.42 from affected staff and surcharges/penalties from responsible officers to the respective State Boards of Internal Revenue.
iii. Forward evidence of recovery and remittance to the Public Accounts Committees of the National Assembly, and

iv. Otherwise, sanctions relating to irregular payments and gross misconduct prescribed in paragraph 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2: IRREGULAR AWARD AND EXECUTION OF THE CONTRACT FOR THE EXTENSION OF 33KV OVERHEAD LINE FROM OGHARA 132/33KV SUBSTATION TO WESTERN DELTA UNIVERSITY DELTA STATE TEACHING HOSPITAL AND KOKO ETHIOPE WEST LGA (=₦994,215,993.00)

Description of Findings

Section 20 (2) of the Public Procurement Act (PPA) (2007) states, "The accounting officer of every procuring entity shall have overall responsibility for the planning of, organisation of tenders, evaluation of tenders and execution of all procurements and in particular shall be responsible for: (a) ensuring compliance with the provisions of this Act by his entity and liable in person for the breach or contravention of this Act or any regulation made hereunder whether or not the act or omission was carried out by him personally or any of his subordinates and its shall not be material that he had delegated any function, duty or power to any person or group of persons;…" Also, paragraph 5.0 (Delayed Payment) of the Electrification Project Agreement between Niger Delta Development Commission (NDDC) and a contractor states "…. Any payment due for more than sixty (60) days from the date of the acceptance or confirmation of an interim payment certificate by the employer shall be deemed a delayed payment. 5.2 Any delayed payment under this agreement shall attract interest at the rate of 2% per annum prorated over the period of the delayed payment." Also, paragraph 9.0 (Variation) of the Electrification Project Agreement between Niger Delta Development Commission (NDDC) and a contractor states "…. The Employer, during the performance of the works as contained in this Agreement may by notice in writing direct or permit the Contractor to alter, amend, omit, add to, modify or otherwise vary the design, quality or quantity of the works as shown in the contract Drawing and/or referred to in the contract bills. Without prejudice to this Agreement, the Contractor shall comply with the notice and shall be bound by it. 9.2 The difference in cost if occasioned by variations directed or permitted by the Employer shall be added to or deducted from the contract price as the case may require. The proposed amount of such difference shall be estimated by the contractor in accordance with accepted practices and submitted to the Employer for approval not later than five (5) days after the variation is directed or permitted, but before the variation is carried out…"

Audit observed that:

i. A contract valued at ₦994,215,993.00 (Nine hundred and ninety four million, two hundred and fifteen thousand, nine hundred and ninety three naira) was awarded in December 2014, but the agreement was executed three (3) years later in December 2017, contrary to the award conditions requiring mobilisation within 90 days and completion within 12 months.

ii. A contingency provision of ₦97,110,849.66 (Ninety seven million, one hundred and ten thousand, eight hundred and forty nine naira, sixty six kobo) (9.77% of contract sum) was included in the project cost without evidence of utilisation or retirement.

iii. Interim Payment Certificates totaling ₦754,377,919.17 (Seven hundred and fifty four million, three hundred and seventy seven thousand, nine hundred and nineteen naira, seventeen kobo), were paid with significant delays and without documented approval of additional works, indicating breach of contract terms.

iv. Despite payments amounting to ₦754,377,919.17 (Seven hundred and fifty four million, three hundred and seventy seven thousand, nine hundred and nineteen naira, seventeen kobo), the project remained at about 78% completion as at 31

v. December 2023, about ten (10) years after award, exposing the Commission to potential litigation and indicating weak contract management.

The payments made to the contractor is shown in the Table below:

S/N	DESCRIPTION	NET PAYMENT	IPC VALUE (₦)	IPC DATE	DATE OF PAYMENT
1	IPC No. 1	295,514,100.98	326,620,848.46	13/12/2017	22/6/2018
2	IPC No. 2	370,591,379.24	427,757,070.71	08/03/2022	07/05/2023
	Total	**666,105,840.22**	**754,377,919.17**		

The above anomalies could be attributed to weaknesses in the internal control system at the Niger Delta Development Commission.

Risks

i. Loss of public funds.

ii. Increase in variation arising from delay in payment and execution of the project.

Management's Response

1. The procurement and award processes for the contract were not concluded on time due to frequent changes in the Commission's administration over the period.
2. The Commission has been bedevilled by low funding over the years, hence the prioritization of payments based on needs assessment within the region.
3. This is noted, and efforts has been put in place to strengthen the Commission's internal control.

(i) The change in the Board/Executive Management Team who are political office holders delayed the full execution of the contract agreement. The contractor signed his own part of the agreement but the contract could not be perfected at the time due to the frequent changes in the administration of the Commission. However, the contractor commenced work immediately the site was handed over to him. Please see the site handover note as attached, appendix 7A.

Additionally, the Auditor-General for Federation is please requested to note that the contingency provision for the project is ₦11,936,230.20 and it has not been utilized (see attached BEME and reconciliation sheet, appendix 7B)

(ii) The delay in payments to contractors for completed projects and programmes is largely attributable to the frequent changes in the Executive Management/Board of the Commission, coupled with periods of low funding, which have impacted the consistency and timeliness of the Commission's financial commitments.

(iii) The contractor did not seek approval before the execution of the extra work. This made it difficult to validate his request.

The Commission is making necessary efforts to strengthen the internal control processes in its operations. Refer to serial number 26, see attached appendix 26.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendation

The Managing Director/Chief Executive Officer should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦754,377,919.17 (Seven hundred and fifty four million, three hundred and seventy seven thousand, nine hundred and nineteen naira, seventeen kobo), being payments made under the contract for the Extension of 33kv Overhead Line, including Interim Payment Certificates, extra works, and contingency utilization, and provide all supporting documentation for independent verification.
ii. Recover and remit any unauthorized or unapproved payments, including contingency funds or extra works not formally approved, to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and poor cash management specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 3: NON-SUBMISSION OF AUDITED FINANCIAL STATEMENTS (2019 - 2023)

Description of Findings

Section 18(2) of the Niger Delta Development Commission Act (2000) states, "The Board shall cause to be kept proper accounts of the Commission in respect of each year and proper records in relation thereto and shall cause the accounts to be audited not later than 6 months after the end of each year by auditors appointed from the list and in accordance with the guidelines supplied by the Auditor-General for the Federation." Furthermore, section 20(1) of the Niger Delta Development Commission Act (2000) states, "The Board shall prepare and submit to the President, Commander-in-Chief of the Armed Forces of the Federal Republic of Nigeria, not later than 30th June in each year, a report in such form as the President, Commander-in-Chief of the Armed Forces may direct on the activities of the Commission during the immediately preceding year, and shall include in the report a copy of the audited accounts of the Commission for that year and the auditor's report thereon." Also, Paragraph 3210(v) of the Financial Regulations (FR) (2009) states, "The Chief Executive Officer shall submit both the Audited Accounts and Management Report to the Auditor-General not later than 31st May of the following year of the Account."

Audit observed that:

i. The Niger Delta Development Commission failed to submit its audited financial statements for the 2019 to 2023 financial years to the Office of the Auditor-General for the Federation, and
ii. No reason was provided for the non-submission of the Audited Financial Statements.

The above anomalies could be attributed to weaknesses in the internal control system at the Niger Delta Development Commission.

Risks

i. Impediment to Public Accounts Committees' oversights.
ii. Sub-optimal decisions by those charged with governance.

Management's Response

(i) The Niger Delta Development Commission (NDDC) has always submitted its Audited Financial Statements to the Office of the Auditor General for the Federation at the completion of the annual statutory audit on its books and records.
(ii) The commission has since forwarded the Commissions' Audited Financial Statements and Management Letters to the Office of the Auditor General for the Federation for the financial years 2019 to 2022. The audit of the Commissions' Financial Statement for the year ended 31st December 2023 is still in progress and will be submitted once the exercise is completed.

Kindly find attached appendix 9 for evidence of the submissions.

The Commission is making necessary efforts to strengthen the internal control processes in its operations. Refer to serial number 26, see attached appendix 26.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Managing Director/Chief Executive should be requested to:

i. Submit the Audited Financial Statements for 2019 – 2022 to the Public Accounts Committees of the National Assembly and other relevant stakeholders, and
ii. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (FR) (2009) should apply.

ISSUE 4: PAYMENT FOR DOUBTFUL SUPPLY OF CHRISTMAS PACKAGES (=₦676,831,750.00)

Description of Findings

Paragraph 3104(iii) of the Financial Regulations (FR) (2009) states, "A public officer who fraudulently pays money to a contractor for a job not executed shall be required to refund in full the amount wrongly paid and shall be removed from that schedule and the matter referred to the Economic and Financial Crimes Commission for prosecution." Also, section 18 (2)(d) of the Money Laundering (Prevention and Prohibition) Act (2022) states, "Any person or body corporate, in or outside Nigeria, who directly or indirectly - (a) conceals or disguises the origin of, (b) converts or transfers, (c) removes from the jurisdiction, or (d) acquires, uses, retains or takes possession or control of any fund or property, intentionally, knowingly or reasonably ought to have known that such fund or

property is, or forms part of the proceeds of an unlawful act, commits an offence of money laundering under this Act."

Audit observed that:

i. The Commission paid ₦676,831,750.00 (Six hundred and seventy six million, eight hundred and thirty one thousand, seven hundred and fifty naira) for the procurement and supply of 2023 Christmas Packages to Commission's Executives/ Board Members, Management Staff, other staff, external securities and Other Stakeholders in the Region.
ii. The payments were made without payment vouchers or verifiable supporting documentation, contrary to paragraph 601 of the Financial Regulations (2009), and
iii. No evidence of supply or distribution including SRV, pictorial proof and list of beneficiaries was provided for audit verification.

The above anomalies could be attributed to weaknesses in the internal control system at the Niger Delta Development Commission.

Risks

i. Payments to contractors for items not supplied
ii. Diversion of public funds

Management's Response

See payment vouchers and other documents attached

Kindly find attached all the documentary evidence (see appendix 11) to show the authenticity of the transaction:

(a) Payment documents
(b) Award letters
(c) Invoices
(d) Names of beneficiaries and designations
(e) Pictorial evidence

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Managing Director/Chief Executive should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦676,831,750.00 (Six hundred and seventy six million, eight hundred and thirty one thousand, seven hundred and fifty naira), spent on the 2023 Christmas Packages, including full details of beneficiaries and distribution records.
ii. Recover and remit the sum of ₦676,831,750.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments and gross misconduct prescribed in paragraph 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 5: PAYMENT FOR EMERGENCY PROCUREMENT AND FURNISHING OF 10TH AND 11TH FLOOR OF THE NDDC BUILDING WITHOUT DOCUMENTARY EVIDENCE (=₦236,274,256.45)

Description of Findings

Paragraph 3104(iii) of the Financial Regulations (FR) (2009) states, "A public officer who fraudulently pays money to a contractor for a job not executed shall be required to refund in full the amount wrongly paid and shall be removed from that schedule and the matter referred to the Economic and Financial Crimes Commission for prosecution."

Audit examination revealed that:

i. The Commission awarded and fully paid the sum of ₦236,274,356.45 (Two hundred and thirty six million, two hundred and seventy four thousand, three hundred and fifty six naira, forty five kobo) for an emergency procurement of office furnishing without submission of complete supporting documentation, including invoices, delivery notes, and Stores Receipt Vouchers (SRVs).
ii. No evidence of compliance with provisions of the Public Procurement Act, 2007, including technical evaluation or due diligence, was made available for audit verification.
iii. Internal audit verification could not confirm actual performance, indicating payment was made for work not verified, highlighting weaknesses in internal controls and non-compliance with procurement regulations.

The above anomalies may be attributed to weaknesses in the internal control system at the Niger Delta Development Commission (NDDC).

Risks

i. Doubtful award and payment.
ii. Payments for items not actually supplied.

Management's Response

Please see relevant supporting documents in respect of the procurement.

(i) The contract was awarded in compliance with all the requirements of the Public Procurement Act, 2007. Kindly find attached the documentary evidence for the award:
    (a) The due process documents
    (b) The BOQ for the project (see attached, appendix 15A).

Attached herewith are relevant supporting documents to confirm the execution of the contract, see appendix 15B. (GRN, pictorial evidence)

Auditor's Evaluation

The management's justification for emergency procurement is not supported under Section 42(1) of the Public Procurement Act, 2007, which limits such procurement to urgent situations. No evidence was provided to show that the contract met these conditions. Critical documents, including a Certificate of No Objection from BPP, Accounting Officer approval citing emergency grounds, invoices, delivery notes, and detailed Stores Receipt Vouchers (SRVs), were not provided. This raises serious doubt

about the legitimacy of the procurement and the actual delivery of goods. The issue is therefore sustained.

Recommendations

The Managing Director/Chief Executive Officer of the Niger Delta Development Commission should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦236,274,356.45 (Two hundred and thirty six million, two hundred and seventy four thousand, three hundred and fifty six naira, forty five kobo) expended on the emergency procurement without complete supporting documentation.
ii. Recover and remit the sum of ₦236,274,356.45 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular expenditure and failure to account for public funds, as specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) should apply.

ISSUE 6: ENGAGEMENT OF EXTERNAL SOLICITORS WITHOUT THE FIAT OF THE ATTORNEY-GENERAL OF THE FEDERATION (=₦396,175,000.00)

Description of Findings

Paragraph 2(a) of the Establishment Circular Ref. No. SGF/PS/CIR/625/1 of 16th July, 2003 states "… approval of the Honourable Attorney-General of the Federation should be obtained before External Solicitors/Advocates are hired, and legal fees agreed upon by Ministries and their Parastatals/Agencies for any service rendered." Furthermore, paragraph 2(b) of the same Establishment Circular requires that claims for professional fees, should be submitted to the Honourable Attorney-General of the Federation for clearance and approval and be accompanied by the relevant Letter of Instruction and a Comprehensive Report on the services rendered, supported by relevant copies of process filed on behalf of the Government before payment.

Audit observed that:

i. The sum of ₦396,175,000.00 (Three hundred and ninety six million, one hundred and seventy five thousand naira) was paid to external solicitors without prior approval from the Attorney-General of the Federation, and
ii. No supporting documents were provided to justify the payments, rendering the expenditure irregular and not a valid charge against public funds.

The above anomalies could be attributed to weaknesses in the internal control system at the Niger Delta Development Commission.

Risks

i. Engagement of inexperienced/unqualified solicitors.
ii. Loss of government funds.

Management's response

(i) The Commission is a special creation with different operational structure from MDAs that directly draw funds from the Federal Government coffers. For the avoidance of doubt, the Niger Delta Development Commission (NDDC)is a creation of an Act of Parliament; vide the NDDC (Establishment, etc.) Act 2000, which also makes specific provisions on the structure and operation of the Commission.
Section 1(2) (a) & (b)provides:

"The Commission shall be a body corporate with perpetual succession and a common seal; and may sue and be sued in the corporate name".
Section 15 (c) provides:

"The Commission shall apply the proceeds of the fund established pursuant to section 14 of this Act to the payment for all contracts, including mobilization, fluctuations, variations, legal fees and cast on contract administration".

Section 26 (1) & (2) provides;
"In any action or suit against the Commission, no execution or attachment of process in the nature thereof shall be issued against the Commission;
Any sum of money which may by the judgment of any court be awarded against the Commission shall, subject to any direction given by court where notice of appeal of the said judgement has been given be paid from the general reserve fund of the Commission".

From the above provisions, it is clear that the Commission is statutorily empowered to defend actions against it and institute suits where its right are affected without any let or hindrance.

The above provisions are statutory and we submit that there is no law anywhere that requires the Commission to obtain the approval of the Attorney-General of the Federation before external Solicitors/Advocates are engaged. No Circular or Regulation can supersede express provisions of the law especially where there is no ambiguity in the provision.

Furthermore, a comprehensive reading of the NDDC (Establishment, etc.) Act would show that the legislature's intendment was to make the Commission effective in carving out its operations having provided for a Governing Board and a Management Committee with clearly detailed objectives. Moreover, the Commission is directly oversighted by the Presidency, National Assembly and other regulatory agencies. (See appendix 24A)

(ii) Alleged Engagement of Solicitors/Loss of Government:
Allegation of engagement of inexperienced/unqualified Solicitors and possible loss of government funds is untrue. For the avoidance of doubt, the Directorate of Legal Services maintains very standard parameters and professional indices for computation of legal fees for its litigation briefs, which include:

a) The nature and size of the claim (whether as plaintiffs of defendants)
b) The location of the court for transportation purposes
c) The stage of the matter (trial, Court of Appeal and Supreme Court).
d) The specialization required to execute the brief.

e) The volume of documentation involved in the brief (computation of records of proceedings e.g. in an Appeal)
f) The status of the Practioner (ie age at the Bar, proven authorities on the nature of the matter, Senior Advocates of Nigeria)
g) Whether a team of Practioners will be required to be assembled.
h) The urgency of the matter.
i) The peculiarity of the matter and any other issues that may be required to be considered.

The above represent (though not limited thereto) some of the indices the Commission considers in arriving at the recommendation of fees to be paid to brief Legal Practioners. (See appendix 24B)

iii. The Commission is making necessary efforts to strengthen the internal control processes in its operations. Refer to serial number 26, see attached appendix 26

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Managing Director/Chief Executive should be requested to:

i. Account to the Public Accounts Committee of the National Assembly, the sum of ₦396,175,000.00 (Three hundred and ninety six million, one hundred and seventy five thousand naira), paid to external solicitors without prior approval of the Attorney-General of the Federation.
ii. Recover and remit the sum of ₦396,175,000.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committee of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and poor cash management specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

NIGERIAN MIDSTREAM AND DOWNSTREAM PETROLEUM REGULATORY AUTHORITY

At the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA), for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: UNDER-REMITTANCE OF 1% INDUSTRIAL TRAINING FUND ON PERSONNEL COST (=₦43,412,755.72)

Description of Findings

Section 6 (1) of the Industrial Training Fund (Amendment) Act (2011) states, "Every employer having five (5) or more employees in his establishment, or having less than five (5) employees but with a turnover of 50 million Naira and above per annum, shall,

in respect of each calendar year and or the prescribed date, contribute to the Fund one per centum of its total payroll." Furthermore, section 6 (3) of the ITF (Amendment) Act (2011) requires all regulatory Agencies of the Federal Government to ensure compliance with the statutory provisions of the ITF Act with regards to section 6(i-iii).

Audit observed that:

i. The payroll of the Authority showed the sum of ₦21,260,377,751.68 (Twenty one billion, two hundred and sixty million, three hundred and seventy seven thousand, seven hundred and fifty one naira, sixty eight kobo) as total basic salary for the financial year 2023 while the sum of ₦16,919,102,179.57 (sixteen billion, nine hundred and nineteen million, one hundred and two thousand, one hundred and seventy nine naira, fifty seven kobo) was reported for the purpose of statutory 1% Industrial Training Fund (ITF) remittance vide internal memo with a Ref No. PEF/351/S.4/V1/547 dated 25th August, 2023, for the same financial year, and
ii. The recomputed 1% ITF from the total basic salary in the payroll of the Authority amounted to ₦212,603,777.52 (Two hundred and twelve million, six hundred and three thousand, seven hundred and seventy seven naira, fifty two kobo) while the remitted ITF for the financial year 2023 was ₦169,191,021.80 (One hundred and sixty nine million, one hundred and ninety one thousand, twenty one naira, eighty kobo) thereby leading to an under remittance of ₦43,412,755.72 (Forty three million, four hundred and twelve thousand, seven hundred and fifty five naira, seventy two kobo)

The above anomalies could be attributed to weaknesses in the internal control systems at the Nigerian Midstream and Downstream Petroleum Regulatory Authority.

Risks

i. Diversion of public funds
ii. Loss of revenue to government.

Management's Response

The shortfall in the ITF Fund is due to wrong assumptions and interpretations of the Act, which led to the application of net sum instead of gross amounts payable. The Authority appreciates the correct interpretation of the Act by the Auditor General and has duly remitted the differentials of ₦43,412,755.72 in compliance with the ITF Act. See attached remittance advice

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Authority Chief Executive (ACE) should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦43,412,755.72 (Forty three million, four hundred and twelve thousand, seven hundred and fifty five naira, seventy two kobo), being under-remittance of ITF amounting for the financial year 2023.
ii. Remit the sum of ₦43,412,755.72 to the ITF.

iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to gross misconduct, specified in paragraph 3129 of the Financial Regulations (FR) (2009) should apply.

ISSUE 2: NON-REMITTANCE OF 0.5% STATUTORY LEVY BY PETROLEUM PRODUCTS MARKETERS (=₦584,118,317.90)

Description of Findings

Section 47 (1) of the Petroleum Industry Act (PIA) (2021) states, "The Authority shall maintain a Fund (in this Act referred to as "the Authority Fund") into which money accruing to the Commission shall be paid." Furthermore, section 47 (2) of the PIA (2021) states, "The source of the Authority Fund shall be…(c) 0.5% of the wholesale price of petroleum products sold in Nigeria, which shall be collected from wholesale customers." Similarly, section 292 (1) of the PIA (2021) states, "Where any hydrocarbon tax or any instalment of tax due and non-payable is not paid within the appropriate time limit prescribed in section 291 of this Act- (a) a sum equal to 10% of the amount of the tax payable shall be added of payment and the provisions of the Act relating to the collection and recovery of tax shall apply to the collection and recovery of such sum; (b) the tax due shall incur interest at the prevailing LIBOR or any successor rate, plus 10% from the date when the tax becomes payable until it is paid and the provisions of this Act relating to collection and recovery of tax shall apply to the collection and recovery of the interest…"

Audit observed that:

i. The sum of ₦584,118,317.90 (Five hundred and eighty four million, one hundred and eighteen thousand, three hundred and seventeen naira, ninety kobo) was standing as the amount of indebtedness by twelve (12) oil marketers as at November, 2024.
ii. The amount in (i) above represents the total, inclusive of penalty in the list of defaulting discharged (Excluding PMS), and
iii. The was no justification provided for the indebtedness.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Midstream and Downstream Petroleum Regulatory Authority.

Risks

i. Loss of government funds.
ii. Diversion of public funds.

Management's Response

There has been ongoing reconciliation between Management and the Defaulting marketers. The sum of ₦103,708,445.44 (One hundred and three million, seven hundred and eight thousand, four hundred and forty-five Naira and forty-four kobo) has been recovered so far. The outstanding sums would be recovered as soon as possible.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Authority Chief Executive (ACE) should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦584,118,317.90 (Five hundred and eighty four million, one hundred and eighteen thousand, three hundred and seventeen naira, ninety kobo), being non-recovery/payment of the statutory revenue from the Petroleum Product Marketers.
ii. Recover and remit the sum of ₦584,118,317.90 to the Treasury
iii. Forward evidence of recovery and remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to failure to collect and account for government revenue, and gross misconduct prescribed in paragraphs 3112 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 3: NNPC(PPMC)'S BRIDGING ALLOWANCE INDEBTNESS TO NMDPRA (=₦162,456,750,832.47)

Description of Findings

Section 47(1) of the Petroleum Industry Act (PIA) (2021) states, "The Authority shall maintain a Fund (in this Act referred to as "the Authority Fund") into which money accruing to the Commission shall be paid."

Audit observed that:

i. The sum of ₦162,456,750,832.47 (One hundred and six two billion, four hundred and fifty six million, seven hundred and fifty thousand eight hundred and thirty two naira, forty seven kobo) NNPC (PPMC) indebtedness to NMDPRA as at May 2023.
ii. The amount in (i) above are for vessels that came in the name of NNPC/PPMC which were discharged in marketers Depots and for which NNPC/PPMC did not pay the applicable bridging allowance.
iii. As at the time of this audit in December 2024 nothing came to the knowledge of the auditor to have change the position of the amount of the indebtedness, and
iv. The was no justification provided for the indebtedness.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Midstream and Downstream Petroleum Regulatory Authority.

Risks

i. Loss of government funds.
ii. Diversion of public funds.

Management's Response

Management is making effort to recover the outstanding legacy bridging funds from NNPC Limited. Management have concluded reconciliation with NNPC under the

supervision of the Ministry of Finance. Evidence of payment would be forwarded to the Office of the Auditor-General for the Federation once payment is done by NNPC.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Authority Chief Executive (ACE) should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦162,456,750,832.47 (One hundred and six two billion, four hundred and fifty six million, seven hundred and fifty thousand, eight hundred and thirty two naira, forty seven kobo), being non-recovery/payment of indebtedness by NNPC/PPMC for discharged in marketers Depots and for which NNPC/PPMC did not pay the applicable bridging allowance.
ii. Recover and remit the sum of ₦162,456,750,832.47 to the Treasury.
iii. Forward evidence of recovery and remittance to Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to failure to collect and account for government revenue, and gross misconduct prescribed in paragraphs 3112 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 4: OUTSTANDING INDEBTEDNESS DUE TO NMDPRA FROM 2017 – 2023 YET TO BE RECONCILED (=₦230,268,790,205.77)

Description of Findings

Section 47(1) of the Petroleum Industry Act (PIA) (2021) states, "The Authority shall maintain a Fund (in this Act referred to as "the Authority Fund") into which money accruing to the Commission shall be paid."

Audit observed that:

i. The sum of ₦230,268,790,205.77 (Two hundred and thirty billion, two hundred and six eight million, seven hundred and ninety thousand, two hundred and five naira seventy seven kobo.) was the outstanding indebtedness of the Marketers to NMDPRA from 2017 to 2023 yet to be reconciled.
ii. The yet to be reconciled indebtedness was mainly on Imports, Coastal & Credits, by DAPPMAN 2017 – 2019, NTA, Imports, Coastal & Locals by DAPPMAN 2020 - May 2023, Truck-outs by NNPC/PPMC 2021 - May. 2023 (Cumulative) and Major Marketers Credit by NNPC/PPMC June 2021 – May, 2023, as shown in the Table below.
iii. As at the time of this audit in December 2024 nothing came to the knowledge of the auditor to have charge the position of the amount of the indebtedness, and
iv. The was no justification provided for the long outstanding indebtedness.

SUMMARY OF INDEBTEDNESS DUE NMDPRA AS AT 30TH MAY, 2023 (2017 - 2023)

S/N	MARKETERS	DESCRIPTION	OUTSTANDING BALANCE DUE (₦)	REMARKS
1	DAPPMAN 2017 – 2019	Imports, Coastals & Credits	50,473,131,791.02	Legacy debt owed by DAPPMAN, Reconciliation Ongoing
2	DAPPMAN 2020 - May. 2023	Coastals & Credits	101,966,390,008.97	Unremitted collections by Marketers based on disparity on shore tank/discharge volumes and SGS volumes.
3	MOMAN 2017 - 2023	NTA, Imports, Coastal & Locals	66,933,967,131.34	Major Marketers Indebtedness, Q4 2022 Reconciliation Ongoing for Some majors.
4	NNPC/PPMC 2021 - May. 2023(Cumulative)	Truck-outs	2,053,449,931.49	NNPC/PPMC Bridging Allowance on truck-out (June.2021 & rate diff march to May.31st 2022 @8.11 instead of 10.61) Yet to receive truck out volumes for Jan-April 2023
5	NNPC/PPMC June 2021 - May. 2023	Major Marketers Credit	8,841,851,342.95	Major Marketers credit transactions paid to NNPC/PPMC/Yet to receive major marketers credit volumes for Jan-March 2023
TOTAL			**230,268,790,205.77**	

***Source**: NMDPRA RECONCILIATION*

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Midstream and Downstream Petroleum Regulatory Authority.

Risks

i. Loss of government funds.
ii. Diversion of public funds.

Management's Response

Effort is being made to recover the full sum of ₦230,268,790,205.77 See attached breakdown of amount due with the Oil Marketers for the recovery of the sum of ₦230,268,790,205.77 (Two Hundred and Thirty Billion, Two Hundred and Six Eight Million, Seven Hundred and Ninety Thousand, Two Hundred and Five Naira, Seventy-Seven Kobo), which is outstanding indebtedness of the Marketers to NMDPRA from 2017- 2023.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Authority Chief Executive (ACE) should be requested to:

i. Explain to the Public Accounts Committees of the National Assembly, the long outstanding reconciliation of ₦230,268,790,205.77 (Two hundred and thirty billion, two hundred and six eight million, seven hundred and ninety thousand, two hundred and five naira seventy seven kobo) by NNPC/PPMC, DAPPMAN and MOMAN.
ii. Recover the sum of ₦230,268,790,205.77 and remit to the Treasury.
iii. Forward evidence of recovery and remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to failure to collect and account for government revenue, and gross misconduct prescribed in paragraphs 3112 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 5: NON-DEDUCTION AND NON-REMITTANCE OF STATUTORY TAXES (=₦42,116,038.37)

Description of Findings

Paragraph 2 of the Treasury Circular Ref. No. TRY A1 & B1/2017 OAGF/CAD/026/V.111/.182 dated 20th April, 2017, states, "… a 1% Stamp Duty chargeable on Contract Agreements and the remittance be made to the Relevant Tax Authority which is the Federal Inland Revenue Service (FIRS)…" Furthermore, paragraph 3 of the Treasury Circular Ref: No. TRY A1 & B1/2017 OAGF/CAD/026/V.111/.182 dated 20th April, 2017, states, "…MDA are to ensure that Stamp Duty is accordingly deducted on Contract Agreement before payment is made to beneficiary…" Also, paragraph 234(i) of the Financial Regulations (FR) (2009) states, "It is mandatory for Accounting Officers to ensure full compliance with the dual roles of making provision for the Value Added Tax (VAT) and Withholding Tax (WHT) due on supply and services contract and actual remittance of same." In addition, paragraph 235 of the FR (2009) states, "Deductions for WHT, VAT, Stamp duty and PAYE shall be remitted to the Federal Inland Revenue at the same time the payee who is the subject of the deduction is paid."

Audit observed that:

i. The sum of ₦227,654,261.46 (Two hundred and twenty seven million, six hundred and fifty four thousand, two hundred and sixty one naira, forty six kobo) was paid to a contractor for renewal of licenses/annual subscription for July 2023 to July 2024 platts existing package on 30th October 2023 via EPV 48520 without deduction of VAT, WHT, and Stamp Duty, and
ii. Statutory Taxes amounting to ₦42,116,038.37 (Forty two million, one hundred and sixteen thousand, thirty eight naira, thirty seven kobo) that would have accrued to the Government by way of 7.5% VAT, 10% WHT, and 1% Stamp Duty were not deducted and remitted to the FIRS.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Midstream and Downstream Petroleum Regulatory Authority.

Risks

i. Loss of government revenue.
ii. Difficulty in funding budget.

Management's Response
Management notes this observation. S&P Global Platts Inc. is a foreign company. Our understanding was that they are not taxable. However, going forward, we will be deducting VAT in line with the tax laws on all future transactions.

Auditor's Evaluation
The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations
The Authority Chief Executive (ACE) should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦42,116,038.37 (Forty two million, one hundred and sixteen thousand, thirty eight naira, thirty seven kobo), being non-deduction and non-remittance of statutory taxes to the relevant tax authorities.
ii. Recover and remit the sum of ₦42,1160,383.70 to the FIRS.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to failure to collect and account for government revenue and gross misconduct specified in paragraphs 3112 and 3129 of the Financial Regulations (2009) respectively, should apply.

TRANSMISSION COMPANY OF NIGERIA (TCN)

At the Transmission Company of Nigeria (TCN), Abuja, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: UNDER-REMITTANCE OF 1% INDUSTRIAL TRAINING FUND ON PERSONNEL COST (=₦16,867,857.52)

Description of Findings
Section 6 (1) of the Industrial Training Fund (Amendment) Act (2011) states, "Every employer having five (5) or more employees in his establishment, or having less than five (5) employees but with a turnover of 50 million Naira and above per annum, shall, in respect of each calendar year and or the prescribed date, contribute to the Fund one per centum of its total payroll." Furthermore, section 6 (3) of the ITF (Amendment) Act (2011) requires all regulatory Agencies of the Federal Government to ensure compliance with the statutory provisions of the ITF Act with regards to section 6(i-iii).

Audit observed that:
i. The sum to ₦5,188,930,773.50 (Five billion, one hundred and eighty eight million, nine hundred and thirty thousand, seven hundred and seventy three naira, fifty kobo) was paid as salary to staff of the Company for the financial year 2023.
ii. The 1% statutory Industrial Training Fund (ITF) on the salary in (i) above, amounted to ₦51,889,307.74 (Fifty one million, eight hundred and eighty nine

thousand, three hundred and seven naira, seventy four kobo) while the sum of ₦35,021,450.22 (Thirty five million, twenty one thousand, four hundred and fifty naira, twenty two kobo) was remitted to the ITF, leaving the balance of ₦16,867,857.52 (Sixteen million, eight hundred and sixty seven thousand, eight hundred and fifty seven naira, fifty two kobo) unremitted, and

iii. There was no justification for the under-remittance of the ITF and non-compliance with the Industrial Training Fund Act on the statutory contribution to the Fund.

The above anomalies could be attributed to weaknesses in the internal control system at the Transmission Company of Nigeria (TCN), Abuja.

Risks

i. Diversion of public funds
ii. Loss of revenue to government.
iii. Wastage of public funds on possible penalty for non-compliance.

Management's Response

The staff salary paid in the year 2023 was 5,188,930,773.50, a schedule of monthly payment is as attached. The statutory 1% Industrial Training Fund due in 2023 is therefore 51,889,307.74 as against the sum stated in Issue 2. The sum of 35,021,450.22 had been paid for training to the ITF on 2nd October 2025. The payment receipt is as attached. The outstanding amount will be paid in near future.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Managing Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦16,867,857.52 (Sixteen million, eight hundred and sixty seven thousand, eight hundred and fifty seven naira, fifty two kobo), being unremitted amount to the ITF for the financial year 2023.
ii. Provide and remit the sum of ₦16,867,857.52 to the Industrial Training Fund account.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

ISSUE 2: UNDER-REMITTANCE OF 1% NATIONAL SOCIAL INSURANCE TRUST FUND ON PERSONNEL COST (=₦18,043,175.94)

Description of Findings

Section 56 (1) of the Employee Compensation Act (2010), states, "There is established the Employees' Compensation Fund (in this Act referred to as "the Fund") into which

shall be credited all moneys, funds or contributions by employers for adequate compensation to employees or their dependents for any death, injury, disability or disease arising out of or in the course of employment." Furthermore, section 33 (1) of the Employee Compensation Act (2010) states, "Every employer shall, within the first 2 years of the commencement of this Act, make a minimum monthly contribution of 1.0 per cent of the total monthly payroll into the Fund." In addition, section 2 (1) of the Employee Compensation Act (2010) states, "Subject to the provisions of sections 3 and 70 of this Act, this Act shall apply to all employers and employees in the public and private sectors in the Federal Republic of Nigeria."

Audit observed that:

i. The sum of ₦5,188,930,773.50 (Five billion, one hundred and eighty eight million, nine hundred and thirty thousand, seven hundred and seventy three naira, fifty kobo) was paid as salaries to staff of the Company for the financial year 2023.
ii. The 1% NSITF on the salaries in (i) above, amounted to ₦51,889,307.74 (Fifty one million, eight hundred and eighty nine thousand, three hundred and seven naira, seventy four kobo) while the sum of ₦33,846,131.80 (Thirty three million, eight hundred and forty six thousand, one hundred and thirty one naira, eighty kobo) was remitted to the NSITF, leaving the balance of ₦18,043,175.94 (Eighteen million, forty three thousand, one hundred and seventy five naira, ninety kobo) unremitted, and
iii. There was no justification for the under-remittance of the NSITF and the non-compliance with the Employee Compensation Act (2010) on the statutory contribution to the Fund.

The above anomalies could be attributed to weaknesses in the internal control system at the Transmission Company of Nigeria (TCN).

Risks

i. Diversion of public funds
ii. Loss of revenue to government.
iii. Wastage of public funds on possible penalty for non-compliance.

Management's Response

As earlier stated, the salary paid in 2023 was 5,188,930,773.50 therefore the amount due from TCN was 51,889,307.74 (1%)
33,846,131.80 was also paid on 3rd March, 2026

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Managing Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦18,043,175.94 (Eighteen million, forty three thousand, one hundred and

seventy five naira, ninety kobo), being unremitted contribution to the Employee Compensation Fund as required by the Act.

ii. Provide and remit the sum of ₦18,043,175.94 to the Employee Compensation Fund account.

iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and

iv. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

ISSUE 3: PROCUREMENT OF ICT EQUIPMENT WITHOUT NITDA CLEARANCE (=₦12,642,768.34)

Description of Findings

Federal Government Circular, Ref. 59736/S.2/C. II/125, dated 31st August, 2018, states, "The National Information Technology Development Agency (NITDA) was designated as the Federal Government clearing house and certifying authority on all Information Technology Projects and procurement of IT components". Also, Establishment Circular Ref. SGF.6/S.19/T/65, dated April 18, 2006, states "The National Information Technology Development Agency (NITDA) is the contract Administrator for the Agreement and the Clearing House for Information Technology (IT) projects on behalf of the Federal Government". It further provides that "all MDAs are to abide by the guidelines relating to the role of NITDA."

Audit observed that:

i. The sum of ₦12,642,768.34 (Twelve million, six hundred and forty two thousand, seven hundred and sixty eight naira, thirty four kobo) was paid to some companies and staff of the Company for the procurement of ICT equipment for the year, and

ii. There was no clearance or approval of National Information Technology Development Agency (NITDA) for the procurement of the ICT equipment in (i) above, as required by extant regulations.

The above anomalies could be attributed to weaknesses in the internal control system at the Transmission Company of Nigeria (TCN).

Risks

i. Procurement of substandard ICT equipment at unfair prices.

ii. Diversion of public funds.

Management's Response

This is noted for management implementation in subsequent IT equipment purchases.

Auditor's Evaluation

The Management's response to the issue has been noted; however, it is deemed unsatisfactory. Consequently, the findings remain valid until the recommendations are implemented.

Recommendations

The Managing Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦12,642,768.34 (Twelve million, six hundred and forty two thousand, seven hundred and sixty eight naira, thirty four kobo), being expenditure on procurement of ICT equipment without clearance from National Information Technology Development Agency (NITDA).
ii. Recover and remit the sum of ₦12,642,768.34 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments specified in paragraph 3106 of the Financial Regulations (FR) (2009) should apply.