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, 2024

(VOLUME I)

THE AUDITOR-GENERAL FOR THE FEDERATION

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AuGF/AR.2024/01 **17th July, 2026**

The Clerk to the National Assembly,
National Assembly Complex,
Three Arms Zone,
Abuja.

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, 2024

Pursuant to the provisions of Sections 85(2) and 85(4) of the Constitution of the Federal Republic of Nigeria, 1999 (as amended), I have the honour to submit to the National Assembly, four (4) hard copies and two (2) soft copies each of Volumes I and II of the 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 (FGN) for the year ended 31st December 2024.

2. Kindly note that the Auditor-General for the Federation's Annual Report on the Consolidated Financial Statements of the Federal Government of Nigeria (FGN) for the year ended 31st December, 2024, will be transmitted separately upon receipt of the Financial Statements from the Accountant-General of the Federation, in accordance with Section 85(5) of the Constitution of the Federal Republic of Nigeria, 1999 (as amended).

3. Please, accept the assurances of my highest regards, always.

Shaakaa Kanyitor Chira, FCNA, FCCrFA, FCCFI, FCTI, PhD
Auditor-General for the Federation
FRC/2023/PRO/ANAN/001/794576

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To be continued in Volume II

CROSS-CUTTING ISSUES

Cross-cutting issues refer to recurring cases of non-compliance and systemic internal control weaknesses identified in at least four (4) Ministries, Departments and Agencies (MDAs) of the Federal Government of Nigeria, as reported in the Auditor-General for the Federation's Annual Report on Non-Compliance/Internal Control Weaknesses in MDAs for the year ended 31st December, 2024.

These issues are indicative of pervasive control deficiencies and institutional lapses that transcend individual MDAs, thereby posing significant risks to public financial management, accountability, and service delivery.

The attention of the Public Accounts Committees (PACs) of the National Assembly had been consistently drawn to each of these issues through detailed audit observations, recommendations, and proposed sanctions, with a view to ensuring corrective actions, enforcing accountability, and preventing recurrence. For completeness and due process, each of these issues has also been comprehensively addressed under the respective MDAs in the main body of the Report.

Furthermore, the aggregation and presentation of these issues as "Cross-Cutting" is intended to provide a consolidated and strategic perspective to the PACs and other key stakeholders. This approach enables a holistic appreciation of the magnitude, pattern, and financial implications of such recurring infractions, particularly in terms of the quantum of public funds involved and the recoveries being pursued.

Accordingly, this section of the Report seeks to highlight, in a concise and accessible format, the total amount recommended for recovery by the Federal Government of Nigeria under this category of systemic irregularities.

The Cross-Cutting Issues identified for the year ended 31st December, 2024, are as follows:

ISSUE 1: CASH ADVANCES GRANTED ABOVE LIMIT (=₦1,403,268,606.66)

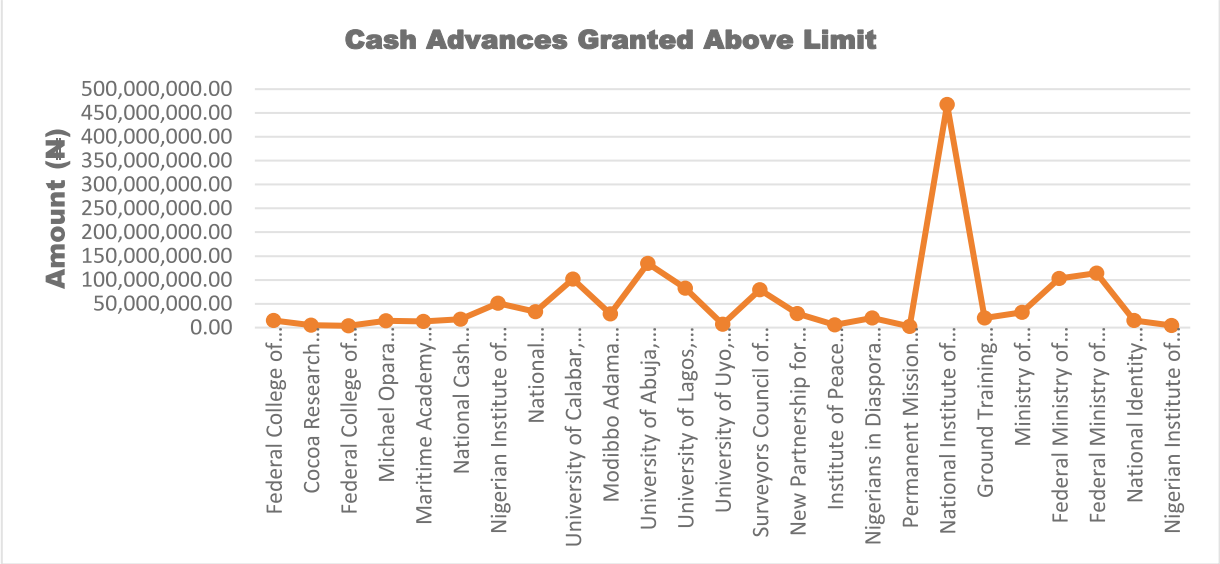
Description of Findings

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 ₦1,403,268,606.66 (One billion, four hundred and three million, two hundred and sixty eight thousand, six hundred and six naira, sixty six kobo) was the amount of cash advances granted above the statutory limit by twenty five (25) Ministries, Departments and Agencies (MDAs), and

ii. The National Institute of Construction Technology and Management (NICTM), Uromi, Edo State, had the highest amount of ₦467,765,614.00 (Four hundred and sixty seven million, seven hundred and sixty five thousand, six hundred and fourteen naira) while the Permanent Mission of Nigeria to ECOWAS Mission, had the least amount of ₦2,535,700.00 (Two million, five hundred and thirty five thousand, seven hundred naira) as shown in the Figure below.



ISSUE 2: UNRETIRED CASH ADVANCES (=₦2,740,439,738.59)

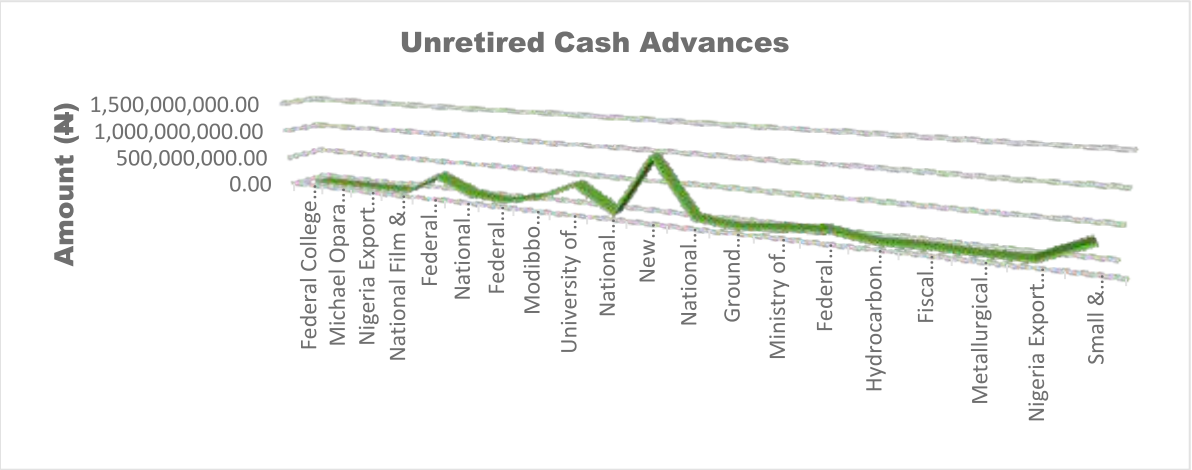
Description of Findings

Paragraph 1420 of the Financial Regulations (FR) (2009) states, "It is the responsibility of all Accounting Officers to ensure that all advances granted to officers are fully recovered." Furthermore, paragraph 2302 (ii) of the 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 sum of ₦2,740,439,738.59 (Two billion, seven hundred and forty million, four hundred and thirty nine thousand, seven hundred and thirty eight naira, fifty nine kobo) was the amount of cash advances not retired in twenty (20) Ministries, Departments and Agencies (MDAs), and

ii. The New Partnership for Africa's Development (NEPAD), Abuja, had the highest amount of ₦1,010,934,617.50 (One billion, ten million, nine hundred and thirty four thousand, six hundred and seventeen naira, fifty kobo) while the Metallurgical Training Institute (MTI), Onitsha, had the least amount of ₦953,900.00 (Nine hundred and fifty three thousand, nine hundred naira) as shown in the Figure below.



ISSUE 3: UNACCOUNTED PAYMENTS (=₦6,731,583,497.43)

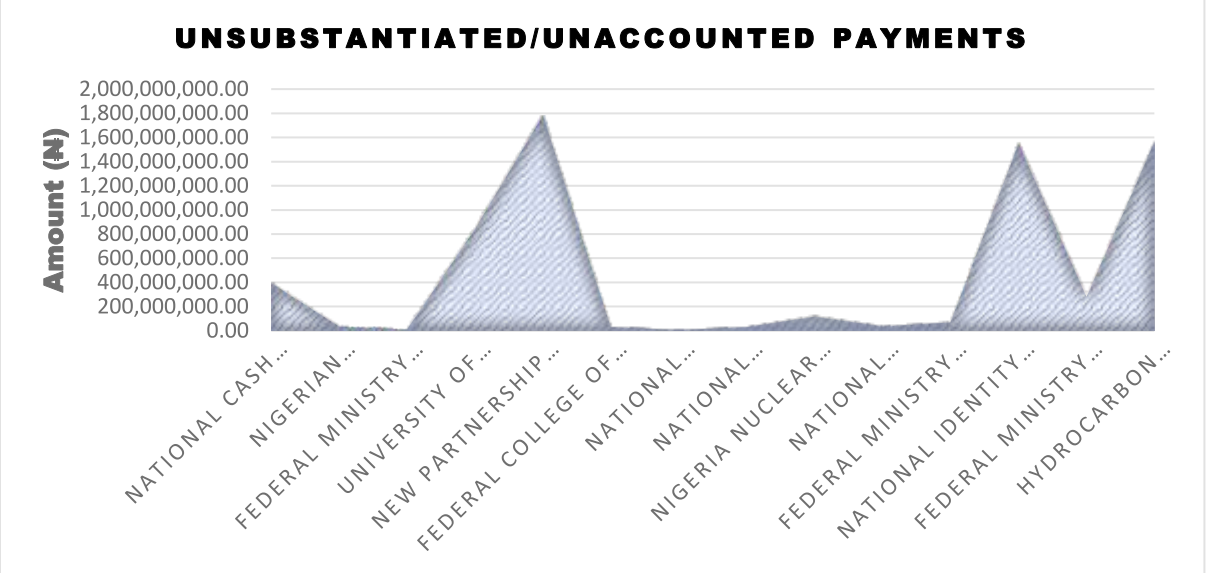
Description of Findings

Paragraph 112 (i) of the Financial Regulations (FR) (2009) states, "The functions of the Accounting Officer shall include: (a) ensuring accurate collection and accounting for all public moneys received and expended…" 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 ₦6,731,583,497.43 (Six billion, seven hundred and thirty one million, five hundred and eighty three thousand, four hundred and ninety seven naira, forty three kobo) was the amount of unaccounted payments by fourteen (14) Ministries, Departments and Agencies (MDAs), and

ii. The New Partnership for Africa's Development (NEPAD), Abuja, had the highest amount of ₦1,781,841,598.90 (One billion, seven hundred and eighty one million, eight hundred and forty one thousand, five hundred and ninety eight naira, ninety kobo) while the National Biotechnology Research and Development Agency (NBRDA), Abuja, had the least amount of ₦4,805,000.00 (Four million, eight hundred and five thousand naira) as shown in the Figure below.



ISSUE 4: UNDER REMITTANCE OF INTERNALLY GENERATED REVENUE TO THE CRF (=₦1,169,547,058.10)

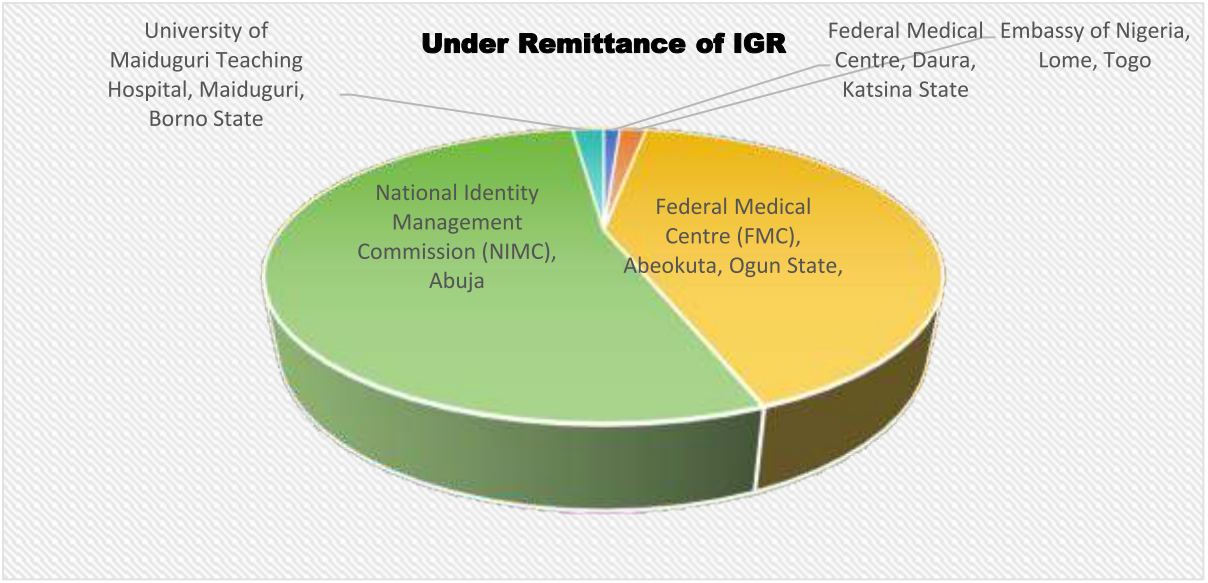
Description of Findings

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 on or before the 15th of the Month following the month of collection of the Revenue."

Audit observed that:

i. The sum of ₦1,169,547,058.10 (One billion, one hundred and sixty nine million, five hundred and forty seven thousand, fifty eight naira, ten kobo) was the amount of under remittance of internally generated revenue to the CRF by five (5) Ministries, Departments and Agencies (MDAs), and

ii. The National Identity Management Commission (NIMC), Abuja, had the highest amount of ₦627,347,651.35 (Six hundred and twenty seven million, three hundred and forty seven thousand, six hundred and fifty one naira, thirty five kobo) while the Federal Medical Centre, Daura, Katsina State, had the least amount of ₦12,307,175.00 (Twelve million, three hundred and seven thousand, one hundred and seventy five naira) as shown in the Figure below.



ISSUE 5: UNSUBSTANTIATED PAYMENTS (=₦3,270,280,712.21)

Description of Findings

Paragraph 112 (i) of the Financial Regulations (FR) (2009) states, "The functions of the Accounting Officer shall include: (a) ensuring accurate collection and accounting for all public moneys received and expended…" 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 ₦3,270,280,712.21 (Three billion, two hundred and seventy million, two hundred and eighty thousand, seven hundred and twelve naira, twenty one kobo) was the amount of unsubstantiated payments by twenty (20) Ministries, Departments and Agencies (MDAs), and

ii. The Federal Ministry of Communications, Innovation and Digital Economy, Abuja, had the highest amount of ₦447,665,992.74 (Four hundred and forty seven million, six hundred and sixty five thousand, nine hundred and ninety two naira, seventy four kobo) while the National Biotechnology Research Development Agency, Abuja, had the least amount of ₦ 6,130,240.00 (Six million, one hundred and thirty thousand, two hundred and forty naira) as shown in the Figure below.



ISSUE 6: NON-REMITTANCE OF INTERNALLY GENERATED REVENUE TO THE CRF (=₦8,089,249,067.74)

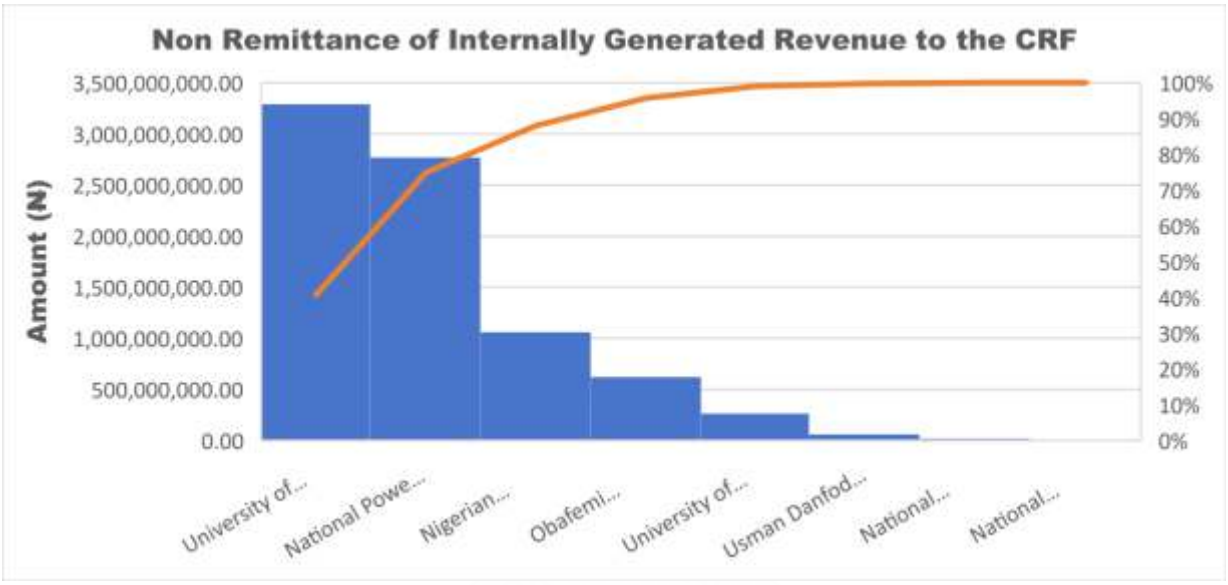
Description of Findings

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 sum of ₦8,089,249,067.74 (Eight billion, eighty nine million, two hundred and forty nine thousand, sixty seven naira, seventy four kobo) was the amount of internally generated revenue not remitted to the CRF by nine (9) Ministries, Departments and Agencies (MDAs), and

ii. The University of Lagos, Akoka, had the highest amount of ₦3,290,139,031.25 (Three billion, two hundred and ninety million, one hundred and thirty nine thousand, thirty one naira, twenty five kobo) while the National Metallurgical Development Centre (NMDC), Jos, had the least amount of ₦527,763.58 (Five hundred and twenty seven thousand, seven hundred and sixty three naira, fifty eight kobo) as shown in the Figure below.



ISSUE 7: VIOLATION OF E-PAYMENT POLICY OF THE FEDERAL GOVERNMENT (=₦1,573,747,502.94)

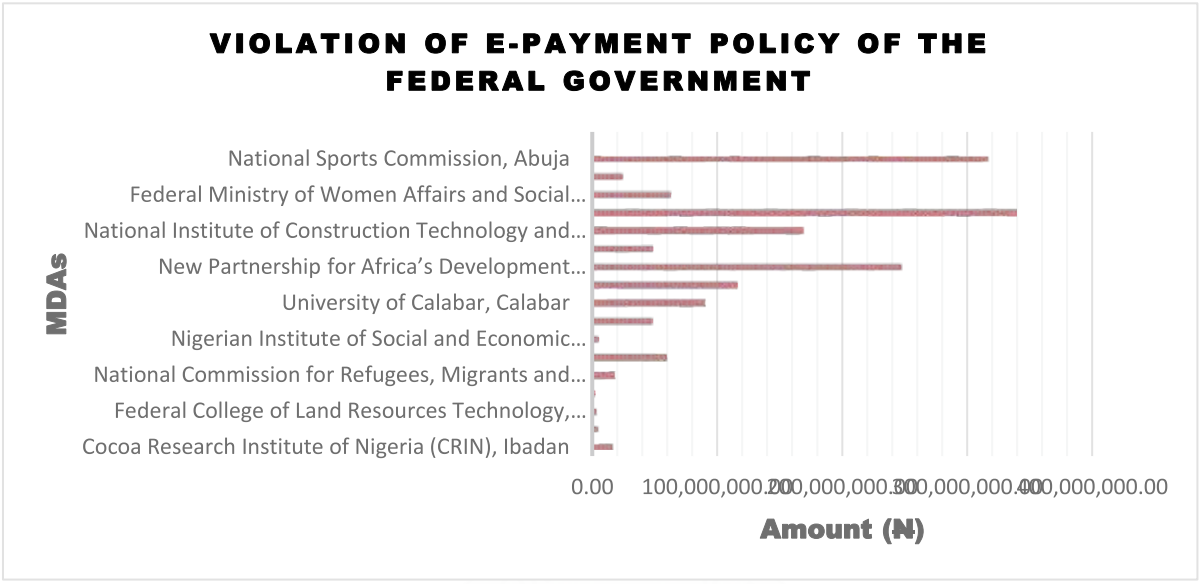
Description of Findings

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 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 sum of ₦1,573,747,502.94 (One billion, five hundred and seventy three million, seven hundred and forty seven thousand, five hundred and two naira, ninety four kobo) was the amount of payments in violation of the e-payment policy of the federal government by eighteen (18) Ministries, Departments and Agencies (MDAs), and

ii. The National Agricultural Land Development Authority (NALDA), Abuja, had the highest amount of ₦339,501,266.70 (Three hundred and thirty nine million, five hundred and one thousand, two hundred and sixty six naira, seventy kobo) while the Nigerian Agricultural Insurance Corporation (NAIC), Abuja, had the least amount of ₦2,510,250.00 (Two million, five hundred and ten thousand, two hundred and fifty naira) as shown in the Figure below.



ISSUE 8: PAYMENTS WITHOUT RELEVANT SUPPORTING DOCUMENTS (=₦37,081,862,343.93)

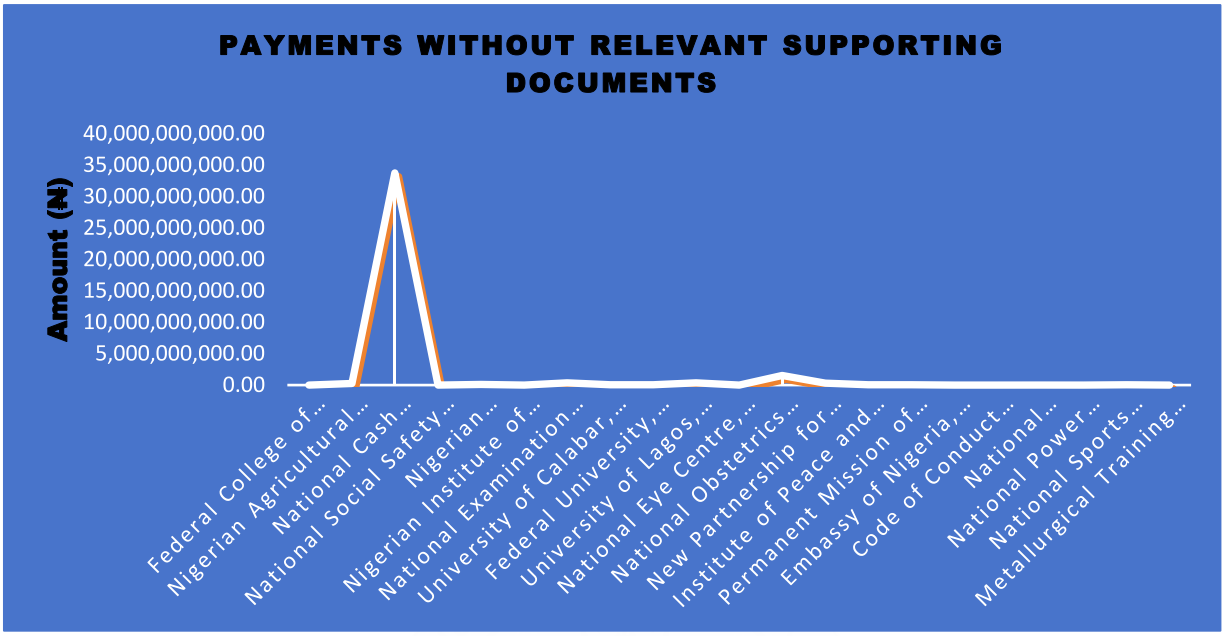
Description of Findings

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 ₦37,081,862,343.93 (Thirty seven billion, eighty one million, eight hundred and sixty two thousand, three hundred and forty three naira, ninety three kobo) was the amount of payments without relevant supporting documents by twenty one (21) Ministries, Departments and Agencies (MDAs), and

ii. The National Cash Transfers Office, Abuja, had the highest amount of ₦33,751,080,000.00 (Thirty three billion, seven hundred and fifty one million, eighty thousand naira) while the National Biotechnology Research and Development Agency (NBRDA), Abuja, had the least amount of ₦5,000,000.00 (Five million naira) as shown in the Figure below.



ISSUE 9: DENIAL OF ACCESS TO PROJECT DOCUMENTS, RECORDS AND PROJECT SITES (=₦83,335,828,272.24)

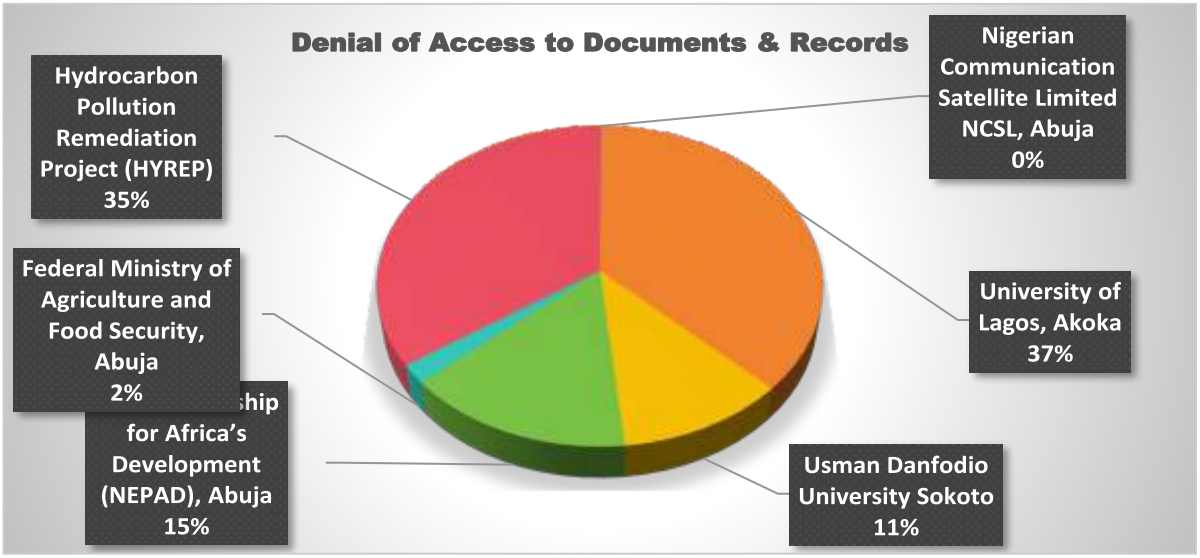
Description of Findings

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 those accounts." Also, paragraph 110 of the Financial Regulations (FR) (2009) states, "By virtue of the responsibilities and functions of the Auditor-General or his representatives shall, at all reasonable times, have free access to books of accounts, files, safes,…of all federal ministries/extra-ministerial offices and other arms of government or units."

Audit observed that:

i. The sum of ₦83,335,828,272.24 (Eighty three billion, three hundred and thirty five million, eight hundred and twenty eight thousand, two hundred and seventy two naira, twenty four kobo) was the amount of payments without granting Auditor-General for the Federation access to documents, records and project sites by six (6) Ministries, Departments and Agencies (MDAs), and

ii. The University of Lagos, Akoka, had the highest amount of ₦29,598,146,975.00 (Twenty nine billion, five hundred and ninety eight million, one hundred and forty six thousand, nine hundred and seventy five naira) while the Nigerian Communication Satellite Limited (NCSL), Abuja, had the least amount of ₦65,556,184.00 (Sixty five million, five hundred and fifty six thousand, one hundred and eighty four naira) as shown in the Figure below.



ISSUE 10: PAID VOUCHERS NOT PRESENTED FOR EXAMINATION (=₦5,637,051,658.05)

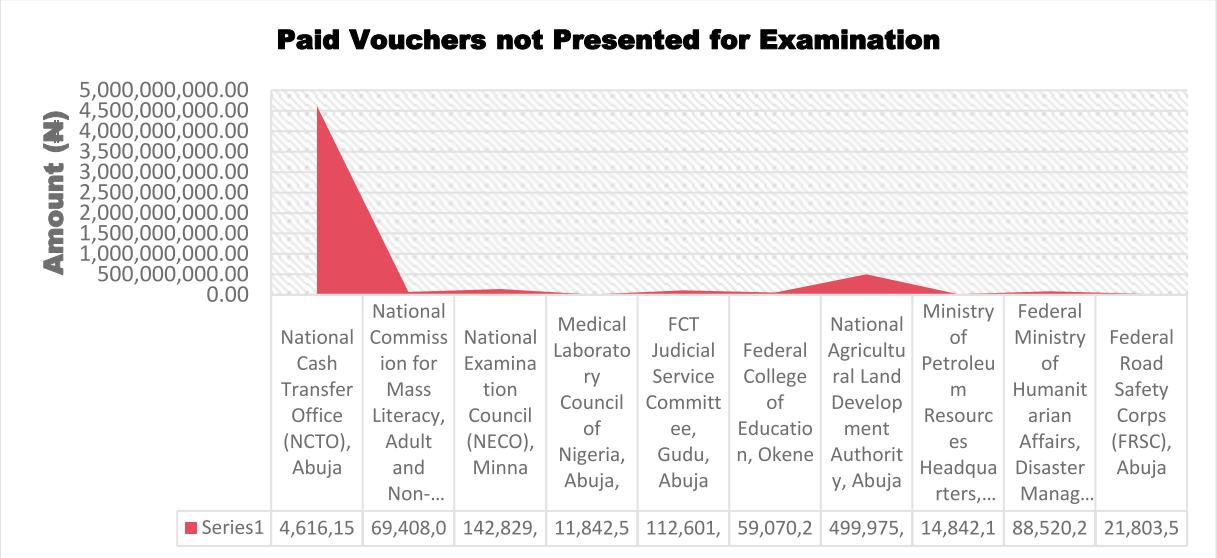
Description of Findings

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. The sum of ₦5,637,051,658.05 (Five billion, six hundred and thirty seven million, fifty one thousand, six hundred and fifty eight naira, five kobo) was the amount of paid vouchers not presented for examination by ten (10) Ministries, Departments and Agencies (MDAs), and

ii. The National Cash Transfer Office (NCTO), Abuja, had the highest amount of ₦4,616,158,349.69 (Four billion, six hundred and sixteen million, one hundred and fifty eight thousand, three hundred and forty nine naira, sixty nine kobo) while the Medical Laboratory Council of Nigeria, Abuja, had the least amount of ₦11,842,500.00 (Eleven million, eight hundred and forty two thousand, five hundred naira) as shown in the Figure below.



ISSUE 11: IRREGULARITIES IN THE AWARD OF CONTRACTS (=₦76,958,057,980.52)

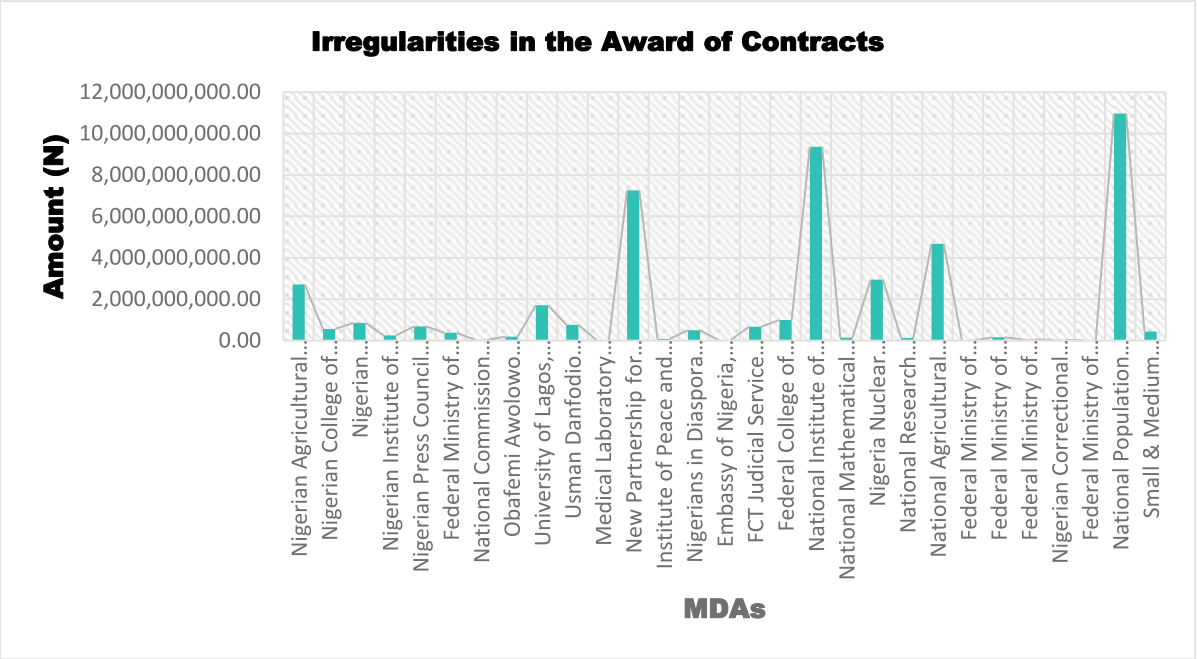
Description of Findings

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."

Audit observed that:

i. The sum of ₦76,958,057,980.52 (Seventy six billion, nine hundred and fifty eight million, fifty seven thousand, nine hundred and eighty naira, fifty two kobo) was the amount of irregularities in the award of contracts by twenty nine (29) Ministries, Departments and Agencies (MDAs), and

ii. The National Population Commission (NPC), Abuja, had the highest amount of ₦10,965,503,856.00 (Ten billion, nine hundred and sixty five million, five hundred and three thousand, eight hundred and fifty six naira) while the Federal Ministry of Humanitarian Affairs, Disaster Management and Social Development, Abuja, had the least amount of ₦5,912,500.00 (Five million, nine hundred and twelve thousand, five hundred naira) as shown in the Figure below.



ISSUE 12: VIOLATION OF DUE PROCESS IN AWARD OF CONTRACTS (=₦19,908,516,621.74)

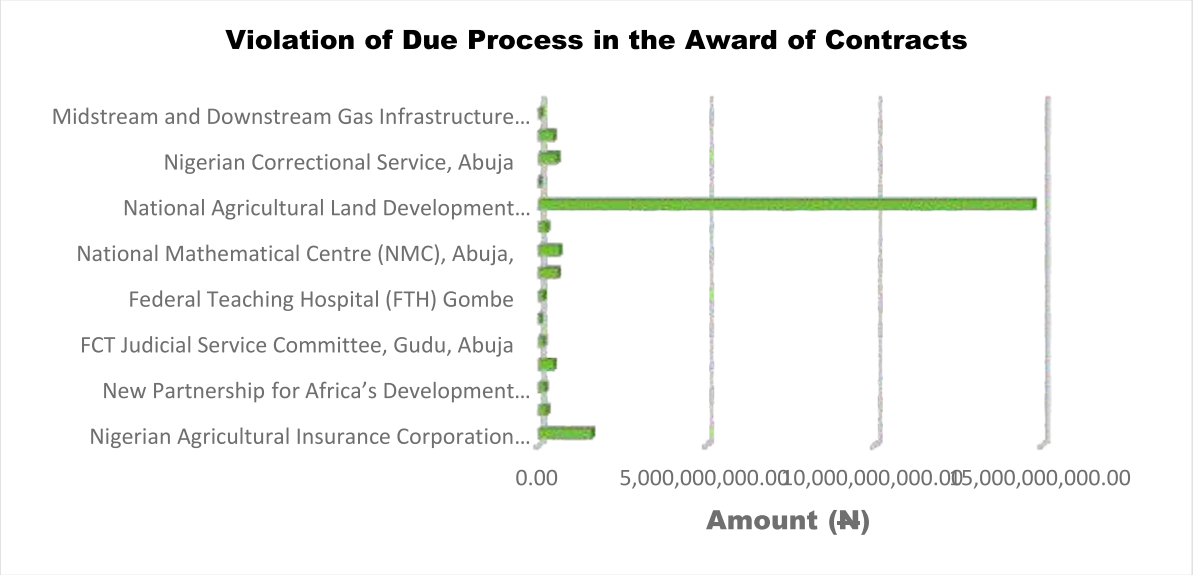
Description of Findings

Section 16 (21) of the Public Procurement Act (PPA) (2007) states, "The accounting officer of a procuring entity and any officer to whom responsibility is delegated are responsible and accountable for any actions taken or omitted to be taken either in compliance with or in contravention of this Act." Also, section 19 of the 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: … (d) obtain approval of the approving authority before making an award."

Audit observed that:

i. The sum of ₦19,908,516,621.74 (Nineteen billion, nine hundred and eight million, five hundred and sixteen thousand, six hundred and twenty one naira, seventy four kobo) was the amount of contracts awarded in violation of procurement due process by fifteen (15) Ministries, Departments and Agencies (MDAs), and

ii. The National Agricultural Land Development Authority (NALDA), Abuja, had the highest amount of ₦14,704,662,287.79 (Fourteen billion, seven hundred and four million, six hundred and sixty two thousand, two hundred and eighty seven naira, seventy nine kobo) while the Federal Ministry of Humanitarian Affairs, Disaster Management and Social Development, Abuja, had the least amount of ₦18,580,102.20 (Eighteen million, five hundred and eighty thousand, one hundred and two naira, twenty kobo) as shown in the Figure below.



ISSUE 13: PAYMENTS FOR JOBS/CONTRACTS NOT/NOT PROPERLY EXECUTED (=₦27,252,254,217.24)

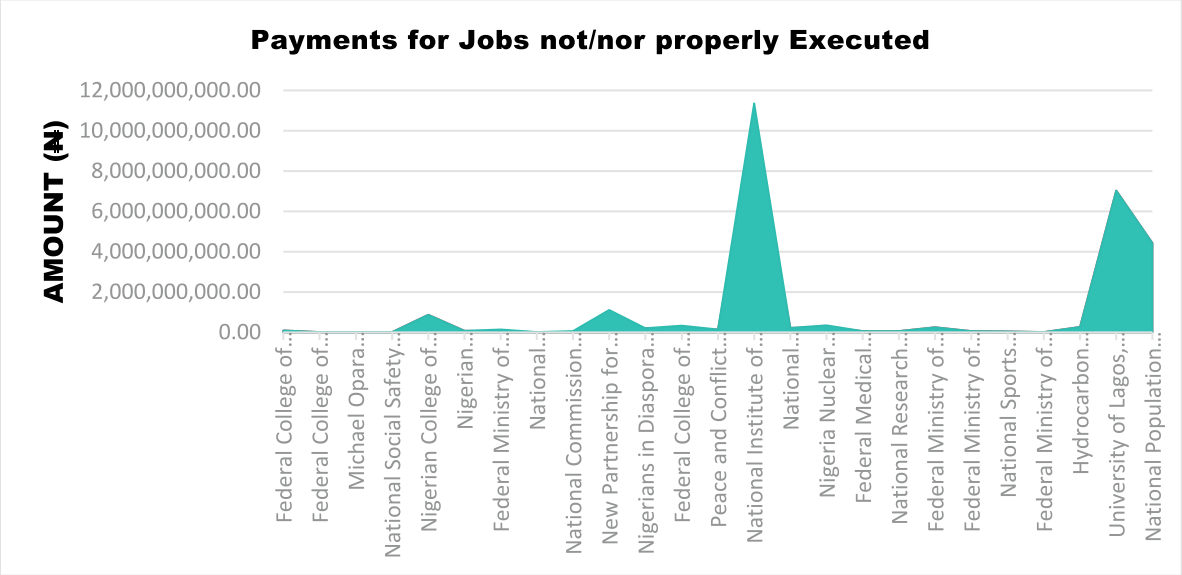
Description of Findings

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 ₦27,252,254,217.24 (Twenty seven billion, two hundred and fifty two million, two hundred and fifty four thousand, two hundred and seventeen naira, twenty four kobo) was paid for jobs/contracts not executed by Ministries, Departments and Agencies (MDAs), and

ii. The National Institute of Construction Technology and Management (NICTM), Uromi, Edo State, had the highest amount of ₦11,355,481,488.30 (Eleven billion, three hundred and fifty five million, four hundred and eighty one thousand, four hundred and eighty eight naira, thirty kobo) while the Federal College of Land Resources Technology, Owerri, Imo state, had the least amount of ₦8,592,500.00 (Eight million, five hundred and ninety two thousand, five hundred naira) as shown in the Figure below.



ISSUE 14: PREMATURE SCRAPPING AND/IRREGULAR BOARDING OF GOVERNMENT VEHICLES (=₦1,043,694,173.12)

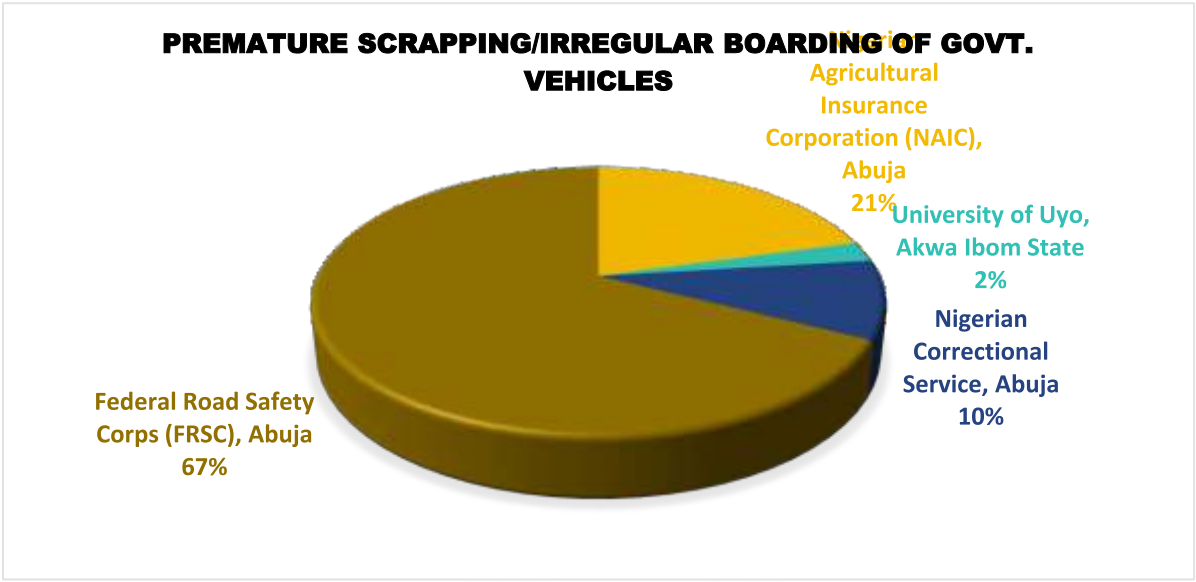
Description of Findings

Section 56(1) of the Public Procurement Act (PPA) (2007) states, "Before slating any public property for disposal, the accounting officer (whether acting in his own authority or at the direction of any superior or other authority) 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 valuation." Furthermore, Section 55(3) of the PPA (2007) states, "The open competitive bidding shall be the primary source of receiving offers for the purchase of any public property offered for sale."

Audit observed that:

i. The sum of ₦1,043,694,173.12 (One billion, forty three million, six hundred and ninety four thousand, one hundred and seventy three naira, twelve kobo) was the amount of premature scrapping and irregular boarding of government vehicles by five (5) Ministries, Departments and Agencies (MDAs), and

ii. The Federal Road Safety Corps (FRSC), Abuja, had the highest amount of ₦703,914,685.12 (Seven hundred and three million, nine hundred and fourteen thousand, six hundred and eighty five naira, twelve kobo) while the University of Uyo, Akwa Ibom State, had the least amount of ₦25,000,000.00 (Twenty five million naira) as shown in the Figure below.



ISSUE 15: PAYMENTS FOR INTERNATIONAL TRAVELS WITHOUT APPROVAL (=₦790,470,762.46)

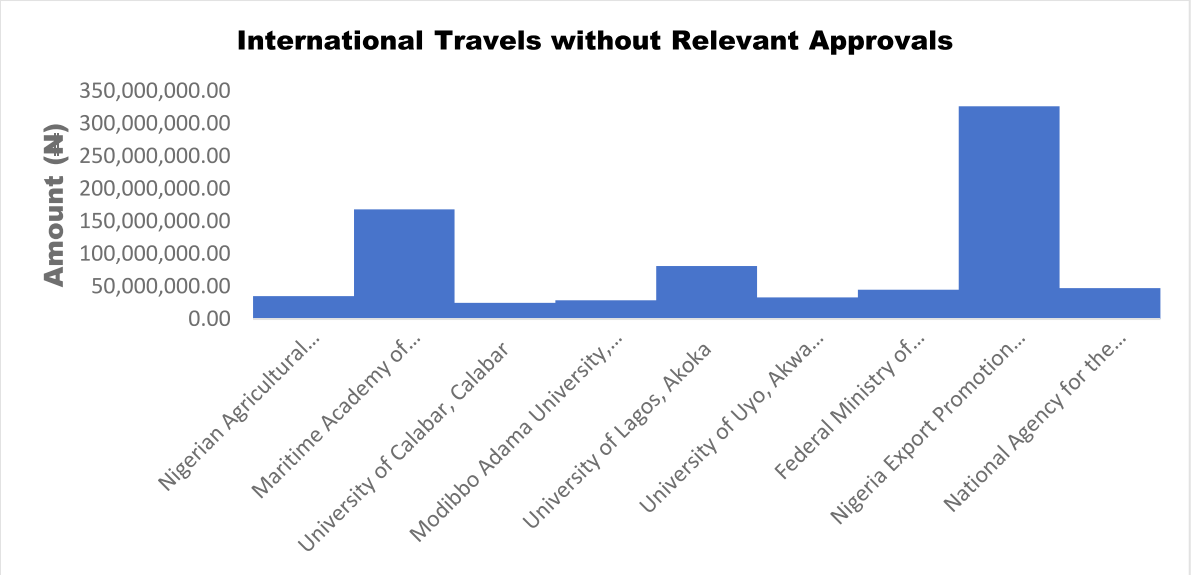
Description of Findings

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 ₦790,470,762.46 (Seven hundred and ninety million, four hundred and seventy thousand, seven hundred and sixty two naira, forty six kobo) was the amount of payments for foreign trips without relevant approvals by nine (9) Ministries, Departments and Agencies (MDAs), and

ii. The Nigeria Export Promotion Council (NEPC), Abuja, had the highest amount of ₦326,604,153.00 (Three hundred and twenty six million, six hundred and four thousand, one hundred and fifty three naira) while the University of Calabar, Calabar, had the least amount of ₦24,906,770.00 (Twenty four million, nine hundred and six thousand, seven hundred and seventy naira) as shown in the Figure below.



ISSUE 16: UNDER-DEDUCTION OF TAXES (=₦68,422,499.02)

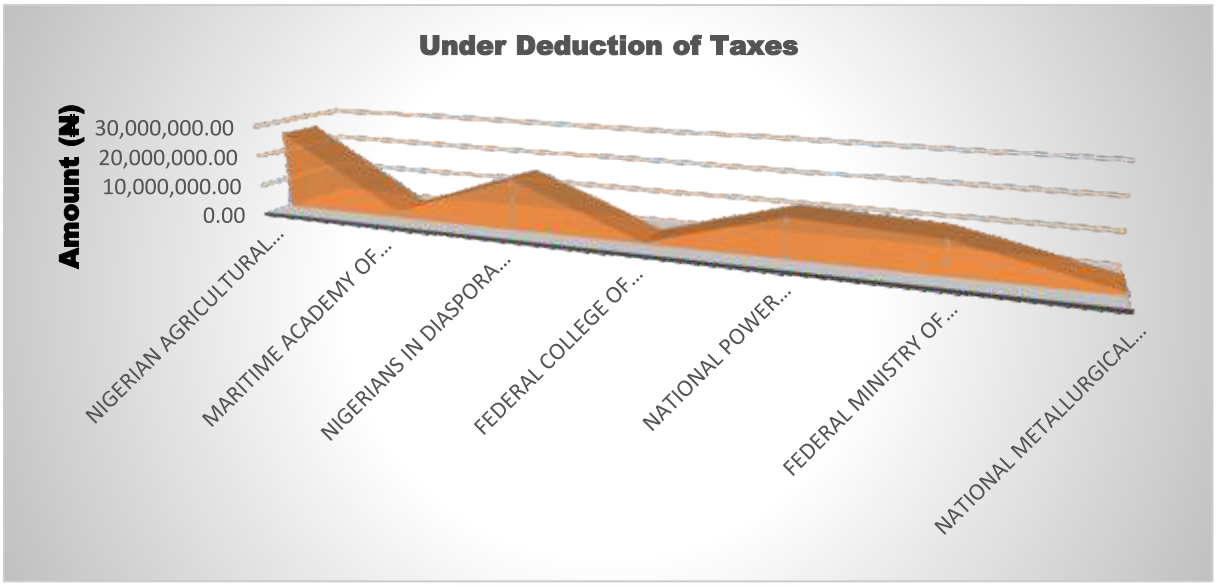
Description of Findings

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. The sum of ₦68,422,499.02 (Sixty eight million, four hundred and twenty two thousand, four hundred and ninety nine naira, two kobo) was the amount of under deduction of taxes by seven (7) Ministries, Departments and Agencies (MDAs), and

ii. The Nigerian Agricultural Insurance Corporation (NAIC), Abuja, had the highest amount of ₦25,692,725.00 (Twenty five million, six hundred and ninety two thousand, seven hundred and twenty five naira) while the Federal College of Education (Technical), Gombe, had the least amount of ₦379,930.04 (Three hundred and seventy nine thousand, nine hundred and thirty naira, four kobo) as shown in the Figure below.



ISSUE 17: NON-DEDUCTION OF TAXES (=₦370,093,236.44)

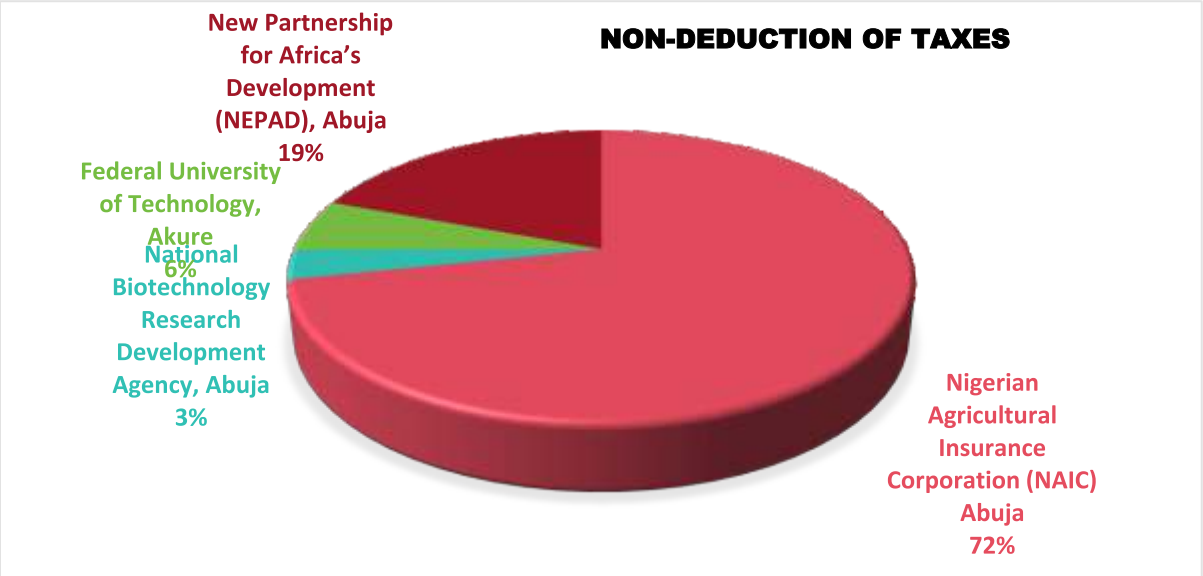
Description of Findings

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." 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 ₦370,093,236.44 (Three hundred and seventy million, ninety three thousand, two hundred and thirty six naira, forty four kobo) was the amount of taxes not deducted from payments to several beneficiaries by four (4) Ministries, Departments and Agencies (MDAs), and

ii. The Nigerian Agricultural Insurance Corporation (NAIC), Abuja, had the highest amount of ₦265,282,048.85 (Two hundred and sixty five million, two hundred and eighty two thousand, forty eight naira, eighty five kobo) while the National Biotechnology Research Development Agency, Abuja, had the least amount of ₦12,111,278.74 (Twelve million, one hundred and eleven thousand, two hundred and seventy eight naira, seventy four kobo) as shown in the Figure below.



ISSUE 18: STORE ITEMS NOT TAKEN ON LEDGER CHARGE (=₦135,368,649,802.63)

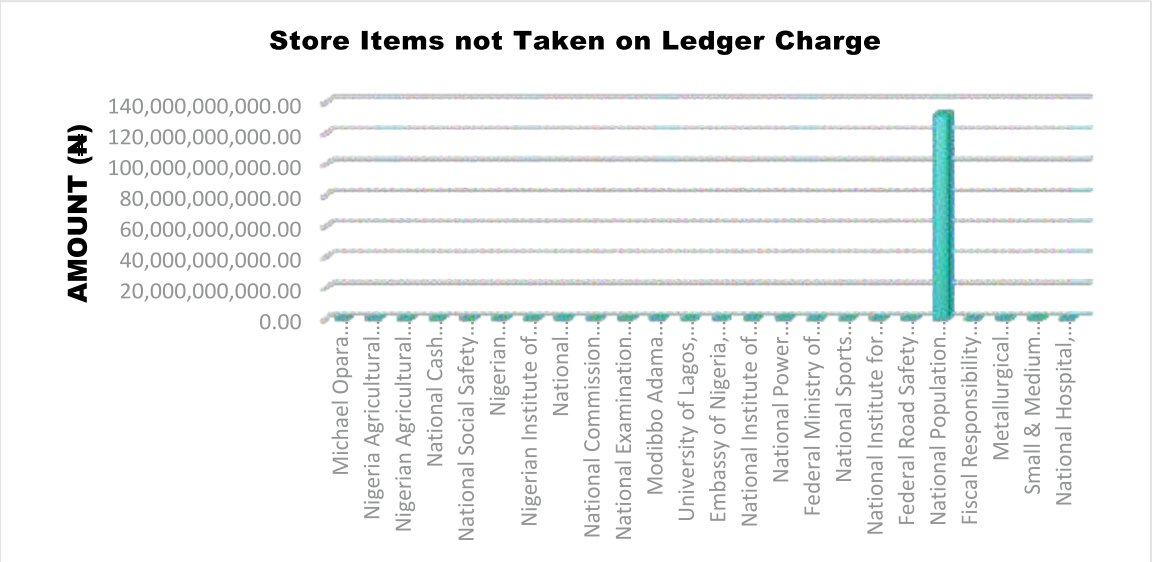
Description of Findings

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 sum of ₦135,368,649,802.63 (One hundred and thirty five billion, three hundred and sixty eight million, six hundred and forty nine thousand, eight hundred and two naira, sixty three kobo) was the amount of store items not taken on ledger charge by twenty four (24) Ministries, Departments and Agencies (MDAs), and

ii. The National Population Commission (NPC), Abuja, had the highest amount of ₦131,559,517,295.72 (One hundred and thirty one billion, five hundred and fifty nine million, five hundred and seventeen thousand, two hundred and ninety five naira, seventy two kobo) while the National Institute for Policy Studies, Abuja, had the least amount of ₦890,000.00 (Eight hundred and ninety thousand naira) as shown in the Figure below.



ISSUE 19: EXTRA BUDGETARY EXPENDITURES (=₦1,853,129,878.23)

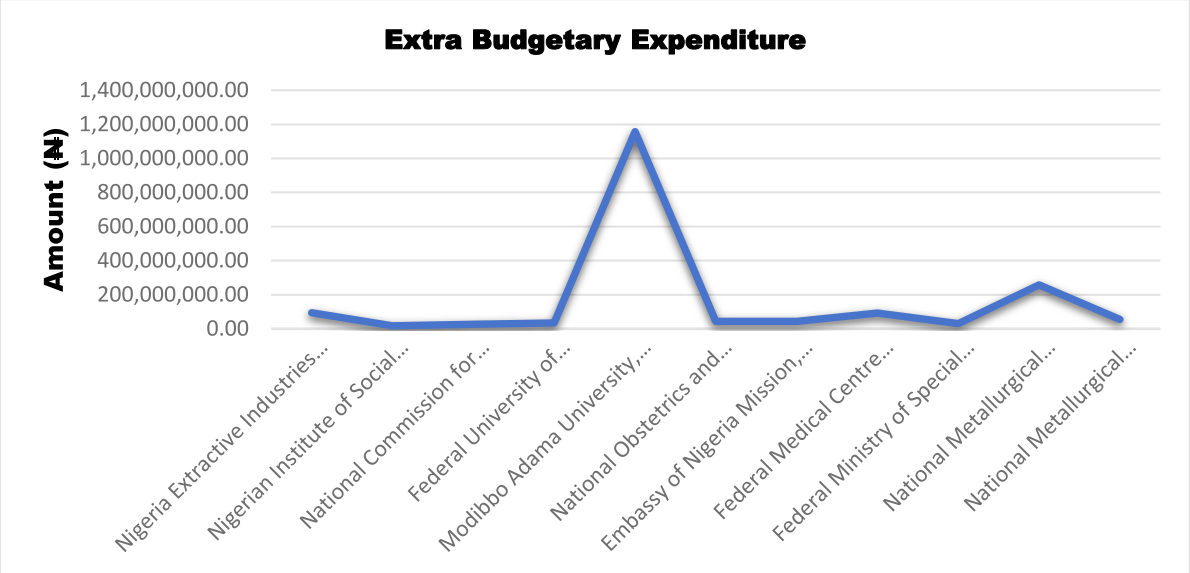
Description of Findings

Paragraph 313 of Financial Regulations (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.” 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.” In addition, paragraph 2906 (ii) of the FR (2009) states, “Pursuant to sub-section (i) above, 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 sum of ₦1,853,129,878.23 (One billion, eight hundred and fifty three million, one hundred and twenty nine thousand, eight hundred and seventy eight naira, twenty three kobo) was the amount of extra budgetary expenditures by eleven (11) Ministries, Departments and Agencies (MDAs), and

ii. The Modibbo Adama University, Yola, Adamawa State, had the highest amount of ₦1,157,597,347.70 (One billion, one hundred and fifty seven million, five hundred and ninety seven thousand, three hundred and forty seven naira, seventy kobo) while the Nigerian Institute of Social and Economic Research (NISER), Ibadan, had the least amount of ₦17,499,929.04 (Seventeen million, four hundred and ninety nine thousand, nine hundred and twenty nine naira, four kobo) as shown in the Figure below.



ISSUE 20: PAYMENTS WITHOUT PRE-PAYMENT AUDIT (=₦39,174,928,764.22)

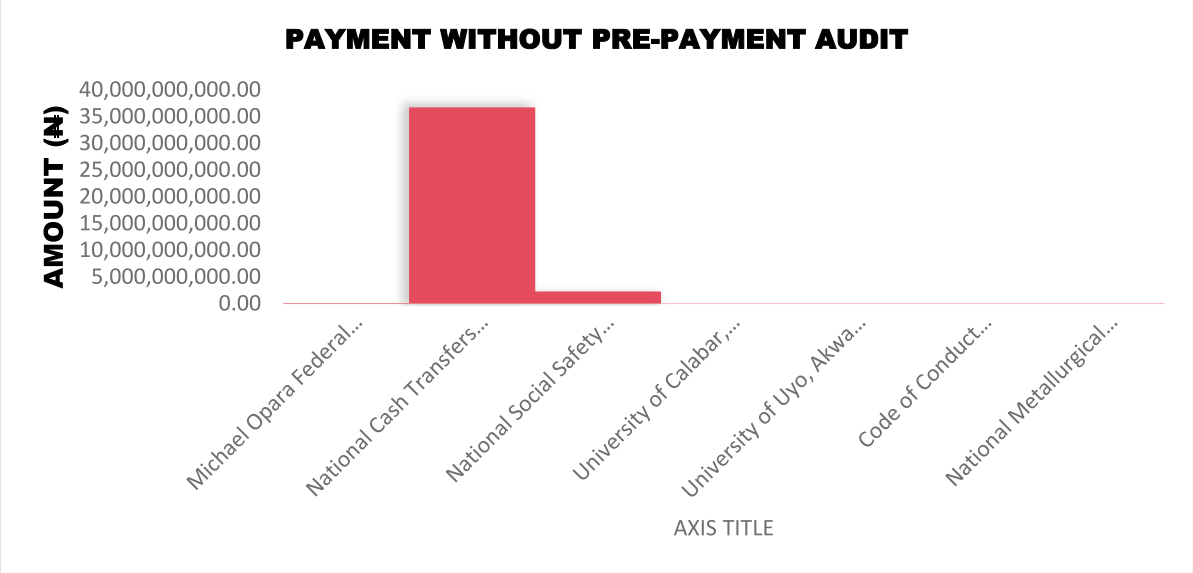
Description of Findings

Paragraph 601 of the Financial Regulations (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 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 ₦39,174,928,764.22 (Thirty nine billion, one hundred and seventy four million, nine hundred and twenty eight thousand, seven hundred and sixty four naira, twenty two kobo) was the amount of payments without pre-payment audit by seven (7) Ministries, Departments and Agencies (MDAs), and

ii. The National Cash Transfers Office, Abuja, had the highest amount of ₦36,743,944,916.76 (Thirty six billion, seven hundred and forty three million, nine hundred and forty four thousand, nine hundred and sixteen naira, seventy six kobo) while the University of Calabar, Calabar, had the least amount of ₦1,893,500.00 (One million, eight hundred and ninety three thousand, five hundred naira) as shown in the Figure below.



ISSUE 21: ENGAGEMENT OF EXTERNAL SOLICITORS WITHOUT THE ATTORNEY GENERAL OF THE FEDERATION'S FIAT (=₦833,115,144.14)

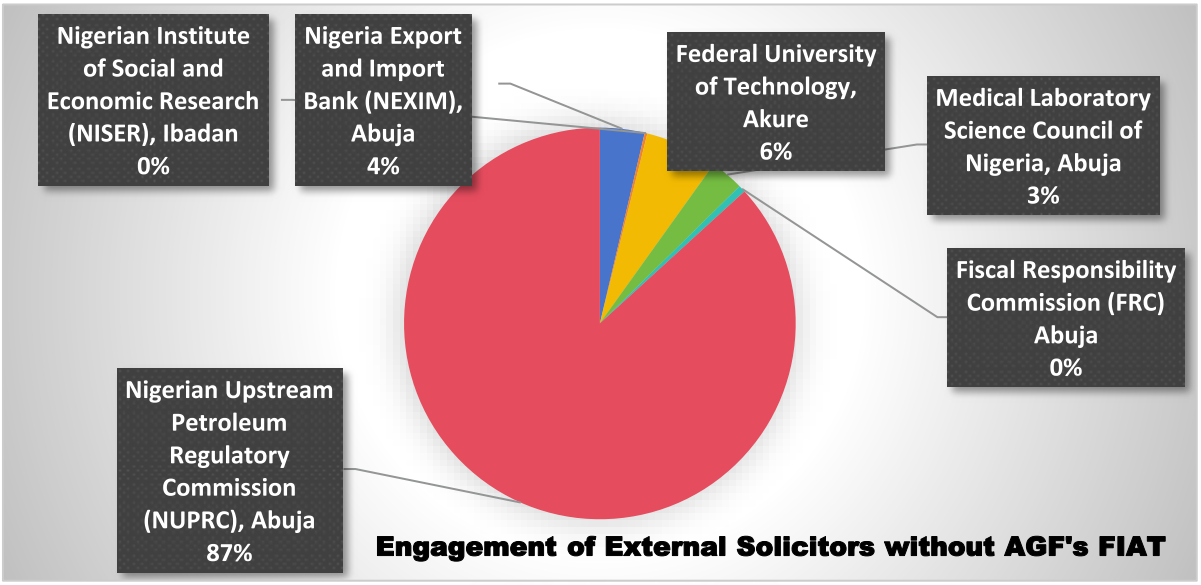
Description of Findings

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 sum of ₦833,115,144.14 (Eight hundred and thirty three million, one hundred and fifteen thousand, one hundred and forty four naira, fourteen kobo) was the amount paid to external solicitors engaged without Attorney-General's Fiat by six (6) Ministries, Departments and Agencies (MDAs), and

ii. The Federal University of Technology, Akure, had the highest amount of ₦49,844,328.82 (Forty nine million, eight hundred and forty four thousand, three hundred and twenty eight naira, eighty two kobo) while the Nigerian Institute of Social and Economic Research (NISER), Ibadan, had the least amount of ₦1,843,750.00 (One million, eight hundred and forty three thousand, seven hundred and fifty naira) as shown in the Figure below.



ISSUE 22: SPLITTING OF CONTRACT TO CIRCUMVENT PROCUREMENT THRESHOLD (=₦12,450,331,067.91)

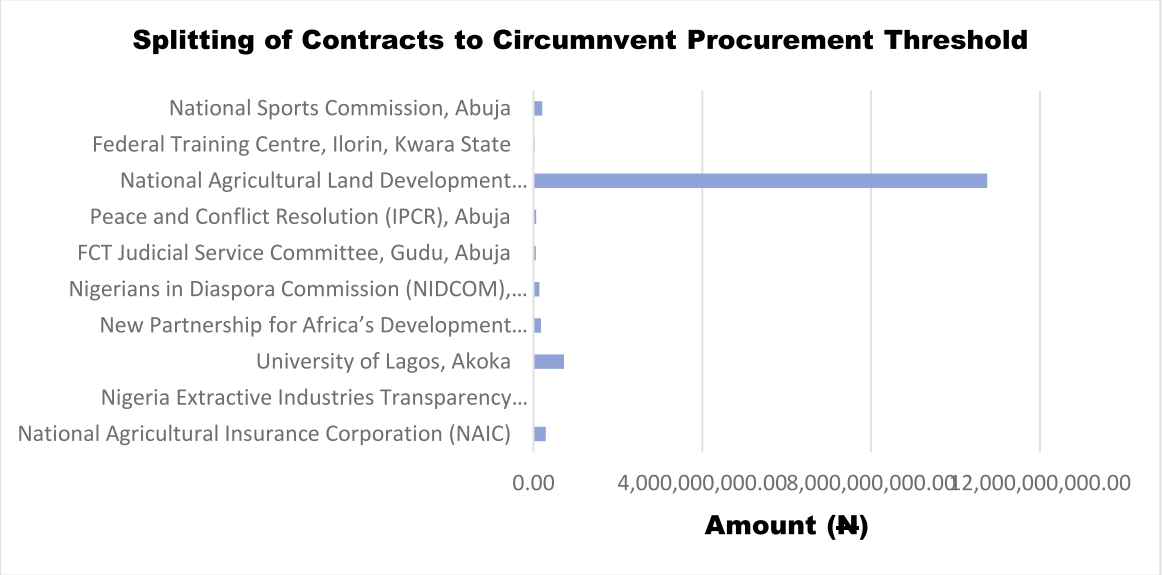
Description of Findings

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…" Furthermore, section 24(1) of the 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."

Audit observed that:

i. The sum of ₦12,450,331,067.91 (Twelve billion, four hundred and fifty million, three hundred and thirty one thousand, sixty seven naira, ninety one kobo) was the amount of contracts split to circumvent procurement threshold by ten (10) Ministries, Departments and Agencies (MDAs), and

ii. The National Agricultural Land Development Authority (NALDA), Abuja, had the highest amount of ₦10,747,603,575.28 (Ten billion, seven hundred and forty seven million, six hundred and three thousand, five hundred and seventy five naira, twenty eight kobo) while the Nigeria Extractive Industries Transparency Initiatives (NEITI), Abuja, had the least amount of ₦11,797,791.76 (Eleven million, seven hundred and ninety seven thousand, seven hundred and ninety one naira, seventy six kobo) as shown in the Figure below.



ISSUE 23: **PAYMENT OF MOBILIZATION FEES WITHOUT UNCONDITIONAL ADVANCE PAYMENT GUARANTEE (=₦2,758,662,105.79)**

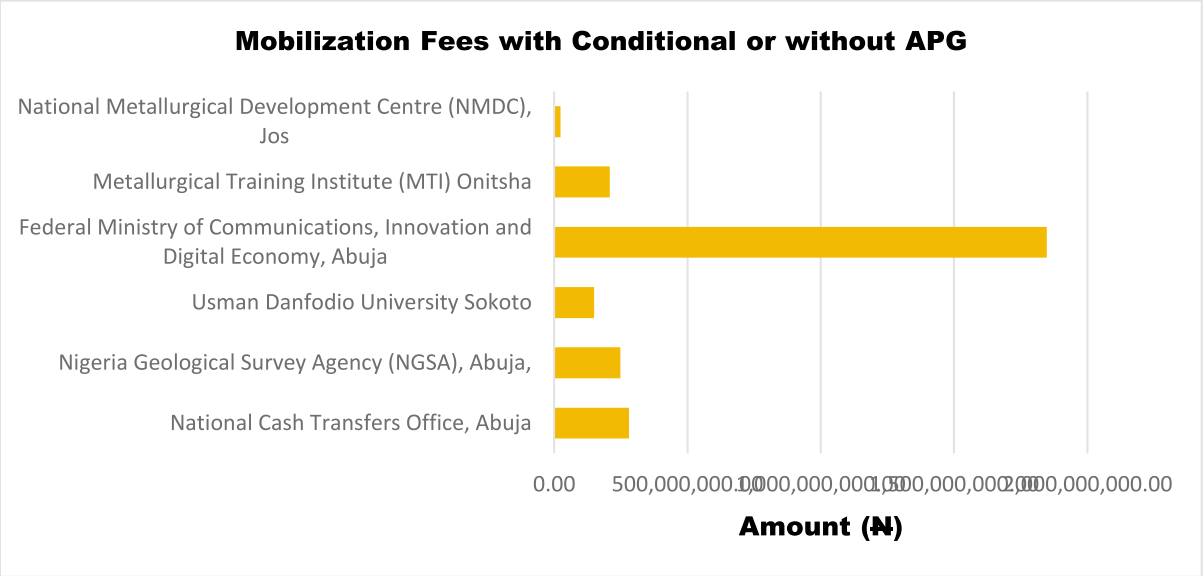
Description of Findings

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 sum of ₦2,758,662,105.79 (Two billion, seven hundred and fifty eight million, six hundred and sixty two thousand, one hundred and five naira, seventy nine kobo) was the amount of advance payments to contractors without unconditional advance payment guarantee by six (6) Ministries, Departments and Agencies (MDAs), and

ii. The Federal Ministry of Communications, Innovation and Digital Economy, Abuja, had the highest amount of ₦1,847,665,992.75 (One billion, eight hundred and forty seven million, six hundred and sixty five thousand, nine hundred and ninety two naira, seventy five kobo) while the National Metallurgical Development Centre (NMDC), Jos, had the least amount of ₦23,778,000.00 (Twenty three million, seven hundred and seven eight thousand naira) as shown in the Figure below.



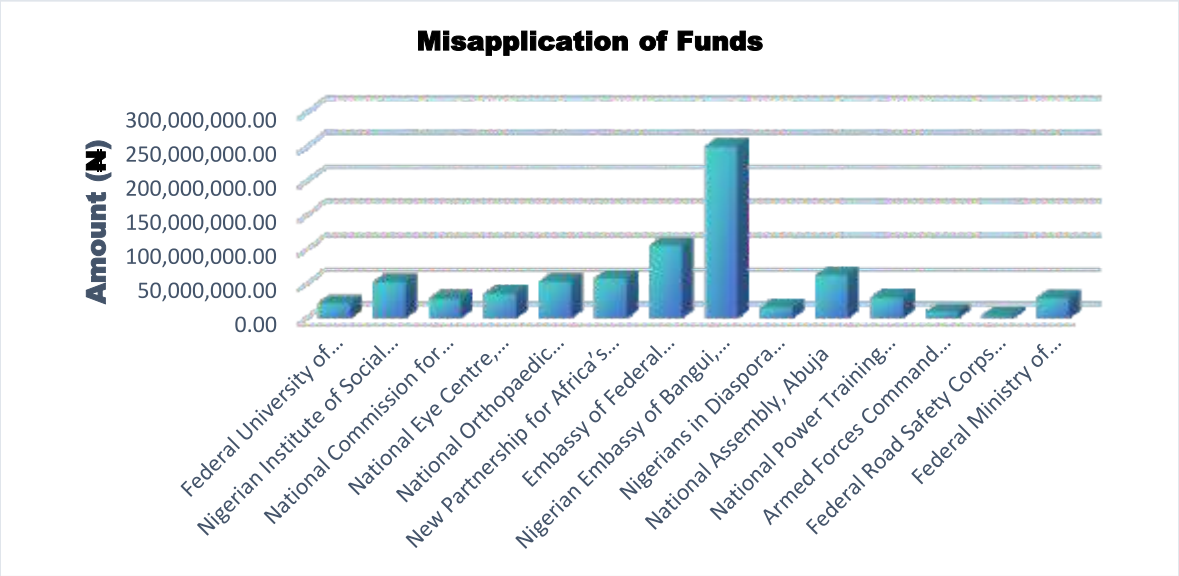
ISSUE 24: MISAPPLICATION OF FUNDS (=₦752,258,802.67)

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 in 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 issue 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 ₦752,258,802.67 (Seven hundred and fifty two million, two hundred and fifty eight thousand, eight hundred and two naira, sixty seven kobo) was the amount misapplied by fourteen (14) Ministries, Departments and Agencies (MDAs), and
ii. The Nigerian Embassy of Bangui, Central African Republic, had the highest amount of ₦250,442,000.00 (Two hundred and fifty million, four hundred and forty two thousand naira) while the Federal Road Safety Corps (FRSC), Abuja, had the least amount of ₦2,923,897.60 (Two million, nine hundred and twenty three thousand, eight hundred and ninety seven naira, sixty kobo) as shown in the Figure below.



ISSUE 25: PAYMENT OF UNAPPROVED ALLOWANCES (=₦1,209,828,614.19)

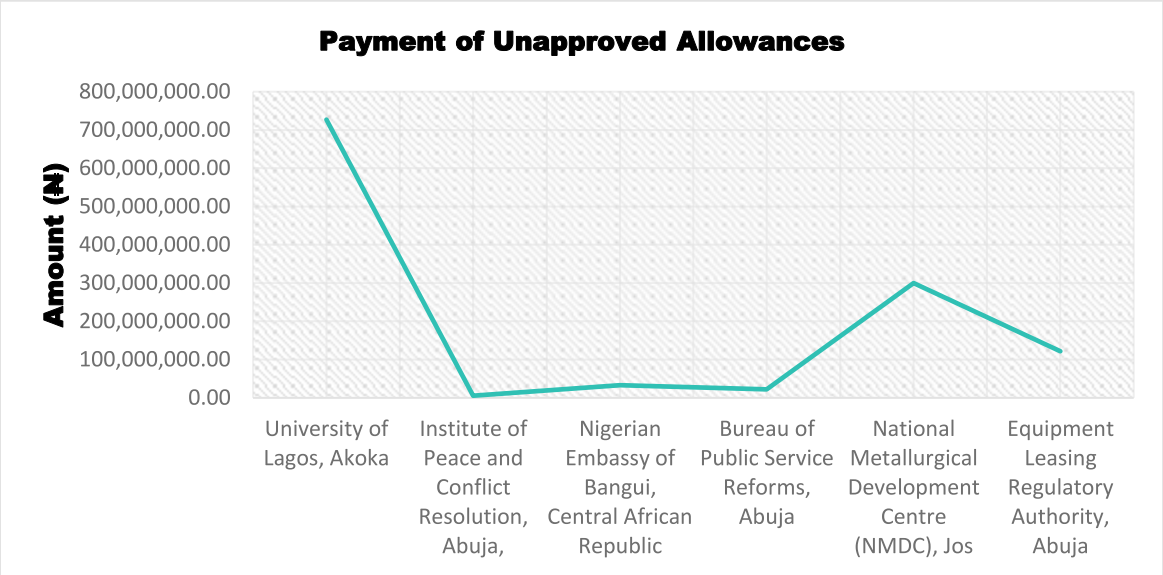
Description of Findings

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 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 ₦1,209,828,614.19 (One billion, two hundred and nine million, eight hundred and twenty eight thousand, six hundred and fourteen naira, nineteen kobo) was the amount of unapproved allowances paid by six (6) Ministries, Departments and Agencies (MDAs), and

ii. The University of Lagos, Akoka, had the highest amount of ₦726,973,770.79 (Seven hundred and twenty six million, nine hundred and seventy three thousand, seven hundred and seventy naira, seventy nine kobo) while the Institute of Peace and Conflict Resolution, Abuja, had the least amount of ₦5,620,000.00 (Five million, six hundred and twenty thousand naira) as shown in the Figure below.



ISSUE 26: UNRECOVERED DEBTS (=₦882,748,177,675.07)

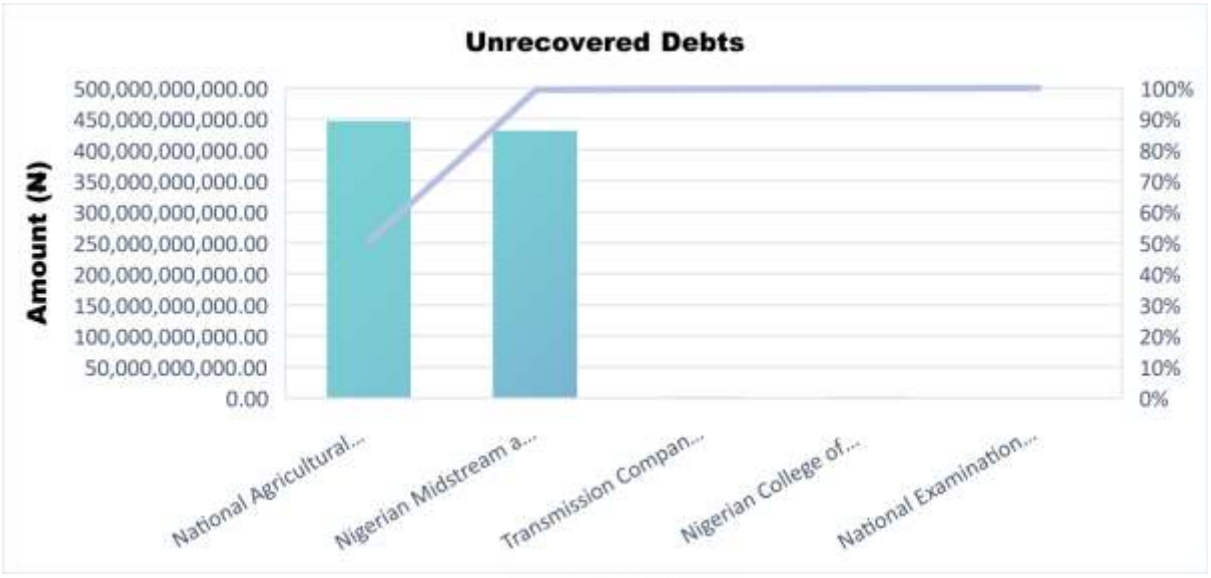
Description of Findings

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. The sum of ₦882,748,177,675.07 (Eight hundred and eighty two billion, seven hundred and forty eight million, one hundred and seventy seven thousand, six hundred and seventy five naira, seven kobo) was the amount of unrecovered debt by six (6) Ministries, Departments and Agencies (MDAs), and

ii. The Transmission Company of Nigeria (TCN), Abuja, had the highest amount of ₦446,700,224,437.49 (Four hundred and forty six billion, seven hundred million, two hundred and twenty four thousand, four hundred and thirty seven naira, forty nine kobo) while the Nigerian College of Aviation Technology (NCAT), Zaria, Kaduna State, had the least amount of ₦935,561,167.50 (Nine hundred and thirty five million, five hundred and sixty one thousand, one hundred and sixty seven naira, fifty kobo) as shown in the Figure below.



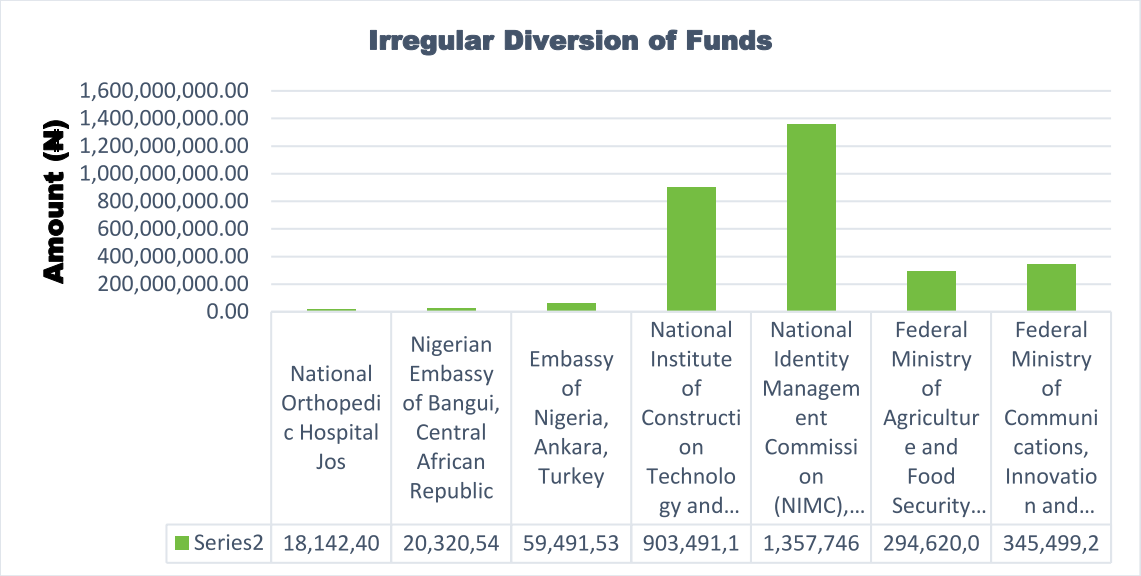
ISSUE 27: DIVERSION OF FUNDS (=₦2,999,311,082.13)

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 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." 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 ₦2,999,311,082.13 (Two billion, nine hundred and ninety nine million, three hundred and eleven thousand, eighty two naira, thirteen kobo) was the amount diverted by seven (7) Ministries, Departments and Agencies (MDAs), and
ii. The National Identity Management Commission (NIMC), Abuja, had the highest amount of ₦1,357,746,213.45 (One billion, three hundred and fifty seven million, seven hundred and forty six thousand, two hundred and thirteen naira, forty five kobo) while the National Orthopedic Hospital, Jos, had the least amount of ₦18,142,408.22 (Eighteen million, one hundred and forty two thousand, four hundred and eight naira, twenty two kobo) as shown in the Figure below.



ISSUE 28: UNAUTHORISED VIREMENT (=₦907,985,061.20)

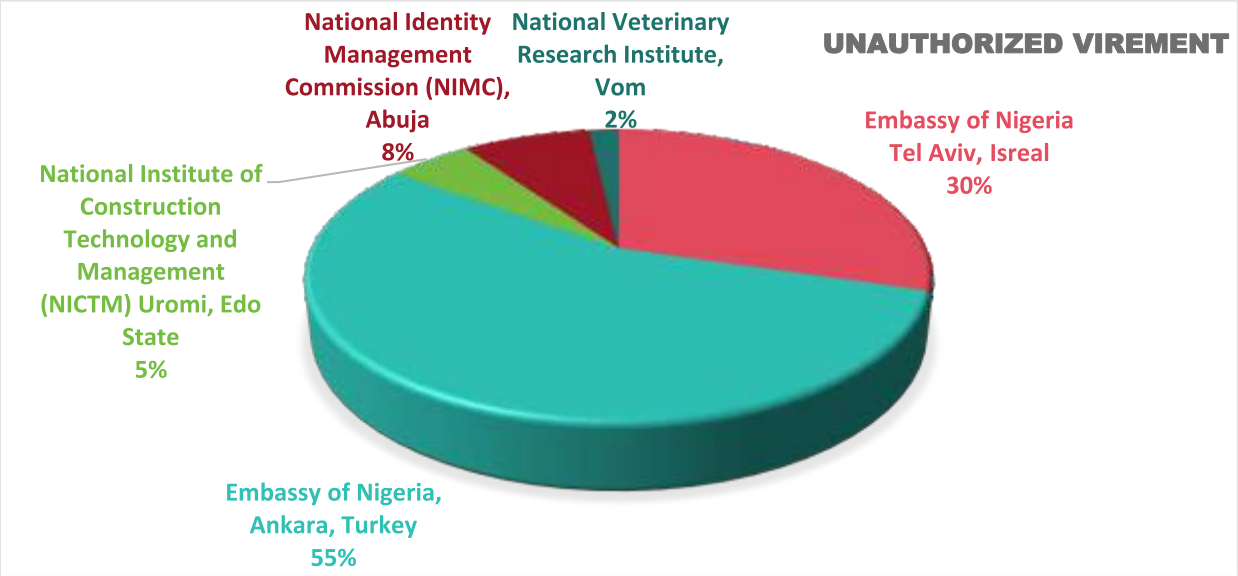
Description of Findings

Paragraph 316(iii) of the Financial Regulations (FR) (2009) states, "Virement from one Head of Account in the Recurrent Expenditure estimates to another Head of Account in Capital Expenditure estimates shall not be allowed and vice versa."

Audit observed that:

i. The sum of ₦907,985,061.20 (Nine hundred and seven million, nine hundred and eighty five thousand, sixty one naira, twenty kobo) was the amount of funds vired without authorisation/approval by five (5) Ministries, Departments and Agencies (MDAs), and

ii. The Embassy of Nigeria, Ankara, Turkey, had the highest amount of ₦503,064,423.28 (Five hundred and three million, sixty four thousand, four hundred and twenty three naira, twenty eight kobo) while the National Veterinary Research Institute, Vom, had the least amount of ₦16,743,964.00 (Sixteen million, seven hundred and forty three thousand, nine hundred and sixty four naira) as shown in the Figure below.



ISSUE 29: NON-SUBMISSION OF AUDITED FINANCIAL STATEMENTS

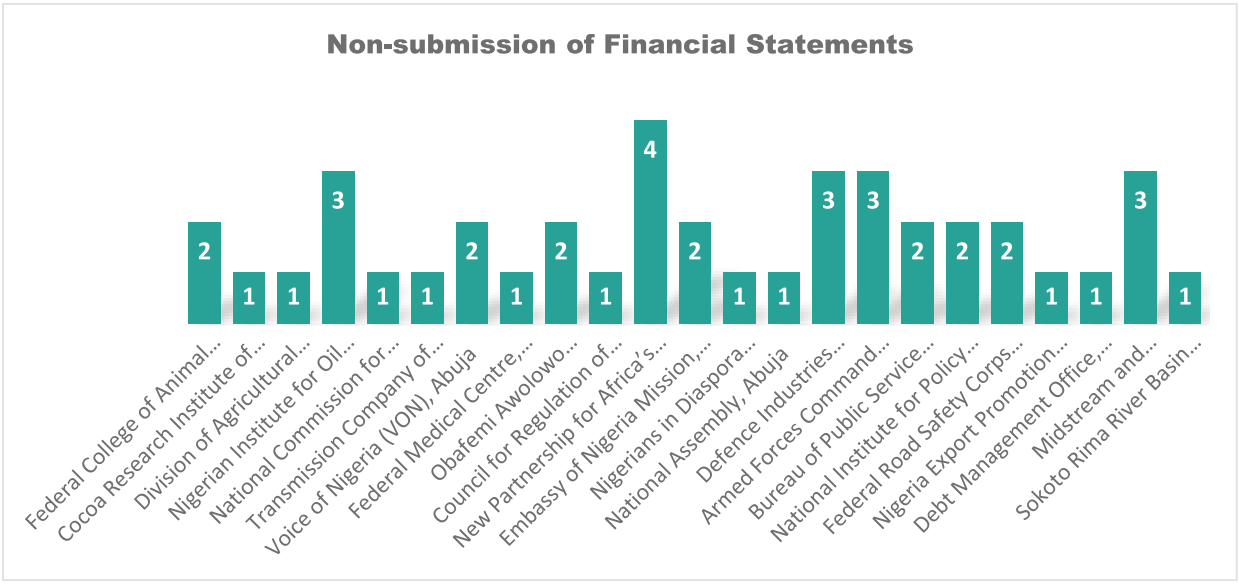
Description of Findings

Section 23(3) of the Fiscal Responsibility Act (2007) states, "Each corporation shall, not later than three months after the end of its financial year, cause to be prepared and published its audited financial reports in accordance with such rules as may be prescribed from time to time." 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 and the Accountant-General not later than 31st May of the following year of Account."

In spite of the above extant regulations:

i. Twenty three (23) Ministries, Departments and Agencies (MDAs) visited failed to submit their audited financial statements to the Auditor-General for the Federation, and

ii. The New Partnership for Africa's Development (NEPAD), Abuja, had the highest number of outstanding years of non-submission at four (4) while eleven (11) MDAs had the least number of years of non-submission at one (1) as shown in the Figure below.



ISSUE 30: PROCUREMENT OF ICT FACILITIES WITHOUT CLEARANCE FROM THE NATIONAL INFORMATION TECHNOLOGY DEVELOPMENT AGENCY (=₦802,268,583.97)

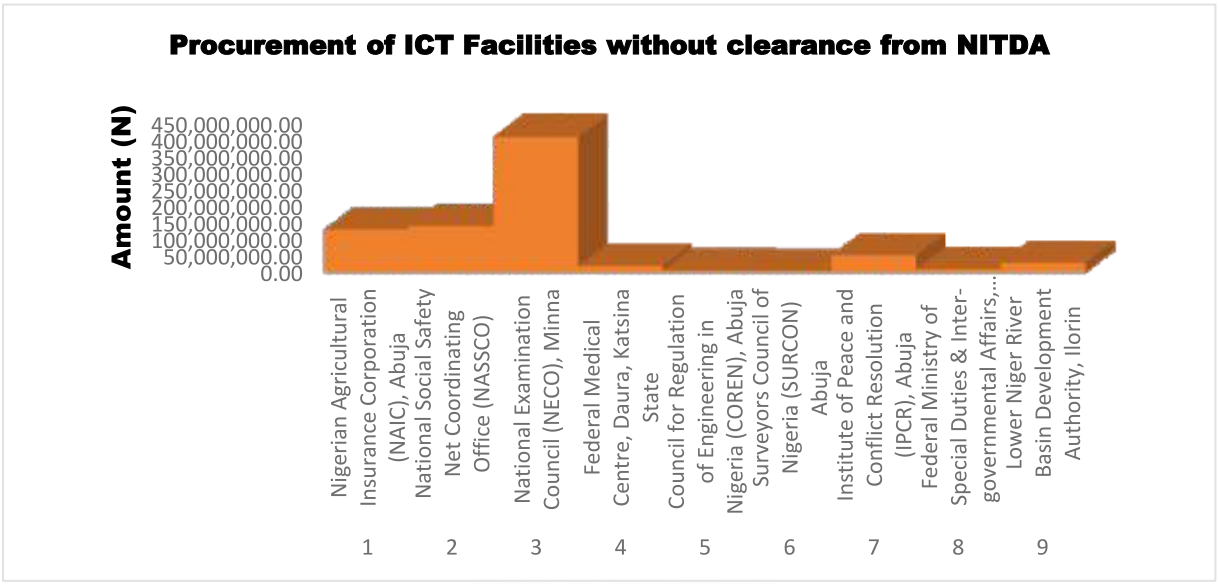
Description of Findings

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 ₦802,268,583.97 (Eight hundred and two million, two hundred and sixty eight thousand, five hundred and eighty three naira, ninety seven kobo) was the amount of ICT facilities procured without clearance by the National Information Technology Development Agency (NITDA) by nine (9) Ministries, Departments and Agencies (MDAs), and

ii. The National Examination Council (NECO), Minna, had the highest amount of ₦409,944,582.00 (Four hundred and nine million, nine hundred and forty four thousand, five hundred and eighty two naira) while the Surveyors Council of Nigeria (SURCON), Abuja, had the least amount of ₦4,800,000.00 (Four million, eight hundred thousand naira) as shown in the Figure below.



ISSUE 31: IRREGULAR PAYMENTS (=₦34,832,188,085.42)

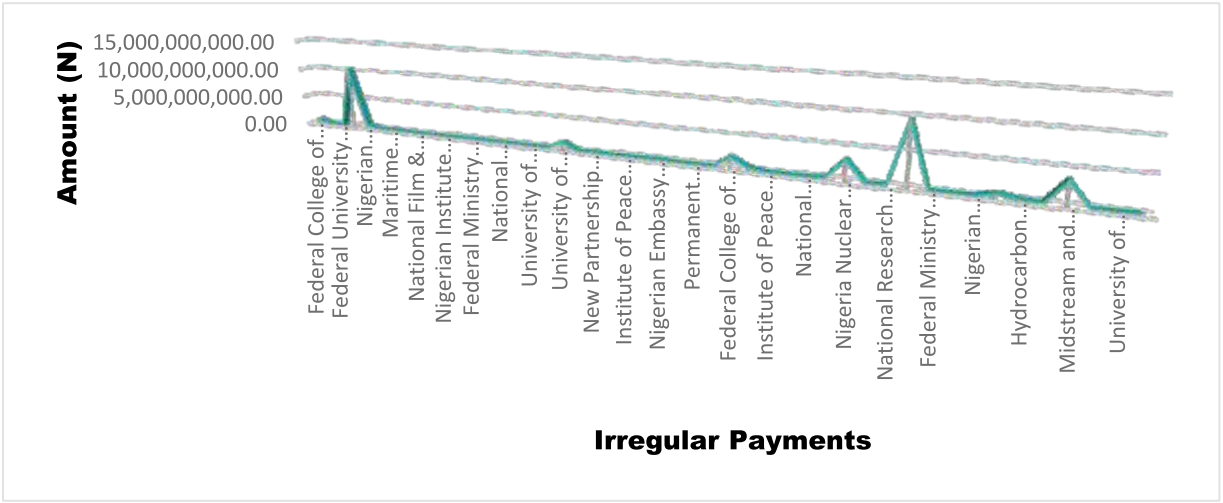
Description of Findings

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." 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 ₦34,832,188,085.42 (Thirty four billion, eight hundred and thirty two million, one hundred and eighty eight thousand, eighty five naira, forty two kobo) was the amount of irregular payments by forty eight (48) Ministries, Departments and Agencies (MDAs), and

ii. The National Agricultural Land Development Authority (NALDA), Abuja, had the highest amount of ₦9,686,825,546.92 (Nine billion, six hundred and eighty six million, eight hundred and twenty five thousand, five hundred and forty six naira, ninety two kobo) while the Embassy of Nigeria Mission, Bamako, Mali, had the least amount of ₦899,158.02 (Eight hundred and ninety nine thousand, one hundred and fifty eight naira, two kobo) as shown in the Figure below.


Amount (N)
15,000,000,000.00
10,000,000,000.00
5,000,000,000.00
0.00
Federal College of...
Federal University...
Nigerian...
Maritime...
National Film &...
Nigerian Institute...
Federal Ministry...
National...
University of...
University of...
New Partnership...
Institute of Peace...
Nigerian Embassy...
Permanent...
Federal College of...
Institute of Peace...
National...
Nigeria Nuclear...
National Research...
Federal Ministry...
Nigerian...
Hydrocarbon...
Midstream and...
University of...
Irregular Payments

SECTION 1

AGRICULTURAL AUDIT DEPARTMENT (AAD)

FEDERAL COLLEGE OF ANIMAL HEALTH AND PRODUCTION TECHNOLOGY, JOS, PLATEAU STATE

At the Federal College of Animal Health and Production Technology, Jos, for the period 1st January to 31st December, 2024, the following observations were made:

ISSUE 1: EXTRA-BUDGETARY EXPENDITURES FROM INTERNALLY GENERATED REVENUE (IGR) (=₦98,490,878.88)

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)." 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 transfer to the consolidated account." In addition, 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."

Audit observed that:

i. The sum of ₦98,490,878.88 (Ninety eight million, four hundred ninety thousand, eight hundred and seventy eight naira, eighty eight kobo) was spent from the Internally Generated Revenue (IGR) of the College in 2024.
ii. The College is a fully funded agency that should remit 100% of its IGR to the Consolidated Revenue Fund as required by extant regulations, and
iii. There was no justification for the extra-budgetary expenditures and the non-remittance of the College's total IGR to Consolidated Revenue Fund.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Animal Health and Production Technology, Jos.

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 ₦98,490,878.88 (Ninety eight million, four hundred ninety thousand, eight hundred and seventy eight naira, eighty eight kobo), being extra-budgetary expenditures from IGR.
ii. Recover and remit the sum of ₦98,490,878.88 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 account for Government Revenue and gross misconduct specified in paragraphs 3112 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2: IRREGULAR PAYMENT TO CONTRACTORS (=₦667,151,099.43)

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 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."

Audit observed that:

i. The sum of ₦667,151,099.43 (Six hundred and six seven million, one hundred and fifty one thousand, ninety nine naira, forty three kobo) was paid on some ongoing/completed projects by the College.
ii. All efforts made to inspect the projects proved abortive due to lack of cooperation and access to the project site and location during and after the engagement, and
iii. Relevant supporting documents such as contract agreement, minutes of Tenders Board meeting, company's profile, etc. were not presented for audit verification.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Animal Health and Production Technology, Jos Plateau State.

Risks

i. Payment for job not executed.
ii. Diversion of public funds.
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 ₦667,151,099.43 (Six hundred and six seven million, one hundred and fifty one thousand, ninety nine naira, forty three kobo), being irregular payment for non-verifiable projects.
ii. Recover and remit to the Treasury, the sum of ₦667,151,099.43.
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: CASH ADVANCES GRANTED ABOVE LIMIT (=₦14,795,500.00)

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 ₦14,795,500.00 (Fourteen million, seven hundred and nine five thousand, five hundred naira) was granted to twenty four (24) staff of the College as cash advances in excess of the approved limit of ₦200,000.00.
ii. The advances granted to staff in (i) above were for purchases of various goods and services instead of award of contract, and
iii. The payments deprived government of 7.5% Value Added Tax and 5% Withholding Tax (WHT) totaling ₦1,849,437.50 (One million, eight hundred and forty nine thousand, four hundred and thirty seven 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 Federal College of Animal Health and Production Technology, Jos, plateau State.

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 ₦14,795,500.00 (Fourteen million, seven hundred and nine five thousand, five hundred naira), being cash advances granted above limit.
ii. Recover and remit to the Treasury, the sum of ₦14,795,500.00.
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 4: IRREGULAR PAYMENTS FOR SUBSCRIPTION AND CONFERENCES (=₦4,566,500.00)

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."

Audit observed that:
i. The College made payments amounting to ₦4,566,500.00 (Four million, five hundred and sixty six thousand, five hundred naira) for conferences and subscriptions of staff of the College, and
ii. There was no justification for the payment in (i) above for conferences and subscriptions relating to staff professional bodies/organisations, in violation of extant regulations.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Animal Health and Production Technology, Jos, Plateau State.

Risks
i. Waste 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 ₦4,566,500.00 (Four million, five hundred and sixty six thousand, five hundred naira), being irregular payment for sponsorship of conferences.
ii. Recover and remit to the Treasury, the sum of ₦4,566,500.00
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 specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 5: AWARD OF CONTRACTS WITHOUT CONFIRMATION BY THE POLITICAL HEAD (=₦1,556,572,994.00)

Description of Findings
Section 66(5) of the Finance Act (2020) states, "The decisions of all Tender's Boards shall be confirmed respectively by the political heads of the procuring entities, provided that the political heads are not the Chairmen of the Tender's Board." Also, paragraph 118(i) of the Financial Regulations (FR) (2009) states, "It shall be the responsibility of the Political Head to supervise and control the activities of his ministry, agency and/or parastatal."

Audit observed that:
i. The sum of ₦1,556,572,994.00 (One billion, five hundred and fifty six million, five hundred and seventy two thousand, nine hundred and ninety four naira) was approved and awarded by the Tender's Board without confirmation by the College's political head, and
ii. The action in (i) above violates the relevant procurement authority and extant regulations.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Animal Health and Production Technology, Jos, Plateau State.

Risks
i. Payment to ineligible contractors.
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 ₦1,556,572,994.00 (One billion, five hundred and fifty six million, five hundred and seventy two thousand, nine hundred and ninety four naira), being contracts award and payment without confirmation by the Political Head.
ii. Recover and remit the sum of ₦1,556,572,994.00 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: UNRETIRED CASH ADVANCES (=₦10,770,999.00)

Description of Findings

Paragraph 1420 of the Financial Regulations (FR) (2009) states, "It is the responsibility of all Accounting Officers to ensure that all advances granted to officers are fully recovered." Furthermore, paragraph 2302 (ii) of the 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 sum of ₦10,770,999.00 (Ten million, seven hundred and seventy thousand, nine hundred and ninety nine naira) was granted as cash advances to staff of the College during the period under review, and
ii. The advances remained unretired as at the end of the financial year in which they were granted.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Animal Health and Production Technology, Jos, Plateau State.

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. Justify to the Public Accounts Committees of the National Assembly, the sum of ₦10,770,999.00 (Ten million, seven hundred and seventy thousand, nine hundred and ninety nine naira), being advances granted without retirement.
ii. Recover and remit to the Treasury, the sum of ₦10,770,999.00.

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 specified in paragraphs 3124 and 3106 of the Financial Regulations (2009) respectively, should apply.

ISSUE 7: UNSUBSTANTIATED TRANSFERS TO NEW IPPIS TRANSACTION ACCOUNT (=₦88,600,365.40)

Description of Findings

Paragraph 112 (i) of the Financial Regulations (FR) (2009) states, "The Function 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…(f) ensuring accurate collection and accounting for all public moneys received and expended; (g) ensuring prudence in the expenditure of public funds; (h) ensuring proper assessments, fees, rates and charges are made where necessary;"

Audit observed that:

i. The sum of ₦88,600,365.40 (Eighty eight million, six hundred thousand, three hundred and sixty five naira, forty kobo) was transferred to the new IPPIS Transaction account as shown in the Table below, and

S/N	Payment No	Beneficiary Name	Amount ₦	Description	Sent to GW
1	1001246388-1	NEW IPPIS TRANSACTION ACCOUNT	52,280,611.73	NOV 2024 SAL FEDERAL COLLEGE OF ANIMAL HEALTH AND PRODUCTION TECHNOLOGY - VOM	06/12/2024
2	1001256957-1	NEW IPPIS TRANSACTION ACCOUNT	36,319,753.67	DEC 2024 SAL FEDERAL COLLEGE OF ANIMAL HEALTH AND PRODUCTION TECHNOLOGY VOM	30/12/2024
	TOTAL		**88,600,365.40**		

ii. No supporting documentation was provided to substantiate the purpose of the transfers.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Animal Health and Production Technology, Jos, Plateau State.

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 ₦88,600,365.40 (Eighty eight million, six hundred thousand, three hundred and sixty five naira, forty kobo), being unsubstantiated transfer to New IPPIS Transaction Account.
ii. Recover and remit to the Treasury, the sum of ₦88,600,365.40.
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: NON-SUBMISSION OF AUDITED FINANCIAL STATEMENTS

Description of Findings

Paragraph 23(3) of the Fiscal Responsibility Acts (2007) states, “Each corporation shall, not later than three months after the end of its fiscal year, cause to be prepared and published its audited financial reports in accordance with such rules as may be specified from time to time.” 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 and the Accountant-General not later than 31st May of the following year of Account.”

In spite of the above extant regulations:

i. The Audited Financial Statements and Management Report for the financial years 2023 and 2024 were not forwarded to the Auditor-General for the Federation, and
ii. No valid 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 Federal College of Animal Health and Production Technology, Jos, Plateau State.

Risks

i. Impediments 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. Justify to the Public Accounts Committees of the National Assembly, the non-submission of the Audited Financial Statements for 2023 and 2024 financial year to the Auditor-General for the Federation.

ii. Produce the Audited Financial Statement for the years in (i) above, and the corresponding Management Letter/Report as required by extant regulations.
iii. Forward copies of the Audited Financial Statements and Auditor's Report thereon to both the Public Accounts Committees of the National Assembly and the Auditor-General for the Federation, and
iv. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

COCOA RESEARCH INSTITUTE OF NIGERIA, IBADAN

At the Cocoa Research Institute of Nigeria, Ibadan, Oyo State, for the period 1st January to 31st December, 2024, the following observations were made:

ISSUE 1: PAYMENT OF PRIOR YEAR'S LIABILITIES FROM CURRENT YEAR'S ALLOCATION (=₦2,169,200.00)

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 sum of ₦2,169,200.00(Two million, one hundred and sixty nine thousand, two hundred naira) was paid in 2024 to cover 2023 liabilities.
ii. There was no evidence that supplementary provision or virement made or re-vote of the expenditure, and
iii. There was no confirmation that the expenditure was provided for, in the year 2024 approved Estimates.

The above anomalies could be attributed to weaknesses in the internal control system at the Cocoa Research Institute of Nigeria (CRIN), Ibadan.

Risks

i. Misappropriation of funds.
ii. Diversion of funds.

Management's Response

Observation is noted. These payments were made to enhance coordination and proper returns to be rendered. Concerned paid vouchers and relevant documents of implementations are attached 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 Executive Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦2,169,200.00 (Two million, one hundred and sixty nine thousand, two hundred naira), spent on un-authorised settlement of liabilities.
ii. Recover and remit to the Treasury, the sum of ₦2,169,200.00.
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 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2: NON-SUBMISSION OF AUDITED FINANCIAL STATEMENTS

Description of Findings

Section 23(3) of the Fiscal Responsibility Act (2007) states, "Each corporation shall, not later than three months after the end of its financial year, cause to be prepared and published its audited financial reports in accordance with such rules as may be prescribed from time to time." 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 and the Accountant-General not later than 31st May of the following year of Account."

In spite of the above extant regulations:

i. The Cocoa Research Institute of Nigeria failed to submit its 2024 Audited Financial Statements and Management Report to the Office of Auditor-General for the Federation.
ii. The institute had neither prepared nor published its financial statements for the same year, and
iii. There was no valid reason provided for the non-submission of the 2024 Audited Financial Statements of the Institute.

The above anomalies could be attributed to weaknesses in the internal control system at the Cocoa Research Institute of Nigeria (CRIN).

Risks

i. Difficulty in assessing the Institute performance
ii. Lack of accountability.

Management's Response

Observation is noted but our External Auditors were working on the year Financial Statement as at the time you came for audit assignment and submission had been made to your office

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. Justify to the Public Accounts Committees of the National Assembly, the non-submission of the Audited Financial Statements for 2024 financial year to the Auditor-General for the Federation.
ii. Produce the Audited Financial Statements for the year in (i) above, and the corresponding Management Letter/Report as required by extant regulations.
iii. Forward copies of the Audited Financial Statements and Auditor's Report thereon to both the Public Accounts Committees of the National Assembly and the Auditor-General for the Federation, and
iv. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

ISSUE 3: IRREGULAR PAYMENTS OF CONSULTANCY FEE (=₦25,644,796.40)

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, e.t.c." 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 ₦25,644,796.40 (Twenty five million, six hundred and forty four thousand, seven hundred and ninety six naira, forty kobo) was paid to two consultants for supervision of supply of various non-technical goods and services without justification, and
ii. Payments to consultants for supply of non-technical goods would appear not to be a proper and legitimate charge against public funds. Engagement of consultant's services for supervision of contract delivery and performance is only relevant for contract of works and technical services.

The above anomalies could be attributed to weaknesses in the internal control system at the Cocoa Research Institute of Nigeria (CRIN), Ibadan.

Risks

i. Loss of public funds.
ii. Misappropriation of public funds.

Management's Response

Observation is noted. These expenditures are constituency projects facilitated by members of National Assembly as approved in the budget for the year 2023. Evidences are attached as 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 Executive Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦25,644,796.40 (Twenty five million, six hundred and forty four thousand, seven hundred and ninety six naira, forty kobo), being contract on consultancy for supply of non-technical goods
ii. Recover and remit to the Treasury, the sum of ₦25,644,796.40.
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 Regulation (2009) should apply.

ISSUE 4: VIOLATION OF E-PAYMENTS POLICY OF THE FEDERAL GOVERNMENT (=₦15,700,000.00)

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." In addition, 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. Eleven (11) payments totaling ₦15,700,000.00 (Fifteen million, seven hundred thousand naira) were made to a staff account in respect of casual workers for research activities, and
ii. There was no letter authorising these payments to a different account other than that of the beneficiaries.

The above anomalies could be attributed to weaknesses in the internal control system at the Cocoa Research Institute of Nigeria (CRIN), Ibadan.

Risks

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

Management's Response

Observation is noted. These payments were made to enhance coordination and proper returns to be rendered. The Institute is a research based organization and each scientist is attached with the casual workers to carry out their research activities and the payment for casual workers attached or engaged by them is necessary in order to have checks and balances against fraudulent practices. Concerned paid vouchers and relevant documents of implementations are attached for your perusal. Evidences are 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 Executive Director should be requested to:

i. Justify to the Public Accounts Committees of the National Assembly, the sum of ₦15,700,000.00 (Fifteen million, seven hundred thousand naira), being payments made in violation of the e-payment policy of the Federal Government.
ii. Recover and remit to the Treasury, the sum of ₦15,700,000.00.
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.

ISSUE 5: CASH ADVANCES GRANTED ABOVE LIMIT (=₦5,233,500.00)

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. Ten (10) payments totaling ₦5,233,500.00 (Five million, two hundred and thirty three thousand five hundred naira) were made to staff of the Institute for the procurement of goods and services
ii. The advances granted were in excess of the ₦200,000.00 threshold set for direct procurement of store items, thereby circumventing procurement procedures, and
iii. These cash advances deprived the government of revenue totaling ₦706,522.50 (Seven hundred and six thousand, five hundred and twenty two naira, fifty kobo), being 7.5% VAT, 5% WHT and 1% Stamp Duty that would have accrued if the jobs were contracted.

The above anomalies could be attributed to weaknesses in the internal control system at the Cocoa Research Institute of Nigeria (CRIN), Ibadan.

Risks

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

Management's Response

Observation is noted. Due to peculiarity of the Institute being research based, most of these payments were made to Researchers for Research works and testing of Agro Chemical for farmers' usage.

All Agro-allied company must test their chemical from the Institute before selling or recommending it to farmers for use.

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 ₦5,233,500.00 (Five million, two hundred and thirty three thousand five hundred naira), being cash advances granted above the approved threshold.
ii. Recover and remit to the Treasury, the sum of ₦5,233,500.00.
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 specified in paragraphs 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

DIVISION OF AGRICULTURAL COLLEGE, ZARIA

At the Division of Agricultural College, Zaria, for the period, 1st January to 31st December, 2024, the following observation was made:

ISSUE 1: NON-SUBMISSION OF AUDITED FINANCIAL STATEMENTS

Description of Findings

Section 23(3) of the Fiscal Responsibility Act (2007) states, "Each corporation shall, not later than three months after the end of its financial year, cause to be prepared and published its audited financial reports in accordance with such rules as may be prescribed from time to time." 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 and the Accountant-General not later than 31st May of the following year of Account."

In spite of the above extant regulations:

i. The Division failed to submit its audited financial statements for the year 2024 to the Office of the Auditor-General for the Federation, and
ii. The above practice by the Division contravened extant regulations on submission of audited financial statements.

The above anomalies could be attributed to weaknesses in the internal control system at the Division of Agricultural Colleges, Zaria.

Risks

i. Impediments to Public Accounts Committees oversight.
ii. Sub-optimal decisions by those charged with governance.

Management's Response

The delay or non-submission was due to funding constraints and administrative oversight during the period under review. Upon receipt of fund from Federal Government, the Audited Financial Statement for the period is currently being reviewed by the external Auditors and as soon as it is ready, it will be submitted to the Auditor-General Office.

Internal deadline for the preparation and review of Financial Statements has been set well ahead of statutory timely.

A monitoring mechanism has been instituted by the finance unit to track progress and ensure strict adherences.

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. Justify to the Public Accounts Committees of the National Assembly, the non-submission of the Audited Financial Statements for 2024 financial year to the Auditor-General for the Federation.
ii. Produce the Audited Financial Statements for the year in (i) above, and the corresponding Management Letter/Report as required by extant regulations.
iii. Forward copies of the Audited Financial Statements and Auditor's Report thereon to both the Public Accounts Committees of the National Assembly and the Auditor-General for the Federation, and
iv. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

FEDERAL COLLEGE OF FRESHWATER FISHERIES TECHNOLOGY, BAGA

At the Federal College of Freshwater Fisheries Technology, Baga, Borno state, for the period 1st January to 31st December, 2024, the following observations were made:

ISSUE 1: PAYMENT WITHOUT EVIDENCE OF EXECUTION (=₦85,714,097.01)

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." 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. The sum of ₦85,714,097.01 (Eighty five million, seven hundred and fourteen thousand, ninety seven naira, one kobo) was paid to some contractors for empowerment of farmers without any evidence of execution, and
ii. The names of the purported farmers were not made available likewise their phone numbers, nature, and report of the empowerment.

The above anomalies could be attributed to weaknesses in the internal control system of the Federal College of Fresh Fish Technology, Baga.

Risks

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

Management's Response

The College responded that evidence of execution of the contracts are the training manual, list of participant and payments made to the participants. See copy in Appendix D.

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 ₦85,714,097.01 (Eighty five million, seven hundred and fourteen thousand, ninety seven naira, one kobo), being payments without evidence of execution.
ii. Recover and remit to the Treasury, the sum of ₦85,714,097.01.
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 gross misconduct specified in paragraphs 3117 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2: PAYMENT WITHOUT CONTRACT VALUATION CERTIFICATE (=₦24,366,511.63)

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."

Audit observed that:

i. Payment amounting to ₦24,366,511.63 (Twenty four million, three hundred and sixty six thousand, five hundred and eleven naira, sixty three kobo) was made to a contractor without valuation certificate before the payment to the contractor.
ii. There was no documentary evidence on the progress of work such as Bill of Engineering Measurement and Evaluation (BEME), Consultants Interim Payment Certificate (IPC) in respect of the payments.
iii. The level of work done for which payments were made could not be ascertained due to inability to access the interim valuation certificate, and
iv. The money paid without valuation certificate made it difficult for audit to ascertain whether the money that was paid was in accordance with the value of job done.

The above anomalies could be attributed to weaknesses in the internal control system of the Federal College of Fresh Fish Technology, Baga.

Risks

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

Management's Response

Payment made to contractors without Valuation Certificates was the fault of the Management. However, the document is attached in Appendix E.

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 ₦24,366,511.63 (Twenty four million, three hundred and sixty six thousand, five hundred eleven naira, sixty three kobo), being payment without valuation certificate.
ii. Recover and remit to the Treasury, the sum of ₦24,366,511.63.

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 3: VIOLATION OF E-PAYMENT POLICY OF THE FEDERAL GOVERNMENT (=₦4,640,700.00)

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 observe that:
i. Five (5) payments totaling ₦1,811,600.00 (One million, eight hundred and eleven thousand, six hundred naira) were made to an individual.
ii. The payments were made through proxies and not directly to the accounts of the intended beneficiaries without Power of Attorney authorising the recipient, and
iii. There was no evidence that the amount in (i) above got to the ultimate beneficiaries.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Fresh Fish Technology, Baga.

Risks

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

Management's Response

The College Management has cautioned the department concern on such practice. See Appendix F for the copy.

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 ₦1,811,600.00 (One million, eight hundred and eleven thousand, six hundred naira), being payment in violation of e-payment policy of the Federal Government.
ii. Recover and remit to the Treasury, the sum of ₦1,811,600.00.
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 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 4: PAYMENT FOR WELFARE PACKAGE WITHOUT EVIDENCE OF UTILIZATION (=₦2,317,000.00)

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 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 ₦2,317,000.00 (Two million, three hundred and seventeen thousand naira) was paid to some staff of the College as welfare on monitoring and evaluation of various office activities, and
ii. There were no acknowledgements and evidence of utilization of the funds by the recipients.

The above anomalies could be attributed to weaknesses in the internal control system of the Federal College of Fresh Fish Technology, Baga.

Risks

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

Management’s Response

The welfare package was as a result of some oversight function undertaken on monitoring and evaluation on the Office activities. See copy in Appendix 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 Provost should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦2,317,000.00 (Two million, three hundred and seventeen thousand naira), being payment for welfare package without evidence of utilization.
ii. Recover and remit to the Treasury, the sum of ₦2,317,000.00.
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 specified in paragraphs 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

FEDERAL COLLEGE OF LAND RESOURCES TECHNOLOGY, OWERRI, IMO STATE

At the Federal College of Land Resources Technology, Owerri, Imo State, for the period 1st January to 31st December, 2024, the following observations were made:

ISSUE 1: CASH ADVANCES GRANTED ABOVE LIMIT (=₦3,584,000.00)

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. Six (6) payments totaling ₦3,584,000.00 (Three million, five hundred and eighty four thousand naira) were made to five (5) College's staff between January and November, 2024 for the procurement of goods and services.
ii. The advances granted were in excess of the ₦200,000.00 threshold set for direct procurement of store items, thereby circumventing procurement procedures, and
iii. The action of the College resulted in the loss of ₦483,840.00 (Four hundred and eighty three thousand, eight hundred and forty naira) that would have accrued to the government through taxes.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal College of Land Resources Technology, Owerri, Imo State.

Risks

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

Management's Response
The College noted the issue. it was due to the nature of the items involved. However, the cash advance limit will be seriously adhered to in 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 ₦3,584,000.00 (Three million, five hundred and eighty four thousand), being cash advances granted above the approved threshold.
ii. Recover and remit to the Treasury, the sum of ₦3,584,000.00
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 specified in paragraphs 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2: PAYMENT FOR OUTSOURCED SERVICES WITHOUT EVIDENCE OF SERVICES RENDERED (=₦8,592,500.00)

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. Amounts totaling ₦8,592,500.00 (Eight million, five hundred and ninety two thousand, five hundred naira) were paid to contractors and staff of the College for the purpose of rendering services, and
ii. There was no evidence of services rendered during the year under review to justify the payments in (i) above.

The above anomalies could be attributed to weaknesses in the internal control system at Federal College of Land Resources Technology, Owerri, Imo state.

Risks
i. Loss of government funds.
ii. Payment for services not rendered.
iii. Diversion of public funds

Management's Response

The College responded that the outsourced service was rendered to the College during the financial year. Outsourced services are very important to the activities of the College which they have performed their work for 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 ₦8,592,500.00 (Eight million, five hundred and ninety two thousand, five hundred naira), being payment for services not rendered.
ii. Recover and remit to the Treasury, the sum of ₦8,592,500.00.
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 3: VIOLATION OF E- PAYMENT POLICY OF THE FEDERAL GOVERNMENT (=₦3,426,072.50)

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." In addition, 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 ₦3,426,072.50 (Three million, four hundred and twenty six thousand, seventy two naira, fifty kobo) was paid through proxy bank accounts instead of the ultimate beneficiaries, and
ii. There was no evidence to confirm that the beneficiaries received the payments from the Cashier.

The above anomalies could be attributed to weaknesses in the internal control system at Federal College of Land Resources Technology, Owerri, Imo state.

Risks

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

Management's Response

The issue was noted, Henceforth, money will be paid directly to the beneficiaries.

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 ₦3,426,072.50 (Three million, four hundred and twenty six thousand, seventy two naira, fifty kobo), being payment in violation of e-payment policy of the Federal Government.
ii. Recover and remit to the Treasury, the sum of ₦3,426,072.50.
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 UNIVERSITY OF AGRICULTURE, BASSAMBIRI, BAYELSA STATE.

At the Federal University of Agriculture, Bassambiri, Bayelsa State, for the period 1st January to 31st December, 2024, the following observations were made:

ISSUE 1: IRREGULAR PAYMENT OF SALARY TO RETIRED STAFF (=₦6,410,292.64)

Description of Findings

Paragraph 020908 of the Public Service Rules (PSR) (2021) states, (i) The mandatory retirement age for all grades in the Service shall be 60 years or 35 years of pensionable service whichever is earlier. (ii) No Officer shall be allowed to remain in Service after attaining the retirement age of 60 years or 35 years of pensionable Service whichever is earlier." Also, paragraph 1507(ii) of the Financial Regulations (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 Bursar of the Institution was born on the 20th February, 1960, in line with Government Policy on the maximum number of service years either by age or service years, he attained 35 years in service on 19th February, 2025.
ii. As at the date of the audit, he was still in service performing the duties of the Bursar without evidence of extension of appointments in violation of the above regulations.
iii. He was paid the sum of ₦6,410,292.64 (Six million, four hundred and ten thousand, two hundred and ninety two naira, sixty four kobo) within this period.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal University of Agriculture, Bassambiri, Bayelsa State.

Risks

i. Violation of Public Service Rules.
ii. Loss of public funds.

Management's Response

The issue was noted, the Management has directed the Head of Human Resource Department to recover the money from the retired 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 Vice Chancellor should be requested to:

i. Justify to the Public Accounts Committees of the National Assembly, the sum of ₦6,410,292.64 (Six million, four hundred and ten thousand, two hundred and ninety two naira and sixty four kobo), being payment to exited staff.
ii. Recover and remit to the Treasury, the sum of ₦6,410,292.64.
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 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2: MISAPPLICATION OF FUNDS (=₦21,384,000.00)

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." In addition, 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. Payments totaling ₦21,384,000.00 (Twenty one million, three hundred and eighty four thousand naira) were made to some Management staff and Council members as cash bonus for Easter, Sallah, Christmas and end of the year gifts.
ii. The University Management used funds meant for running the operation of the University for festive celebrations at the detriment of the University, and
iii. There was no evidence of approval authorising such disbursement of funds to the beneficiaries.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal University of Agriculture, Bassambiri, Bayelsa State.

Risks

i. Misappropriation of Public Fund.
ii. Inability of the University to achieve its mandate.
iii. Loss of public funds.

Management's Response

The issue was noted, Funds will not be disbursed during festival period again

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 ₦21,384,000.00 (Twenty one million, three hundred and eighty four thousand naira), being payments for gifts during the festive period to management staff.
ii. Recover the sum of ₦21,384,000.00 and remit 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.

MICHAEL OPARA FEDERAL UNIVERSITY OF AGRICULTURE, UMUDIKE, ABIA STATE.

At the Michael Opara Federal University of Agriculture, Umudike, Abia State, for the period 1st January to 31st December, 2024, the following observations were made:

ISSUE 1: IRREGULAR PAYMENT (=₦13,235,332.40)

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."

Audit observed that:

i. Thirteen (13) payments amounting to ₦13,235,332.40 (Thirteen million, two hundred and thirty five thousand, three hundred thirty two naira, forty kobo) were made for the purchases of five hundred (500) chickens for 2024 Christmas season for staff, and
ii. The University gave cash gift in lieu of 2024 Easter hampers & other entertainments for Principal Officers of the University including the Chancellor.

The above anomalies could be attributed to weaknesses in the internal control system at the Michael Opara Federal University of Agriculture, Umudike.

Risks

i. Diversion of government funds.
ii. Misappropriation of public funds.
iii. 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 Vice Chancellor should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦13,235,332.40 (Thirteen million, two hundred and thirty five thousand, three hundred thirty two naira, forty kobo), being irregular payment for purchase of five hundred (500) Christmas chickens.
ii. Recover and remit to the Treasury, the sum of ₦13,235,332.40.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment specified in paragraphs 3106 of the Financial Regulations (2009) should apply.

ISSUE 2: PAYMENT FOR STORE ITEMS WITHOUT EVIDENCE OF DELIVERY(₦20,062,645.37)

Description of Findings

Paragraph 2402 of the Financial Regulations (FR) (2009) states, "On all Paid vouchers for the purchase of store, except as provided in sub-section (ii) of this Regulation, the store keeper must certify that the stores have been received and taken on charge in

the store Ledger, quoting the Store Receipt Voucher number and attaching the original copy of the Store Receipt Voucher to the LPO."

Audit observed that:

i. Store items totaling ₦20,062,645.37 (Twenty million, sixty two thousand, six hundred and forty five naira, thirty seven kobo) were procured without taken on ledger charge, and
ii. Store Receipt Vouchers and other evidence of delivery were not attached to any of the paid vouchers.

The above anomalies could be attributed to weaknesses in the internal control system at Michael Opara Federal University of Agriculture, Umudike.

Risks

i. Diversion of funds
ii. Payment for goods not delivered.

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. Justify to the Public Accounts Committees of the National Assembly the sum of ₦20,062,645.37 (Twenty million, sixty two thousand, six hundred and forty five naira, thirty seven kobo), being payment for store items without evidence of delivery.
ii. Recover and remit the sum of ₦20,062,645.37 to 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 paragraphs 3106 Financial Regulations (2009) respectively, should apply.

ISSUE 3: CASH ADVANCES GRANTED ABOVE LIMIT (=₦14,437,062.00)

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. Three (3) cash advances totaling ₦14,437,062.00 (Fourteen million, four hundred and thirty seven thousand, sixty two naira) were granted to three (3) officers of the University in 2024 to carry out various services.
ii. The advances were in excess of the approved threshold of ₦200,000.00, contrary to the above extant regulations.
iii. Two officers were granted multiple cash advances without retiring previous ones, and
iv. The non-personal advances have deprived government revenue of ₦1,084,632.75 (One million, eighty four thousand, six hundred and thirty two, seventy five) that would have accrued by way of 7.5% Value Added Tax (VAT), and 5% Withholding Tax (WHT).

The above anomalies could be attributed to weaknesses in the internal control system at Michael Opara Federal University of Agriculture, Umudike.

Risks

i. Diversion of public funds
ii. 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 Vice Chancellor should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦14,437,062.00 (Fourteen million, four hundred and thirty seven thousand, sixty two naira), being payments for cash advance above approved limit.
ii. Recover and remit to the Treasury, the sum of ₦14,437,062.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment specified in paragraphs 3106 of the Financial Regulations (2009) should apply.

ISSUE 4: IRREGULAR SPONSORSHIP OF STAFF FOR PROFESSIONAL PROGRAMMES (=₦19,251,690.00)

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." Furthermore, paragraph 415 of the Financial Regulation (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. Fifty three (53) paid vouchers totaling ₦19,251,690.00 (Nineteen million, two hundred and fifty one thousand, six hundred and ninety naira) were raised and paid to various staff of the University during the period under review, and
ii. The payments in (i) above were sponsorship for professional body conferences for staff of the University which violate the extant circular.

The above anomalies could be attributed to weaknesses in the internal control system at Michael Opara Federal University of Agriculture, Umudike.

Risks

i. Misappropriation of funds
ii. Use of government funds for personal expenses.

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 Chancellors should be requested to:

i. Account to the Public Accounts Committees of the National Assembly the sum of ₦19,251,690.00 (Nineteen million, two hundred and fifty one thousand, six hundred and ninety naira), being payment for irregular sponsorship for professional body conferences
ii. Recover and remit to the Treasury, the sum of ₦19,251,690.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment specified in paragraphs 3106 Financial Regulations (2009) should apply.

ISSUE 5: NON-RETIREMENT OF IMPRESTS (=₦2,699,600.00)

Description of Findings

Paragraph 1011 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 affected by the production of Vouchers and/or cash for the full amount of the Imprest.”

Audit observed that:

i. Fifteen (15) payments amounting to ₦2,699,600.00 (Two million, six hundred and ninety nine thousand, six hundred naira) were made as monthly Imprest to an officer of the University in the year under review, and
ii. There were no supporting document or records to show how the imprests were utilized.

The above anomalies could be attributed to weaknesses in the internal control system at Michael Opara Federal University of Agriculture, Umudike.

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 Vice Chancellor is requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦2,699,600.00 (Two million, six hundred and ninety nine thousand, six hundred naira), being unretired imprests.
ii. Recover and remit to the Treasury, the sum of ₦2,699,600.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment specified in paragraphs 3106 Financial Regulations (2009) should apply.

ISSUE 6: IRREGULAR TRANSFERS TO NEW IPPIS TRANSACTION ACCOUNT (=₦10,386,423,888.29)

Description of Findings

Paragraph 112 (i) of the Financial Regulations (FR) (2009) states, "The Function 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…(f) ensuring accurate collection and accounting for all public moneys received and expended; (g) ensuring prudence in the expenditure of public funds; (h) ensuring proper assessments, fees, rates and charges are made where necessary;"

Audit observed that:

i. The sum of ₦10,386,422,888.29 (Ten billion, three hundred and eighty six million, four hundred and twenty two thousand, eight hundred and eighty eight naira, twenty nine kobo) were transferred to IPPIS transaction account, and
ii. There was no justification provided for the irregular transfer from the GIFMIS platform to the IPPIS transaction account.

The above anomalies could be attributed to weaknesses in the internal control system at Federal University of Agriculture, Umudike.

Risks

i. Payment of salary to ghost workers.
ii. Diversion of 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 Vice Chancellor should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦10,386,422,888.29 (Ten billion, three hundred and eighty six million, four hundred and twenty two thousand, eight hundred and eighty eight naira, twenty nine kobo), being irregular transfers to the IPPIS transaction account.
ii. Recover and remit to the Treasury, the sum of ₦10,386,422,888.29.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment specified in paragraphs 3106 of the Financial Regulations (2009) respectively, should apply.

ISSUE 7: UNEXPLAINED SALARY VARIANCE BETWEEN IPPIS AND GIFMIS PLATFORMS (=₦2,976,398,592.25)

Description of Findings
Paragraph 112 (i) of the Financial Regulations (FR) (2009), states, "The Function 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…(f) ensuring accurate collection and accounting for all public moneys received and expended; (g) ensuring prudence in the expenditure of public funds; (h) ensuring proper assessments, fees, rates and charges are made where necessary;"

Audit observed that:
i. Salaries for the months of January, March, April and June to October 2024 were paid into the New IPPIS Transaction Account.
ii. Salaries for the months of November and December showed proper salary breakdown and payment to each staff, and
iii. The discrepancies as extracted from the transactions between GIFMIS and IPPIS platforms resulted in a variance amounting to ₦2,976,398,592.25 (Two billion, nine hundred and seventy six million, three hundred and ninety eight thousand, five hundred and ninety two naira, twenty five kobo) as shown in the Table below:

SALARY VARIANCES FOR THE YEAR 2024				
Months	**GIFMIS ₦**	**IPPIS Payroll ₦**	**Variance ₦**	**Remark**
Jan	1,592,206,721.76	531,783,612.00	1,060,423,109.76	New IPPIS Transaction Account
Feb	-			
Mar	1,003,185,774.05	657,980,647.11	345,205,126.94	New IPPIS Transaction Account
Apr	1,003,613,464.26	658,625,119.00	344,988,345.26	New IPPIS Transaction Account

May	1,367,641,139.50	942,222,447.20	425,418,692.30	New IPPIS Transaction Account
Jun	1,008,195,453.46	656,450,001.74	351,745,451.72	New IPPIS Transaction Account
Jul	1,010,544,466.27	656,738,853.12	353,805,613.15	New IPPIS Transaction Account
Aug	1,025,416,695.00	662,239,975.85	363,176,719.15	New IPPIS Transaction Account
Sept	1,156,085,874.10	788,393,079.15	367,692,794.95	New IPPIS Transaction Account
Oct	1,219,533,299.89	783,522,230.35	436,011,069.54	New IPPIS Transaction Account
Nov	784,051,864.90	792,798,954.89	- 8,747,089.99	
Dec	798,916,199.58	801,814,330.35	2,898,130.77	
TOTAL	10,377,184,231.01	7,400,785,638.76	**2,976,398,592.25**	

The above anomalies could be attributed to weaknesses in the internal control system at the Michael Opara Federal University of Agriculture, Umudike.

Risks

i. Diversion of Public Funds.
ii. Mismanagement of funds, and
iii. Payment to ghost workers

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. Justify to the Public Accounts Committees of the National Assembly the sum of ₦2,976,398,592.25 (Two billion, nine hundred and seventy six million, three hundred and ninety eight thousand, five hundred and ninety two naira, twenty five kobo), being unexplained salary variance for year 2024.
ii. Recover and remit to the Treasury, the sum of ₦2,976,398,592.25.
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, specified in paragraph 3115 of the Financial Regulations (2009) should apply.

ISSUE 8: PAYMENTS WITHOUT PREPAYMENT AUDIT (=₦84,405,152.35)

Description of Findings

Paragraph 1705(i) 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% prepayment 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. (ii) 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. Forty five (45) Payment vouchers totaling ₦84,405,152.35 (Eighty four million, four hundred and five thousand, one hundred and two naira, thirty five kobo) were raised and paid by the University during the year under review, and
ii. Prepayment audit was not carried out by the Internal Auditor prior to the payments made in (i) above.

The above anomalies could be attributed to weaknesses in the internal control system at Michael Opara Federal University of Agriculture, Umudike.

Risks

i. Payment of unapproved expenditure.
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 Vice Chancellor should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦84,405,152.35 (Eighty four million, four hundred and five thousand, one hundred and two naira, thirty five kobo), being payment made without prepayment audit.
ii. Recover and remit to the Treasury, the sum of ₦84,405,152.35.
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: UNJUSTIFIED FUELING COST (=₦34,975,635.00)

Description of Findings

Paragraph 2005 of the Financial Regulations (FR) (2009) states, "Ministries/ Extra Ministerial offices and other Arms of Government shall enter into reasonable agreements with petrol dealers for supply of fuel, on a monthly credit basis. As much as possible cash purchases should be limited to touring duties and emergency cases where supply is not immediately available-from the regular supplier."

Audit observed that:

i. One hundred and thirty two (132) payments totaling ₦34,975,635.00 (Thirty four million, nine hundred and seventy five thousand, six hundred and thirty five naira) were made for purchase of fuel during the year under review.
ii. There was no documented agreement or arrangement with a particular fuel vendor as required by extant regulation, and
iii. The expenditure in (i) above would not be considered a legitimate charge against public funds.

The above anomalies could be attributed to weakness in the internal control system at the Michael Opara Federal University of Agriculture, Umudike.

Risks

i. Loss of government funds.
ii. Procurement of inferior goods.

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 ₦34,975,635.00 (Thirty four million, nine hundred and seventy five thousand, six hundred and thirty five naira), being unjustified expenditure on fueling.
ii. Recover and remit to the Treasury, the sum of ₦34,975,635.00
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 10. IRREGULAR PAYMENTS FOR RESEARCH WITHOUT EVIDENCE OF EXECUTION (=₦18,525,302.74)

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." 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 University granted six (6) research scholarship totaling ₦18,525,302.74 (Eighteen million, five hundred and twenty five thousand, three hundred and two naira, seventy four kobo) to scholars in 2024, and
ii. There was no evidence of execution in form of reports or completed research thesis to justify the expenditure.

The above anomalies could be attributed to weaknesses in the internal control system at the Michael Opara Federal University of Agriculture, Umudike.

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 Vice Chancellor should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦18,525,302.74 (Eighteen million, five hundred and twenty five thousand, three hundred and two naira, seventy four kobo), being payment to scholars for research without justifiable evidence of utilisation.
ii. Recover and remit to the Treasury, the sum of ₦18,525,302.74
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.

NIGERIA AGRICULTURAL QUARANTINE SERVICE, ABUJA

At the Nigeria Agricultural Quarantine Service, Abuja, for the period 1st January to 31st December, 2024, the following observation was made:

ISSUE 1: STORE ITEMS NOT TAKEN ON LEDGER CHARGE (=₦1,149,500.00)

Description of Findings

Paragraph 2402 (i) 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 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. Store items procured totaling ₦1,149,500.00 (One million, one hundred and forty nine thousand, five hundred naira) were not taken on ledger charge or did not pass through Store, and
ii. There were no Store Received Vouchers and Stock Verifiers' forms attached to the paid Vouchers.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigeria Agricultural Quarantine Service.

Risks

i. Diversion of government property.
ii. Under-valuation of assets.
iii. Loss of public funds.

Management's Response

Inventory Boards have been replaced with Inventory Cards and hanged behind every office door of the NAQS

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 ₦1,149,500.00 (One million, one hundred and forty nine thousand, five hundred naira), being payment for store items not taken on ledger charge.
ii. Recover and remit to the Treasury, the sum of ₦1,149,500.00.
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.

NIGERIAN AGRICULTURAL INSURANCE CORPORATION, ABUJA

At the Nigerian Agricultural Insurance Corporation (NAIC), Abuja, for the period 1st January to 31st December, 2024, the following observations were made:

ISSUE 1: IRREGULAR PLACEMENT OF STAFF LEADING TO OVERPAYMENT OF SALARIES AND ARREARS (=₦6,192,103.32)

Description of Findings

Paragraph 040104 of the Public Service Rules (PSR) (2021) states, "Except in a case of a promotion from a non-pensionable to a pensionable office, the following rules shall apply where an officer is promoted in the ordinary course within the Federal Public

Service to an office carrying emolument on an incremental scale: (i) If the officer is promoted to a Grade Level that does not overlap his/her old Grade Level, he/she will be placed at the minimum point of his/her new Salary Grade Level. (ii) If his/her emolument in the former post is higher than the minimum point of the new Salary Grade Level, he/she will be placed on the next point higher than his/her former emolument, after taking into consideration the increment he/she would have earned if he/she had not been promoted."

Audit observed that:

i. The Corporation promoted fifty six (56) staff to various senior and junior positions with effect from 1st January, 2024 following the conclusion of the Senior and Junior Staff Promotion Exercise.
ii. Variation advice raised to place the promoted staff on the new grade levels and steps revealed that all the fifty six (56) staff were placed above the minimum point in the new post, after taking into account the annual increments the staff would have earned had they not been promoted.
iii. The placement was carried out in contravention of Rule 040104 of the Public Service Rules, and
iv. The irregular placement of the promoted staff resulted in an overpayment of salaries totaling ₦6,192,103.32 (Six million, one hundred and ninety two thousand, one hundred and three naira, thirty two kobo) to the fifty six (56) staff between January and December, 2024.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Agricultural Insurance Corporation (NAIC), Abuja.

Risks

i. 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 Managing Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦6,192,103.32 (Six million, one hundred and ninety two thousand, one hundred and three naira, thirty two kobo), being over-payment of salaries and arrears arising from the wrong placement of fifty six (56) promoted staff in violation of Rule 040104 of the Public Service Rules.
ii. Reverse the wrong placement and place the affected staff at the correct grade level and step in accordance with Rule 040104 of the Public Service Rules.
iii. Recover and remit the sum of ₦6,192,103.32 to the Treasury.
iv. Forward evidence of recovery and remittance to the Public Accounts Committees of the National Assembly, and

v. Otherwise, sanctions relating to overpayment of public funds and gross misconduct specified in paragraphs 3111 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2: VIOLATION OF MATURITY RULE IN THE PROMOTION PROCESS

Description of Findings

Rule 020802(c) of the Public Service Rules (PSR) (2021) states, “The minimum number of years that an officer must spend in a post before being considered for promotion shall be as follows: Grade Level 06 and below - minimum of 2 years; Grade Levels 07 to 14 - minimum of 3 years; Grade Levels 15 to 17 - minimum of 4 years.” Furthermore, paragraph 2.05(v) of the Conditions of Service for Employees of the Nigerian Agricultural Insurance Corporation (NAIC) states, "Promotion to higher grades shall normally be based on the following: (v) Minimum number of years on post as specified in the Public Service Rules.”

Audit observed that:

i. The Corporation operates a policy of not promoting staff on Grade Levels 07 -14 until they have spent a minimum of four (4) years on post, in contravention of the Public Service Rules and the Corporation’s own Conditions of Service, both of which provide that such officers are due for promotion after a minimum of three (3) years on post.
ii. The policy has resulted in the stagnation of officers on various Grade Levels.
iii. Following the stagnation of staff under the maturity policy, the Corporation thereafter selects a small number of staff annually for "accelerated promotion", under which selected officers who are not yet due for promotion are permitted to sit for the promotion examination and be promoted, while their colleagues are denied the same opportunity, and
iv. The practice has generated significant disquiet among the staff of the Corporation.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Agricultural Insurance Corporation (NAIC), Abuja.

Risks

i. Violation of Public Service Rules.
ii. Weak governance structure.

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 Managing Director should be requested to:

i. Explain to the Public Accounts Committees of the National Assembly, why staff on Grade Levels 07 to 14 are required to spend a minimum of four (4) years on post before being considered for promotion, contrary to the three (3) years specified by the Public Service Rules.
ii. Reverse the policy and ensure that going forward, all eligible officers on Grade Levels 07 to 14 who have spent a minimum of three (3) years on post are allowed to sit for the promotion examination.
iii. Moderate the accelerated promotion policy and ensure that all qualified staff are invited to compete through the promotion examination for any vacant positions.
iv. Forward evidence of compliance 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.

ISSUE 3: IRREGULAR PAYMENT OF UNAPPROVED ALLOWANCE (=₦54,662,061.74)

Description of Findings

Paragraph 5 of the Establishment Circular Ref. No. SWC/S/04/S.167/Vol.11/8 dated 26th September, 2005, states, “As usual, all self-funded Federal Parastatals and Agencies which wish to monetise their fringe benefits should always submit the proposed package to the National Salaries, Incomes and Wages Commission for necessary evaluation and approval 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 ₦54,662,061.74 (Fifty four million, six hundred and sixty two thousand, sixty one naira, seventy four kobo) was paid to members of staff as Children Allowance during the year under review.
ii. In order to verify the legitimacy of the allowance, audit requested for the approval of the National Salaries, Incomes and Wages Commission (NSIWC) authorising the Corporation to pay the allowance, since it is not among the allowances captured in the Public Service Rules, and
iii. The Corporation could not produce approval to justify the payment, consequently, the sum of ₦54,662,061.74 paid to staff as Children Allowance is deemed ineligible and cannot be accepted as a legitimate charge against public funds.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Agricultural Insurance Corporation (NAIC), Abuja.

Risks

i. Loss of public funds.
ii. Unauthorized expenditure.
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 Managing Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦54,662,061.74 (Fifty four million, six hundred and sixty two thousand, sixty one naira, seventy four kobo), being Children Allowance paid to staff without the approval of the National Salaries, Incomes and Wages Commission.
ii. Recover and remit the sum of ₦54,662,061.74 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 overpayment of public funds and gross misconduct specified in paragraphs 3111 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 4: IRREGULAR PAYMENT OF DOMESTIC STAFF SALARY TO MANAGEMENT STAFF (=₦40,976,379.72)

Description of Findings
Paragraph 5 of the Establishment Circular Ref. No. SWC/S/04/S.167/Vol.11/8 dated 26th September, 2005, states, "As usual, all self-funded Federal Parastatals and Agencies which wish to monetise their fringe benefits should always submit the proposed package to the National Salaries, Incomes and Wages Commission for necessary evaluation and approval before implementation."

Audit observed that:

i. Fifteen (15) members of staff were paid the salaries of domestic staff separately from their own monthly salaries, despite the Corporation operating a consolidated salary structure approved by the National Salaries, Incomes and Wages Commission.
ii. A total of ₦40,976,379.72 (Forty million, nine hundred and seventy six thousand, three hundred and seventy nine naira, seventy two kobo) was paid to the beneficiaries as domestic staff salaries in 2024.
iii. The domestic staff salaries were paid on a monthly basis at Salary Grade Level 03, in the following bands: Managing Director - six (6) domestic staff; Executive Directors - five (5) domestic staff; General Managers - three (3) domestic staff; Deputy General Managers - three (3) domestic staff; and Assistant General Managers - one (1) domestic staff.
iv. Approval from National Salaries, Incomes and Wages Commission (NSIWC) authorising the monetisation of the fringe benefit was not provided, and
v. The Corporation could not produce the approval to justify the payments. Consequently, the payment of domestic staff salaries to management staff of the Corporation as a fringe benefit cannot be accepted as a legitimate charge to public funds.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Agricultural Insurance Corporation (NAIC), Abuja.

Risks

i. Unauthorized expenditure.
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 Managing Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly the sum of ₦40,976,379.72 (Forty million, nine hundred and seventy six thousand, three hundred and seventy nine naira, seventy two kobo), being domestic staff salaries paid to management staff without the approval of the National Salaries, Incomes and Wages Commission.
ii. Recover and remit the sum of ₦40,976,379.72 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 over-payment of public funds and gross misconduct specified in paragraphs 3111 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 5: IRREGULAR PAYMENT OF SALLAH BONUS TO NON-EXISTENT DOMESTIC STAFF (=₦2,400,000.00)

Description of Findings

Paragraph 5 of the Establishment Circular Ref. No. SWC/S/04/S.167/Vol.11/8 dated 26th September, 2005 states, "As usual, all self-funded Federal Parastatals and Agencies which wish to monetize their fringe benefits should always submit the proposed package to the National Salaries, Incomes and Wages Commission for necessary evaluation and approval 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 Corporation paid a flat rate of ₦45,000.00 (Forty five thousand naira) to all staff as Sallah Bonus for the celebration of the 2024 Sallah festival.
ii. In addition, in violation of the extant circular, the Corporation paid a total of ₦2,400,000.00 (Two million, four hundred thousand naira) through thirty (30) paid vouchers to thirteen (13) staff as Sallah Bonus for the personal domestic staff of the beneficiaries who are not employees of the Corporation.

iii. In order to verify the legitimacy of the payment, audit requested for the approval of the National Salaries, Incomes and Wages Commission (NSIWC) authorising the Corporation to pay allowances meant for staff to non-existent domestic staff of the beneficiaries, and
iv. The Corporation could not produce the approval to justify the payment. Consequently, the sum of ₦2,400,000.00 paid to the beneficiaries as domestic staff Sallah Bonus cannot be accepted as a legitimate charge to public funds.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Agricultural Insurance Corporation (NAIC), Abuja.

Risks
i. Unauthorized expenditure.
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 Managing 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 sallah bonus paid to thirteen (13) staff in respect of their personal domestic staff who are not employees of the Corporation.
ii. Recover and remit the sum of ₦2,400,000.00 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 gross misconduct specified in paragraphs 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 6: PAYMENT OF MEDICAL ALLOWANCE TO INELIGIBLE TOP MANAGEMENT STAFF (=₦20,336,188.46)

Description of Findings
Paragraph 5 of the Establishment Circular Ref. No. SWC/S/04/S.167/Vol.11/8 dated 26th September, 2005 states, "As usual, all self-funded Federal Parastatals and Agencies which wish to monetise their fringe benefits should always submit the proposed package to the National Salaries, Incomes and Wages Commission for necessary evaluation and approval before implementation." Also, paragraph 130202 of the Public Service Rules (PSR) (2021) states, "A staff who prefers to be treated by a private practitioner instead of availing himself of the service of the authorised healthcare provider must himself bear all expenses incurred through such treatment." In addition, 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 ₦20,336,188.46 (Twenty million, three hundred and thirty six thousand, one hundred and eighty eight naira, forty six kobo) was paid to some members of staff as Medical Allowance during the year under review.
ii. In order to verify the legitimacy of the allowance, audit requested for the approval of the National Salaries, Incomes and Wages Commission (NSIWC) authorising the Corporation to pay the allowance, since it is not among the allowances captured in the Public Service Rules, and
iii. The Corporation could not produce the approval to justify the payment. Consequently, the sum of ₦20,336,188.46 paid to staff as Medical Allowance is deemed ineligible and cannot be accepted as a legitimate charge to public funds.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Agricultural Insurance Corporation (NAIC), 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 Managing Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦20,336,188.46 (Twenty million, three hundred and thirty six thousand, one hundred and eighty eight naira, forty six kobo), being Medical Allowance paid to staff without the approval of the National Salaries, Incomes and Wages Commission.
ii. Recover and remit the sum of ₦20,336,188.46 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 over-payment of public funds and gross misconduct specified in paragraphs 3111 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 7: PREMATURE SCRAPPING AND SALE OF GOVERNMENT VEHICLES (=₦98,680,600.00)

Description of Findings

Section 56(1) of the Public Procurement Act (PPA) (2007) states, "Before slating any public property for disposal, the accounting officer (whether acting in his own authority or at the direction of any superior or other authority) 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 valuation." Furthermore, Section 55(3) of the PPA (2007) states, "The open competitive bidding shall be the primary source of receiving offers for the purchase of any public property offered for sale."

Audit observed that:

i. The Corporation purchased two (2) Toyota Land Cruiser Jeeps for the use of the Executive Directors, with details as shown in the table below.

SECURITY NUMBER	CHASSIS NUMBER	PRICE (₦)	PURCHASE DATE	USER	SCRAP VALUE (₦)
KUJ 937 CA	JTEBX3FJ50K335390	51,918,100.00	10th March, 2022	ED OPS	4,153,447.93
KUJ 440 BU	JTEBX3FJ10K333703	46,762,500.00	25th October, 2021	ED F&A	3,390,281.25
		98,680,600.00			

Source: NAIC Vehicles Register and disposal records, 2024

ii. Upon the completion of the tenure of the two Executive Directors, the Corporation prematurely disposed of the official vehicles prior to the end of the specified four-year depreciation period and sold them to the same Executive Directors as part of their severance package without recourse to a competitive disposal process or independent valuation.
iii. There was no justification or authorization to scrap and/or sell public vehicles to retiring public officers, and
iv. The premature scrapping and sale of the vehicles to the former Executive Directors without any auctioning process contravenes Section 57(9) of the Public Procurement Act (2007).

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Agricultural Insurance Corporation (NAIC), Abuja.

Risks

i. Loss of public assets.
ii. Premature disposal of public property.
iii. Assets sales at undervalued prices.

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 Managing Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the premature scraping and sale of the two (2) Toyota Land Cruiser Jeeps to the former Executive Directors at scrap value, in violation of extant regulations.
ii. Recover the vehicles from the former Executive Directors.

iii. Forward evidence of recovery to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to premature scraping of and sale of government assets at a ridiculously low price specified in paragraph 3114 of the Financial Regulations (2009) should apply.

ISSUE 8: MISSING VEHICLES (=₦117,038,888.00)

Description of Findings

Paragraph 112(i)(d) 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."

Audit observed that:
i. Six (6) vehicles with carrying amount totalling ₦117,038,888.00 (One hundred and seventeen million, thirty eight thousand, eight hundred and eighty eight naira), recorded in the Corporation's Vehicles Register for the 2023 financial year, were no longer reflected in the Vehicle Register for 2024.
ii. The location and custody of the vehicles could not be ascertained, as the vehicles were not sighted during the physical inspection, and
iii. There was no record or explanation to indicate that the vehicles were disposed off through auction or any other approved process during the year.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Agricultural Insurance Corporation (NAIC), Abuja.

Risks

i. Loss of government assets.
ii. Conversion of government vehicles to personal 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 Managing Director should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦117,038,888.00 (One hundred and seventeen million, thirty eight thousand, eight hundred and eighty eight naira), being the carrying amount of six (6) missing vehicles without explanation.
ii. Recover the vehicles and ensure they are taken on charge in the Corporation's Store Ledger, Non-current Asset Register and Vehicles Register.
iii. Forward evidence of recovery to the Public Accounts Committees of the National Assembly, and

iv. Otherwise, sanctions relating to non-payment for use of government property and gross misconduct specified in paragraphs 3113 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 9: AWARD OF CONTRACTS WITHOUT CONFIRMATION BY THE POLITICAL HEAD (=₦1,085,966,438.40)

Description of Findings

Section 66(5) of the Finance Act (2020) states, "The decisions of all Tender's Boards shall be confirmed respectively by the political heads of the procuring entities, provided that the political heads are not the Chairmen of the Tender's Board." Also, paragraph 118(i) of the Financial Regulations (FR) (2009) states, "It shall be the responsibility of the Political Head to supervise and control the activities of his ministry, agency and/or parastatal."

Audit observed that:

i. The Corporation's Parastatal Tenders Board approved the award of eighteen (18) contracts totaling ₦1,085,966,438.40 (One billion, eighty five million, nine hundred and sixty six thousand, four hundred and thirty eight naira, forty kobo) in the 2024 financial year without the confirmation of the Political Head of the Corporation.
ii. The payments of the contracts were made through eighteen (18) paid vouchers to nine (9) contractors, and
ii. Requests for evidence of the confirmation by the Political Head of the Corporation were not provided as at the time of concluding the audit.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Agricultural Insurance Corporation (NAIC), Abuja.

Risks

i. Violation of due process under the Public Procurement Act
ii. Award of contracts without valid legal effect.

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 Managing Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦1,085,966,438.40 (One billion, eighty five million, nine hundred and sixty six thousand, four hundred and thirty eight naira, forty kobo), being contracts awarded without confirmation by the Political Head of the Corporation.
ii. Recover and remit the sum of ₦1,085,966,438.40 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and

iv. Otherwise, sanctions relating to irregular award and payment of contracts specified in paragraphs 3106 and 3117 of the Financial Regulations (2009) respectively, should apply.

ISSUE 10: AWARD OF CONTRACTS WITHOUT CONDUCTING DUE DILIGENCE (=₦1,085,966,438.40)

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. The Corporation awarded eighteen (18) contracts totaling ₦1,085,966,438.40 (One billion, eighty five million, nine hundred and sixty six thousand, four hundred and thirty eight naira, forty kobo) to some contractors for various works, goods and services in the 2024 financial year, and
ii. The Corporation did not produce any evidence that due diligence or post-qualification was carried out and considered before the contracts were awarded.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Agricultural Insurance Corporation (NAIC), Abuja.

Risks

i. Award of contracts to incompetent contractors.
ii. Poor quality of work.

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 Managing Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly the sum of ₦1,085,966,438.40 (One billion, eighty five million, nine hundred and sixty six thousand, four hundred and thirty eight naira, forty kobo), being contracts awarded without evidence of due diligence or pre/post-qualification on the recommended contractors.
ii. Recover and remit the sum of ₦1,085,966,438.40 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 irregular award of contracts specified in paragraphs 3106 and 3117 of the Financial Regulations (2009) respectively, should apply.

ISSUE 11: AWARD OF CONTRACTS TO UNACCREDITED TRAINING CONSULTANTS (=₦542,291,750.00)

Description of Findings

Section 5 of the Nigerian Council for Management Development (NCMD) Act (2022) states, "The Council shall:…(d) accredit every Management Consultant, Trainer or Institution operating within Nigeria; (e) accredit every registered Management training firm or institution upon the fulfillment of criteria set by the Council." Furthermore, section 19(2) of the NCMD Act (2022) states, "Any Corporate Body which operates as a Management Development Training Institution without accreditation, commits an offence and is liable on conviction to a fine of at least ₦1,000,000.00."

Audit observed that:

i. The Corporation awarded twelve (12) training contracts totaling ₦542,291,750.00 (Five hundred and forty two million, two hundred and ninety one thousand, seven hundred and fifty naira) to different consultants for various training services in the 2024 financial year.
ii. On the basis of the provisions cited above, audit requested for the accreditation certificates of the consultants engaged by the Corporation, and
iii. The Corporation could not provide the accreditation certificates as at the time of concluding the audit assignment. As a result, audit could not ascertain that the training consultants engaged by the Corporation were accredited and qualified to render training services in Nigeria.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Agricultural Insurance Corporation (NAIC), Abuja.

Risks

i. Award of training contracts to unaccredited consultants.
ii. Violation of the NCMD Act (2022).

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 Managing Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦542,291,750.00 (Five hundred and forty two million, two hundred and ninety one thousand, seven hundred and fifty naira), being training contracts awarded to consultants not accredited by the Nigerian Council for Management Development.

ii. Recover and remit the sum of ₦542,291,750.00 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 or wrong payment and irregular award of contracts specified in paragraphs 3106 and 3117 of the Financial Regulations (2009) respectively, should apply.

ISSUE 12: PROCUREMENT OF IT EQUIPMENT WITHOUT MANDATORY CLEARANCE FROM NITDA (=₦130,254,138.40)

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 ₦130,254,138.40 (One hundred and thirty million, two hundred and fifty four thousand, one hundred and thirty eight naira, forty kobo) was paid to two (2) contractors through three (3) paid vouchers for local acquisition of ICT hardware in the 2024 financial year.
ii. There was no clearance obtained from the National Information Technology Development Agency (NITDA) for the procurement, and
iii. There was no evidence of advertisement in two (2) national dailies and tender journals as stipulated by paragraph 2922 of the Financial Regulations (2009).

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Agricultural Insurance Corporation (NAIC), Abuja.

Risks

i. Procurement of substandard ICT equipment.
ii. Duplication of software upgrades.
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 Managing Director should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦130,254,138.40 (One hundred and thirty million, two hundred and fifty four thousand, one hundred and thirty eight naira, forty kobo), being procurement of ICT equipment without mandatory clearance from NITDA.

ii. Recover and remit the sum of ₦130,254,138.40 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 13: VIOLATION OF THE BUREAU OF PUBLIC PROCUREMENT (BPP) CONDITIONS IN THE AWARD OF CONTRACTS (=₦483,598,898.40)

Description of Findings

Paragraph 12 of the Bureau of Public Procurement (BPP) Due Process "No Objection" Certificate Ref. No. BPP/S.1/A&WR/24/Vol.II/409 dated 20th December, 2024, issued to the Nigerian Agricultural Insurance Corporation to adopt restricted/selective tendering, states, "The NAIC should: (i) invite a minimum of five (5) unrelated and responsive bidder firms to participate in the procurement process for each lot and no bidder shall be allowed to bid for more than one lot."

Audit observed that:
i. The Bureau of Public Procurement (BPP) issued a Due Process "No Objection" approval to the Corporation to adopt the restricted tendering method for the implementation of ten (10) capital projects in the 2024 financial year.
ii. Paragraph 9(iv) of the "No Objection" approval stipulates that the Corporation should not shortlist a bidder for more than one (1) lot, and
iii. The Corporation invited and shortlisted some bidders for more than one (1) lot, and even awarded multiple contracts to the same bidders, totaling ₦483,598,898.40 (Four hundred and eighty three million, five hundred and ninety eight thousand, eight hundred and ninety eight naira, forty kobo).

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Agricultural Insurance Corporation (NAIC), Abuja.

Risks

i. Lack of competitiveness in the procurement process.
ii. Manipulation of the procurement process.
iii. Violation of BPP Due Process "No Objection" approval.

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 Managing Director should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦483,598,898.40 (Four hundred and eighty three million, five hundred and

ninety eight thousand, eight hundred and ninety eight naira, forty kobo), being contracts awarded in violation of the BPP "No Objection" conditions.

ii. Recover and remit the sum of ₦483,598,898.40 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 gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

ISSUE 14: AWARD OF CONTRACTS WITHOUT BILL OF QUANTITIES OR BILL OF ENGINEERING MEASUREMENT AND EVALUATION (=₦1,085,966,438.40)

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. (b) the design of the building, road, etc relating to (a) above is broken down into: …(v) bills of quantities."

Audit observed that:

i. The Corporation's Tenders Board awarded eighteen (18) contracts totaling ₦1,085,966,438.40 (One billion, eighty five million, nine hundred and sixty six thousand, four hundred and thirty eight naira, forty kobo) to different contractors without breaking down the contract sums into Bills of Quantities (BoQ) or Bill of Engineering Measurement and Evaluation (BEME), as required by extant regulations, and

ii. Audit could not ascertain that due economy in line with paragraph 415 of the Financial Regulations (2009) was observed in the pricing of the contracts, as the Bills of Quantities that should have provided the justification for the contract sums were neither prepared and considered by the Tenders Board nor provided for examination.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Agricultural Insurance Corporation (NAIC), Abuja.

Risks

i. Award of contracts without proper valuation.

ii. Possible overpricing of contracts.

iii. Violation of extant regulations.

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 Managing Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦1,085,966,438.40 (One billion, eighty five million, nine hundred and sixty six thousand, four hundred and thirty eight naira, forty kobo), being contracts awarded without Bills of Quantities or Bill of Engineering Measurement and Evaluation.
ii. Recover and remit the sum of ₦1,085,966,438.40 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular award of contracts specified in paragraph 3117 of the Financial Regulations (2009) should apply.

ISSUE 15: CONTRACTS AWARDED WITHOUT CARRYING OUT MARKET SURVEY (=₦1,085,966,438.40)

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:…(c) carrying out appropriate market and statistical surveys and on that basis prepare an analysis of the cost implications of the proposed procurement."

Audit observed that:

i. The Corporation awarded eighteen (18) contracts totaling ₦1,085,966,438.40 (One billion, eighty five million, nine hundred and sixty six thousand, four hundred and thirty eight naira, forty kobo) to some contractors for various works, goods and services.
ii. Despite several and repeated requests by audit, the Market Survey Reports that were used to determine the cost implications of the projects were not provided as at the conclusion of the assignment, and
iii. A review of the Minutes of the Corporation's Tenders Board meetings, where all the contracts were approved for award, revealed that no in-house estimate backed by a Market Survey Report was considered in evaluating the bids and determining the contract prices, as required by section 18(c) of the Public Procurement Act (2007).

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Agricultural Insurance Corporation (NAIC), Abuja.

Risks

i. Lack of basis for determining contract price.
ii. Inflation of contract prices.
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 Managing Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦1,085,966,438.40 (One billion, eighty five million, nine hundred and sixty six thousand, four hundred and thirty eight naira, forty kobo), being contracts awarded without a Market Survey Report to justify the contract prices.
ii. Recover and remit the sum of ₦1,085,966,438.40 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 specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 16: PAYMENTS FOR CONSTITUENCY AND ZONAL INTERVENTION PROJECTS WITHOUT APPROVAL FROM RELEVANT AUTHORITIES (=₦154,464,000.00)

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. The Corporation awarded and executed four (4) Constituency Projects in the 2024 financial year amounting to ₦154,464,000.00 (One hundred and fifty four million, four hundred and sixty four thousand naira). The contracts were certified fully completed and full payments made to the contractors.
ii. In line with the Federal Government Circulars cited above, audit requested for the certification or authorisation from the Federal Ministry of Special Duties and Intergovernmental Affairs in respect of the payments made for the Constituency Projects, and
iii. The certification or authorisation to pay for the projects could not be provided as at the conclusion of the audit assignment, in contravention of the regulations cited above.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Agricultural Insurance Corporation (NAIC), Abuja.

Risks

i. Unauthorised payments.
ii. Payment for unverified contracts.
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 Managing Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦154,464,000.00 (One hundred and fifty four million, four hundred and sixty four thousand naira), being payments for Constituency Projects without certification from the Federal Ministry of Special Duties and Intergovernmental Affairs.
ii. Recover and remit the sum of ₦154,464,000.00 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 17: IRREGULAR PAYMENTS TO CONTRACTORS WITHOUT VALUATION AND EVIDENCE OF WORK DONE (=₦266,557,265.00)

Description of Findings

Paragraph 2.2(c)(iv) of the Federal Treasury Circular Ref. No. TRY/A2 & B2/2019 OAGF/CAD/026/V.III/358 dated 8th July, 2019, states, "Consequently, the following documents are mandatory to facilitate payments of Government Contracts for goods, works and services:…(iv) valuation certificates."

Audit observed that:

i. The Corporation awarded two (2) contracts for construction works in the 2024 financial year, and payments totalling ₦266,557,265.00 (Two hundred and sixty six million, five hundred and fifty seven thousand, two hundred and sixty five naira) were made in respect of the contracts.
ii. The Valuation Certificates in respect of the payments to confirm their accuracy were not provided for examination during the audit, and
iii. The existence of a working alternative power supply that was said to have been installed at the headquarters of the Corporation in respect of one of the projects was not sighted during the audit, neither was the pictorial evidence of work done in respect of the other project presented for examination.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Agricultural Insurance Corporation (NAIC), Abuja.

Risks

i. Payments without proper valuation of work done.
ii. Possible payments 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 Managing Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦266,557,265.00 (Two hundred and sixty six million, five hundred and fifty seven thousand, two hundred and sixty five naira), being payments to contractors without Valuation Certificates or evidence of work done.
ii. Recover and remit the sum of ₦266,557,265.00 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 gross misconduct specified in paragraphs 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 18: IRREGULAR PAYMENT FOR CONTRACTS (=₦10,890,369.00)

Description of Findings

Paragraph 2.1(c) of the Federal Treasury Circular Ref. No. TRY/A2 & B2/2019 OAGF/CAD/026/V.III/358 dated 8th July, 2019, states, "Consequently, the following documents are mandatory to facilitate payments of Government Contracts for Goods, Works and Services: (i) Original letter of contract award; (ii) Contract agreement; (iii) Store Receipt Voucher; (iv) Request for payments with Bank details and Tax Identification Number (TIN)."

Audit observed that:

i. In the 2024 financial year, the Corporation paid a total of ₦10,890,369.00 (Ten million, eight hundred and ninety thousand, three hundred and sixty nine naira) to some vendors and service providers.
ii. There were no Award Letters, Job Orders, Payment Requests and Service Agreements issued in respect of the payments, and
iii. The Corporation was unable to provide the supporting documents as at the conclusion of the assignment, and justification for non-existence of the documents.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Agricultural Insurance Corporation (NAIC), Abuja.

Risks

i. Payments for contracts without valid Award Letters and Agreements.
ii. Possible payment for non-existent contracts.

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 Managing Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦10,890,369.00 (Ten million, eight hundred and ninety thousand, three hundred and sixty nine naira), being payments to vendors and service providers without Award Letters, Local Purchase Orders or Job Orders.
ii. Recover and remit the sum of ₦10,890,369.00 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 specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 19: UNDER-DEDUCTION OF WITHHOLDING TAX ON CONSULTANCY CONTRACTS (=₦25,692,725.00)

Description of Findings

Paragraph 234(i), (ii) and (iii) of the Financial Regulations (FR) (2009) states, "(i) 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. (ii) 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. (iii) Accounting Officer/Sub-Accounting Officer who fails to provide for and remit VAT and WHT due on Vatable supplies and services shall be sanctioned under the applicable VAT Act No. 102 of 1993 which may include fines and/or imprisonment."

Audit observed that:

i. The Corporation awarded some contracts for various consultancy services at a sum of ₦552,392,988.00 (Five hundred and fifty two million, three hundred and ninety two thousand, nine hundred and eighty eight naira).
ii. The contracts were certified fully completed and full payments were made to the contractors, and
iii. The Corporation deducted 5% of the contract sums as Withholding Tax instead of the applicable rate of 10% for consultancy contracts. This resulted in an under-deduction of ₦25,692,725.00 (Twenty five million, six hundred and ninety two thousand, seven hundred and twenty five naira).

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Agricultural Insurance Corporation (NAIC), Abuja.

Risks

i. Loss of government revenue.
ii. Overpayment to contractors.

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 Managing Director should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦25,692,725.00 (Twenty five million, six hundred and ninety two thousand, seven hundred and twenty five naira), being under-deduction of Withholding Tax on consultancy contracts.
ii. Recover and remit the sum of ₦25,692,725.00 to the relevant tax authority.
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 specified in paragraphs 3112 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 20: OVERPAYMENT OF ESTACODE ALLOWANCE (=US$3,587.00)

Description of Findings
Paragraph 2(v) of the Federal Establishment Circular Ref. No. SGF/OP/I/S.3/XII/158 dated 15th October, 2019, states, "Duration of Travels: Duration of official trips shall henceforth be limited to only the number of days of the event as contained in the supporting documents to qualify for Public Funding. The implication of this is that travel days will no longer attract payment of Estacode Allowances, till the finances of Government improve."

Audit observed that:
i. The Corporation paid Estacode Allowance to some staff for various foreign trips in the 2024 financial year.
ii. The Estacode Allowance was overpaid to the affected staff by US$3,587.00 (Three thousand, five hundred and eighty seven United States Dollars), and
iii. The overpayment arose from the payment of Estacode Allowance for extra travelling days.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Agricultural Insurance Corporation (NAIC), 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 Managing Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of US$3,587.00 (Three thousand, five hundred and eighty seven United States Dollars), being overpayment of Estacode Allowance for travelling days.
ii. Recover and remit the sum of US$3,587.00 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 overpayment of public funds and gross misconduct specified in paragraphs 3111 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 21: PAYMENT FOR INTERNATIONAL TRAVELS WITHOUT APPROVAL (=₦35,373,447.00 AND =US$14,992.00)

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. A total of ₦35,373,447.00 (Thirty five million, three hundred and seventy three thousand, four hundred and forty seven naira) and US$14,992.00 (Fourteen thousand, nine hundred and ninety two United States Dollars) were paid as flight tickets, course fees and Estacode for various foreign trips embarked upon by some staff in the 2024 financial year, and
ii. There were no approvals granted by the Head of the Civil Service of the Federation or the Office of the Secretary to the Government of the Federation in respect of the trips despite repeated request by the Audit team.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Agricultural Insurance Corporation (NAIC), Abuja.

Risks

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 Managing Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦35,373,447.00 (Thirty five million, three hundred and seventy three thousand, four hundred and forty seven naira) and US$14,992.00 (Fourteen thousand, nine hundred and ninety two United States Dollars), being payments for foreign travels without evidence of approval from the Head of the Civil Service of the Federation or the Office of the Secretary to the Government of the Federation.
ii. Recover and remit the sums of ₦35,373,447.00 and US$14,992.00 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 22: IRREGULAR PAYMENTS FOR PURCHASE OF DIESEL FOR PERSONAL USE (=₦17,621,800.00)

Description of Findings

Paragraph 5 of the Establishment Circular Ref. No. SWC/S/04/S.167/Vol.11/8 dated 26th September, 2005 states, "As usual, all self-funded Federal Parastatals and Agencies which wish to monetise their fringe benefits, should always submit the proposed package to the National Salaries, Incomes and Wages Commission for necessary evaluation and approval before implementation."

Audit observed that:

i. The Corporation paid the sum of ₦17,621,800.00 (Seventeen million, six hundred and twenty one thousand, eight hundred naira) to the Managing Director and the Executive Directors for the purchase of diesel for their personal use.
ii. There was no approval from the National Salaries, Incomes and Wages Commission authorising the Corporation to pay the beneficiaries from public funds for the purchase of diesel for personal use, since such payment is not one of the allowances captured in the Public Service Rules, and
iii. The Corporation could not provide the approval to justify the payment. Consequently, the payment in (i) above to the Managing Director and the Executive Directors for the purchase of diesel can not be considered a legitimate charge against public funds.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Agricultural Insurance Corporation (NAIC), Abuja.

Risks

i. Payment of unauthorised allowances.
ii. Diversion of public funds for personal use.
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 Managing Director should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦17,621,800.00 (Seventeen million, six hundred and twenty one thousand, eight hundred naira), being illegitimate payments to the Managing Director and the Executive Directors for the purchase of diesel for personal use.
ii. Recover and remit the sum of ₦17,621,800.00 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 overpayment of public funds and gross misconduct specified in paragraphs 3111 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 23: IRREGULAR PAYMENT OF DUTY TOUR ALLOWANCES (=₦19,562,450.00)

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."

Audit observed that:
i. A total of ₦19,562,450.00 (Nineteen million, five hundred and sixty two thousand, four hundred and fifty naira) was paid through twenty one (21) paid vouchers to eight (8) beneficiaries as Duty Tour Allowance for various tours.
ii. The reports of the various tours paid for from public funds were not provided despite repeated request, and
iii. As at the conclusion of the audit exercise, the reports of the tours had not been provided for verification.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Agricultural Insurance Corporation (NAIC), Abuja.

Risks
i. Payments for tours not embarked upon.
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 Managing Director should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦19,562,450.00 (Nineteen million, five hundred and sixty two thousand, four hundred and fifty naira), being Duty Tour Allowance paid without supporting tour reports for audit verification.
ii. Recover and remit the sum of ₦19,562,450.00 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 poor cash management specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 24: OVERPAYMENT OF DUTY TOUR ALLOWANCES (=₦3,341,000.00)

Description of Findings
Paragraph 1411 of the Financial Regulations (FR) (2009) provides guidance as to the rates to be applied in computing Duty Tour Allowance and local running for various categories of public officials on approved official travels. 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. Two (2) staff of the Corporation embarked on various approved official tours in the 2024 financial year and were paid Duty Tour Allowance (DTA) through five (5) paid vouchers, and
ii. The Duty Tour Allowance paid to the staff in (i) above, totlling ₦3,341,000.00 (Three million, three hundred and forty one thousand naira), was in excess of the rates approved by the Government.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Agricultural Insurance Corporation (NAIC), Abuja.

Risks
i. Overpayment to staff.
ii. 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 Managing Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦3,341,000.00 (Three million, three hundred and forty one thousand naira), being Duty Tour Allowance paid in excess of approved rates.
ii. Recover and remit the sum of ₦3,341,000.00 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 overpayment of public funds and gross misconduct specified in paragraphs 3111 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 25: VIOLATION OF E-PAYMENT POLICY OF THE FEDERAL GOVERNMENT (=₦2,510,250.00)

Description of Findings

Paragraph 4(vii) of the Federal Treasury Circular Ref. No. TRY/A8 & B8/2008 OAGF/CAD/026/V.11/465 dated 22nd October, 2008, states, “All employees of the FGN must each open an account with a Commercial Bank into which all payment due to him or her must be paid.” Furthermore, paragraph 4(iv) of the same Circular states, “Contractors of Government must indicate their current accounts particulars with Commercial Banks on the invoice submitted for payment under their corporate seal." Also, paragraph 613 of the Financial Regulations (FR) (2009) states, “Payments shall be made only to the persons named in the Vouchers or their properly authorised representatives."

Audit observed that:

i. The Corporation made payments through seven (7) paid vouchers totalling ₦2,510,250.00 (Two million, five hundred and ten thousand, two hundred and fifty naira) to three (3) staff in the year 2024, and
ii. There were no schedules for these payments and no documents that clearly stated how the funds were distributed to the intended beneficiaries.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Agricultural Insurance Corporation (NAIC), Abuja.

Risks

i. Funds may not reach the intended beneficiaries.
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 Managing Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦2,510,250.00 (Two million, five hundred and ten thousand, two hundred and fifty naira), being payments made to officers of the Corporation in violation of the Federal Government's e-payment policy.
ii. Recover and remit the sum of ₦2,510,250.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

ISSUE 26: NON-COLLECTION OF GOVERNMENT REVENUE (=₦265,282,048.85)

Description of Findings

Paragraph 224 of the Financial Regulations (FR) (2009) states, "The following general principles shall apply in respect of all monies due to federal government: (i) All Accounts or statements requesting payment to Government of Revenue due shall be sent out in advance and should show thereon the date by which payment ought to be made; (ii) All services rendered by Government must be paid for immediately on completion of the service. Where possible, payment may be made in advance." Furthermore, paragraph 227(ii) of the 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."

Audit observed that:

i. The Corporation's schedule of tenancy rent payment as at 31st December, 2024 revealed that a total tenancy revenue of ₦265,282,048.85 (Two hundred and sixty five million, two hundred and eighty two thousand, forty eight naira, eighty five kobo), remained outstanding and uncollected, and
ii. The Corporation could not justify why such an amount of Government Revenue remained uncollected, in violation of the extant regulations cited above.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Agricultural Insurance Corporation (NAIC), Abuja.

Risks

i. Loss of government revenue.
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 Managing Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦265,282,048.85 (Two hundred and sixty five million, two hundred and eighty two thousand, forty eight naira, eighty five kobo), being uncollected tenancy revenue due to the Corporation.
ii. Recover and remit the sum of ₦265,282,048.85 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 and gross misconduct specified in paragraphs 3112 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 27: STORE ITEMS NOT TAKEN ON LEDGER CHARGE (=₦103,766,329.00)

Description of Findings

Paragraph 2402(i) 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 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. The Corporation paid a total of ₦103,766,329.00 (One hundred and three million, seven hundred and sixty six thousand, three hundred and twenty nine naira) to some contractors and staff for the local acquisition of store items, and
ii. There was no evidence that the items paid for were delivered to the Corporation and taken on charge in the Stores Ledger, as the Store Receipt Vouchers (SRVs) were not provided for audit verification.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Agricultural Insurance Corporation (NAIC), Abuja.

Risks

i. Payment for items not delivered.
ii. Diversion of items paid for with public funds.
iii. Loss of government assets.

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 Managing Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦103,766,329.00 (One hundred and three million, seven hundred and sixty six thousand, three hundred and twenty nine naira), being payments for store items not taken on ledger charge.
ii. Recover and remit the sum of ₦103,766,329.00 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 28: IRREGULAR PAYMENTS TO STAFF AND NON-STAFF FOR PERSONAL SOCIAL EVENTS (=₦5,773,060.00)

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 3106 of the 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."

Audit observed that:

i. Twelve (12) payments totaling ₦5,773,060.00 (Five million, seven hundred and seventy three thousand, sixty naira) were made to five (5) staff and non-staff of the Corporation as support for various personal social events such as weddings and burials, and
ii. There was no justification for the use of public funds to support personal social events of individuals who, in some instances, are not even staff of the Corporation.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Agricultural Insurance Corporation (NAIC), Abuja.

Risks

i. Misappropriation 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 Managing Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦5,773,060.00 (Five million, seven hundred and seventy three thousand, sixty naira), being irregular payments to staff and non-staff in support of personal social events.
ii. Recover and remit the sum of ₦5,773,060.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and gross misconduct specified in paragraphs 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 29: IRREGULAR PAYMENT OF DUTY TOUR ALLOWANCES (=₦9,554,990.00)

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.”

Audit observed that:

i. The Corporation paid the sum of ₦9,554,990.00 (Nine million, five hundred and fifty four thousand, nine hundred and ninety naira) to some staff as Duty Tour Allowance for various trips in the 2024 financial year, and
ii. The exact purposes of the trips were not stated, as the beneficiaries simply listed "Special Assignment" or "Official Assignment" as the purpose.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Agricultural Insurance Corporation (NAIC), Abuja.

Risks

i. Utilisation of public funds for private trips.
ii. Payments for trips not embarked upon.
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 Managing Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦9,554,990.00 (Nine million, five hundred and fifty four thousand, nine hundred

and ninety naira), being Duty Tour Allowance paid without clearly stated purposes of the trips.

ii. Recover and remit the sum of ₦9,554,990.00 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 gross misconduct specified in paragraphs 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 30: STATE GOVERNMENTS' OUTSTANDING DEBTS TO THE CORPORATION (=₦1,989,535,779.20)

Description of Findings

Section 9(1) of the National Agricultural Insurance Corporation (NAIC) Act (1993) Federation of Nigeria states, "The rate of Insurance Premium payable under the Scheme by farmers shall be such percentage of the sum assured as the Corporation may, from time to time, determine having regard to the Pure Risk Premium, Reserve Premium and Administrative Loading." Furthermore section 9(2) of the NAIC Act (1993) states, "The Corporation shall subsidise the Premium payable under subsection (1) of this section at such rate not exceeding 50 percent as it may, from time to time, determine." In addition, section 9(3) of the NAIC Act (1993) states, "This subsidy on premium referred to in subsection (2) of this section shall: (a) be paid to the Corporation by the Federal Government and the State Governments in the proportion of 37.5% and 12.5% respectively; and (b) for a particular year, be paid within the first quarter of the following year." Similarly, section 9(4) of the NAIC Act (1993) states, "Where a State Government defaults in its payment to the Corporation, the Federal Government shall cause the amount to be deducted from funds due to the defaulting State and remitted to the Corporation."

Audit observed that:

i. The thirty six (36) States of the Federation and the Federal Capital Territory (FCT) Administration collectively owed the Corporation the sum of ₦1,989,535,779.20 (One billion, nine hundred and eighty nine million, five hundred and thirty five thousand, seven hundred and seventy nine naira, twenty kobo) as at 31st December, 2024.

ii. The indebtedness represents the 12.5% contribution of the State Governments and the Federal Capital Territory Administration to the agricultural subsidy premium payable to the Corporation, and

iii. The Corporation failed to activate section 9(4) of the NAIC Act to recover the outstanding debts.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Agricultural Insurance Corporation (NAIC), Abuja.

Risks

i. Loss of public funds.

ii. 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 Managing Director should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦1,989,535,779.20 (One billion, nine hundred and eighty nine million, five hundred and thirty five thousand, seven hundred and seventy nine naira, twenty kobo), being outstanding subsidy premium owed to the Corporation by the State Governments and the Federal Capital Territory Administration.
ii. Recover and remit the sum of ₦1,989,535,779.20 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 specified in paragraphs 3112 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 31: PAYMENTS MADE BEFORE PRE-PAYMENT AUDIT (=₦42,487,992.00)

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."

Audit observed that:
i. The Central Pay Office Unit of the Corporation's Finance and Accounts Department made payments totaling ₦42,487,992.00 (Forty two million, four hundred and eighty seven thousand, nine hundred and ninety two naira) for various expenditures through fifteen (15) paid vouchers to eight (8) beneficiaries, and
ii. The paid vouchers were forwarded to the Internal Audit Unit for audit only after the payments had been made, contrary to the extant regulations cited above.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Agricultural Insurance Corporation (NAIC), Abuja.

Risks
i. Possible loss of public funds.
ii. Undetected errors and irregularities in paid vouchers.

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 Managing Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦42,487,992.00 (Forty two million, four hundred and eighty seven thousand, nine hundred and ninety two naira), being payments made before pre-payment audit by the Internal Audit Unit.
ii. Recover and remit the sum of ₦42,487,992.00 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 specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 32: IRREGULAR PAYMENTS OF MANAGEMENT EXPENSES ALLOWANCE (=₦9,396,673.26)

Description of Findings

Paragraph 5 of the Establishment Circular Ref. No. SWC/S/04/S.167/Vol.11/8 dated 26th September, 2005 states, "As usual, all self-funded Federal Parastatals and Agencies which wish to monetise their fringe benefits should always submit the proposed package to the National Salaries, Incomes and Wages Commission for necessary evaluation and approval before implementation." Also, paragraph 2(iii) of the Federal Government Circular Ref. No. SWC/S/04/S.310/III/278 dated 1st July, 2020 states, "As usual, Chief Executive Officers or staff on monthly salary who are members of their Agency's Board are not entitled to sitting allowance of the Board or its Committees."

Audit observed that:

i. The sum of ₦9,396,673.26 (Nine million, three hundred and ninety six thousand, six hundred and seventy three naira, twenty six kobo) was paid as Management Expenses Allowance vide five hundred and five (505) paid vouchers to the staff of the Corporation during the year under review, and
ii. The Management of the Corporation could not provide evidence of approval from the National Salaries, Incomes and Wages Commission for the payment, despite repeated requests.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Agricultural Insurance Corporation (NAIC), Abuja.

Risks

i. Loss of public funds.
ii. Payment of ineligible allowance.
iii. Mismanagement 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 Managing Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦9,396,673.26 (Nine million, three hundred and ninety six thousand, six hundred and seventy three naira, twenty six kobo), being irregular payments of Management Expenses Allowance.
ii. Recover and remit the sum of ₦9,396,673.26 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 gross misconduct specified in paragraphs 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 33: EXTRA-BUDGETARY EXPENDITURE (=₦4,211,699.40)

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 specified by the National Assembly." Also, section 27(1) of the Fiscal Responsibility Act (FRA) (2007) states, "The sums appropriated for a specific purpose shall be used solely for the purpose specified in the Appropriation Act."

Audit observed that:

i. The sum of ₦60,000,000.00 (Sixty million naira) was appropriated for the Corporation's 2024 budget on acquisition of computer hardware.
ii. The sum of ₦64,211,699.40 (Sixty four million, two hundred and eleven thousand, six hundred and ninety nine naira, forty kobo) was however expended on the acquisition of computer hardware, and
iii. The expenditure resulted in extra-budgetary spending of ₦4,211,699.40 (Four million, two hundred and eleven thousand, six hundred and ninety nine naira, forty kobo) over the appropriate provision.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Agricultural Insurance Corporation (NAIC), Abuja.

Risks

i. Misapplication of public funds.
ii. Shortage of funds to meet budgeted items.

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 Managing Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦4,211,699.40 (Four million, two hundred and eleven thousand, six hundred and ninety nine naira, forty kobo), being extra-budgetary expenditure on the acquisition of computer hardware.
ii. Recover and remit the sum of ₦4,211,699.40 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 or wrong payment specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 34: PAYMENTS WITHOUT PAID VOUCHERS (=₦14,474,192.00)

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 specified 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."

Audit observed that:

i. Six (6) payments totaling ₦14,474,192.00 (Fourteen million, four hundred and seventy four thousand, one hundred and ninety two naira) were made without raising paid vouchers.
ii. The payments were recorded in the Corporation's Cash Book, and were reflected in the REMITA Payment Report for 2024, and
iii. The attention of the Corporation's Management was drawn to the irregularity during the periodic check exercise, but the paid vouchers were still not provided for examination as at the time of concluding the audit.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Agricultural Insurance Corporation (NAIC), Abuja.

Risks

i. Payments without proper authorisation.
ii. 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 Managing Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦14,474,192.00 (Fourteen million, four hundred and seventy four thousand, one hundred and ninety two naira), being payments made without paid vouchers.
ii. Recover and remit the sum of ₦14,474,192.00 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 35: SPLITTING OF CONTRACT AND CIRCUMVENTION OF APPROVAL THRESHOLD (=₦291,265,875.00)

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." Furthermore, section 58(4) of the PPA (2007) states, "The following shall also constitute offences under this Act: (d) splitting of tenders to enable the evasion of monetary thresholds set." In addition, section 58(5) of the PPA (2007) states, "Any person who while carrying out his duties as an officer of the Bureau, or any procuring entity who contravenes any provision of this Act commits an offence and is liable on conviction to a cumulative punishment of: (a) a term of imprisonment of not less than 5 calendar years without any option of fine; and (b) summary dismissal from government services."

Audit observed that:

i. The sum of ₦200,000,000.00 (Two hundred million naira) was provided as a stand-alone capital item for the training and awareness programme for farmers in the Corporation's 2024 approved budget.
ii. Contracts for training services above ₦100,000,000.00 fall within the approval threshold of the Ministerial Tenders Board (MTB); a single contract approved by the MTB should therefore have been awarded for the training and awareness programme provided in the 2024 Appropriation Act.
iii. In order to circumvent the appropriate approving procedure for the training project, the Management of the Corporation split the contract into six (6) lots to bring it within the approval threshold of the NAIC Parastatal Tenders Board, and
iv. The six (6) contracts were awarded at a total sum of ₦291,265,875.00 (Two hundred and ninety one million, two hundred and sixty five thousand, eight hundred and seventy five naira), in contravention of Section 20(2)(e) of the Public Procurement Act (2007).

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Agricultural Insurance Corporation (NAIC), Abuja.

Risks
i. Violation of procurement approval threshold.
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 Managing Director should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦291,265,875.00 (Two hundred and ninety one million, two hundred and sixty five thousand, eight hundred and seventy five naira), being contracts split to evade the appropriate procurement approval threshold.
ii. Recover and remit the sum of ₦291,265,875.00 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 or wrong payment specified in paragraphs 3116 and 3106 of the Financial Regulations (2009) respectively, should apply.

ISSUE 36: IRREGULARITY IN THE PAYMENT OF INSURANCE CLAIM (=US$58,169.90)

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."

Audit observed that:
i. The sum of US$58,169.90 (Fifty eight thousand, one hundred and sixty nine United States Dollars, ninety cents) was paid to the Nigerian National Petroleum Company (NNPC) vide paid voucher No. NCV000041019 / NAIC/FIN/25/02/00002 dated 10th December, 2024, as insurance claim in respect of a fire incident that occurred in 2018.
ii. A review of the paid voucher and the Policy file revealed the following irregularities:
    a. The Policy upon which the claim was paid had an effective coverage period of 1st April, 2018 to 1st April, 2019.
    b. Evidence of payment of premium to the Corporation in 2018 in respect of the Policy could not be found in the Policy file. Instead, the evidence of premium payment from NNPC for another Policy effective from 2023 to 2024 was attached to the paid voucher as evidence of premium payment for the 2018–2019 Policy.

c. The fire incident that led to the claim was said to have occurred on 12th December, 2018.
d. The request for payment of the claim was submitted to the Corporation in 2024, six (6) years after the occurrence of the fire incident and five (5) years after the expiration of the Policy.
e. The claim of US$58,169.90 was paid into NNPC's Standard Chartered Bank account in London instead of the Company's domiciliary Treasury Single Account (TSA) with the Central Bank of Nigeria (CBN), and

iii. Audit could not ascertain that the payment of US$58,169.90 to NNPC as fire insurance claim was carried out in accordance with due process.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Agricultural Insurance Corporation (NAIC), Abuja.

Risks

i. Diversion of public funds.
ii. Violation of government's Treasury Single Account (TSA) policy.

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 Managing Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of US$58,169.90 (Fifty eight thousand, one hundred and sixty nine United States Dollars, ninety cents), being irregular payment of insurance claim to the Nigerian National Petroleum Company.
ii. Recover and remit the sum of US$58,169.90 to the Treasury.
iii. Forward to the Public Accounts Committees of the National Assembly, the evidence of payment of premium in respect of the Policy for the period 1st April, 2018 to 1st April, 2019, and
iv. Otherwise, sanctions relating to irregular payment specified in paragraph 3106 of the Financial Regulations (2009) should apply.

NIGERIAN INSTITUTE FOR OIL PALM RESEARCH, BENIN CITY, EDO STATE

At the Nigerian Institute for Oil Palm Research, Edo State, for the period January 1st to 31st December, 2024, the following observations were made:

ISSUE 1: NON-SUBMISSION OF AUDITED FINANCIAL STATEMENTS

Description of Findings

Section 23(3) of the Fiscal Responsibility Act (2007) states, "Each corporation shall, not later than three months after the end of its financial year, cause to be prepared and

published its audited financial reports in accordance with such rules as may be prescribed from time to time." 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 and the Accountant-General not later than 31st May of the following year of Account."

In spite of the above extant regulations:

i. The Management failed to prepare and submit the Audited Financial Statements and Management Reports for three (3) consecutive financial years (2022, 2023 and 2024) to the Auditor-General for the Federation as required by the extant regulation, and
ii. No justifiable reason was provided for the failure to submit the Audited Financial Statements in respect of the financial years in (i) above.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Institute for Oil Palm Research, Edo State.

Risks

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

Management's Response

This delay in submission was occasioned by the accumulated backlog of Financial Statements dating back to 2016. However, the Financial Statement for the year 2022 has been duly prepared and is attached herein as Appendix I. Efforts are currently ongoing to finalize outstanding years to ensure full compliance with regulatory requirements.

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. Justify to the Public Accounts Committees of the National Assembly, the non-submission of the Audited Financial Statements for 2022, 2023 and 2024 to the Auditor-General for the Federation.
ii. Produce the Audited Financial Statements for the years in (i), and the corresponding Management Letter/Report as required by extant regulations.
iii. Forward copies of the Audited Financial Statements and Auditor's Report thereon to both the Public Accounts Committees of the National Assembly and the Auditor-General for the Federation, and
iv. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

ISSUE 2: IRREGULAR PAYMENTS OF HONORARIUM AND SITTING ALLOWANCE (=₦1,624,000.00)

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." Also, paragraph 1 of the National Salaries, Incomes and Wages Commission (NSIWC) Establishment Circular Ref. No. SWC/S/04/S.310/T/65 dated 8th April, 2016, stipulates the sitting allowance due to Board Members of Federal Agencies, Statutory Corporations and Government-Owned Companies based on the different categories. It should be noted that Chief Executive Officers and other public servants on monthly salary who are board members of their own establishment are not entitled to sitting allowance. The Circular also stipulates the minimum and maximum number of meetings for each category.

Audit observed that:

i. The sum of ₦1,624,000.00 (One million, six hundred and twenty four thousand naira) was paid to some staff as sitting allowance and honorarium in violation of the circular cited above, and
ii. Where a member of staff was required to make a presentation or report on an assigned task, such appearance at the meeting does not qualify the staff for sitting allowance.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Institute for Oil Palm Research, Edo State.

Risks

i. Misapplication of funds.
ii. Unauthorized payment.
iii. Loss of government funds.

Management's Response

The observation is noted. The payment of honorarium and sitting allowance were made in good faith and based on Management's understanding that the affected staff had rendered additional official duties and participated in various committee activities outside their normal schedules. However, upon receipt of the query, Management has discounted such 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 Executive Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦1,624,000.00 (One million, six hundred and twenty four thousand naira), being irregular payments of honorarium and sitting allowance.
ii. Recover and remit the sum ₦1,624,000.00 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 3: PAYMENTS ON STALE PAID VOUCHERS (=₦62,446,301.84)

Description of Findings

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. Forty nine (49) paid vouchers amounting to ₦62,446,301.84 (Sixty two million, four hundred and forty six thousand, three hundred and one naira, eighty four kobo) were paid more than six (6) months after the vouchers were signed, without revalidation, in violation of the regulation cited above, and
ii. The vouchers had become stale by reason of the lapse of time and ought to have been revalidated before payment, but no evidence of revalidation was provided.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Institute for Oil Palm Research, Edo State.

Risks

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

Management's Response

The Vouchers in question became stale due to delay in processing and approval caused by circumstances beyond the control of Account Department. Furthermore, the implementation of the revised Cash plan policy requires that Vouchers be uploaded at the Cash plan.

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 ₦62,446,301.84 (Sixty two million, four hundred and forty six thousand, three hundred and one naira, eighty four kobo), being payments made on stale paid vouchers.
ii. Recover and remit the sum of ₦62,446,301.84 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.

SECTION 2

EXTRA MINISTERIAL AUDIT DEPARTMENT (EMAD)

MARITIME ACADEMY OF NIGERIA, ORON

At the Maritime Academy of Nigeria (MAN), Oron, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: IRREGULAR PAYMENTS TO STAFF (=₦158,072,657.30)

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 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. Payments totaling ₦158,072,657.30 (One hundred and fifty eight million, seventy two thousand, six hundred and fifty seven naira, thirty kobo) was made to a staff of the Academy under the guise of estacode, DTA and other cost for international and local travels.
ii. The payments in (i) above were cash advance in respect of sponsorship appeal from the Federal Ministry of Transportation as corporate social responsibility during the 2023 World Maritime Day held at Eko Hotel, Victoria Island, Lagos, without evidence of onward remittance to the Ministry, and
iii. Duty Tour Allowances (DTA) for Governing Council members were paid into a single staff account without evidence of receipt or acknowledgment of the funds by the beneficiaries in contravention of the e-payment policy.

The above anomalies could be attributed to weaknesses in the internal control system at the Maritime Academy of Nigeria, Oron.

Risks

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

Management's Response

The office of the Rector is a very busy office as the Rector is usually invited to attend meetings or carry out other duties outside the Academy's premises, sometimes in a very short notice. In this case the Rector had nominated his personal assistant (PA) to carry out the logistics functions to enable him to properly manage his programs. Secondly, the Rector is the approver and would not be appropriate to generate a request and still be the one to approve, hence, the nomination of an officer to manage his routine. However, going forward, payments to the Rector would be made directly to his bank account.

ii. In the second issue, the cost of hosting the event was apportioned to the Agencies under the ministry, with a letter duly written to the Academy which the Academy complied with. Regrettably, this payment was made through an officer of the Academy. However, the amount was duly retired as required by the financial regulation.

iii. The essence of paying the DTA to a staff account was to enable the officer book flight for the council members. Though the flights were booked, it is however, regrettable. Management wishes to emphasize that this kind of act cannot occur again as all DTAs due to council members are currently being paid directly into the beneficiaries' bank account in line with the e-payment policy of the Federal Government of Nigeria.

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 ₦158,072,657.30 (One hundred and fifty eight million, seventy two thousand, six hundred and fifty seven naira, thirty kobo), being irregular payments to staff.
ii. Recover and remit to the Treasury, the sum of ₦158,072,657.30.
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: PAYMENT OF FOREIGN TRAVELS WITHOUT EVIDENCE OF APPROVAL BY THE HEAD OF THE CIVIL SERVICE OF THE FEDERATION OR SGF (=₦168,364,293.45)

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 ₦168,364,293.45 (One hundred and sixty eight million, three hundred and sixty four thousand, two hundred and ninety three naira, forty five kobo) was

paid to fifteen (15) staff and non-staff of the Academy as estacode allowance for international trips to attend trainings, workshops, conferences and other foreign engagements, and

ii. No approval for the foreign travel was obtained from the Secretary to the Government of the Federal (SGF), and the Head of Civil Service of the Federation (OHCSF) before the tour was embarked on.

The above anomalies could be attributed to weaknesses in the internal control system at the Maritime Academy of Nigeria, Oron.

Risks

i. Misappropriation of funds.
ii. Payment for non-existing travels.
iii. Waste of public funds.

Management's Response

It was explained to the auditors that the authority of the Head of Service of the Federation is delegated to the Permanent Secretary of the respective ministries, in this context, the Federal Ministry of Transportation (now Federal Ministry of marine and Blue Economy) issued the approval for the trips. The approvals were shown to the auditors and attached to the payment vouchers which the audit team sighted.

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 ₦168,364,293.45 (One hundred and sixty eight million, three hundred and sixty four thousand, two hundred and ninety three naira, forty five kobo), being payment for foreign travel without evidence of approval from the Secretary to the Government of the Federation or the Head of Civil Service of the Federation.
ii. Recover and remit to the Treasury, the sum of ₦168,364,293.45.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to wrong and irregular payment specified in paragraph 3109 of the Financial Regulations (2009) should apply.

ISSUE 3: CASH ADVANCE GRANTED ABOVE LIMIT (=₦13,107,837.50)

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 ₦13,107,837.50 (Thirteen million, one hundred and seven thousand, eight hundred and thirty seven naira, fifty kobo) was granted to six (6) staff of the Academy as cash advance and special imprest for the repair of vehicles and entertainment of guests, and
ii. The cash advances granted were above the approved limit of ₦200,000.00.

The above anomalies could be attributed to weaknesses in the internal control system at the Maritime Academy of Nigeria, Oron.

Risks

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

Management's Response

This assertion is not correct as no staff was ever granted cash advance above the threshold of ₦200,000.00.

It is pertinent to state that there are special projects/ programmes of the Academy, which can only be executed by members of staff because of the technicalities involved. Some of these projects/programmes require more than ₦200,000.00 to execute, and as such, a Project Accountant is always appointed to carry out the project in line with the Financial Regulation Section 1403…" in disbursement of funds for non-personal advances for projects/ special programmes, the leader of the project/ special programmes shall be the accounting officer and shall approve all payments, while an Accountant of an appropriate grade level shall be attached to each special project or special programme and have responsibility for the disbursement and retirement of the non-personal advance".

In this case, the amounts were paid to the project accountants who disbursed the funds appropriately and the programmes were satisfactorily completed. The officer accordingly retired the non-personal advances in line with the provision of the Financial Regulation. Furthermore, adequate explanations were made to the Audit team during the exit briefing.

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 ₦13,107,837.50 (Thirteen million, one hundred and seven thousand, eight

hundred and thirty seven naira, fifty kobo), being cash advance granted above limit.

iii. Recover and remit to the Treasury, the sum of ₦13,107,837.50
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 4: UNDER-DEDUCTION OF WITHOLDING TAX (=₦2,087,892.26)

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."

Audit observed that:

i. The sum of ₦2,087,892.26 (Two million, eighty seven thousand, eight hundred and ninety two naira, twenty six kobo) was deducted as Withholding Tax (WHT) from payments to contractors.
ii. The amount in (i) above, should have been ₦4,175,784.54 (Four million, one hundred and seventy five thousand, seven hundred and eighty four naira, fifty four kobo), being 5% WHT of the contract sum instead of ₦2,087,892.26, and
iii. The under deduction in WHT amounted to ₦2,087,892.26 being the difference between the amounts in (i) and (ii) above.

The above anomalies could be attributed to weaknesses in the internal control system at the Maritime Academy of Nigeria, Oron.

Risks

i. Loss of revenue to government.
ii. Diversion of public fund.

Management's Response

The observation is noted. This was one of the issues we addressed with the Federal Inland Revenue Service (FIRS) during their audit inspection visit to the Academy for the Year 2023 tax audit. Arising from the exercise, there was an outstanding liability of Six Million, One Hundred and Thirty-six thousand, Forty-three Naira, Seventy Kobo (₦6,136,043.70) only, including the penalty. Consequently, the Academy had since complied and made the remittance earlier in the year to the FIRS.

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 ₦2,087,892.26 (Two million, eighty seven thousand, eight hundred and ninety two naira, twenty six kobo), being under deduction of withholding tax
ii. Recover and remit to the Treasury, the sum of ₦2,087,892.26.
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 collect and account for government revenue specified in paragraphs 3106 and 3112 of the Financial Regulations (2009) respectively, should apply.

NATIONAL CASH TRANSFER OFFICE, ABUJA

At the National Cash Transfer Office (NCTO), Abuja, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: PAID VOUCHERS NOT PRESENTED FOR EXAMINATION (=₦4,616,158,349.69)

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. The NCTO made one hundred and one (101) payments from the S&S/IDA Cash Book amounting to ₦4,616,158,349.69 (Four billion, six hundred and sixteen million one hundred and fifty eight thousand, three hundred and forty nine naira, sixty nine kobo) for various expenditures, and
ii. The paid vouchers for the expenditures in (i) above were not presented for audit examination.

The above anomalies could be attributed to weaknesses in the internal control system at National Cash Transfer Office, Abuja.

Risks

i. Misapplication 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 National Programme Manager should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦4,616,158,349.69 (Four billion, six hundred and sixteen million one hundred and fifty eight thousand, three hundred and forty nine naira. sixty nine kobo), being paid vouchers not presented for examination.
ii. Recover and remit to the Treasury, the sum of ₦4,616,158,349.69.
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 2: UNSUBSTANTIATED FUNDS DISBURSED TO STATE COORDINATORS (=₦350,182,400.00)

Description of findings

Section 85(2) of the Constitution of the Federal Republic of Nigeria, 1999 (as amended) states, "The public accounts of the Federation…shall be audited and reported on by 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…" 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 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. Thirty two (32) payments totaling ₦3,090,762,247.00 (Three billion, ninety million seven hundred and sixty two thousand two hundred and forty seven naira) were made from the NASSP SCALE-UP Cash Book to various states for the enrolment

of unbanked PVHHs mined from the ESR-CT Rural NSR and ES-RCT Urban RRR.

ii. From the amount in (i) above, the sum of ₦2,740,579,847.00 (Two billion, seven hundred and forty million, five hundred and seventy nine thousand eight hundred and forty seven naira) disbursed to thirty four (34) states, were made available for examination while the balance of ₦350,182,400.00 (Three hundred and fifty million, one hundred and eighty two thousand, four hundred naira) remained unaccounted for.

iii. The paid vouchers were vague and lacked specific details regarding how the funds were utilized or the activities they were spent on, and

iv. Relevant supporting documents such as the list of beneficiaries, photographs of the activities conducted, participant-signed attendance registers, reports of the enrolment activities, names and acknowledgements of individuals who received payments during the enrolment exercises, or any other documentation to authenticate the utilization of the disbursements were not attached to the paid Vouchers.

The above anomalies could be attributed to weaknesses in the internal control system at the National Cash Transfers Office, Abuja.

Risks

i. Loss of public 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 National Programme Manager should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦350,182,400.00 (Three hundred and fifty million, one hundred and eighty two thousand, four hundred naira), being unsubstantiated funds disbursed to State Coordinators.
ii. Recover and remit to the Treasury, the sum of ₦350,182,400.00.
iii. Forward evidence of remittances to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to poor management of cash and irregular or wrong payment specified in paragraphs 3115 and 3106 of the Financial Regulations (2009) respectively, should apply.

ISSUE 3: PAYMENTS MADE WITHOUT PREPAYMENT AUDIT (=₦36,743,944,916.76)

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. A total of two hundred and fifteen (215) payment vouchers for SS, IDA & output base for the month of December, 2023, amounting to ₦36,743,944,916.76 (Thirty six billion, seven hundred and forty three million, nine hundred and forty four thousand, nine hundred and sixteen naira, seventy six kobo) were raised and paid without internal audit checks or prepayment audit.
ii. None of the paid vouchers were pre-audited or checked by the Internal Audit as required by extant regulations.
iii. The Internal Audit Unit conducted post-payment checks on the vouchers, contrary to its primary responsibility of prepayment checks, and
iv. The Project Appraisal Document (NASSP SU PAD-4674) issued by the World Bank on 23rd November, 2021, Annex 1 - titled Implementation Arrangements & Support Plan, Section 23, page 78 - explicitly stated that the Internal Audit Unit would "...carry out the traditional compliance audit and the non-financial or operational internal audit but without adopting the prepayment audit system."

The above anomalies could be attributed to weaknesses in the internal control system at the National Cash Transfers Office, Abuja.

Risks

i. Misapplication 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 remain valid until the Management implements the recommendation.

Recommendations

The National Programme Manager should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦36,743,944,916.76 (Thirty six billion, seven hundred and forty three million, nine hundred and forty four thousand, nine hundred and sixteen naira, seventy six kobo), being payment made without prepayment audit.
ii. Recover and remit to the Treasury, the sum of ₦36,743,944,916.76.
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: STORE ITEMS NOT TAKEN ON STORE LEDGER CHARGE (=₦89,511,135.70)

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. Store items totaling ₦89,511,135.70 (Eighty nine million, five hundred and eleven thousand, one hundred and thirty five naira, seventy kobo), purchased and paid for by NTCO from the S&S account were not taken on store ledger charge
ii. No Store Receipt Vouchers (SRV) and Store Issue Vouchers (SIV) were attached to the paid Vouchers made in respect of the supply in (i) above, and
iii. NCTO failed to maintain an updated store ledger and other relevant store documents, as the last update to the store ledger was in 2020.

The above anomalies could be attributed to weaknesses in the internal control system at the National Cash Transfers Office, Abuja.

Risks

i. Waste 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 recommendation.

Recommendations

The National Programme manager should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦89,511,135.70 (Eighty nine million, five hundred and eleven thousand, one hundred and thirty five naira, seventy kobo), being payments for store items not taken on ledger charge.
ii. Recover and remit to the Treasury, the sum of ₦89,511,135.70.
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: CASH TRANSFERS FROM NTCO TO BENEFICIARIES WITHOUT EVIDENCE OF RECEIPT (=₦33,751,080,000.00)

Description of Findings

Paragraph 613 of the Financial Regulations (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 and it is the duty of the ministry, extra-ministerial office and others arms of government authorizing payment to furnish proof of identity if required…" 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, invoice, special letters of authority, time sheets, etc."

Audit observed that:

i. Electronic transfers amounting to ₦33,751,080,000.00 (Thirty three billion, seven hundred and fifty one million, eighty thousand naira) were made to three million, two hundred and ninety five thousand, two hundred and seven (3,295,207) households/ beneficiaries that have been mined to the NSR and enrolled on the NBR in 35 states for the year 2023.
ii. The paid vouchers for the payments in (i) above did not contain the full details of the beneficiaries.
iii. REMITA statement showing record of the beneficiaries paid as against those listed on the NSR and NBR was not presented for audit. This hindered the authentication of the payments and made it difficult to ascertain whether the beneficiaries who received the funds were genuine, and
iv. All efforts to obtain access to the REMITA statement were obstructed and denied by NTCO accounts staff, thereby frustrating the audit process.

The above anomalies could be attributed to weaknesses in the internal control system at the National Cash Transfers Office, Abuja.

Risks

i. Loss of public funds.
ii. Payments to ineligible or fictitious persons.

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 National Programme Manager should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦33,751,080,000.00 (Thirty three billion, seven hundred and fifty one million, eighty thousand naira), being cash transferred to beneficiaries without evidence of receipt.

ii. Recover and remit to the Treasury, the sum of ₦33,751,080,000.00
iii. Forward evidence of receipt of the fund by the beneficiaries 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 6: GRANTING OF CASH ADVANCES ABOVE LIMIT (=₦17,421,893.50)

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 ₦17,421,893.50 (Seventeen million, four hundred and twenty one thousand, eight hundred and ninety three naira, fifty kobo) was spent on procurement of diesel during the year.
ii. The amount in (i) was granted to staff as advances instead of contract awards.
iii. The advances granted in (i) above were above the statutory threshold of ₦200,00.00.
iv. The items that were procured were neither sighted by the audit team nor traced to the stores, and
v. The use of advances instead of award as contracts resulted to a cumulated loss of ₦2,177,736.69 (Two million, one hundred and seventy seven thousand, seven hundred and thirty six naira, sixty nine kobo) as revenue that would have accrued to government by way of Value Added Tax (VAT) and Withholding Tax (WHT).

The above anomalies could be attributed to weaknesses in the internal control system at the National Cash Transfers Office, Abuja.

Risks

i. Loss of government 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 remain valid until the Management implements the recommendations.

Recommendation

The National Programme Manager should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦17,421,893.50 (Seventeen million, four hundred and twenty one thousand, eight hundred and ninety three naira, fifty kobo), being granting of cash advance above limit.
ii. Recover and remit to the Treasury, the sum of ₦17,421,893.50.
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 7: PAYMENT OF MOBILIZATION WITHOUT ADVANCE PAYMENT GUARANTEE (=₦280,420,799.99)

Description of findings

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, 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 sum of ₦280,420,799.99 (Two hundred and eighty million, four hundred and twenty thousand, seven hundred and ninety nine naira, ninety nine kobo) was paid as 30% advance payment for the engagement of Payment Service Providers (PSPs) on a contract basis, to implement the last-mile solution for beneficiaries.
ii The PSPs was for the provision of a payment platform for the upward transfer of cash to NCTO beneficiaries. The advance payment was made without an Advance Payment Guarantee (APG), and
iii. There was no evidence that due process was followed in the selection of these service providers. Also, the contractors' files contained no pre-qualification documents, bidding records, or technical and financial evaluations to validate the authenticity of the payments.

The above anomalies could be attributed to weaknesses in the internal control system at the National Cash Transfers Office, Abuja.

Risks

i. Payment for job not done.
ii. Diversion 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 recommendation.

Recommendations
The National Programme Manager should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦280,420,799.99 (Two hundred and eighty million, four hundred and twenty thousand, seven hundred and ninety nine naira, ninety nine kobo), being payment of mobilisation fee without APG.
ii. Recover and remit to the Treasury, the sum of ₦280,420,799.99.
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 8: UNACCOUNTED REFUNDS FROM UNUTILIZED SCTU ENROLMENT FUNDS RELEASES (=₦393,714,161.00)

Description of Findings
Paragraph 111 (ii) of the Financial Regulations (FR) (2009) states, "the Accounting Officer shall be responsible for safeguarding of public funds and the regularity and propriety of expenditure under his control…" 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, invoice, special letters of authority, time sheets, etc."

Audit observed that:

i. The sum of ₦393,714,161.00 (Three hundred and ninety three million, seven hundred and fourteen thousand one hundred and sixty one naira) were unutilized funds disbursed to states from output base for the enrolment activities of beneficiaries by nine (9) State Cash Transfer Units (SCTU).
ii. The amount in (i) above was refunded to the Treasury by the State Coordinators in the year 2023.
iii. According to the NCTO, the refunds and non-utilization of the funds by the State Coordinators, was due to insecurity, disasters, and other factors, thus the States did not carry out enrolment during the period.
iv. No documents were presented by NCTO to confirm that the amount refunded in (i) above was credited into the CRF, as the Remita inflow statement and IRR pay slips were not provided for audit examination, and
v. Evidence of subsequent enrolment by those States was not provided for audit examination.

The above anomalies could be attributed to weaknesses in the internal control system at the National Cash Transfers Office, 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 recommendation.

Recommendations

The National Program Manager should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦393,714,161.00 (Three hundred and ninety three million, seven hundred and fourteen thousand, one hundred and sixty one naira), being unaccounted refunds and non-utilisation of SCTU enrolment funds released to State Coordinators.
ii. Recover and remit to the Treasury, the sum of ₦393,714,161.00.
iii. Forward the 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.

NATIONAL COMMISSION FOR REFUGEES, MIGRANTS AND INTERNALLY DISPLACED PERSONS, ABUJA

At the National Commission for Refugees, Migrants and Internally Displaced Persons (NCFRMI), Abuja, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: IRREGULAR PAYMENT FOR MONITORING AND EVALUATION OF PROJECTS (=₦37,587,067.58)

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." 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. Payments totaling ₦37,587,067.58 (Thirty seven million, five hundred and eighty seven thousand, sixty seven naira, fifty eight kobo) were made to four (4) staff of the Commission for monitoring, evaluation and supervision of projects, and
ii. Payments in (i) above were not supported with reports by the officers who participated in the monitoring, evaluation, and supervision of the project to justify the expenditures.

The above anomalies could be attributed to weaknesses in the internal control system at the National Commission for Refugees, Migrants and Internally Displaced Persons, Abuja

Risks

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

Management's Response

The reports are available and would be provided. We will ensure these reports are attached to vouchers in 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 Honourable Federal Commissioner should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦37,587,067.58 (Thirty seven million, five hundred and eighty seven thousand, sixty seven naira, fifty eight kobo), being irregular payment for monitoring and evaluation of projects.
ii. Recover and remit to the Treasury, the sum of ₦37,587,067.58.
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 Financial Regulations (2009) should apply.

ISSUE 2: NON-SUBMISSION OF AUDITED FINANCIAL STATEMENTS

Description of Findings

Section 23(3) of the Fiscal Responsibility Act (2007) states, "Each corporation shall, not later than three months after the end of its financial year, cause to be prepared and published its audited financial reports in accordance with such rules as may be prescribed from time to time." 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 and the Accountant-General not later than 31st May of the following year of Account."

In spite of the above extant regulations:

i. The Management of the Commission failed to submit its year 2023 Audited Financial Statement and Management Report to the Office of the Auditor-General for the Federation.
ii. The Commission had neither prepared nor published its Financial Statements for the same year, and
iii. There was no valid reason why the year 2023 Audited Financial Statements have not been submitted to the Auditor-General for the Federation.

The above anomalies could be attributed to weaknesses in the internal control system at the National Commission for Refugees, Migrants and Internally Displaced Persons, Abuja

Risks

i. Difficulty in assessing performance
ii. Lack of accountability.

Management's Response

The Audited Financial Statement of the Commission from January 2023 to December 2023 was prepared and would be submitted.

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 Honourable Federal Commissioner should be requested to:

i. Justify to the Public Accounts Committees of the National Assembly, the non-submission of the Audited Financial Statements for 2023 to the Auditor-General for the Federation.
ii. Produce the Audited Financial Statements for the year in (i) above, and the corresponding Management Letter/Report as required by extant regulations.
iii. Forward copies of the Audited Financial Statements and Auditor's Report thereon to both the Public Accounts Committees of the National Assembly and the Auditor-General for the Federation, and
iv. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

ISSUE 3: UNDUE FINANCIAL INTERFERENCE BY THE SUPERVISING MINISTRY (=₦21,312,950.00)

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 sum of ₦21,312,950.00 (Twenty one million, three hundred and twelve thousand, nine hundred and fifty naira) was paid to two staff of the Commission in respect of Honorable Minister for Humanitarian Affairs and Poverty Alleviation's official expenditure.
ii. There was no evidence to show that exemption or waiver was granted before the above payment was made, and
iii. There was no evidence that the funds were utilized for the intended purpose.

The above anomalies could be attributed to weaknesses in the internal control system at the National Commission for Refugees, Migrants and Internally Displaced Persons, Abuja

Risks

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

Management's Response

The Honorable Minister actually led a team that represented the Commission at a global forum in Geneva, Switzerland where the cost was incurred.

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 Honourable Federal Commissioner should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦21,312,950.00 (Twenty one million, three hundred and twelve thousand, nine hundred and fifty naira), being money paid to defray the supervising Ministry's expenses.
ii. Recover and remit to the Treasury, the sum of ₦21,312,950.00.
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 4: VIOLATION OF E-PAYMENT POLICY OF THE FEDERAL GOVERNMENT (=₦18,256,000.00)

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. Two (2) payments totaling ₦18,256,000.00 (Eighteen million, two hundred and fifty six thousand naira) were made to a staff as return ticket, local running, logistics, outstanding rent and agency fee.
ii. The payments were made in violation of the e-payment policy of the federal government and there was no evidence that the money was utilized for the intended purpose, and
iii. There was no justification or letter of authority requesting for these payments to be made in favor of third parties.

The above anomalies could be attributed to weaknesses in the internal control system at the National Commission for Refugees, Migrants and Internally Displaced Persons, Abuja.

Risks

i. Underpayments to beneficiaries.
ii. Payment for job not done.

Management’s Response

The account details of most beneficiaries were not captured on the GIFMIS Employee Data, given the urgency of the assignment, the payment was made to the officer to be credited to each beneficiary while steps have been taken to capture all staffs on GIFMIS to forestall future occurrence.

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 Honourable Commissioner should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦18,256,000.00 (Eighteen million, two hundred and fifty six thousand naira), being payments in violation of e-payment policy of the federal government.
ii. Recover and remit to the Treasury, the sum of ₦18,256,000.00.
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.

NATIONAL FILM & VIDEO CENSORS BOARD, ABUJA

At the National Film & Video Censors Board (NFVCB), Abuja, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: OVER-PAYMENT TO CONTRACTOR (=₦4,399,312.50)

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 Board awarded a consultancy contract to a firm for Consultancy Service on Media Literacy and Capacity Building for Youth on Films Streaming in Kano at a contract sum of ₦39,993,750.00 (Thirty nine million, nine hundred and ninety three thousand, seven hundred and fifty naira) through award letter with reference number FVCB/HQ/A.1077/Vol.1 dated 5th June, 2023.

ii. Included in the contract sum in (i) above as seen in the quotation submitted on 8th May, 2023 by the Contractor were, Stamp Duty (SD), Value Added Tax (VAT) and Withholding Tax (WHT) of 1%, 7.5%, and 10% respectively thereby inflating the contract sum and adding the burden of 10% withholding tax amounting to ₦3,959,381.25 and 1% stamp duty amounting to ₦399,937.00 to the government, and

iii. The sum of ₦39,993,750.00 was paid to the contractor vide payment voucher number NFVCB/HO/CAP/97/2023 dated 10th July, 2023 resulting in over payment of ₦4,399,312.50 (Four million, three hundred and ninety nine thousand, three hundred and twelve naira, fifty kobo) (₦3,959,381.25 and ₦399,937.00) to the Contractor.

The above anomalies could be attributed to weaknesses in the internal control system at the National Film & Video Censors Board (NFVCB), Abuja.

Risks

i. Loss of government fund.
ii. Waste of government fund.

Management's Response

The payment voucher number NFVCB/HQ/CAP/97/2023 stated the amount paid on contract awarded to Messrs. Yinfolad Global Services Ltd as follows:

i.	Net	=	33,148,308.14
ii.	1% Stamp Duty	=	399,937.50
iii.	VAT 7.5%	=	2,486,123.11
iv.	WHT @ 10%	=	3,959,381.25
v.	GROSS	=	39,993,750.00

vi. This was to state that relevant taxes were deducted and paid to the relevant tax authorities. Although it was discovered that the Contract price was inclusive of 1% stamp duty and 10 % WHT.

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 ₦4,399,312.50 (Four million, three hundred and ninety nine thousand, three hundred and twelve naira, fifty kobo), being over payment to contractor.
ii. Recover and remit to the Treasury, the sum of ₦4,399,312.50.
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 2: UNRETIRED CASH ADVANCES (=₦7,388,600.00)

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." 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 ₦7,388,600.00 (Seven million, three hundred and eighty eight thousand, six hundred naira) was granted as imprest to some staff of the Board between 1st January to 31st December, 2023.
ii. The advances remained unretired at the time of the audit in 2024 and at the time of finalizing this report, and
iii. The staff were granted multiple advances even when previous advances were not retired.

The above anomalies could be attributed to weaknesses in the internal control system at the National Film & Video Censors Board (NFVCB), Abuja.

Risks

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

Management's Response

All advances granted in the year of the report have been duly retired. Although some staff that went on leave retired their advances very late. But, all have retired their advances.

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 ₦7,388,600.00 (Seven million, three hundred and eighty eight thousand, six hundred naira), being unretired advances.
ii. Recover and remit to the Treasury, the sum of ₦7,388,600.00.
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 specified in paragraphs 3124 and 3106 of the Financial Regulations (2009) respectively, should apply.

NATIONAL SOCIAL SAFETY NET COORDINATING OFFICE, ABUJA

At the National Social Safety Net Coordinating Office (NASSCO) under National Social Investment Programme Agency (NSIPA), for the period 1st January to 31st December 2023, the following observations were made:

ISSUE 1: PAYMENTS MADE WITHOUT PREPAYMENT AUDIT (=₦2,244,906,245.46)

Description of Findings

Paragraph 1705 of the Financial Regulations (FR) (2009) states, "The head of internal Audit Unit in all Ministries/extra-ministries office shall ensure that 100% prepayment 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." Also, section 23, page 78, Annex 1 (Implementation Arrangements & Support Plan, World Bank Project Appraisal Document (NASSP-SU PAD4674), issued on 23 November 2021, indicated that the Internal Audit Unit was to conduct compliance and operational audits without adopting the pre-payment audit system. This provision is inconsistent with Nigeria's Financial Regulations governing public funds.

Audit observed that:

i. The sum of ₦2,244,906,245.46, (Two billion, two hundred and forty four million, nine hundred and six thousand, two hundred and forty five naira, forty six kobo)

was paid for various expenditures through one hundred and fifty eight (158) paid vouchers, and

ii. The payments were made without prepayment audit contrary to the extant regulations.

The above anomalies could be attributed to weaknesses in the internal control system at the National Social Safety Net Coordinating Office (NASSCO), Abuja.

Risks

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

Management's Response

Management stated that the Project's financial management and audit arrangements are guided by the World Bank Project Appraisal Document, which allows the Internal Audit Unit to operate without a pre-payment audit system.

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 National Program Manager should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦2,244,906,245.46, (Two billion, two hundred and forty four million, nine hundred and six thousand, two hundred and forty five naira, forty six kobo), being payment made without prepayment audit.
ii. Recover and remit to the Treasury, the sum of ₦2,244,906,245.46.
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 2: STORES ITEMS NOT TAKEN ON LEDGER CHARGE (=₦44,550,174.37)

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. Expenditure totaling ₦44,550,174.37 (Forty four million, five hundred and fifty thousand, one hundred and seventy four naira, thirty seven kobo) was incurred on procurement of laptops.
ii. The items in (i) above were purchased and paid for from the Authority's capital appropriation vote, but were not taken on charge in the store ledgers and no Store Receipt Vouchers (SRV) were produced during the audit to confirm receipt of the items, contrary to the extant regulations quoted above.
iii. No Invoices, Delivery Note, Receipts and Store Issue Vouchers were attached to the paid Vouchers, and
iv. There was no designated Store Officer during the audit period instead, store functions were performed by an Administrative Officer.

The above anomalies could be attributed to weaknesses in the internal control system at the National Social Safety Net Coordinating Office (NASSCO), Abuja.

Risks

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

Management's Response

i. SRVs (Store Receipt Vouchers) were raised for the procured laptops, and duplicates are attached for your reference.
ii. Majority of the items purchased by NASSCO are consumables, and items are purchased on a need-to-use basis, so there are usually no excesses left for storage.
iii. NASSCO does not have a functional store; however, we may request a store officer for future activities.
iv. Requisitions were made for all items, and we confirm that due process for store requisition was followed prior to issuing items to the designated end users
v. We acknowledge that there was no designated store officer at NASSCO during the audit period, and the administrative officer was performing the duties of the store officer due to the aforementioned reasons.

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 National Program Manager should be requested to:

i. Account to the public Accounts Committees of the National Assembly, the sum of ₦44,550,174.37 (Forty four million, five hundred and fifty thousand, one hundred and seventy four naira, thirty seven kobo), being payment for store items not taken on ledger charge.
ii. Recover and remit to the Treasury, the sum of ₦44,550,174.37.
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: PAYMENT FOR MEDIA COVERAGE WITHOUT EVIDENCE OF EXECUTION (=₦19,760,268.33)

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 ₦19,760,268.33 (Nineteen million, seven hundred and sixty thousand, two hundred and sixty eight naira, thirty three kobo) was paid to a company to place advert in various media firms without attaching the various publications paid for, contrary to extant regulations.
ii. Relevant supporting documents such as newspaper cuttings were not attached.
iii. Evidence of media engagements with AIT, ARISE, Channels, and TVC, including airtime schedules or broadcast logs were not presented for audit examination, and
iv. The evaluation reports for the award of the contracts indicated that the contractors did not meet the minimum qualification requirements.

The above anomalies could be attributed to weaknesses in the internal control system at the National Social Safety Net Coordinating Office (NASSCO), Abuja.

Risks

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

Management's Response

We confirm that payments were made for media coverage activities, and evidence of execution is available. We have copies of media coverage reports, publications, and other relevant documentation to support the payments made.

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 National Program Manager should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦19,760,268.33. (Nineteen million, seven hundred and sixty thousand, two hundred and sixty eight naira, thirty three kobo), being payment for media coverage without evidence of execution.
ii. Recover and remit to Treasury, the sum of ₦19,760,268.33.

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 4: IRREGULAR PROCUREMENT OF IT SOFTWARE WITHOUT CLEARANCE FROM NITDA (=₦141,007,674.37)

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 ₦141,007,674.37 (One hundred and forty one million, seven thousand, six hundred and seventy four naira, thirty seven kobo) was paid to two (2) contractors for IT related services at the Agency, and
ii. No clearance was obtained from National Information Technology Development agency (NITDA) for the IT services.

The above anomalies could be attributed to weaknesses in the internal control system at the National Social Safety Net Coordinating Office (NASSCO), Abuja.

Risks

i. Award of contract to incompetent contractors.
ii. Supply of substandard items.

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 National Program Manager should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦141,007,674.37 (One hundred and forty one million, seven thousand, six hundred and seventy four naira, thirty seven kobo), being irregular procurement of IT software without clearance from NITDA.
ii. Recover and remit to the Treasury, the sum of ₦141,007,674.37.
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 prescribed in paragraphs 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 5: PAYMENT FOR NATIONAL SOCIAL REGISTER (NSR) DATA RECONCILIATION WITHOUT RELEVANT SUPPORTING DOCUMENTS (=₦16,931,900.00)

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. Eighty two (82) payments extracted from REMITA account totaling ₦16,931,900.00 (Sixteen million nine hundred and thirty one thousand, nine hundred naira) were made to fifty six (56) officers of the Agency for NSR Data reconciliation of the 36 states including the FCT, and
ii. Relevant supporting documents such as acknowledgement letters signed by the state representatives, letters of introduction from the office and reports of the exercise, etc., were not attached to the paid Voucher.

The above anomalies could be attributed to weaknesses in the internal control system at the National Social Safety Net Coordinating Office (NASSCO), Abuja.

Risks

i. Loss of government funds.
ii. Payments for services not rendered.

Management's Response

There is no Payment Voucher Number quoted to enable the NASSCO team make reference to and provide appropriate response. We cannot relate to the exact PV that is being referred to. However, there is no cash Advance payment made to any officer of the PIU for the year 2024 that has not been retired as one of the proofs for the performance of the work done. The ones that were flagged by the World Bank Missioners during the FM Mission/ audit has been cleared. Appendix B referred to cannot be seen; attachment not found

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 National Program Manager should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦16,931,900.00 (Sixteen million nine hundred and thirty one thousand nine hundred naira), being payment without relevant supporting documents.
ii. Recover and remit to the Treasury, the sum of ₦16,931,900.00.

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 6: UNSUBSTANTIATED EXPENDITURE OF STAFF REIMBURSEMENT (=₦14,532,111.00)

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." 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. Payments totaling ₦14,532,111.00 (Fourteen million, five hundred and thirty two thousand one hundred and eleven naira) were made to fifty five (55) staff as reimbursement for NSR update validation and verification in preparation for NASSP.
ii. The memo for the above payment, dated 23rd January, 2024, did not substantiate the claim for the reimbursement of the out-of-pocket expenses incurred during the validation and verification exercise.
iii. The additional expenditure was due to the increase in current air tickets and other related costs.
iv. Details of the initial payment that prompted the reimbursement were not provided, and
v. The payment was made to an officer instead of individually to the 55 staff in violation of the e-payment policy and there were no acknowledgements of receipt by the beneficiaries.

The above anomalies could be attributed to weaknesses in the internal control system at the National Social Safety Net Coordinating Office (NASSCO), Abuja.

Risks

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

Management Response

We wish to bring to your attention that the Payment Voucher (PV) number quoted in the audit report appears to be incorrect. Upon searching our records, we were unable to locate the aforementioned PV. It is worth noting that as of January 2024, our PV numbers are still in the tens and have not reached the hundreds or thousands as indicated. We would like to assure you that NASSCO adheres to a strict payment process, where no expenditure or out-of-pocket expenses. All claims are thoroughly reviewed and approved before payment processing. reimbursement payment is made without the relevant receipt serving as proof of additional.

Furthermore, it is important to note that NASSCO does not make payments to individuals or officers for onward disbursement to others. Instead, we utilise composite vouchers, where multiple payments are consolidated into a single voucher. Payments are made directly to the beneficiaries' accounts from NASSCO's drawdown account.

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 National Program Manager should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦14,532,111.00 (Fourteen million five hundred and thirty two thousand one hundred and eleven naira), being unsubstantiated reimbursement to staff.
ii. Recover and remit to the Treasury, the sum of ₦14,532,111.00.
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 specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 7: IRREGULAR AWARD OF CONTRACT TO AN UNQUALIFIED CONTRACTOR (=₦27,564,075.00)

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…." Furthermore, paragraph 2910 (i) of the Financial Regulation (FR) (2009) States, "All bidders who breach the provision of section 2909 above or whose bids do not meet the tender requirements shall be automatically disqualified and their bids withdrawn."

Audit observed that:

i. A contract for the sum of ₦27,564,075.00 (Twenty seven million, five hundred and sixty four thousand, seventy five naira) was awarded to a company for the Design and Printing of NASSP/SU Directorate Materials, as approved in file No. NG-NASSCO/PROC/403 dated 12th April, 2024.
ii. The Tax Clearance Certificate (TCC) submitted by the above contractor on the FIRS portal belonged to another company indicating a possible case of forgery.
iii. There was no evidence of advertisement for the contract awarded, and
iv. The Contractor did not provide the requisite documents before award of contract such as PENCOM, IRR, ITF, and NSITF to qualify for the award of the contract.

The above anomalies could be attributed to weaknesses in the internal control system at the National Social Safety Net Coordinating Office (NASSCO), Abuja.

Risks

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

Management 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 National Program Manager should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦27,564,075.00 (Twenty seven million, five hundred and sixty four thousand, seventy five naira), being irregular award of contract to an unqualified Contractor.
ii. Recover and remit to the Treasury, the sum of ₦27,564,075.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular award of contract prescribed in paragraph 3117 of the Financial Regulations (2009) should apply.

ISSUE 8: VIOLATION OF INSURANCE POLICY PRINCIPLE OF "NO PREMIUM NO COVER" (=₦44,004,769.88)

Description of Findings

Section 50(i) of the Insurance Act (2003) states, "The receipt of an insurance premium shall be a condition precedent to a valid contract of insurance, and there shall be no cover in respect of an insurance risk unless the premium is paid in advance."

Audit observed that:

i. Two (2) premium payments totaling ₦44,004,769.88 (Forty four million, four thousand seven hundred and sixty nine naira, eighty eight kobo) were made to two companies for the period of 14th February, 2023 to 29th April, 2023.
ii. The Agency made premium in arrears to the insurance companies.

iii Coverage was extended without evidence of premium payment thereby exposing the organization to significant financial and legal risks, as any claims made under such a policy may be deemed invalid or unenforceable, and

iv. The principle of 'No Premium, No Cover', a fundamental tenet of insurance practice, stipulating that an insurance policy does not take effect unless the premium has been duly paid, was violated by this action.

The above anomalies could be attributed to weaknesses in the internal control system at the National Social Safety Net Coordinating Office (NASSCO), Abuja.

Risks

i. Loss of public Assets.
ii. Loss of public funds.

Management Response

NASSCO's comprehensive motor insurance cover policy (No.PMC/10878/2018/ABJ3 & CCM/0560/2018/ABUJ3) was due for renewal on April 29, 2023. Despite reminders from Industrial and General Insurance PLC (IGI), payment was put on hold due to unavailability of funds. To mitigate potential risks, a temporary cover was obtained for 10 vehicles procured in 2022, covering a period of 74 days. The computation for the temporary cover is attached, totaling N4,818,109.59. The need for short-term cover arose because most vehicles were in the states during the election period. A computation schedule for 10 units of HiLux vehicles (short-term cover in 11 SOCU states), 1 Land Cruiser, and 3 Hilux vehicles in Abuja (HQ NASSCO) is attached. The total cost implication for the short-term cover for 10 project vehicles and annual renewal for 15 project vehicles is N44,004,768.88. We trust that this response addresses the issues raised and provides the necessary clarification and assurance. Please accept the assurance of my highest regard.

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 National Program Manager should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦44,004,769.88 (Forty four million, four thousand seven hundred and sixty nine naira, eighty eight kobo), being payment of insurance premium in arrears.
ii. Recover and remit to the Treasury, the sum of ₦44,004,769.88.
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.

NIGERIAN COLLEGE OF AVIATION TECHNOLOGY, ZARIA

At the Nigerian College of Aviation Technology (NCAT), Zaria, Kaduna State, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: OUTSTANDING STUDENT SCHOOL FEES (=₦935,561,167.50)

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. The College had unrecovered student debt of ₦935,561,167.50. (Nine hundred and thirty five million, five hundred and sixty one thousand, one hundred and sixty seven naira, fifty kobo) as at 31st December, 2023.
ii. The amount in (i) above were unpaid school fees by some students and services rendered on credit to some companies or government agencies.
iii. Some of these debts have been outstanding for more than two years, and
iv. The college did not provide the files for these debts for audit examination.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigeria College of Aviation.

Risks

i. Loss of revenue to government.
ii. Bad debt.

Management's Response

The College has agreement with the Sister Agencies to train their Personnel and receive payment in a future date. This Credit transaction is the reason for the trend of increase and decrease of student debt balances in our financial statement at different years. The outstanding student school fees of (₦520, 872,986.00) observed in the year 2023 financial statement is as a result of this credit transaction deal.

However, in order to cope with this, the College Management has set-up a standing debt recovery Committees with the mandate of ensuring that all debts accruing to the College is fully recovered. Please see attached memorandum of understandings as Appendix I.

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 Rector should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦935,561,167.50. (Nine hundred and thirty five million, five hundred and sixty one thousand, one hundred and sixty seven naira, fifty kobo), being uncollected debts/receivables.
ii. Recover and remit to the Treasury, the sum of ₦935,561,167.50.

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 2: PAYMENT FOR CONTRACT NOT EXECUTED (₦874,418,256.02)

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 2921(i) of the 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." In addition, paragraph 2402(1) of the 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."

Audit observed that:

i. The contract for the procurement and assemblage of two (2) Magnus Sentinel Aircraft and Simulator with reference number FMA/PROC/HQ/1195/1/49 dated 28th December, 2022 was awarded to a company at the contract sum of ₦2,296,897,404.00 (Two billion, two hundred and ninety six million, eight hundred and ninety seven thousand, four hundred and four naira).
ii. The sum of ₦874,418,256.02 (Eight hundred and seventy four million, four hundred and eighteen thousand, two hundred and fifty six naira, two kobo) was paid to the company.
iii. One of the shareholders of the Company in (i) above was related to the former Hon. Minister of Aviation as shown from the company profile and the company provided PENCOM certificate belonging to another company to bid for the contract.
iv. A letter with reference No. ENL/NCAT/A & S/2023 dated 22nd April, 2024 stated that the Second Magnus Aircraft and its flight simulator arrived Apapa, Lagos, Nigeria on the 4th April, 2024. However, audit inspection of all assets and aircraft in the fleet of the College, between 11th and 14th September, 2024, revealed that only one Magnus aircraft D-MHUN was physically on ground, though not in use by the College, and
v. There was no evidence that the aircraft delivered to the College was taken on store ledger charge.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigeria College of Aviation.

Risks

i. Supply of substandard aircraft.
ii. Loss of government funds.

Management's Response

The Contract was a Federal Executive Council Approved Contract. Thus, the documentation was processed by the Bureau of Public procurement before onward submission to FEC for final approval. The Technical Profile of Messrs. Enginos Nigeria Limited was submitted to the Bureau of Public procurement who conducted the Technical /Financial Evaluation of the Company and recommended it for award of contract. Please see 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 Rector should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦874,418,256.02 (Eight hundred and seventy four million, four hundred and eighteen thousand, two hundred and fifty six naira, two kobo), being payment for contracts not executed.
ii. Recover and remit to the Treasury, the sum of ₦874,418,256.02.
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: LANDED PROPERTY WITHOUT PROOF OF TRANSFER OF OWNERSHIP BY THE COLLEGE (=₦66,714,964.00)

Description of Findings

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 under his care..." Furthermore, paragraph 603(i) of the FR (2009) states, "All vouchers shall contain full particulars of each service such as dates, number, 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 Federal Ministry of Works & Housing on 31st March, 2023 valued a landed property to be acquired by the College at the sum of ₦76,300,000.00 (Seventy six million, three hundred thousand naira).
ii. This landed property was approved to be purchased by the NCAT Tender's Board through a letter with reference No: NCAT 11/1006/Vol.1/103 dated 23rd May, 2023.

iii. The sum of ₦66,714,964.00 (Sixty six million, seven hundred and fourteen thousand, nine hundred and sixty four naira) net of taxes was paid for the land through a voucher with reference No. NCAT/TRT/0037/2023 dated 7th July, 2023.
iv. Evidence of transfer of ownership of the landed property from the seller/owner to the College was not in the contract file as at the time of audit review in September, 2024, and
v. The sale agreement to justify the legality and valid transfer of propriety of the landed property between the seller and buyer was not sighted in the file. This suggests that in due course there might be no verifiable evidence to justify the claim that the ownership of the landed property belongs to the College.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigeria College of Aviation.

Risks
i. Litigation.
ii. Loss of public fund.

Management's Response
The College have Certificate of occupancy (C of O) of the landed property while the deeds of assignment is in 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 Rector should be requested to;
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦66,714,964.00 (Sixty six million, seven hundred and fourteen thousand, nine hundred and sixty four naira), being payment for landed property without proof of ownership by the College.
ii. Recover and remit to the Treasury, the sum of ₦66,714,964.00.
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 4: APPOINTMENT OF INELIGIBLE AUCTIONEER FOR THE DISPOSAL OF TWO BELL HELICOPTERS (=₦6,907,062.33)

Description of Findings
Section 31(1) of Public Procurement Act (2007) states, "All bids shall be first examined to determine if they: (a) meet the minimum eligibility requirements stipulated in the bidding documents." 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 (b) they possess the machinery, equipment, and manpower for the job."

Audit observed that,

i. The contract for the auction of two Bell aircrafts was awarded to an auctioneer through contract award letter Reference No. NCAT11/1204/vol.1/043 dated 6th April, 2023 at 1.5% commission chargeable on the auctioned helicopters.
ii. The sum of ₦6,907,062.33(Six million, nine hundred and seven thousand, sixty two naira, thirty three kobo) was paid to the auctioneer.
iii. The auctioneer provided BPP Interim Registration Report with 31st December, 2022 as the expiry date before the contract award.
iv. The Barcode scan of the BPP Interim Registration documents presented by the auctioneer revealed that the BPP documents belonged to another company, and
v. The action in (iv) above implies that the contract was awarded to an ineligible auctioneer.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigeria College of Aviation.

Risks

i. Poor execution of contract.
ii. Loss of public funds.

Management's response

Noted, however, the issue of forged pre-qualification records by the Auctioneer is before the National Assembly, EFCC and ICPC respectively. See attached copy of the College's verification as Appendix 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 Rector should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦6,907,062.33 (Six million, nine hundred and seven thousand, sixty two naira thirty three kobo), being payment for the appointment of ineligible Auctioneer.
ii. Recover and remit to the Treasury, the sum of ₦6,907,062.33.
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 Financial Regulations (2009) should apply.

ISSUE 5: IRREGULAR AWARD OF CONTRACT FOR THE DISPOSAL OF TWO BELL HELICOPTERS (=₦556,200,000.00)

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." 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 2922(iii) of the FR (2009) states, "A national competitive bidding shall be advertised in 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."

Audit observed that:

i. The college disposed two (2) Bell Helicopters to two (2) companies in 2023 for the sum of ₦556,200,000.00 (Five hundred and fifty six million, two hundred thousand naira).
ii. There was no Board of survey report to validate the need for the disposal of the Helicopters.
iii. The company that did not submit a profile and audited account was awarded the contract, out of all the companies that bided as auctioneer for the disposal.
iv. The contract was not advertised in at least two National dailies but advertised on 19th May, 2023 in Standard Times and West Africa Business News as classified information, and
v. The names of bidders, amount quoted, and the date of auction which subsequently led to the sale of the Helicopters were not attached as supporting records in the contract file.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigeria College of Aviation.

Risks

i. Poor execution of contract.
ii. Loss of government revenue.

Management's Response

All the transactions that led to the disposal of the two Bell Helicopters were approved by the Ministry of Aviation and the issue is still under investigation by the National Assembly, EFCC and ICPC. Please see attached Appendix 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 Rector should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦556,200,000.00 (Five hundred and fifty six million, two hundred thousand naira), being irregular award of contract for the disposal of two Bell Helicopter.
ii. Recover the Helicopter and forward evidence of recovery to the Public Accounts Committees of the National Assembly, and
iii. Otherwise, sanctions relating to irregular award of contracts, specified in paragraph 3117 of the Financial Regulations (2009) should apply.

NIGERIA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE, ABUJA

At the Nigeria Extractive Industries Transparency Initiatives (NEITI), Abuja, for the period 1st January to 31st December, 2022, the following observations were made:

ISSUE 1: NON-ADHERENCE TO THE FEDERAL CHARACTER PRINCIPLE IN RECRUITMENT OF NEW STAFF.

Description of Findings

Section 2 of the Federal character Act, (2004) states, "The best and most competent persons shall be recruited from each state of the Federation to fill positions reserved for the indigenes of that state or the Federal Capital Territory." Also, paragraph 160302 of the Public Service Rule states, "Appointment into all grades in Parastatals shall be need-based and subject to the approval of the supervisory Boards/ Councils. Such appointments shall be made through a fair and open selection process that ensures merit, credibility and equal employment opportunity for and with due regard to the Federal Character principle. Eligibility for appointment under this rule shall be in accordance with the provisions of public Service Rule 020205, subject to the fact that reference made in Rule 020205 to the HCSOF shall not apply to parastatals."

Audit observed that:

i. The Management of the Agency employed sixty nine (69) new staff as shown in the Table below.
ii. Twenty one (21) out of the sixty nine newly recruited staff in (i) above were skewed in favor of one particular region out of the six regions of the country in contravention of the Federal Character Principles of the Federal Government, and
iii. The South-East Geo-political zone for instance with five states was having twenty one (21) slots/Candidates out of sixty nine (69) as against other geopolitical zones that have eight (8), ten (10), nine (9), ten (10) and eleven (11) candidates as shown in the Table below.

S/N	ZONES	TOTAL NO OF CANDIDATES EMPLOYED FROM THE ZONE	PERCENTAGE OF
			TOTAL (%)
1	SOUTH EAST	21	30.43%
2	NORTH EAST	8	11.60%
3	SOUTH -SOUTH	10	14.50%
4	NORTH WEST	9	13.04%
5	NORTH CENTRAL	10	14.50%
6	SOUTH WEST	11	15.94%
	TOTAL	**69**	**100.01%**

The above anomalies could be attributed to weaknesses in the internal control system at the Nigeria Extractive Industries Transparency Initiatives (NEITI), Abuja.

Risks

i. Unequal representation.
ii. Favoritism

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 Executive Secretary should be requested to:
i. Furnish reasons for the abuse of the Federal Character Principle, and
ii. Forward the clearance obtained from the Head of service of the Federation to the Public Accounts Committees of the National Assembly for further scrutiny, and
iii. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

ISSUE 2: EXTRA -BUDGETARY EXPENDITURE (=₦95,108,377.15)

Description of Findings
Paragraph 301 of the Financial Regulations (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 controlling 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." Furthermore, 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."

Audit observed that:
i. The sum of ₦95,108,377.15 (Ninety five million, one hundred and eight thousand, three hundred and seventy seven naira, fifteen kobo) was paid for different activities in excess of budgetary provisions, and
ii. The expenditures were only reported in the trial balance but not in the approved budget of year 2022.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigeria Extractive Industries Transparency Initiatives (NEITI), Abuja.

Risks
i. Payment for non-existent transactions.
ii. Loss of public 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 Executive Secretary should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦95,108,377.15 (Ninety five million, one hundred and eight thousand, three hundred and seventy seven naira, fifteen kobo), being extra budgetary expenditure.
ii. Recover and remit to the Treasury, the sum of ₦95,108,377.15.
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 specified in paragraphs 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 3: SPLITTING OF CONTRACTS TO CIRCUMVENT PROCUREMENT THRESHOLD (=₦11,797,791.76)

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 Management of the Agency awarded two (2) separate contracts totaling ₦11,797,791.76 (Eleven million, seven hundred and ninety seven thousand, seven hundred and ninety one naira, seventy six kobo).
ii. The contracts in (i) above were awarded through Local Purchase Order dated 11th April, 2022 to the same contractor at a contract price of ₦5,898,895.88 (Five million, eight hundred and ninety eight thousand, eight hundred and ninety five naira, eighty eight kobo) each, to circumvent the procurement threshold, and
iii. The payments were made vide paid vouchers numbers OH /255/22, and OH /201/22 dated 16th May, 2022 and 14th April, 2022 respectively.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigeria Extractive Industries Transparency Initiatives (NEITI), Abuja.

Risks

i. Bid rigging.
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 Executive Secretary should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦11,797,791.76 (Eleven million, seven hundred and ninety seven thousand, seven hundred and ninety one naira, seventy six kobo), being splitting of contract to circumvent procurement threshold.
ii. Recover and remit to the Treasury, the sum of ₦11,797,791.76.
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 4: PAYMENT FOR UNSUBSTANTIATED RETREAT (=₦9,958,369.75)

Description of Findings

Paragraph 708 of the Financial Regulation (FR) (2009) states, "On no account should payment be made for services not yet performed or for goods not yet supplied." Also, 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 totaling ₦9,958,369.75 (Nine million, nine hundred and fifty eight thousand, three hundred and sixty nine naira, seventy five kobo) were made for hotel accommodation, board room, tea break, buffet and water in respect of the Management retreat held from 18th to 29th May, 2022, and
ii. The breakdown, evidence of utilization of the funds, actual date, venue of retreat, list of the stakeholders and the record of attendance duly signed by participants, etc., were not provided for audit examination.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigeria Extractive Industries Transparency Initiatives (NEITI), Abuja.

Risks

i. Payment for work 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 Executive Secretary should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦9,958,369.75 (Nine million, nine hundred and fifty eight thousand, three hundred and sixty nine naira, seventy five kobo), being payment for unsubstantiated retreat.
ii. Recover and remit to the Treasury, the sum of ₦9,958,369.75.
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 GEOLOGICAL SURVEY AGENCY, ABUJA

At the Nigeria Geological Survey Agency (NGSA), Abuja, for the period 1st January to 31st December 2023, the following observations were made:

ISSUE 1: PAYMENT FOR CONTRACTS WITH CONDITIONAL ADVANCE PAYMENT GUARANTEE (APG) (=₦248,245,826.25)

Description of Findings

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. Two contracts, one for Geological Enhancement and Development of Tungsten (Wolframite) Resources and Geological Enhancement and another for Development of Lithium, Tantalum, Niobium, Nickel, Chromium, and Cobalt Shore were awarded to two Contractors at a contract sum of ₦248,245,826.25 (Two hundred and forty eight million, two hundred and forty five thousand, eight hundred and twenty six naira, twenty five kobo), vide award letters with reference numbers NGSA/EG/OP/0025/S.805/1 and NGSA/EG/OP/0025/S.803/1, and
ii. The Advance Payment Guarantees (APG) submitted by the contractors were conditional, containing expiration clauses, which is contrary to the provisions of the extant regulation quoted above.

The above anomalies could be attributed to weaknesses in internal control system at the Nigeria Geological Survey Agency (NGSA) Abuja.

Risks

i. Loss of public funds
ii. Litigations.

Management's Response
Management stated that the contracts had been fully executed within the period under review and that there was no risk of loss of government funds. The observation was, however, noted, and the oversight regretted. Means of Verification (MOV) were 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 Director-General should be requested to:
i. Account to the public Accounts Committees of the National Assembly, the sum of ₦248,245,826.25 (Two hundred and forty eight million, two hundred and forty five thousand, eight hundred and twenty six naira, twenty five kobo), being contracts awarded with Conditional Bank Guarantees.
ii. Recover and remit to the Treasury, the sum of ₦248,245,826.25.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments specified in paragraphs 3106 of the Financial Regulations (2009), should apply.

ISSUE 2: MOTOR VEHICLES NOT PRESENTED FOR PHYSICAL VERIFICATION

Description of Findings
paragraph 112(i) of the Financial Regulation (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…" 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. For this purpose, he will ensure that the following records are maintained: (a) Vehicle Control Register, (b) Requisition/Approval for Journey, (c) Vehicle Log-Book (Gen.59) (d) Vehicle Maintenance Register."

Audit observed that:
i. Sixty (60) motor vehicles were listed as part of the Agency's vehicle pool, however, four (4) vehicles were not sighted during the verification exercise, and
ii. Mandatory records such as the vehicle control register, logbooks, and maintenance registers were not produced to authenticate the movement and existence of the four (4) vehicles.

The above anomalies could be attributed to weaknesses in internal control system at the Nigeria Geological Survey Agency (NGSA) Abuja.

Risks
i. Loss of government assets.
ii. Unauthorized conversion of government vehicles for personal use.

Management's Response
Management stated that the vehicles were deployed for field operations during the audit exercise but are now available for inspection.

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 four (4) vehicles at the exact value or at their purchase price/value.
ii. Forward evidence of compliance 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.

NIGERIAN COMMUNICATION SATELITE LIMITED, ABUJA

At the Nigerian Communication Satellite Limited (NCSL), Abuja, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: PAYMENT FOR CONTRACT NOT EXECUTED (=₦83,787,144.75)

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 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."

Audit observed that:
i. The contract for the construction of an Access Dual Carriage Road to the DTH was awarded to a company vide award letter Ref: NCSL/MD/PROC/CAP/23/22/VOL1 dated14th October, 2022 amounting to ₦83,787,144.75 (Eighty three million, seven hundred and eighty seven thousand, one hundred and forty four naira, seventy five kobo).

ii. The sum of ₦23,382,459.00 (Twenty three million, three hundred and eighty two thousand, four hundred and fifty nine naira) was paid to the Contractor vide Paid Voucher number CEX/289 dated 22nd June, 2023.
iii. The actual work at the site was the Construction of Drainage with concrete Cover instead of construction of dual carriage road, and
iv. The contractor abandoned the contract with the Drainage at less than 60% completion and the Concrete Cover at less than 30% completion but the work valuation No. 1 certified the contract to be 84.51% completed and provided that a payment of ₦53,804,136.60 (Fifty three million, eight hundred and four thousand, one hundred and thirty six naira, sixty kobo) be made to the Contractor.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Communications Satellite Ltd., Abuja.

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

Management's Response
Nothing like construction of an access dual carriage road, abandoned project and drainage was less than 60% completion. The work on the access road was awarded in phases. Payment was made based on the phases completed. Find the attached BOQ, letter of award to enable the auditor comprehend the phases of the work.

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 Account Committees of the National Assembly, the sum of ₦83,787,144.75 (Eighty three million, seven hundred and eighty seven thousand, one hundred and forty four naira, seventy five kobo), being payment for contracts not executed.
ii. Recover and remit to the Treasury, the sum of ₦83,787,144.75.
iii. Forward evidence of remittance to the Public Account 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: PAYMENT FOR DOUBTFUL TRAINING AND EMPOWERMENT PROGRAMME FOR YOUTHS (=₦105,664,848.00)

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, e.t.c." 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. A contract was awarded to a company for Training and Empowerment Program for Youth in Obio Federal Constituency, Rivers State vide award letter with reference No. NCSL/MD/PROC/26/22/VOL 1 dated 16th March, 2023.
ii. The sum of ₦58,975,729.00 and ₦46,689,119.00 were paid on 7th May, and 15th December 2023, respectively to the Contractor.
iii. The approval of the Ministerial Tenders Board was not attached to the paid vouchers totaling ₦105,664,848.00 (One hundred and five million, six hundred and sixty four thousand, eight hundred and forty eight naira) paid in (ii) above.
iv. Thirty (30), out of the expected hundred (100) participants, were in attendance, and
v. The sum of ₦13,423,662.00 (Thirteen million, four hundred and twenty three thousand, six hundred and sixty two naira) out of the sum in (iii) above, for expenses shown in the Table below, could not be accounted for.

S/N	TYPE OF PROVISION	AMOUNT (₦)
1	Security Fees	2,498,387.00
2	Starter Packs /Start-up Capital	1,532,844.00
3	Administrative charge	9,392,431.00
	Total	**13,423,662.00**

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Communications Satellite Ltd., Abuja

Risks

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

Management's Response

In house tender board approval is attached, and the list of beneficiaries. Find attached photocopies for your kind attention.

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 ₦105,664,848.00 (One hundred and five million, six hundred and sixty four thousand, eight hundred and forty eight naira), being payment for doubtful training and empowerment of youth.
ii. Recover and remit to the Treasury, the sum of ₦105,664,848.00.

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 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 3: UNSUBSTANTIATED PAYMENT FOR SUPPLY AND INSTALLATION OF DIGITAL ASSET TRACKING SYSTEM (=₦38,302,357.50)

Description of Findings

Paragraph 112 (i) of the Financial Regulations (FR) (2009) states, "The functions of the Accounting Officer shall include: (a) ensuring accurate collection and accounting for all public moneys received and expended…" 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 ₦38,302,357.50 (Thirty eight million, three hundred and two thousand, three hundred and fifty seven naira, fifty kobo) was paid vide voucher No. CEX/055 dated 28th December, 2023 in favor of a company for supply and installation of digital asset tracking system, and
ii. No report of needs assessment nor Store Receipt Voucher (SRV) was attached to the paid Voucher to substantiate the payment for the supply.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Communications Satellite Ltd., Abuja

Risks

i. Payment for goods not supplied.
ii. Diversion of public funds.

Management's Response

The contract has been executed. Attached is SRV, needs of assessment and certificate of job completion for your kind attention.

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 ₦38,302,357.50 (Thirty eight million, three hundred and two thousand, three hundred and fifty seven naira, fifty kobo), being unsubstantiated payment for supply and installation of Digital Asset Tracking System.
ii. Recover and remit to the Treasury, the sum of ₦38,302,357.50.
iii. Forward evidence of remittance to Public Account 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 4: UNACCOUNTED PAYMENT FOR PRELIMINARY ANALYSIS (=₦33,000,000.00)

Description of Findings

Paragraph 112 (i) of the Financial Regulations (FR) (2009) states, "The functions of the Accounting Officer shall include: (a) ensuring accurate collection and accounting for all public moneys received and expended…" 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 contract was awarded to a company for Preliminary Analysis for Gateway locations for N2 HTS Satellite dated 5th April, 2023 with Ref. No. NCSL/MD/PROC/N2/CATE/21/23/VOL1 at a contract sum of ₦87,182,500.00 (Eighty seven million, one hundred and eighty two thousand, five hundred naira).
ii. On 12th May, 2023, the sum of ₦87,182,500.00 (Eighty seven million, one hundred and eighty two thousand, five hundred naira) was paid vide paid voucher number CEX/268, and
iii. The sum ₦33,000,000.00 (Thirty three million naira) out of the amount paid in (ii) above, for expenses shown in the Table below, could not be accounted for.

S/N	TYPE OF PROVISION	AMOUNT ₦
i	Analysis of Satellite Coverage	14,500,000.00
ii	Regulatory Compliance	18,500,000.00
	Total	**33,000,000.00**

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Communications Satellite Ltd., Abuja

Risks

i. Diversion of public funds.
ii. Misappropriation of public funds.

Management's Response
There is attached certificate of job completion being evidence of job execution. There are preliminary analysis attached. Attached are some photocopies for your kind attention.

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 ₦33,000,000.00 (Thirty three million naira), being unaccounted payment for preliminary analysis.
ii. Recover and remit to the Treasury, the sum of ₦33,000,000.00.
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 irregular payment specified in paragraphs 3104(iii) and 3106 of the Financial Regulations (2009) respectively, should apply.

ISSUE 5: UNVERIFIABLE SUPPLY AND INSTALLATION OF SWITCH CONTROL SYSTEM (=₦59,168,806.00)

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 415 of the Financial Regulations (2009) states that "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 supply and installation of Switch, SDI and HD Channel Control System was awarded to a contractor vide letter of award with reference number NCSL/MD/PROC/CAP/10/22/VOL 1 dated 9th September, 2023, for the sum of ₦59,168,806.00 (Fifty nine million, one hundred and sixty eight thousand, eight hundred and six naira).
ii. The items were allegedly issued to Corporate Affairs and Special Project Department, and
iii. The supply, receipt and issue of the items in (ii) above, to and from the store could not be verified due to lack of proper documentation.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Communications Satellite Ltd., Abuja.

Risks

i. Payment for items not supplied.
ii. Diversion of public funds.

Management's Response

The audit team is hereby invited for inspection of the project. Attached are relevant copies for your kind attention.

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 ₦59,168,806.00 (Fifty nine million, one hundred and sixty eight thousand, eight hundred and six naira), being unverifiable supply and installation of switch control system.
ii. Recover and remit to the Treasury, the sum of ₦59,168,806.00.
iii. Forward evidence of the remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to payment for job not executed specified in paragraphs 3104(iii) of the Financial Regulations (2009), should apply.

ISSUE 6: IRREGULAR PAYMENT FOR ICT CAPACITY DEVELOPMENT & GRANT FOR WOMEN AND YOUTH IN AHOADA WEST/OGBA CONSTITUENCY (=₦34,033,875.00)

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 Information and Communication Technology Capacity Development and Grant for Women and Youth in Ahoada west/Ogba Constituency, Rivers State was awarded to a company vide Reference No. NCSL/MD/PROC/CAP/11/23/VOL 1 dated 31st October, 2023.
ii. The sum of ₦34,033,875.00 (Thirty four million, thirty three thousand, eight hundred and seventy five naira) was paid to the Contractor, and

iii. The payment in (ii) above was made without evidence of post completion report of the program, attendance list of the beneficiaries during the training that shows their names, phone numbers and signatures.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Communications Satellite Ltd., Abuja.

Risks

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

Management's Response

This is 30% advance based on bond. Attached is the relevant photocopies for your kind attention.

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 ₦34,033,875.00 (Thirty four million, thirty three thousand, eight hundred and seventy five naira), being irregular payment for ICT capacity development and Grant for Women and Youth.
ii. Recover and remit to the Treasury, the sum of ₦34,033,875.00.
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 (2009) should apply.

ISSUE 7: PAYMENT WITHOUT RELEVANT SUPPORTING DOCUMENTS (=₦19,310,500.00)

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 ₦19,310,500.00 (Nineteen million, three hundred and ten thousand, five hundred naira) was paid vide four (4) vouchers as Project Monitoring and Evaluation for end of the year Project Monitoring, Project Site Inspection, Supply

and Installation of ICT kiosks, Monitoring Satellite Broadband Connectivity Projects in various states, and

ii. Relevant supporting documents such as Schedule of names of the projects, and the location, visit authorisation letter for the staff, report of the project monitoring exercise, etc., were not attached to the paid vouchers.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Communications Satellite Ltd., Abuja

Risks

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

Management's Response

Find attached letter from Budget Office of Federation requesting for monitoring 2022/2023 capital project monitoring, approval for the journey and the list of the location of the 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 Managing Director should be requested to;

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦19,310,500.00 (Nineteen million, three hundred and ten thousand, five hundred naira), being payment without relevant supporting documents.
ii. Recover and remit to the Treasury, the sum of ₦19,310,500.00.
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 8: DENIAL OF ACCESS TO FINANCIAL RECORDS AND INFORMATION (=₦65,556,184.00)

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 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." 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 sum of ₦65,556,184.00 (Sixty five million, five hundred and fifty six thousand, one hundred and eighty four naira) was paid vide paid voucher number CEX/231 dated 27th February, 2023 in favor of a company for Project Management Services on Implementation of High Throughput Satellite (HTS) Build and Launch Project.
ii. Details of the services rendered, and schedule of specification were not attached to the paid voucher.
iii. The payment was made through the Company’s Naira Transit Account on 18th April, 2023, and
iv. Repeated requests for access to the Naira Transit Account were declined by Management.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Communications Satellite Ltd., Abuja.

Risks

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

Management’s Response

Find attached supporting documents, transfer instruction and transit account statement.

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. Furnish the relevant documents and records of the Naira Transit Account to the Public Accounts Committees of the National Assembly.
ii. Account to the Public Accounts Committees of the National Assembly, the sum of ₦65,556,184.00 (Sixty five million, five hundred and fifty six thousand, one hundred and eighty four naira), being denial of access to financial records and information.
iii. Recover and remit to the Treasury, the sum of ₦65,556,184.00.
iv. 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 9: PAYMENT FOR STORE ITEMS WITHOUT EVIDENCE OF DELIVERY (=₦38,302,357.50)

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 ₦38,302,357.50 (Thirty eight million, three hundred and two thousand three hundred and fifty seven naira, fifty kobo) was paid vide paid voucher number CEX/055 dated 28th December, 2023, in favour of a company for the supply and installation of Digital Asset Tracking System.
ii. The sum of ₦12,000,000.00 (Twelve million naira) out of the amount in (i) above, was earmarked for Annual Support and Maintenance for the Hyper Track Asset Enterprise Application Software after Application go-live, Unlimited Remote Support for a period of 1 year Application License for Mobile Scanner License (per scanner, license cost).
iii. Breakdown for the cost in (ii) above was not provided for examination, and
iv. The Store Receipt Voucher (SRV) was not attached to the paid voucher and detail records of these items were also not provided by the Store Officer.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Communications Satellite Ltd., Abuja

Risks

i. Payment for Job not done.
ii. Loss of government funds.

Management's Response

SRV is attached to the final payment voucher please. Attached is the payment voucher and letter of award for your kind attention.

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 ₦38,302,357.50 (Thirty eight million, three hundred and two thousand, three

hundred and fifty seven naira, fifty kobo), being store items without evidence of delivery.

ii. Recover and remit to the Treasury, the sum of ₦38,302,357.50.

iii. Forward evidence of remittance to the Public Account 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 10: IRREGULAR AWARD OF CONTRACT (=₦855,877,787.50)

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." 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. A contract was awarded to a company with reference No. NCSL/MD/PROC/N2/CAP/8/22/VOL.1 dated 27th July, 2022 for the sum of ₦855,877,787.50 (Eight hundred and fifty five million, eight hundred and seventy seven thousand seven hundred and eighty seven naira, fifty kobo) for Consultancy Services on Frequency Management and Regulatory Coordination for NIGCOMSAT - 2 Satellite Project, and

ii. Evidence of the bidding process such as financial bid/ bid specification was not attached to the paid voucher.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Communications Satellite Ltd., Abuja.

Risks

i. Payment for services not rendered

ii. Diversion of public funds.

Management's Response

Attached is the financial bid and other relevant documents for your kind attention.

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 ₦855,877,787.50 (Eight hundred and fifty five million, eight hundred and seventy seven thousand, seven hundred and eighty seven naira, fifty kobo), being irregular award of contract.
ii. Recover and remit to the Treasury, the sum of ₦855,877,787.50.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular award of contract specified in paragraph 3117 of the Financial Regulations (2009) should apply.

ISSUE 11: VIOLATION OF E-PAYMENT POLICY OF THE FEDERAL GOVERNMENT (=₦59,498,574.00)

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 sum of ₦59,498,574.00 (Fifty nine million, four hundred and ninety eight thousand, five hundred and seventy four naira) was paid vide voucher No. ZIP/042 dated 24th November, 2023, in favor of a company, for training of Youth and Women in skill acquisition in Obio-Akpor Federal Constituency.
ii. Each of the fifty (50) participants collected ₦100,000.00 (One hundred thousand naira) but there was no evidence to substantiate this, and
iii. Evidence of the sum of ₦350,000.00 (Three hundred and fifty thousand naira) received by each of the five (5) facilitators was not attached to the paid vouchers.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Communications Satellite Ltd., Abuja

Risks

i. Misappropriation of public funds.
ii. Diversion of public funds.

Management's Response

Attached is the list of attendees and facilitators for your kind attention.

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 ₦59,498,574.00 (Fifty nine million, four hundred and ninety eight thousand, five hundred and seventy four naira), being payments in violation of e-payment policy of the Federal Government.
ii. Recover and remit to the Treasury, the sum of ₦59,498,574.00
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 (2009) should apply.

NIGERIAN INSTITUTE OF SOCIAL AND ECONOMIC RESEARCH, IBADAN

At the Nigerian Institute of Social and Economic Research (NISER), Ibadan, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: PAYMENTS WITHOUT RELEVANT SUPPORTING DOCUMENTS (=₦26,753,191.00)

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 ₦26,753,191.00 (Twenty six million, seven hundred and fifty three thousand, one hundred and ninety one naira) was paid vide eighty five (85) paid vouchers for various expenditures, and
ii. Relevant supporting documents such as official receipts, Store Receipt Vouchers, Store Issue Vouchers, Stock Verifiers Certificates, etc, were not attached to the paid vouchers.

The above anomalies could be attributed to the weaknesses in the internal control system at the Nigerian Institute of Social and Economic Research (NISER), Ibadan.

Risks

i. Payments for jobs 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 Director-General should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦26,753,191.00 (Twenty six million, seven hundred and fifty three thousand, one hundred and ninety one naira), being payment without relevant supporting documents.
ii. Recover and remit to the Treasury, the sum of ₦26,753,191.00.
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: STORE ITEMS NOT TAKEN ON LEDGER CHARGE (=₦103,898,461.22)

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 ₦103,898,461.22 (One hundred and three million, eight hundred and ninety eight thousand, four hundred and sixty one naira, twenty two kobo) was paid vide seven (7) paid vouchers for the procurement of various store items, and
ii. Evidence of receipt of the items such as Store Received Voucher (SRV), Invoices, Delivery Notes, Receipts and Store Issue Vouchers (SIV) were not attached to the paid vouchers.

The above anomalies could be attributed to the weaknesses in the internal control system at the Nigerian Institute of Social and Economic Research (NISER), Ibadan.

Risks
i. Loss of public fund.
ii. Diversion of public fund.
iii. Payment for 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 Director-General should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦103,898,461.22 (One hundred and three million, eight hundred and ninety eight thousand, four hundred and sixty one naira, twenty two kobo), being payment for store items not taken on ledger charge.
ii. Recover and remit to the Treasury, the sum of ₦103,898,461.22.
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: IRREGULARITIES IN THE AWARD AND PAYMENT OF CONTRACT (=₦146,479,420.97)

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 contractor/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." Furthermore, Paragraph 708 of the FR (2009) states, "On no account should payment be made for services not yet perform or for goods not yet supplied."

Audit observed that:
i. The Institute paid the sum of ₦146,479,420.97 (One hundred and forty six million, four hundred and seventy nine thousand, four hundred and twenty naira, ninety seven kobo) vide twelve (12) paid vouchers to ten (10) contractors.
ii. The payments in (i) above were made without any specification of services/scope or Items to be procured.
iii. The awarded contracts were not based on the needs of the Institute or in accordance with their need's assessment report.
iv. Evidence of Job completion certificate was not attached to the paid vouchers before payments were made.

The above anomalies could be attributed to the weaknesses in the internal control system at the Nigerian Institute of Social and Economic Research (NISER), Ibadan.

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 ₦146,479,420.97 (One hundred and forty six million, four hundred and seventy nine thousand, four hundred and twenty naira, ninety seven kobo), being irregularities in the award and payment of contracts.
ii. Recover and remit to the Treasury, the sum of ₦146,479,420.97.
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 4: IRREGULAR PAYMENT OF CONTRACT FOR CONSTRUCTION WITHOUT PROVISION FOR RETENTION (=₦3,249,859.60)

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, 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." Furthermore, section 41(2) of the PPA (2007) states, "Generally quotations shall be obtained from at least 3 unrelated contractors or suppliers."

Audit Observed that:
i. The Institute awarded contracts totaling ₦64,997,191.88 (Sixty four million, nine hundred and ninety seven thousand, one hundred and ninety one naira, eighty eight kobo) and made payments vide four (4) paid vouchers.
ii. The contracts in (i) above was paid for without provision for retention while the award letters for the contracts has a clause which states that "the Institute will retain five percent (5%) of contract sum as retention on the jobs."
iii. The Perimeter Fencing Rehabilitation Project was completed, but collapsed three months after the construction. The Institute having paid the contractor in full without withholding any retention fees, incurred an additional cost of ₦850,000.00 (Eight hundred and fifty thousand naira) to the same contractor to rebuild the fence.
iv. The total spent on the contract was ₦65,847,191.88 (Sixty five million, eight hundred and forty seven thousand, one hundred and ninety one naira, eighty eight kobo) including the additional cost, and
v. The company contracted by the Institute for its cleaning services was the same company that was awarded the contract for this perimeter fence rehabilitation. It could not be ascertained if the company has the ability to perform in construction

or engineering capacity, also no evidence of similar work done was attached to the Company's profile.

The above anomalies could be attributed to the weaknesses in the internal control system at the Nigerian Institute of Social and Economic Research (NISER), Ibadan.

Risks

i. Loss of public fund.
ii. Diversion of public 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 Director-General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦65,847,191.88 (Sixty five million, eight hundred and forty seven thousand, one hundred and ninety one naira, eighty eight kobo), being payments for contracts awarded without retention.
ii. Recover and remit to the Treasury, the sum of ₦65,847,191.88.
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 paragraph 3106 and 3117 of the Financial Regulations (2009) respectively, should apply.

ISSUE 5: AWARD OF CONTRACTS TO INELIGIBLE CONTRACTORS (=₦32,499,405.09)

Description of Findings

Section 31(1) of Public Procurement Act (PPA) (2007) states, "All bids shall be first examined to determine if they: (a) meet the minimum eligibility requirements stipulated in the bidding documents." 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 (b) they possess the machinery, equipment, and manpower for the job."

Audit observed that:

i. Three (3) payments totaling ₦32,499,405.09 (Thirty two million, four hundred and ninety nine thousand, four hundred and five naira, nine kobo) were paid to various contractors for various contracts.
ii. The companies did not meet the eligible requirements for award of contracts, as they did not provide evidence of registration on BPP data base, Tax Clearance Certificates, NSITF, ITF, PENCOM certificates e.t.c.as stipulated in the Public Procurement Act, 2007.

iii. The Contractors were paid in full even when some of the above required documents provided by some of the Companies had expired since 31st December, 2022, and
iv. No justifiable reason was provided by the Institute for this action.

The above anomalies could be attributed to the weaknesses in the internal control system at the Nigerian Institute of Social and Economic Research (NISER), Ibadan.

Risks
i. Loss of public fund.
ii. Diversion of public 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 Director General should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦32,499,405.09 (Thirty two million, four hundred and ninety nine thousand, four hundred and five naira, nine kobo), being award of contracts to ineligible contractors.
ii. Recover and remit to the Treasury, the sum of ₦32,499,405.09.
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: CASH ADVANCES GRANTED ABOVE LIMIT (=₦6,500,000.00)

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. Sixteen (16) payments amounting to ₦6,500,000.00 (Six million five hundred thousand) were made to three staff of the Institute to procure various services.
ii. The advance to each of the three (3) staff, was in excess of the approved limit of ₦200,000.00.

iii. The grant of advances in (i) above deprived government of revenue totaling ₦877,500.00 (Eight hundred and seventy seven thousand, five hundred naira) that would have accrued by way of Stamp Duty (1%), Withholding Tax (5%) and VAT (7.5%), and
iv. These advances remained unretired at the time of audit, as no retirement vouchers were presented for audit examination.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Institute of Social and Economic Research (NISER), Ibadan.

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 ₦6,500,000.00 (Six million five hundred thousand), being cash advance granted above limit.
ii. Recover and remit to the Treasury, the sum of ₦6,500,000.00.
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.

ISSUE 7: PAYMENT FOR STORE ITEMS WITHOUT EVIDENCE OF DELIVERY (=₦2,100,000.00)

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." Also, 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 institute awarded a contract for E-Library to a contractor at the sum of ₦2,100,000.00 (Two million, one hundred thousand naira).
ii. Evidence of delivery of the items to the Institute's store such as Store Receipt Voucher was not provided for verification, and
iii. Evidence of the installation of the E-Library was not confirmed during audit verification at the Institute's Library.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Institute of Social and Economic Research (NISER), Ibadan.

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. Accounts to the Public Accounts Committees of the National Assembly, the sum of ₦2,100,000.00 (Two million, one hundred thousand naira), being payment for store items without evidence of delivery.
ii. Recover and remit to Treasury, the sum of ₦2,100,000.00.
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 8: MISCLASSIFICATION AND IMPROPER MAINTENANCE OF VOTE BOOK (=₦52,499,930.09)

Description of Findings

Paragraph 417 of the Financial Regulations (FR) (2009) states, "Expenditure shall strictly be classified in accordance with the Estimates, and votes musts be applied only to the purpose or which the money is provided. Expenditure incorrectly charged to a vote shall be disallowed." Furthermore, 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. He shall keep a departmental vote book posted up-to-date in such form as will clearly show in respect of each sub-head the following:- (a) In the space provided at the top of the Vote Book for: (i) The amount sanctioned in the Estimates;"

Audit observed that:

i. The sum of ₦52,499,930.09 (Fifty two million, four hundred and ninety nine thousand, nine hundred and thirty naira, nine kobo) was paid vide three (3) vouchers to contractors for the Rehabilitation of Building and Supply of Furniture.
ii. All the three (3) payments were misclassified in the vote book.
iii. Rehabilitation of Buildings done by one of the companies amounting to ₦35,000,000.00 (Thirty five million naira) was misclassified in the Vote Book as Road Rehabilitation.
iv. Supply of Furniture by another company awarded at ₦9,999,939.43 (Nine million, nine hundred and ninety nine thousand, nine hundred and thirty nine naira, forty three kobo) was misclassified in the Institute's Vote Book as Road Rehabilitation.
v. Another supply of furniture by the third company amounting to ₦7,499,990.66 (Seven million, four hundred and ninety nine thousand nine hundred and ninety naira, sixty six kobo) was misclassified as Building Rehabilitation.
vi. The entire Vote Book does not have a page for Furniture Supplies even though the Institute's approved budget for the year 2023 has provision for supplies of Furniture, and
vii. The Institute did not indicate the amounts estimated or budgeted for each item at the space provided on the top right side of the Vote Book as required by the extant Regulation.

The above anomalies could be attributed to the weaknesses in the internal control system at the Nigerian Institute of Social and Economic Research (NISER), Ibadan

Risks

i. Improper record keeping.
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 Director-General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦52,499,930.09 (Fifty two million, four hundred and ninety nine thousand, nine hundred and thirty naira. nine kobo), being misclassification and improper maintenance of departmental Vote Book.
ii. Recover and remit to the Treasury, the sum of ₦52,499,930.09.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to poor cash management and gross misconduct specified in paragraphs 3115 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 9: EXTRA-BUDGETARY EXPENDITURE (=₦17,499,929.04)

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 2906(ii) of the FR (2009) states, "pursuant to sub-section (i) above, 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 Institute paid a total of ₦17,499,929.04 (Seventeen million, four hundred and ninety nine thousand, nine hundred and twenty nine naira, four kobo) for items in excess of their estimates in the Appropriation Act.
ii. Additional rehabilitation work and supply of furniture in Admin Block, Reception and Director General's Office exceeded the budgeted estimates for the projects, and
iii. This is possible because funds meant for other Expenditure Heads according to the estimates were diverted for other use as shown in the Table below.

S/N	PV.NO & DATES	REF NO	DESCRIPTION	CONTRACT SUM ₦
1	139A of 16/3/2023	NIS/R&D/OC/83/23 AWARDED 3/2/2023	ADDITIONAL REHABILITATION IN ADMIN (DG) OFFICE	9,999,939.43
2	139B of 20/3/2023	NIS/R&D/OC/132/23. AWARDED 3/2/2023	SUPPLY OF FURNITURE	7,499,990.00
			TOTAL	**17,499,929.43**

The above anomalies could be attributed to the weaknesses in the internal control system at the Nigerian Institute of Social and Economic Research (NISER), Ibadan.

Risks

i. Misappropriation 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 Director-General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦17,499,929.04 (Seventeen million, four hundred and ninety nine thousand, nine hundred and twenty nine naira, four kobo), being extra-budgetary expenditures.

ii. Recover and remit to the Treasury, the sum of ₦17,499,929.04
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.

NIGERIAN INSTITUTE OF SOCIAL AND ECONOMIC RESEARCH, IBADAN (2022)

At the Nigerian Institute of Social and Economic Research (NISER), Ibadan for the period 1st January to 31st December, 2022, the following observations were made:

ISSUE 1: VIOLATION OF E-PAYMENT POLICY OF THE FEDERAL GOVERNMENT (=₦5,486,000.00)

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." 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 ₦5,486,000.00 (Five million, four hundred and eighty six thousand naira) was paid for monitoring and evaluation vide three (3) vouchers in contravention of the e-payment policy of the Federal Government.
ii. There was no evidence that the funds reached the final beneficiaries or any list showing where the other benefiting staff acknowledged receipts.
iii. No records showing that the monitoring and evaluation was carried out, were provided, and
iv. The basis of computation of the claims was not stated.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Institute of Social and Economic Research (NISER), Ibadan.

Risks

i. Loss of government funds.
ii. Beneficiaries may not get their monies.

Management's Response

The payments were IRO Impact Investment Programme which is a research programme. Payments were made to the research staff for further disbursement to research staff on the job - please see attached published report (see Appendix I). Out of the amount stated above ₦2,016.000.00 was paid via Remita to Moji Akpojiyovbi for evaluation and methodology workshop. It should be noted this money is from an externally funded project (Mac Arthur) of which Mrs. Moji is a consultant. The amount paid to her was what was stipulated in the project's Budget. Please note that this not government 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 Director-General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦5,486,000.00 (Five million, four hundred and eighty six thousand naira), being payments in violation of e-payment policy of the Federal Government.
ii. Recover and remit to the Treasury, the sum of ₦5,486,000.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to e-payment violation specified in paragraphs 3127 and 3128 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2: IRREGULARITIES IN THE AWARD OF CONTRACT (=₦7,858,250.00)

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;" Furthermore, 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 procurement's and in particular shall be responsible for (a) ensuring compliance with the provisions of this Act by his entity…" 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.'' 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 Management of the Institute awarded a contract amounting to ₦7,858,250.00 (Seven million, eight hundred & fifty eight thousand, two hundred and fifty naira) to a company for the Procurement of twelve (12) laptops for NISER with paid voucher No: NIS/R&D/OC/373/22 dated 14th March, 2022

ii. The Job completion certificate from the Ag. Head of Procurement and the request for payment from the contractor was dated 8th March, 2022 while contract award letter was dated 9th March, 2023. This suggests that the job completion certificate and requests for payment came before award of the contract, and
iii. The acceptance letter from the contractor was dated 7th March, 2022, which was two (2) days before the Institute awarded the contract to the contractor.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Institute of Social and Economic Research (NISER), Ibadan.

Risks

i. Loss of public funds.
ii. Payment for contract not executed.

Management's Response

Please note that the procurement rule was adhered to, but there was no mix up in the documents. The laptops were duly taken on store charge before distribution to staff. Based on Appendix II, it will be seen that the contract was duly executed.

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 ₦7,858,250.00 (Seven million, eight hundred & fifty eight thousand, two hundred and fifty naira), being irregularities in the award of contract.
ii. Recover and remit to the Treasury, the sum of ₦7,858,250.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular award of contract specified in paragraphs 3117 of the Financial Regulations (2009) should apply.

ISSUE 3: CONTRACT EXECUTED WITH IRREGULAR CONTRACT AGREEMENT (=₦67,617,552.00)

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 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 (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 Institute awarded twelve (12) contracts totaling ₦67,617,552.00 (Sixty seven million six hundred and seventeen thousand five hundred and fifty two naira).
ii. The Institute failed to enter into the mandatory contract agreement with the contractors as enshrined in the Public Procurement Acts (2007), and
iii. The failure and negligence on the part of the Institute to enter into a valid contractual agreement with these twelve (12) contractors has rendered the contracts awarded null and void.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Institute of Social and Economic Research (NISER), Ibadan.

Risks

i. Misappropriation of government funds.
ii. Loss to the Government

Management's Response

The Institute has a formal contractual agreement in place but it was under review during this period hence the reason for this. NISER has been using the contract agreement since 2023. (Please see 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 Director-General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦67,617,552.00 (Sixty seven million, six hundred and seventeen thousand five hundred and fifty two naira), being execution of contract with irregular contract agreement.
ii. Recover and remit to the Treasury, the sum of ₦67,617,552.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular award of contract specified in paragraphs 3117 of the Financial Regulations (2009) should apply.

ISSUE 4: ENGAGEMENT AND PAYMENT OF EXTERNAL SOLICITORS WITHOUT THE CONSENT OF THE ATTORNEY-GENERAL OF THE FEDERATION (=₦1,843,750.00)

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 Institute engaged and paid an external solicitor the sum of ₦1,843,750.00 (One million, eight hundred and forty three thousand, seven hundred and fifty naira) in respect of two (2) legal cases between the Institute and other parties, and
ii. The engagement of the Solicitors and the subsequent payments were made without evidence of prior consent and approval of the Attorney-General of the Federation, as required by extant circulars.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Institute of Social and Economic Research (NISER), Ibadan.

Risks

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

Management's Response

This is noted for the feature

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 ₦1,843,750.00 (One million, eight hundred forty three thousand, seven hundred and fifty naira), being engagement of external solicitors without the approval of the Honorable Attorney General of the Federation.
ii. Recover and remit to the Treasury, the sum of ₦1,843,750.00.
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 5: CASH ADVANCES GRANTED ABOVE LIMIT (=₦43,644,567.00)

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. Also, paragraph 234 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."

Audit observed that:

i. The Institute paid the sum of ₦43,644,567.00 (Forty three million, six hundred and forty four thousand, five hundred and sixty seven naira) via thirty two (32) paid vouchers to staff of the Institutes to carry out procurement/supply of some items instead of through award of contracts.
ii. The payments in (i) above were above the approval threshold of ₦200,000.00 for non-personal advance, and
iii. The failure to award contracts, resulted in the loss of tax revenue (VAT, WHT & Stamp Duty) amounting to ₦5,892,016.54 (Five million, eight hundred and ninety two thousand, sixteen naira, fifty four kobo).

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Institute of Social and Economic Research (NISER), Ibadan.

Risks

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

Management's Response

Please note that NISER carries out research for Government and payment made for items 1-23 of your observation relate to observations related to specialized research activities that are not liable to tax deduction. These payments are not the regular contracts on capital. Such monies have over the years been paid into individual researchers in different research departments for their team research projects and the items printed or purchased are an integral part of the budget of such research projects. The payment made to Remita (Nos. 30 & 31) are from institutional charges that accrued to NISER on an externally funded project (MacArthur).

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 ₦43,644,567.00 (Forty three million, six hundred and forty four thousand, five hundred and sixty seven naira), being circumvention of procurement process.
ii. Recover and remit to the Treasury, the sum of ₦43,644,567.00.
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 6: IRREGULAR PAYMENT FOR TRAINING, WORKSHOP, CONFERENCE WITHOUT EVIDENCE OF ATTENDANCE (=₦11,200,000.00)

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 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 ₦11,200,000.00 (Eleven million, two hundred thousand naira) was paid for foreign travels through two (2) vouchers.
ii. Relevant approvals, itinerary evidence and other travelling records were not attached to the paid vouchers nor were they provided for audit examination, and
iii. Relevant supporting documents such as reports and evidence of attendance were also not attached to the paid vouchers.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Institute of Social and Economic Research (NISER), Ibadan.

Risks

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

Management's Response

Please note that the funds are not government fund as it is not from our appropriation, it is funds from an externally funded project (MacArthur project). Our appropriation is paid into GIFMIS by government, it is only funds from externally funded project that are paid into Remita. The amount in question ₦11,200,000.00 was provided for international conferences on the Mac Arthur project and was compulsory deliverable that must be carried out.

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 ₦11,200,000.00 (Eleven million, two hundred thousand naira), being irregular payment for training and conference without evidence of attendance.
ii. Recover and remit to the Treasury, the sum of ₦11,200,000.00.
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.

ISSUE 7: IRREGULAR AWARD OF CONTRACT (=₦8,028,000.00)

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." Furthermore, section 41(2) of the PPA (2007) states "Generally quotations shall be obtained from at least 3 unrelated contractors or suppliers." Similarly, section 31(1) of the PPA (2007) states, "All bids shall be first examined to determine if they: (*a*) meet the minimum eligibility requirements stipulated in the bidding documents; (*b*) have been duly signed; (*c*) are substantially responsive to the bidding documents; and (*d*) are generally in order."

Audit observed that:

i. The Management of the Institute awarded and paid a total of ₦8,028,000.00 (Eight million, twenty eight thousand naira) to four (4) contractors for redesign of NISER website, quarterly newsletter, photograph for the management and supply of Microsoft Office and Anti-Virus.
ii. The contract for the redesign of NISER's Website, Quarterly Newsletter and Photograph for management was awarded to a company at the sum of ₦2,825,000.00 (Two million, eight hundred and twenty five thousand naira).
iii. The five (5) contractors that submitted bids for the contract in (ii) above were related as they were owned by the same promoter contrary to the provisions of Public Procurement Act, 2007.
iv. The contract for the supply of Microsoft Office and Anti-Virus for NISER was awarded to two (2) companies at the sum of ₦999,750.00 (Nine hundred and ninety nine thousand, seven hundred and fifty naira), and
v. The two (2) companies had the same telephone numbers.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Institute of Social and Economic Research (NISER), Ibadan.

Risks

i. Award of contracts to unqualified contractors.
ii. Diversion of government 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 ₦8,028,000.00 (Eight million, twenty eight thousand naira), being irregular award of contract.
ii. Recover and remit to the Treasury, the sum of ₦8,028,000.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular award of contract specified in paragraph 3117 of the Financial Regulations (2009) should apply.

ISSUE 8: CIRCUMVENTION OF PROCUREMENT PROCEDURES (=₦1,249,950.00)

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 ₦1,249,950.00 (One million, two hundred and forty nine thousand, nine hundred and fifty naira) was split for payment to five (5) officers of the Institute, on the same date, for the purchase of 3000 liters of diesel to circumvent the procurement procedures.
ii. In each case, the cash advance to staff was in excess of the approved threshold of ₦200,000.00.
iii. The idea of procurement of 3000 liters of diesel through selected (five) staff in piece meal of ₦249,990.00 each on the same date, for an amount that is above ₦200,000.00 is a circumvention of procurement procedure, and
iv. The use of advances instead of award of contracts, resulted to loss of revenue to Government in form of taxes.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Institute of Social and Economic Research (NISER), Ibadan.

Risks

i. Loss of revenue to government.
ii. 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 ₦1,249,950.00 (One million, two hundred and forty nine thousand, nine hundred and fifty naira), being cash advances granted above limit.
ii. Recover and remit to the Treasury, the sum of ₦1,249,950.00.
iii. Forward evidence of remittance 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.

NIGERIAN PRESS COUNCIL, ABUJA

At the Nigerian Press Council (NPC), Abuja, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: IRREGULAR AWARD OF CONTRACTS (=₦423,920,122.66)

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." Furthermore, section 41(2) of the PPA (2007) states "Generally quotations shall be obtained from at least 3 unrelated contractors or suppliers." Similarly, section 31(1) of the PPA (2007) states, "(1) All bids shall be first examined to determine if they: (*a*) meet the minimum eligibility requirements stipulated in the bidding documents; (*b*) have been duly signed; (*c*) are substantially responsive to the bidding documents; and (*d*) are generally in order."

Audit observed that:
i. Payments totaling ₦423,920,122.66 (Four hundred and twenty three million, nine hundred and twenty thousand, one hundred and twenty two thousand naira, sixty six kobo) were made in favor of seven (7) companies, and
ii. These contractors were all related to one person/promoter.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Press Council (NPC), Abuja.

Risks
i. Award of contracts to unqualified contractors.
ii. Diversion of government funds.
iii. Loss of public funds.

Management's Response

The Executive Secretary responded through the letter reference no: NPC 493/III/470 dated 7th August, 2025 that the audit findings raised were complex. Therefore, a two-week extension should be granted. However, as at November 2025 when this report was finalized, no any other response(s) was provided for further scrutiny.

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 Secretary should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦423,920,122.66 (Four hundred and twenty three million, nine hundred and twenty thousand, one hundred and twenty two thousand naira, sixty six kobo), being irregular award of contracts.
ii. Recover and remit to the Treasury, the sum of ₦423,920,122.66.
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: IRREGULAR AWARD AND PAYMENT OF CONTRACTS (=₦269,143,566.23)

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." Furthermore, section 41(2) of the PPA (2007) states, "Generally quotations shall be obtained from at least 3 unrelated contractors or suppliers." Similarly, section 31(1) of the PPA (2007) states, "(1) All bids shall be first examined to determine if they: (*a*) meet the minimum eligibility requirements stipulated in the bidding documents; (*b*) have been duly signed; (*c*) are substantially responsive to the bidding documents; and (*d*) are generally in order." 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. Payments totaling ₦269,143,566.23 (Two hundred and sixty nine million, one hundred and forty three thousand, five hundred and sixty six naira, twenty three kobo) were made in favor of three (3) companies for construction and sensitization programs.
ii. The contracts were awarded without competitive bidding process as other qualified contractors were not allowed to quote/bid, and
iii. There was no proof of due diligence to justify the validity of the contract awards and payments.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Press Council (NPC), Abuja.

Risks

i. Award of contracts to unqualified contractors.
ii. Diversion of government funds.
iii. Loss of public funds.

Management's Response

The Executive Secretary responded through the letter reference no: NPC 493/III/470 dated 7th August, 2025 that the audit findings raised were complex. Therefore, a two-week extension should be granted. However, as at November 2025 when this report was finalized, no any other response(s) was provided for further scrutiny.

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 Secretary should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦269,143,566.23 (Two hundred and sixty nine million, one hundred and forty three thousand, five hundred and sixty six naira, twenty three kobo), being irregular award and payment of contracts.
ii. Recover and remit to the Treasury, the sum of ₦269,143,566.23.
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 payment specified in paragraph 3117 and 3106 of the Financial Regulations (2009) respectively, should apply.

ISSUE 3: PAYMENTS TO CONTRACTORS NOT ENTERED INTO THE CASHBOOK (=₦101,920,701.24)

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. Payments totaling ₦101,920,701.24 (One hundred and one million, nine hundred and twenty thousand, seven hundred and one naira, twenty four kobo) were made to six (6) contractors.

ii. The payments in (i) above were made through six (6) vouchers, and
iii. These payment vouchers were not traced to the Council's Cashbook and no justification for this action was provided by the Executive Secretary.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Press Council (NPC), Abuja.

Risks
i. Diversion of public funds.
ii. Inaccurate and incomplete accounting records

Management's Response
No response.

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

Recommendations
The Executive Secretary should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦101,920,701.24 (One hundred and one million, nine hundred and twenty thousand, seven hundred and one naira, twenty four kobo), being payments to Contractors not entered into the Cash book.
ii. Recover and remit to the Treasury, the sum of ₦101,920,701.24.
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: IRREGULAR PAYMENT FOR TRAINING, WORKSHOP AND CONFERENCE WITHOUT EVIDENCE OF ATTENDANCE (=₦67,706,500.40)

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 ₦67,706,500.40 (Sixty seven million, seven hundred and six thousand, five hundred naira, forty kobo) was paid in respect of training in the year 2023 by the Council, and

ii. No attendance sheet, training reports, pictorial evidence or videos validating the attendance of participants were attached to the paid vouchers nor were they provided for audit examination.

The above anomalies could be attributed to the weaknesses in the internal control system at the Nigerian Press Council (NPC), Abuja.

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 issue raised, the findings remain valid until the Management implements the recommendations

Recommendations

The Executive-Secretary should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦67,706,500.40 (Sixty seven million, seven hundred and six thousand, five hundred naira, forty kobo), being irregular payment for staff training and workshop without evidence of attendance.
ii. Recover and remit to the Treasury, the sum of ₦67,706,500.40.
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.

VOICE OF NIGERIA, ABUJA

At the Voice of Nigeria (VON), Abuja for the period 1st January to 31st December, 2023, the following observation was made:

ISSUE 1: NON-SUBMISSION OF AUDITED FINANCIAL STATEMENTS

Description of Findings

Section 23(3) of the Fiscal Responsibility Act (2007) states, "Each corporation shall, not later than three months after the end of its financial year, cause to be prepared and published its audited financial reports in accordance with such rules as may be prescribed from time to time." 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 and the Accountant-General not later than 31st May of the following year of Account."

In spite of the above extant regulations:

i. The Agency failed to submit its audited Financial Statements for the years 2022 and 2023 together with Management Reports for vetting and Auditor-General's comments as required by extant regulations, and
ii. There was no justification provided for the non-submission of the Audited Financial Statement to the Auditor-General for the Federation as required by extant regulations.

The above anomalies could be attributed to weaknesses in the internal control system at the Voice of Nigeria (VON), Abuja.

Risks

i. Impediments to Public Accounts Committees oversight.
ii. Sub-optimal decisions by those charged with governance.

Management's Response

i. The Audited Financial Statements for the year 2022 are ready for submission as at May 2025 but not yet forwarded to the Office of the Auditor-general for the Federation (three years after the due date).
ii. The 2023 Audited Financial Statements is still with the External Auditor and will be ready for submission very soon. The delay was majorly due to the extension of Capital Budget implementation.

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. Justify to the Public Accounts Committees of the National Assembly, the non-submission of the Audited Financial Statements for 2022 and 2023 to the Auditor-General for the Federation.
ii. Produce the Audited Financial Statements for the years in (i) above, and the corresponding Management Letter/Report as required by extant regulations.
iii. Forward copies of the Audited Financial Statements and Auditor's Report thereon to both the Public Accounts Committees of the National Assembly and the Auditor-General for the Federation, and
iv. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

SECTION 3

EDUCATION & RESEARCH INSTITUTIONS AUDIT DEPARTMENT (ERIAD)

FEDERAL MINISTRY OF SCIENCE TECHNOLOGY AND INNOVATION, ABUJA

At the Federal Ministry of Science Technology and Innovation, Abuja, for the period 1st January to 31st December, 2024, the following observations were made:

ISSUE 1: PAYMENT FOR PROVISIONAL COST IN THE BOQ WITHOUT EVIDENCE OF UTILIZATION (=₦910,000.00)

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, e.t.c." 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."

Audit observed that:

i. Contract for the construction of Model Basic Science and Technology Laboratories at Aleiro, Kebbi State was awarded to a contractor at a contract sum of ₦56,237,178.90 (Fifty six million, two hundred and thirty seven thousand, one hundred and seventy eight naira, ninety kobo) vide an award letter with Ref. No. FMST/PD/232/2017/1/106 dated 19th January, 2018 with a completion period of twelve (12) weeks.
ii. The contract price was reviewed to ₦118,707,299.10 (One hundred and eighteen million, seven hundred and seven thousand, two hundred and ninety nine naira, ten kobo), through notification of price adjustment letter dated 22nd November, 2023 with a Ref. No. FMST/PD/1004/2023/II which review the completion period to eight (8) months.
iii. Included in the contract sum in (i) is a provisional sum for solar powered panels totalling ₦910,000.00 (Nine hundred and ten thousand naira) in the Bill of Quantities (BOQ), and
iv. There was no evidence of utilization of the provision cost reference in (iii) as at the time of field inspection.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Ministry of Science Technology and Innovation, Abuja.

Risks

i. Payment for contract not fully executed.
ii. Poor project supervision.

Management's Response

The Ministry has since communicated to the contractor to go back to site and fix all errors observed. All valuation of work done are in custody of the procurement department.

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 ₦910,000.00 (Nine hundred and ten thousand naira), being payment for provisional costs for the procurement of solar panel without evidence of utilization
ii. Recover and remit to the Treasury, the sum of ₦910,000.00.
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: PAYMENT FOR CONTRACT NOT FULLY EXECUTED (=₦53,550,000.00)

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 contract for the construction and equipping of Museum in Oka-Akoko, Ondo State was awarded to a contractor for the sum of ₦53,550,000.00 (Fifty three million, five hundred and fifty thousand naira) vide award letter with Ref. No. FMST/PD/797/2022/1 with a completion period of twelve (12) weeks.
ii. The contractor was paid 100% of the contract sum in (i) above via two installments.
iii. The assessed percentage of completion as at the time of site inspection of the project on 18th August 2024, was estimated at 40% completion level.
iv. The procurement team that verified the project certified that the project was 100% executed and recommended that the contractor be paid in full, and
v. The provisional sum on the contracts totaling ₦11,345,606.44 (Eleven million, three hundred and forty five thousand, six hundred and six naira, forty four kobo) as shown in the Table below, could not be accounted for.

S/N	TYPES OF PROVISIONS	AMOUNT ₦	REMARKS
i	Project administration.	1,595,106.44	Not Done
ii	Laboratory furniture and Equipment including all necessary Accessories	5,000,000.00	Not Done
iii	Electrical Installation,	5,000.000.00	Not done
iv	Mechanical and Plumbing Installation	2, 000,000.00	Not done
v	Air Conditioning	2,000,000.00	Not done
vi	Floor Finishing	1,750,500.00	Not done
vii	Fire fighting installations	1,000,000.00	Not done
	Total	**11,345,606.44**	

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Ministry of Science, Technology and Innovation, Abuja.

Risks

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

Management's Response

The contract was a constituency project. The project was consequently being monitored by the Senator in charge of that Senatorial District. The authorities on which payments were made to the contractor are available for confirmation.

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 ₦11,345,606.44 (Eleven million, three hundred and forty five thousand, six hundred and six naira, forty five kobo), being payment of provisional costs for the procurement of various items without evidence of execution.
ii. Furnish evidence to the Public Accounts Committees of the National Assembly why the project was still at 40% execution despite 100% funding.
iii. Recover and remit to the Treasury, the sum of ₦11,345,606.44.
iv. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
v. 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 3: UNRETIRED ADVANCES (=₦339,006,118.00)

Description of Findings

Paragraph 1420 of the Financial Regulations (FR) (2009) states, "It is the responsibility of all Accounting Officers to ensure that all advances granted to officers are fully recovered." Furthermore, paragraph 2302 (ii) of the 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. One hundred and ten (110) cash advance vouchers totaling ₦339,006,118.00 (Three hundred and thirty nine million, six thousand, one hundred and eighteen naira), paid in the year 2023 remained unretired as at the time of audit in November 2024, and
ii. There were multiple unretired advances to individuals even when the previous ones have not been retired.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Ministry of Science Technology and Innovation, Abuja.

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

Management's Response
A matching order has been given to the Advance Section to follow up and ensure all advances are retired or the officers involved face a sanction of stoppage of salary.

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 ₦339,006,118.00 (Three hundred and thirty nine million, six thousand, one hundred and eighteen naira), being cash advances not retired after year end.
ii. Recover and remit to Treasury, the sum of ₦339,006,118.00.
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: IRREGULARITIES IN THE CONSTRUCTION OF MODEL SCIENCE AND TECHNOLOGY LABORATORY (=₦107,665,749.00)

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."

Audit observed that:

i. Contract for the construction of Model Science and Technology Laboratory in Government Secondary School, Uke Karu LGA, Nasarawa State for the sum of ₦81,980,807.00 (Eighty one million, nine hundred and eighty thousand, eight hundred and seven naira) was awarded vide letter Ref. No. FMST/PD/619/2021/1 dated 19th January, 2022, with twelve (12) weeks of completion period.
ii. The sum of ₦45,504,613.00 (forty five million, five hundred and four thousand, six hundred thirteen naira) representing fifty five percent (55.5%) had been paid to the contractor in four (4) installments.
iii. A provisional sum of ₦1,308,000.00 (One million, three hundred and eight thousand naira) for solar powered borehole was not utilized instead generator machine was procured to power the Borehole.
iv. The capacity of the overhead tank inspected was 1,500 liters against the 6,000 liters capacity quoted in the BoQ.
v. The contract sum was reviewed upward to ₦107,665,749.00 (i.e., ₦25,684,942.00 added to the old contract sum) representing 31% increase, but approval was not granted by the appropriate authority and not presented for audit, and
vi. There were no Interim Payment Certificates (IPCs) issued at each stage of job completion to indicate the actual work executed before payments were made.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Ministry of Science, Technology and Innovation, Abuja.

Risks

i. Project abandonment.
ii. Poor project supervision.
iii. Poor project execution.

Management's Response

The Ministry is collaborating with the Nigeria Building Road and Research Institute (NBRRI) in the construction of Model Basic Science Laboratory project in Nasarawa State. The IPCs and the breakdown used in the payment of second and third instalment are all available for audit verification.

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 ₦107,665,749.00 (One hundred and seven million, six hundred and sixty-five thousand, seven hundred and forty nine naira), being payment for construction of the Model Science and Technology Laboratory irregularly executed.
ii. Recover and remit to the Treasury, the cost of unexecuted or substandard components, including the unutilized solar-powered borehole provision and the shortfall in overhead tank capacity (1,500L instead of 6,000L).

iii. Recover and remit to the Treasury, the sum of ₦25,684,942.00 (Twenty-five million, six hundred and eighty-four thousand, nine hundred and forty-two naira), being unauthorized increase in the contract sum.
iv Recover and remit to the Treasury, the sum of ₦107,665,749.00.
v. Forward evidence of remittance particulars to the Public Accounts Committees of the National Assembly, and
vii. Otherwise, sanctions relating to irregular payments prescribed in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 5: IRREGULARITIES IN THE CONSTRUCTION OF MODEL SCIENCE AND TECHNOLOGY LABORATORY (=₦62,535,050.00)

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."

Audit observed that:

i. Contract for the construction of a Model Science and Technology Laboratory at Community High School, Akungba Akoko, Ondo State, was awarded at an initial contract sum of ₦54,500,000.00 (Fifty four million, five hundred thousand naira) vide letter Ref. No. FMST/PD/798/2022/I dated 27th March, 2017, with a completion period of twelve (12) week.
ii. The contract sum was subsequently reviewed upward to ₦116,085,050.00 (One hundred and sixteen million, eighty five thousand, fifty naira), representing an increase of ₦62,535,050.00 (Sixty two million, five hundred and thirty five thousand, fifty naira), without evidence of due process or approval by the appropriate authority, and
iii. The sum of ₦69,971,786.00, representing 53.2% of the contract sum, had been paid to the contractor in four (4) instalments; however, physical inspection revealed that the site was overgrown with vegetation, indicating abandonment and lack of progress.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Ministry of Science, Technology and Innovation, Abuja.

Risks

i. Project abandonment.
ii. Loss of public funds.

Management's Response

The Ministry is collaborating with the Nigeria Building Road and Research Institute (NBRRI) in the construction of Model Basic Science Laboratory project in Nasarawa

State. The IPCs and the breakdown used in the payment of second and third installment are all available for audit verification.

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 ₦62,535,050.00 (Sixty two million, five hundred and thirty five thousand, fifty naira), being irregular and unauthorised review of contract price.
ii. Recover and remit to the Treasury, the sum of ₦62,535,050.00.
iii. Forward evidence of recovery and remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 6: PAYMENT OF MOBILIZATION FEE WITHOUT MOVEMENT TO SITE BY THE CONTRACTOR (=₦9,198,130.69)

Description of Findings

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. A contract was awarded for the construction of a Model Science Laboratory in Akwa Ibom State, and a part payment of mobilization fee amounting to ₦9,198,130.69 (Nine million, one hundred and ninety eight thousand, one hundred and thirty naira, sixty nine kobo) was made to the contractor.
ii. Physical inspection revealed that despite the payment made on 2nd June, 2023, the contractor had not mobilized to site as at November, 2024, and
iii. There was no evidence that the contractor submitted an Advance Payment Guarantee (APG), nor evidence that the Ministry initiated recovery action based on the APG.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Ministry of Science, Technology and Innovation, Abuja

Risks

i. Loss of Government funds.
ii. Payment for contract not executed.

Management's Response

The contractor complaint that the initial mobilization fee paid could not do anything to start off but promised to do site map-out which was not done. However, the contractor signed undertaken to kick off on additional payment which the Ministry afterwards made. Furthermore, the department handling the project went on sight inspection confirmed that the contractor has mobilized to site despite the poor funding of the project which supposed to be 30% and total payment made is nothing close to that till date.

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 ₦9,198,130.69 (Nine million, one hundred and ninety eight thousand, one hundred and thirty naira, sixty nine kobo), being mobilization fee paid without commencement of work.
ii. Recover and remit to the Treasury, the sum of ₦9,198,130.69.
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: PAYMENTS FOR CONTRACTS NOT EXECUTED (=₦38,249,935.13)

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. A contract for the Perimeter Fencing, Land Survey, and Construction of Gate House for the Bioresources Development Building (BIODEC) at Ubulu-Uku, Delta State, was awarded at a contract sum of ₦38,249,935.13 (Thirty eight million, two hundred and forty nine thousand, nine hundred and thirty five naira, thirteen kobo).
ii Physical inspection of the project on 11th November, 2024, revealed that the contract had not been executed despite full payment to the contractor.

iii. Inquiries from residents within the Centre indicated that no new perimeter fence or gatehouse was constructed, except for an existing fence completed over four (4) years earlier, and
v. Review of the project file revealed that the inspection report contained photographs of the same pre-existing structure, with no evidence of a newly constructed gatehouse.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Ministry of Science, Technology and Innovation, Abuja.

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

Management's Response
The project was fully executed and completed. Pictures at the early stage of the project as well as completion stages are available for audit. Job completion letter from the Honorable Member of the National Assembly in charge of the project is also available for audit confirmation.

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 ₦38,249,935.13 (Thirty-eight million, two hundred and forty-nine thousand, nine hundred and thirty-five naira, thirteen kobo), being payment for an unexecuted contract.
ii. Recover and remit to the Treasury, the sum of ₦38,249,935.13
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 8: IRREGULARITIES IN THE CONTRACT FOR THE ESTABLISHMENT OF MODEL BASIC SCIENCE LABORATORY (=₦94,723,015.85)

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."

Audit observed that:

i. The contract for the construction of Model Basic Science Laboratory in Anambra State, was awarded at a contract sum of ₦94,723,015.85 (Ninety four million, seven hundred and twenty three thousand, fifteen naira, eighty five kobo).
ii. The contractor had been paid a total of ₦39,744,232.39 (Thirty nine million, seven hundred and forty four thousand, two hundred and thirty two naira, thirty nine kobo) representing about 43% of the contract sum, whereas, the contractor had only attained about 30% of the contract;
iii. Physical inspection revealed that the contractor had worked to lintel level and had abandoned the site, and
iv. The sum of ₦2,435,142.04 (Two million, four hundred and thirty five thousand, one hundred and forty two naira, four kobo) was provided in the BoQ as 3% project admin cost. Utilization of this project admin cost for the project was not disclosed.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Ministry of Science, Technology and Innovation, Abuja.

Risks

i. Payment for jobs not executed.
ii. Funds may be diverted for personal use.

Management's Response

The contractor has been invited, and he explained that the challenge was as a result of the ban placed on accessibility of red mud (sand) by the Anambra State Government but he assured the Ministry of immediate return to site to address all areas of concerns.

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 ₦94,723,015.85 (Ninety four million, seven hundred and twenty three thousand, fifteen naira, eighty five kobo), being payment for contract not properly executed.
ii. Recover and remit to the Treasury, the sum of ₦94,723,015.85.
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 9: PAYMENT FOR CONTRACT NOT EXECUTED (=₦39,103,125.00)

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. Two (2) contractors were awarded contracts for the procurement of Methanol Cookstove Canister and Canister Refill Machine for Methanol Cookstove at contract sum of ₦19,753,125.00 and ₦19,350,000.00 respectively.
ii. Records provided by the Ministry and physical verification visits to the store revealed that the Methanol Cookstove Canister and Canister Refill Machine could not be traced to the store, and
iii. The EST Department, the user department, could not account for the items during audit.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Ministry of Science, Technology and Innovation, Abuja.

Risks

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

Management’s Response

Payments were made because job completion certificates were raised and endorsed by the user department.

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 ₦39,103,125.00 (Thirty nine million, one hundred and three thousand, one hundred and twenty five naira), being payments for the procurements of Methanol Cookstove Canister and Canister Refill Machine for Methanol Cookstove not supplied by the contractors.
ii. Recover and remit to the Treasury, the sum of ₦39,103,125.00.
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 10: IRREGULARITIES IN THE CONSTRUCTION AND EQUIPPING OF SCIENCE LABORATORY (=₦117,035,050.00)

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."

Audit observed that:

i. The contract for the construction and equipping of Science Laboratory in Akunna Ondo State was awarded for a contract sum of ₦53,550,000.00 (Fifty three million, five hundred and fifty thousand naira) vide award letter with Ref. No. FMSTI/PD/798/2022/1 dated 7th November, 2022.

ii. The contract in (i) above was revised upward to ₦117,035,050.00 (One hundred and seventeen million, thirty five thousand, fifty naira) representing the sum of ₦62,538,050.00 (Sixty two million, five hundred and thirty eight thousand, fifty naira) upward review.

iii. The breakdown of the incremental amount was not provided to justify the contract variation, and

iv. There was no evidence of utilization of the sum of ₦19,557,446.96, being the provisional sum in the Bill of Quantities (BoQ), as shown in the Table below.

S/N	TYPES OF PROVISION	AMOUNT ₦	REMARKS
1	Contingency	2,962,340.52	No evidence of the utilisation
2	Project Administration	1,595,106.44	Ditto
3	General Provision (Lump Sum)	15,000,000.00	Ditto
	TOTAL	**19,557,446.96**	

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Ministry of Science, Technology and Innovation.

Risks

i. Payment made for contract not executed.
ii. Loss of public funds.

Management's Response

The contract was paused by Covid-19 and was not implemented at the first award; therefore, it was re-awarded after the price review in-view of current market prevailing prices and inflation.

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 ₦117,035,050.00 (One hundred and seventeen million, thirty five thousand, fifty naira), being irregular variation and utilization of contract funds.
ii. Recover and remit to the Treasury the sum of ₦62,538,050.00 (Sixty two million, five hundred and thirty-eight thousand, fifty naira), being the unauthorized increase in the contract sum.
iii. Recover and remit to the Treasury, the sum of ₦19,557,446.96 (Nineteen million, five hundred and fifty-seven thousand, four hundred and forty six naira, ninety six kobo), being unutilized provisional sums in the Bill of Quantities (BoQ).
iv. Forward evidence of remittances 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 11: IRREGULARITIES IN THE PAYMENTS FOR TECHNOLOGY NEED ASSESSMENT (TNA) (=₦67,526,650.93)

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."

Audit observed that:

i. Fourteen (14) payments totaling ₦67,526,650.93 (Sixty seven million, five hundred and twenty six thousand, six hundred and fifty naira, ninety three kobo) were made to consultants for Technology Needs Assessment in the Oil & Gas, Solid Minerals, and Agricultural sectors.
ii. The consultants were engaged to conduct roundtable workshops and programmes on technology needs assessment across the identified sector, and
iii. There was no evidence that the programmes and workshops were conducted as claimed. The reports were not made available for audit, and reimbursable expenses were not retired prior to payment.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Ministry of Science, Technology and Innovation, Abuja.

Risks

i. Payment may be made for contracts not executed.
ii. Loss of public funds.

Management's Response

Still gathering information on this issue 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 Permanent Secretary should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦67,526,650.93 (Sixty seven million, five hundred and twenty six thousand, six hundred and fifty naira, ninety three kobo), being payments made for programmes and workshops not substantiated.
ii. Recover and remit to the Treasury, the sum of ₦67,526,650.93.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to payments for services not rendered specified in paragraph 3104 of the Financial Regulations (2009) should apply.

ISSUE 12: IRREGULAR PAYMENT INTO PERSONAL ACCOUNT (=₦22,200,000.00)

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." 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 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 sum of ₦22,200,000.00 (Twenty two million, two hundred thousand naira) was paid for NTA Live Coverage of Science, Technology and Innovation Expo vide Paid Voucher No. 042 dated 26th September, 2023.
ii. The payment in (i) above was made to the personal account of a staff of the Ministry despite the inclusion of the NTA's Remita Account (No. 0020513561017, to which payment was to be made) in the proforma invoice, and
iv. There was no evidence to show the staff under reference remitted the amount paid to him to the NTA.

These anomalies could be attributed to weaknesses in the internal control system at the Federal Ministry of Science, Technology and Innovation, Abuja.

Risks

i. Payments could be made for services not performed.
ii. Possible diversion of funds.

Management's Response
A copy of payment receipt from NTA was attached to retirement voucher after the programme.

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 ₦22,200,000.00 (Twenty two million, two hundred thousand naira), being payment made into staff account in favour of NTA.
ii. Recover and remit to the Treasury, the sum of ₦22,200,000.00.
iii. Forward evidence of remittance to 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: UNACCOUNTED EXPENDITURE (=₦10,378,000.00)

Description of Findings
Paragraph 112 (i) of the Financial Regulations (FR) (2009) states, "The functions of the Accounting Officer shall include: (a) ensuring accurate collection and accounting for all public moneys received and expended…" 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 ₦10,378,000.00 (Ten million, three hundred and seventy eight thousand naira) was advanced in cash to an official of the Ministry on behalf of fifteen (15) others for the production, training, and distribution of indigenous organic fertilizer in North-East Nigeria.
ii. The payment in (i) above was made through paid vouchers Nos. 051 and 052 dated 26th September, 2023, and
iii. Forty two (42) farmers were expected to receive five (5) bags of fertilizer each; however, there were no details of the beneficiaries or evidence that the products were received by the beneficiaries.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal Ministry of Science, Technology and Innovation, Abuja.

Risks
i. Payments made for job not executed.
ii. Possible diversion of public funds.

Management's Response
The list of beneficiaries of the indigenous organic fertilizers is available at the Ministry for 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 Permanent Secretary should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦10,378,000.00 (Ten million, three hundred and seventy eight thousand naira), being cash advanced to Ministry's staff for the procurement and distribution of fertilizer without details of the beneficiaries or evidence that the fertilizers were received by the beneficiaries.
ii. Recover and remit to the Treasury, the sum of ₦10,378,000.00.
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.

NATIONAL BIOTECHNOLOGY DEVELOPMENT AGENCY, ABUJA

At the National Biotechnology Development Agency, Abuja, for the period 1st January to 31st December, 2024, the following observations were made:

ISSUE 1: CASH ADVANCES GRANTED ABOVE LIMIT (=₦21,258,714.50)

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. Non-personal cash advances totaling ₦21,258,714.50 (Twenty one million, two hundred and fifty eight thousand, seven hundred and fourteen naira, fifty kobo) were granted to officers of the Agency through eighteen (18) paid vouchers for the purchase of diesel.
ii. The non-personal cash advance granted in (i) above should have been through award of contract as each cash advance was above ₦200,000.00 threshold, and

iii. This practice above had led to loss of government revenue (VAT, WHT & SD) to the sum of ₦21,258,714.50 (Twenty one million, two hundred and fifty eight thousand, seven hundred and fourteen naira, fifty kobo).

The above anomalies could be attributed to weaknesses in the internal control system at the National Biotechnology Research Development Agency (NBRDA), Abuja.

Risks

i. Loss of government revenue.
ii. Difficulty in funding budget.
iii. Possible poor job execution.

Management's Response

The observations was well noted and corrective measures had been taken by the Agency by awarding the contract of the supply of Diesel at NABDA to M. M MUZAHEED OIL NIGERIA LTD see Award of contract letter 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 Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦21,258,714.50 (Three million, seven hundred and twenty thousand, two hundred and seventy five naira, four kobo), being cash advance granted above government approved limit.
ii. Recover and remit to the Treasury, the sum of ₦21,258,714.50.
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 of the Financial Regulations (2009) should apply.

ISSUE 2: UNSUBSTANTIATED PAYMENTS (=₦7,245,937.50)

Description of Findings

Paragraph 112 (i) of the Financial Regulations (FR) (2009) states, "The functions of the Accounting Officer shall include: (a) ensuring accurate collection and accounting for all public moneys received and expended…" 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. Thirteen (13) payments totaling ₦7,245,937.50 (Seven million, two hundred and forty five thousand, nine hundred and thirty seven naira, fifty kobo) were made to eleven (11) staff to attend workshops and conferences, and
ii. There was no evidence of certificates of attendance, attendance registers, pictorial evidence, or other supporting documents attached to the paid vouchers or provided to justify the legitimacy of the payments.

The above anomalies could be attributed to weaknesses in the internal control system at the National Biotechnology Research Development Agency (NBRDA), Abuja.

Risks

i. Loss of government funds.
ii. Possible payments to non-participants.

Management's Response

Most of the payments to the staff as observed were mainly for DTA AND TRANSPORTATION to either represent the DIRECTOR GENERAL as a resource person in a conference or to attend a meeting at one point or the other. Meanwhile, those staff that attended workshop, their certificate of participation is enclosed herewith. Pls see attached 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 Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦7,245,937.50 (Seven million, two hundred and forty five thousand, nine hundred and thirty seven naira, fifty kobo), being payments for staff workshops and conferences without evidence of attendance and execution.
ii. Recover and remit to the Treasury, the sum of ₦7,245,937.50, and
iii. Forward the evidence of recovery and remittances to 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 3: VIOLATION OF E-PAYMENT POLICY OF THE FEDERAL GOVERNMENT (=₦ 48,534,500.00)

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 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. Two hundred and eighty six (286) payments were made between 1st March, to 31st December, 2024 to an official of the Agency totaling ₦48,534,500.00 (Forty eight million, five hundred and thirty four thousand, five hundred naira).
ii. The payments in (i) above were meant for security personnel but was instead paid to an official of the agency, and
iii. There was no authority letter from the security personnel instructing that the funds be paid to an official of the Agency, and there was no evidence to show that the funds was delivered to the right beneficiaries.

The above anomalies could be attributed to weaknesses in the internal control system at the National Biotechnology Research Development Agency, Abuja.

Risks

i. Diversion of public funds to private usage.
ii. Misappropriation of public funds.

Management's Response

Most of these payments were made to the security personnels at the BIODEC centres. The Agency's centralised system of payment made it very difficult to pay these officers who are neither on our payroll nor on the GIFMIS platform hence payment through our staff for accountability purpose. However, the observations 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 Director General should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦59,720,013.32 (Fifty nine million, seven hundred and twenty thousand, thirteen naira, thirty two kobo), being payments in violation of e-payment policy of the Federal Government.
ii. Recover and remit to the Treasury, the sum of ₦59,720,013.32.
i. Forward the evidence of recovery and remittance to the Public Accounts Committees of the National Assembly, and
ii. Otherwise, sanctions relating to irregular payments specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 4: IRREGULAR PAYMENT FOR CLEANING AND FUMIGATION (=₦33,186,127.99)

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." 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. Two hundred and forty three (243) payments totaling ₦33,186,127.99 (Thirty three million, one hundred and eighty six thousand, one hundred and twenty seven naira, ninety nine kobo) were made between 1st March and 31st December, 2024 to an official of the Agency.
ii. The payments in (i) above were meant for cleaning services but were instead paid to an official of the Agency.
iii. There was no letter of authority from the cleaner's authorizing payment to the said official, and
iv. There was no evidence to show that the funds were received by the rightful beneficiaries

The above anomalies could be attributed to weaknesses of the internal control system at the National Biotechnology Research Development Agency (NBRDA), Abuja.

Risks

i. Diversion of public funds.
ii. Misappropriation of funds.

Management's Response

SAME as above. The amount of money paid depends on the size of the center and the number of cleaners employed.

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 ₦33,186,127.99 (Thirty three million, one hundred and eighty six thousand, one hundred and twenty seven naira, ninety nine kobo), being irregular payment.
ii. Recover and remit to the Treasury, the sum of ₦33,186,127.99.
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: CASH ADVANCES GRANTED ABOVE LIMIT (=₦12,293,094.00)

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. Non-personal cash advances totaling ₦12,293,094.00 (Twelve million, two hundred and ninety three thousand, ninety four naira), were granted to nineteen (19) officers of the Agency through eighteen (18) payments for the purchase of office stationaries.
ii. The payments in (i) above should have been awarded through contract award as each cash advance was above ₦ 200,000.00 threshold, and
iii. This practice had deprived government of Withholding Tax, Value Added Tax and Stamp Duty amounting to ₦2,151,121.45 (Two million, one hundred and fifty one thousand, one hundred and twenty one naira forty five kobo) as result of non award of contract in (i) above.

The above anomalies could be attributed to weaknesses in the internal control system at the National Biotechnology Research Development Agency (NBRDA), Abuja.

Risks

i. Loss of government Revenue.
ii. Diversion of public funds.
iii. Possible poor job execution.

Management's Response

We recognised the approved threshold, however, the high cost of materials in the market as a result of removal of Fuel subsidy, makes it very difficult for the Agency to meet the needs of our various BIODEC centers and centers OF EXCELLENCE, hence the excess. the observation is well noted and corrective measures will be taken going forward.

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 ₦12,293,094.00 (Twelve million, two hundred and ninety three thousand, ninety four naira), being cash advances granted above limit.
ii. Recover and remit the sum of ₦12,293,094.00 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, gross misconduct and poor cash management prescribed in paragraphs 3106, 3129 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 6: STORE ITEMS NOT TAKEN ON LEDGER CHARGE (=₦453,880,130.00)

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 ₦453,880,130.00 (Four hundred and fifty three million, eight hundred and eighty thousand, one hundred and thirty naira) was paid for the purchase of stores items.
ii. The payments in (i) above were made through ten (10) paid vouchers from the Agency's capital account, and
iii. There was no Store Receipt Vouchers (SRV), sales invoice, receipt, delivery notes attached to the paid voucher as proof that the items were properly taking on store ledger charge.

The above anomalies could be attributed to weaknesses in the internal control system at the National Biotechnology Research Development Agency (NBRDA), Abuja.

Risks

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

Management's Response
All the SRVs were kept in the store files. However, this observation is noted and shall be given the recognition and awareness among the store keepers and manager to always attach store receipt vouchers to pvs.

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 ₦453,880,130.00 (Four hundred and fifty three million, eight hundred and eighty thousand, one hundred and thirty naira), being store items procured not taken on store ledger charge as required by extant regulations.
ii. Recover and remit to the Treasury, the sum of ₦453,880,130.00.
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 specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 7: PAYMENTS FOR CONTRACTS NOT EXECUTED (=₦9,092,350.00)

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. The sum of ₦9,092,350.00 (Nine million, ninety two thousand, three hundred and fifty naira) was paid for research and developmental studies on Assessment and Deployed of New Techniques to Combat Malaria, Sit and Development of Recombinants Vaccine in Bio-Pharmaceutical" and "DNA Typing Research" projects.
ii. These payments were made through two (2) paid vouchers dated 18th September, 2024, from the Agency's capital vote, and
iii. There was no evidence that the programme was executed as supporting documents to confirm the execution of the project were not provided.

The above anomalies could be attributed to weaknesses in the internal control system at the National Biotechnology Research Development Agency (NBRDA), Abuja.

Risks

i. Diversion of public funds
ii. Payment for services not rendered.

Management's Response

All research projects reports were kept in a separate files in procument dept. However, going forward, the reports shall be attached to respective Pvs accordingly.

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 ₦9,092,350.00 (Nine million, ninety two thousand, three hundred and fifty naira), being payments made for research and developmental studies without evidence of execution.
ii. Recover and remit to the Treasury, the sum of ₦9,092,350.00.
iii. Forward evidence of remittance to 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 8: UNJUSTIFIED PAYMENT FOR OUT-OF-POCKET EXPENSES (=₦6,130,240.00)

Description of Findings

Paragraph 301 of the Financial Regulations (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 maybe incurred except on the authority of a warrant issued 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 controlling a vote, or part thereof, who incurs expenditure without such authority does so on his sole responsibility and will consequently be held pecuniarily responsible for his actions."

Audit observed that:

i. The sum of ₦6,130,240.00 (Six million, one hundred and thirty thousand, two hundred and forty naira) was paid to sixteen (16) staff as refunds of Out-of-Pocket Expenses (OPE) incurred for various purposes through twenty eight (28) payments, and

ii There was no evidence of prior approval before the expenditures were incurred.

The above anomalies could be attributed to weaknesses in the internal control system at the National Biotechnology Research Development Agency, Abuja.

Risks

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

Management's Response

Due to poor releases of funds(overhead), the coordinators at the Agency's BIODEC centers finds it very difficult to manage the center especially the ANIMALS as they cannot stay hungry hence the need for the OUT OF POCKET expenses. See attachment.

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 ₦6,130,240.00 (Six million, one hundred and thirty thousand, two hundred and forty naira), being payment for unjustified out of pocket expenditures without prior approval to incur expenditure.
ii. Recover and remit to the Treasury, the sum of ₦6,130,240.00
iii. Forward evidence of remittance to 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-DEDUCTION AND REMITTANCE OF STATUTORY 1% STAMP DUTY (=₦12,111,278.74)

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." 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. Contracts for the sum of ₦1,618,055,827.61 (One billion, six hundred and eighteen million, fifty five thousand, eight hundred and twenty seven naira, sixty one kobo) was awarded to various contractors

ii. The sum of ₦1,211,127,873.68 (One billion, two hundred and eleven million, one hundred and twenty seven thousand, eight hundred and seventy three naira, sixty eight kobo), had been paid leaving a balance of ₦406,927,953.68 (Four hundred and six million, nine hundred and twenty seven thousand, nine hundred and fifty three naira sixty eight kobo), and
iii. The Agency failed to deduct and remit statutory 1% Stamp Duty of ₦12,111,278.74 (Twelve million, one hundred and eleven thousand, two hundred and seventy eight naira, seventy four kobo).

The above anomalies could be attributed to weaknesses in the internal control system at the National Biotechnology Research Development Agency (NBRDA), Abuja.

Risks
i. Loss of government revenue.
ii. Over-payment to contractors.

Management's Response
Kindly Refer to the Agency's letter to the Accountant General of the Federation (NABDA/DFA/02/VOL.1/005) dated 15th of November 2024 on the same issues. Copy of the letter 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 Director General should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦12,111,278.74 (Twelve million, one hundred and eleven thousand, two hundred and seventy eight naira, seventy four kobo), being unremitted Stamp Duty.
ii. Recover and remit to the appropriate tax authority, the sum of ₦12,111,278.74.
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.

ISSUE 10: OVER-PAYMENT TO A CONTRACTOR (=₦1,259,736.47)

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 Agency awarded contract for the construction of security out-post at the contract sum of ₦9,573,997.13 (Nine million, five hundred and seventy three thousand, nine hundred and ninety seven naira thirteen kobo), inclusive of taxes, to a contractor.
ii. At the end of the contract the sum of ₦10,833,733.60 (Ten million, eight hundred and thirty three thousand, seven hundred and thirty three naira sixty kobo), was paid to the contractor.
iii. This led to overpayment of ₦1,259,736.47 (One million, two hundred and fifty nine thousand, seven hundred and thirty six naira, forty seven kobo) which was the Stamp Duty.

The above anomalies could be attributed to weaknesses in the internal control system at the National Biotechnology Research Development Agency (NBRDA), Abuja.

Risks

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

Management's Response

The contract was an ongoing project from 2023 and an additional procurement was awarded in 2024.

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 ₦1,259,736.47 (One million, two hundred and fifty nine thousand, seven hundred and thirty six naira, forty seven kobo), being over payment to the contractor.
ii. Recover and remit to the Treasury, the sum of ₦1,259,736.47.
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.

NATIONAL COMMISSION FOR MASS LITERACY ADULT AND NON-FORMAL EDUCATION, KADUNA, KADUNA STATE

At the National Commission for Mass Literacy, Adult and Non-Formal Education, Kaduna State, for the period 1st January to 31st December, 2024, the following observations were made:

ISSUE 1: NON-RETIREMENT OF CASH ADVANCES (=₦72,659,682.12)

Description of Findings

Paragraph 1420 (i) of the Financial Regulations (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."

Audit observed that:

i. Cash advances amounting to ₦72,659,682.12 (Seventy two million, six hundred and fifty nine thousand, six hundred and eighty two naira, twelve kobo), were granted to officers of the Commission to carry out various activities, and
ii. The advances were not retired as at the time of the audit inspection. Some officers had more than one outstanding cash advance that were not retired before being granted subsequent ones, in contravention of the extant rules.

The above anomalies could be attributed to weaknesses in the internal control system at the National Commission for Mass Literacy, Adult and Non-Formal Education, Kaduna.

Risks

i. Loss of government funds.
ii. Diversion of funds to purposes other than the intended.

Management's Response

Most of the unretired advances enlisted in the report have been duly retired.

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 Secretary should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦72,659,682.12 (Seventy two million, six hundred and fifty nine thousand, six hundred and eighty two naira, twelve kobo), being payment for unretired cash advances.
ii. Recover and remit to the Treasury, the sum of ₦72,659,682.12
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to poor cash management and non-retirement of advances in paragraphs 3115 and 3124 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2: PAID VOUCHERS NOT PRESENTED FOR EXAMINATION (=₦69,408,035.90)

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. Twenty four (24) payments totaling ₦69,408,035.90 (Sixty nine million, four hundred and eight thousand, thirty five naira ninety kobo) were made to staff of the Commission without raising paid vouchers contrary to extant regulations, and
ii. There was no justification for why paid vouchers and supporting documents in respect of these payments were not presented for audit, despite repeated requests.

The above anomalies could be attributed to weaknesses in the internal control system at the National Commission for Mass Literacy, Adult and Non-Formal Education, Kaduna.

Risks

i. Loss of government funds.
ii. Payment of unapproved expenditure.

Management's Response

The paid vouchers are available at the Commission 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 Executive Secretary should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦69,408,035.90 (Sixty nine million, four hundred and eight thousand, thirty five naira, ninety kobo), being payment without raising payment vouchers, contrary to extant regulations.

ii. Recover and remit the sum of ₦69,408,035.90 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 Financial Regulations (2009) should apply.

ISSUE 3: PAYMENT FOR CONTRACT NOT FULLY EXECUTED (=₦49,853,125.00)

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 ₦49,853,125.00 (Forty nine million, eight hundred and fifty three thousand, one hundred and twenty five naira) was made vide paid voucher No. NMEC/CAP/171/23 to a contractor for the development of ICT training in the NASD South East Geopolitical Zone.
ii. The Bill of Quantities (BoQ) provided for the training of fifty (50) participants, including the procurement and distribution of training kits at a total cost of ₦1,800,000.00; however, there was no evidence that the training kits were procured or distributed.
iii. The BoQ also provided for the procurement of fifty (50) laptops at a unit cost of ₦498,000.00 each, totalling ₦24,900,000.00, however, available record revealed that fifty (50) Android phones were procured instead at a unit cost of ₦298,000.00 each, totalling ₦14,900,000.00, resulting in a variance of ₦10,000,000.00 without evidence of approval for such substitution, and
iv. The total quantified loss arising from non-procurement of training kits and the variance from substitution of laptops amounted to ₦11,800,000.00 (Eleven million, eight hundred thousand naira) as shown in the Table below:

S/N	Item	BoQ Amount (₦)	Actual Amount Incurred (₦)	Variance (₦)	Remark
1	Training Kits	1,800,000.00	0	1,800,000.00	Not supplied
2	Laptops	24,900,000.00	14,900,000.00	10,000,000.00	Substituted with phones
3	**Total Loss**			11,800,000.00	

The above anomalies could be attributed to weaknesses in the internal control system at the National Commission for Mass Literacy, Adult and Non-Formal Education, Kaduna.

Risks

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

Management's Response

This contract in question is a constituency project. The Senator in charge of the senatorial district wrote to the Commission via a letter dated 30th November, 2023 that android phones should be used to replace laptop computers due to yearnings of the community while the balance was used for capacity development and empowerment.

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 Secretary should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, for the sum of ₦11,800,000.00 (Eleven million, eight hundred thousand naira), being the quantified loss arising from non-compliance with contract specifications and BoQ.
ii. Recover and remit to the Treasury, the sum of ₦11,800,000.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular or wrong payment specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 4: IRREGULARITIES IN THE AWARD OF CONTRACTS (=₦44,292,141.68)

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."

Audit observed that:

i. Six (6) payments totaling ₦44,292,141.68 (Forty four million, two hundred and ninety two thousand, one hundred and forty one naira, sixty eight kobo) were made to various contractors by the Commission.
ii. There was no evidence of competitive bidding involving at least three unrelated contractors as required by extant regulations, and
iii. The contractors were paid without evidence of execution.

The above anomalies could be attributed to weaknesses in the internal control system at the National Commission for Mass Literacy, Adult and Non-Formal Education, Kaduna.

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

Management's Response
Please note that certificate of “No Objections” were duly obtained from the Bureau for Public Procurement.

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 Secretary should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦44,292,141.68 (Forty four million, two hundred and ninety two thousand, one hundred and forty one naira sixty eight kobo), being payment for contract without evidence of competitive bidding, and performance by the contractor.
ii. Recover and remit to the Treasury, the sum of ₦44,292,141.68.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular or wrong payment specified in paragraph 3106 of the Financial Regulations (2009) should apply

ISSUE 5: PAYMENTS FOR STORE ITEMS WITHOUT EVIDENCE OF DELIVERY (=₦34,010,000)

Description of Findings
Paragraph 2402(i) of the Financial Regulation (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. (see F.R. 2415)” Furthermore, 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 sum of ₦34,010,000.00 (Thirty four million, ten thousand naira) was paid for the procurement of store items via two (2) paid vouchers.
ii. The items above were procured through staff of the Agency, and
iii. There was no Store Receipt Voucher (SRV) attached to justify that the store items were procured or delivered to the store.

The above anomalies could be attributed to weaknesses in the internal control system at the National Commission for Mass Literacy, Adult and Non-Formal Education, Kaduna.

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

Management's Response
The Commission issued SRV and SIV for all items received and issued respectively.

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 Secretary should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦34,010,000.00 (Thirty four million, and ten thousand naira), being payments for store items without evidence of delivery.
ii. Recover and remit to the Treasury, the sum of ₦34,010,000.00.
iii. Forward the evidence of remittance to the Public Account Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular or wrong payment specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 6: UNJUSTIFIED PAYMENT OF PROVISIONAL SUM (=₦29,095,752.18

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 sum of ₦29,095,752.18 (Twenty nine million, ninety five thousand, seven hundred and fifty two naira, eighteen kobo) was paid to contractors as preliminaries provision in the Bill of Quantities (BoQ).
ii. The payments in (i) above were made through eleven (11) paid vouchers.
iii. The preliminaries provision formed part of the contract sums for the construction of Community Learning Centres in Rivers, Akwa Ibom and Borno States, and
iv. There was no documented evidence of the Engineer's instructions during execution to justify the preliminaries charges, thereby rendering the expenditure an improper charge against public funds.

The above anomalies could be attributed to weaknesses in the internal control system at the National Commission for Mass Literacy, Adult and Non-Formal Education, Kaduna.

Risks

i. Inflation of contract.
ii. Loss of public funds.

Management's Response

The Commission makes payments relating to contracts based on the valuation certificates issued by the consultants overseeing various 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 Executive Secretary should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦29,095,752.18 (Twenty nine million, ninety five thousand, seven hundred and fifty two naira eighteen kobo), being payment of preliminaries provision in the Bill of Quantities (BoQ) without evidence of utilization.
ii. Recover and remit to the Treasury, the sum of ₦29,095,752.18.
iii. Forward evidence of remittance to the Public Account Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular or wrong payment specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 7: MISAPPLICATION OF FUND (=₦27,594,365.50)

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 authorized by an Appropriation Act, Supplementary Appropriation Act or an Act passed in pursuance of the National Assembly." 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. Eighteen (18) payments totaling ₦27,594,365.50 (Twenty seven million, five hundred and ninety four thousand three and sixty five naira and fifty kobo) were made in respect of various services rendered to the Commission.
ii. The payments were inappropriately charged to a vote different from the purpose for which the funds were appropriated, and
iii. These payments were made without any evidence of approval, supplementary budget or virement by the National assembly.

The above anomalies could be attributed to weaknesses in the internal control system at the National Commission for Mass Literacy, Adult and Non-Formal Education, Kaduna.

Risks

i. Violation of the Appropriation Act.
ii. Loss of public funds.

Management's Response

The validation meeting and stakeholders' engagement are the preliminaries before the support for airing can be carried out. The other items are overhead which are related to the budget lines.

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 Secretary should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦27,594,365.50 (Twenty seven million, five hundred and ninety four thousand three and sixty five naira and fifty kobo), being public funds misapplied.
ii. Recover and remit to the Treasury, the sum of ₦27,594,365.50.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular or wrong payment specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 8: EXTRA-BUDGETARY EXPENDITURE (=₦26,452,857.50)

Description of Findings

Paragraph 313 of Financial Regulations (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.'' 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." In addition, paragraph 2906 (ii) of the FR (2009) states, "Pursuant to sub-section (i) above, 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 sum of ₦26,452,857.50 (Twenty six million, four hundred and fifty two thousand, eight hundred and fifty seven naira, fifty kobo) was incurred on overhead budget heads without evidence of approval by the National Assembly, and
ii. The expenditures in (i) above had no budgetary provision in the 2023 Appropriation Act as approved by the National Assembly.

The above anomalies could be attributed to weaknesses in the internal control system at the National Commission for Mass Literacy, Adult and Non-Formal Education, Kaduna.

Risks

i. Violation of the Appropriation Act
ii. Loss of public funds.

Management's Response

This is noted. Going forward, corrective measures will be adhered to.

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 Secretary should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦26,452,857.50 (Twenty six million, four hundred and fifty two thousand eight hundred and fifty seven naira fifty kobo), being payment without budgetary provision in the Approved Budget as approved by the National Assembly.
ii. Recover and remit to the Treasury, the sum of ₦26,452,857.50.
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 9: NON-REMITTANCE OF TAXES (=₦18, 818,002.38)

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." 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 ₦18,818,002.38 (Eighteen million, eight hundred and eighteen thousand, two naira thirty eight kobo) was deducted as statutory taxes (Value Added Tax (VAT), Withholding Tax (WHT) and Stamp Duties (SD)) from payments made to contractors between January and December 2023, and
ii. The amount deducted in (i) above were not remitted to the relevant tax authorities as at the time of audit.

The above anomalies could be attributed to weaknesses in the internal control system at the National Commission for Mass Literacy, Adult and Non-Formal Education, Kaduna.

Risks

i. Inability to fund government budget.
ii. Loss of public funds.

Management's Response

The Commission remitted all taxes (Value Added Tax, Withholding Tax and Stamp Duty) deducted from various contractors in year 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 Executive Secretary should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦18,818,002.38 (Eighteen million, eight hundred and eighteen thousand, two naira thirty eight kobo), being amount deducted as statutory taxes from contract payment without evidence of remittance.
ii. Remit and remit to the Treasury, the sum of ₦18,818,002.38
iii. Forward evidence of remittance to Public Account 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.

ISSUE 10: PAYMENTS FOR JOBS/CONTRACTS NOT EXECUTED (=₦18,728,752.13)

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. Four (4) payment totalling ₦18,728,752.13 (Eighteen million, seven hundred and twenty eight thousand, seven hundred and fifty two naira, thirteen kobo) were made in respect of various services rendered to the Commission.
ii. There was no evidence of contract execution in respect of payment made in (i) above as the pictures attached are sample pictures from market survey.
iii. List of how these items were distributed was not given for audit examination.
iv. The names and contact of the beneficiaries were not produced for examination, and
v. There was no evidence of monitoring by the Ministry of Special Duties and Inter-Governmental Affairs.

The above anomalies could be attributed to weaknesses in the internal control system at the National Commission for Mass Literacy, Adult and Non-Formal Education, Kaduna.

Risks

i. Unapproved expenditure.
ii. Misappropriation of funds.
iii. Loss of public funds.

Management's Response

The Commission remitted all taxes (Value Added Tax, Withholding Tax and Stamp Duty) deducted from various contractors in year 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 Executive Secretary should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦18,728,752.13 (Eighteen million, seven hundred and twenty-eight thousand, seven hundred and fifty two naira thirteen kobo), being payment of contract without evidence of execution.
ii. Recover and remit to Treasury, the sum of ₦18,728,752.13.
iii. Forward evidence of remittance to Public Account 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: CONSTRUCTION WORKS WITHOUT LAND TITLE (=₦69,883,305.70)

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." 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 ₦69,883,395.70 (Sixty nine million, eight hundred and eighty three thousand, three hundred and ninety five naira, seventy kobo) was paid to contractors in 2023 for ongoing construction works.
ii. The construction works were executed without obtaining land title documents, which are necessary to mitigate the risk of unforeseen litigation, and
iii. The Bill of Quantities (BoQ) and contract agreements for the projects were not presented for audit examination.

The above anomalies could be attributed to weaknesses in the internal control system at the National Commission for Mass Literacy, Adult and Non-Formal Education, Kaduna.

Risks

i. Exposure to legal disputes over land ownership.
ii. Loss of public funds.

Management's Response

The Commission duly obtains land title documents before carrying out construction.

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 Secretary should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦69,883,395.70 (Sixty nine million, eight hundred and eighty three thousand, three hundred and ninety five naira, seventy kobo), being payment made for construction works executed without compliance with land documentation requirements.
ii. Recover and remit to the Treasury, the sum of ₦69,883,395.70.
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.

NATIONAL EXAMINATION COUNCIL, MINNA

At the National Examination Council (NECO), Minna, Niger State for the period 1st January to 31st December, 2024, the following observations were made:

ISSUE 1: UNSUBSTANTIATED TRANSFER FROM NECO USD REVENUE ACCOUNT (=US$56,381.00) (=₦86,544,835.00)

Description of Findings

Paragraph 213 (i) of the Financial Regulations (FR) (2009) states, "Each ministry, extra- ministerial office and other arms of government shall maintain a separate bank account for Revenue at the Central Bank of Nigeria or any other designated bank by the Accountant-General. The balance of the account shall be transferred to the Consolidated Revenue Fund (CRF) account as in Financial Regulation 209." Furthermore, paragraph 213 (ii) of the 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:

The Council maintained a Domiciliary Account with the name CBN NECO USD Account (70010010006576) with United Bank for Africa (UK) Limited to receive foreign fees and inflow for internation student and clients.

Three (3) account transfers totaling US$56,381.00 (Fifty six thousand, three hundred and eighty one dollars) equivalent to ₦86,544,835.00 (Eighty six million, five hundred and forty four thousand, eight hundred and thirty five naira), were made between April and June 2024, and

There were no documents to substantiate such transfer from the revenue account.

The above anomalies could be attributed to weaknesses in the internal control system at the National Examination Council (NECO), Minna.

Risks

i. Unauthorize withdrawal.
ii. Loss of government revenue.

Management's Response

The Transfer was done by the Office of the Accountant General of the Federation vide a letter reference No. OAGF/R&I/1808/11/252 dated 15th May, 2024 and also presented Bank Statement showing the movement of the 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 Registrar should be requested to:

Account to the Public Accounts Committees of the National Assembly, the sum of US$56,381.00 (Fifty six thousand, three hundred and eighty one dollars) equivalent to ₦86,544,835.00 (Eighty six million, five hundred and forty four thousand, eight hundred and thirty five naira), being the amount transferred from revenue account without evidence of authorization.

Recover and remit to the Treasury, the sum of US$56,381.00 equivalent to ₦86,544,835.00.

Forward the evidence of recovery and remittance to Public Account Committees of the National Assembly, and

Otherwise, apply sanctions relating to irregular payment specified in paragraph 3106 of the Financial Regulations.

ISSUE 2: FAILURE TO RECOVER ARREARS OF NECO FEES FROM DEFAULTED STATE GOVERNMENTS AND OTHER PHILANTHROPIST (=₦2,109,921,272.00)

Description of Findings

Paragraph 227 (i) of the Financial Regulation (FR) (2009) states, "Accounting Officers who are responsible for the collection of revenue will furnish annually a Return of Arrears of revenue due at the 31st December in each year which remains uncollected by the following 31st March. The return, which will be submitted by the 31st May, shall be prepared in triplicate, one copy each sent to the Accountant-General, and the Auditor- General while the third retained for record purposes. In cases where there is no outstanding revenue a NIL return should be rendered. The Accountant-General will list in his Annual Report these departmental returns for the information of the Public Accounts Committee." Furthermore, paragraph 227(ii) of the 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. Six (6) State Governments and a philanthropist from Ebonyi State were indebted to the Council for examination fees as at 31st December, 2024, and

ii. Records covering the period 2012 to 2024 revealed the sum of ₦2,109,921,272.00 (Two billion, one hundred and nine million, nine hundred and twenty one thousand, two hundred and seventy two naira) remained outstanding and unrecovered from the defaulters as at 31st December, 2024.

The above anomalies could be attributed to weaknesses in the internal control system at the National Examination Council (NECO), Minna.

Risks

Loss of Government funds.
Difficulty in funding the budget.

Management's Response

The Council has made efforts in recovering outstanding debt from States Government. The Philanthropist is not owing; in fact, he has overpaid by ₦2,403,000.00. Zamfara and Sokoto States has reduced its outstanding significantly and efforts are ongoing to recover from other States.

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 ₦2,109,921,272.00 (Two billion, one hundred and nine million, nine hundred and twenty one thousand, two hundred and seventy two naira), being outstanding examination fees.
ii. Recover and remit to the Treasury, the sum of ₦2,109,921,272.00.
iii. Forward the evidence of remittance to Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to failure to account for government revenue stated in paragraph 3112 (ii) of the Financial Regulations (2009) should apply.

ISSUE 3: WRONG PAYMENT OF PREVIOUS YEARS' LIABILITIES WITH CURRENT YEARS' ALLOCATION (=₦2,637,467,432.10)

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, "Recurrent expenditure. 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. (ii) Capital expenditure (a) In the case of capital expenditure, any amount conveyed by any of the warrants in chapter 3 which has not been cash-backed from the Consolidated Revenue Fund Account to the Central Capital Account (CCA) automatically lapses at the end of the Financial year."

Audit observed that:

i. Thirty six (36) paid vouchers totaling ₦2,637,467,432.10 (Two billion, six hundred and thirty seven million, four hundred and sixty seven thousand, four hundred

and thirty two naira, ten kobo), were paid to contractors between January and September 2024.

ii. The invoices, delivery notes, job completion certificates and request for payments were dated 2022, and

iii. Documentary evidence to confirm that the expenditures were provided for the year 2024 approved Estimates could not be produced for audit verification.

The above anomalies could be attributed to weaknesses in the internal control system at the National Examination Council (NECO), Minna.

Risks

Diversion of public funds to private usage.
Misappropriation of public funds.

Management's Response

The liabilities were provided for in the budget estimates and was approved in the year appropriation. However, the payment could not be made because of automatic deduction of 25% from Council's Revenue as against 80% Operating Surplus, also delay in settlement of debts by some States resulted in payment of creditor in the following year.

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 ₦2,109,921,272.00 (Two billion, one hundred and nine million, nine hundred and twenty-one thousand, two hundred and seventy two naira), being payments made in 2024 to settle prior year liabilities without evidence of authorization.

ii. Recover and remit to the Treasury, the sum of ₦2,109,921,272.00.

iii. Forward the evidence of remittance to Public Account 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 4: PAYMENTS FOR STORE ITEMS WITHOUT EVIDENCE OF DELIVERY (=₦44,679,600.00)

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, 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:

The sum of ₦44,679,600.00 (Forty four million, six hundred and seventy nine thousand, six hundred naira) was paid to contractors for the procurement of goods to the Council, and

There was no evidence that the supplies were made as the items were not taken on store ledger charge, and there was no Store Received Vouchers (SRV) issued to authenticate the supplies.

The above anomalies could be attributed to weaknesses in the internal control system at the National Examination Council (NECO), Minna.

Risks

i. Loss of government properties.
ii. Loss of government funds.

Management's Response

The Store Officer may have inadvertently forgotten to enter the transactions in the ledger. However, it has been rectified and the ledgers have been updated.

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 ₦44,679,600.00 (Forty four million, six hundred and seventy nine thousand, six hundred naira), being payment for goods without evidence of delivery.
ii. Recover and remit to the Treasury, the sum of ₦44,679,600.00
iii Forward evidence of remittance to Public Account 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 5: PAYMENTS WITHOUT RELEVANT SUPPORTING DOCUMENTS (=₦367,809,834.00))

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:

Eight (8) paid vouchers totaling ₦367,809,834.00 (Three hundred and sixty seven million, eight hundred and nine thousand, eight hundred and thirty four naira) were raised and paid for various services.

There were no supporting documents attached to the paid vouchers in (i) above to ascertain the validity of these payments, and

Relevant evidence to justify the occurrence of these transactions such as advert/production of jingle on exam, malpractice on NTA, media coverage of 2024 SSCE external monitoring, publication from the media or cut out message, receipts from media house, job completion certificate, etc were not provided for examination.

The above anomalies could be attributed to weaknesses in the internal control system at the National Examination Council (NECO), Minna.

Risks

Diversion of public funds.

Loss of government funds.

Management's Response

This situation arose when payments are made in tranches and the original supporting documents are attached to the final payment. That is initial payment, second payment/final 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 Registrar should be requested to:

Account to the Public Accounts Committees of the National Assembly, the sum of ₦367,809,834.00 (Three hundred and sixty seven million, eight hundred and nine thousand, eight hundred and thirty four naira), being payments for various services without supporting documents.

Recover and remit to the Treasury, the sum of ₦367,809,834.00.

Forward evidence of remittance to Public Account Committees of the National Assembly, and

Otherwise, sanctions relating to irregular payment prescribed in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 6: PAID VOUCHERS NOT PRESENTED FOR AUDIT (=₦142,829,711.92)

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."

Audit observed that:

i. The sum of ₦142,829,711.92 (One hundred and forty two million, eight hundred and twenty nine thousand, seven hundred and eleven naira, ninety two kobo) was paid through twelve (12) vouchers to various beneficiaries, and
ii. The paid vouchers and other supporting documents were not presented for audit despite passing through the Treasury cash book, contrary to extant regulations.

The above anomalies could be attributed to weaknesses in the internal control system at the National Examination Council (NECO), Minna.

Risks

Diversion of public funds.
Loss of government funds.

Management's Response

The paid vouchers may have been wrongly filed and the vouchers have been sorted out and presented for auditors.

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 ₦44,679,600.00 (Forty four million, six hundred and seventy nine thousand, six hundred naira), being paid voucher not presented for audit.
ii. Recover and remit to the Treasury, the sum of ₦44,679,600.00.
Forward evidence of remittance to the Public Account Committees of the National Assembly, and
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 7: PROCUREMENT OF ICT FACILITIES WITHOUT CLEARANCE FROM THE NATIONAL INFORMATION TECHNOLOGY DEVELOPMENT AGENCY (=₦409,944,582.00)

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:

The Council awarded four (4) contracts totaling ₦409,944,582.60 (Four hundred and nine million, nine hundred and forty four thousand, five hundred and eighty two naira, sixty kobo) to four (4) contractors for the supply and installation of P. Wise Software, E-Posting Calendar, Local Area Network (LAN) and Accessories in the ICT Department, and

There was no clearance from the National Information Technology Development Agency (NITDA).

The above anomalies could be attributed to weaknesses in the internal control system at the National Examination Council (NECO), Minna.

Risks

i. Duplication of Software in the System.
ii. Contract may be award to incompetent contractors.
iii. High cost of Installation.

Management's Response

The Council's Procurement activities are considered and approved by the Parastatals Tenders Board, Ministerial Tenders Board and Federal Executive Council depending on the Threshold. The Contractor that handled ICT procurement has NITDA clearance.

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:

Account to the Public Accounts Committees of the National Assembly, the sum of ₦44,679,600.00 (Forty four million, six hundred and seventy nine thousand, six hundred naira), being payment for ICT facilities without NITDA certification.

Recover and remit to the Treasury, the sum of ₦44,679,600.00.

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

Otherwise, sanctions relating to irregular payments specified in paragraph 3106 of the Financial Regulations (2009) should apply.

SECTION 4

FEDERAL MEDICAL CENTRES AUDIT DEPARTMENT (FMCAD)

FEDERAL MEDICAL CENTRE, BIRNIN KEBBI, KEBBI STATE

At the Federal Medical Centre, Birnin Kebbi, Kebbi State, for the period 1st January to 31st December, 2024, the following observation was made:

ISSUE 1: NON-SUBMISSION OF AUDITED FINANCIAL STATEMENTS

Description of Findings

Section 23(3) of the Fiscal Responsibility Act (2007) states, "Each corporation shall, not later than three months after the end of its financial year, cause to be prepared and published its audited financial reports in accordance with such rules as may be prescribed from time to time." 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 and the Accountant-General not later than 31st May of the following year of Account."

In spite of the above extant regulations:

i. The Audited Financial Statements and Management Report for the financial year ended 31st December, 2024 was not forwarded to the Auditor-General for the Federation, and
ii. No valid 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 Federal Medical Centre Birnin Kebbi, Kebbi State.

Risks

i. Impediment to legislative oversight.
ii. Suboptimal governance decisions.
iii. Inability to assess the entity performance by stakeholders.

Management's Response

The 2024 audited financial statement was not ready to the centre during the auditors visit; this will be provided 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 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 of 2024 to the Auditor-General for the Federation.
ii. Produce the Audited Financial Statements for the year in (i) above, and the corresponding Management Letter/Report as required by extant regulations.

iii. Forward copies of the Audited Financial Statements and Auditor's Report thereon to both the Public Accounts Committees of the National Assembly and the Auditor-General for the Federation, and
iv. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

FEDERAL MEDICAL CENTRE, DAURA, KATSINA STATE

At the Federal Medical Centre, Daura, Katsina State, for the period 1st January to 31st December, 2024, the following observations were made:

ISSUE 1: UNDER-REMITTANCE OF 25% OF INTERNALLY GENERATED REVENUE TO THE CRF (=₦12,307,175.00)

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 observed that:

i. The Centre generated the sum of ₦55,421,440.00 (Fifty-five million, four hundred and twenty-one thousand, four hundred and forty naira) as Internally Generated Revenue (IGR) in 2024.
ii. 25% of the amount in (i) above, totaling ₦13,855,360.00 (Thirteen million, eight hundred and fifty-five thousand, three hundred and sixty naira), was expected to be remitted to the Consolidated Revenue Fund (CRF).
iii. The sum of ₦310,000.00 (Three hundred and ten thousand naira) realised from tender fees brought the total expected remittance to ₦14,165,360.00 (Fourteen million, one hundred and sixty five thousand, three hundred and sixty naira), and
iv. The Centre remitted only ₦1,858,185.00 (One million, eight hundred and fifty-eight thousand, one hundred and eighty-five naira), resulting in an unremitted balance of ₦12,307,175.00 (Twelve million, three hundred and seven thousand, one hundred and seventy five naira) at the time of audit.

The above anomalies could be attributed to weaknesses in the internal control system at the Council for Federal Medical Centre, Daura, Katsina State.

Risks

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

Management's Response

As regards to the under remittance of revenue to the CRF, the reason why un remitted figure is high because there are some items of revenue that were classified under 25% remittance by the external auditors while they falls under revolving fund e.g Laboratory and radiology because we do buy reagents from the suppliers and pay them.

However, we are able to pay the sum of ₦1,858,185.00 in 2024 and ₦764,228.16 in February 2025 as 2024 total remittance to CRF. (see appendix X 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 Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦12,307,175.00 (Twelve million, three hundred and seven thousand, one hundred and seventy five naira), being the outstanding balance of 25% of unremitted internally generated revenue as required by extant regulations.
ii. Recover and remit to the Treasury, the sum of ₦12,307,175.00.
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 of the Financial Regulations (2009) should apply.

ISSUE 2: PROCUREMENT OF ICT FACILITIES WITHOUT CLEARANCE FROM THE NATIONAL INFORMATION TECHNOLOGY DEVELOPMENT AGENCY (=₦19,991,766.28)

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 contract for the sum of ₦19,991,766.28 (Nineteen million, nine hundred and ninety one thousand, seven hundred and sixty six naira, twenty eight kobo) was awarded to a company vide award letter Ref. No. FMCD/G.236/PROC/VOL/01/24 for the procurement of hospital management equipment to support the Electronic Health Management System (EHMS) and the take-off of the Patient Care System.
ii. The contractor was paid the contract sum of ₦19,991,766.28 from the 2024 capital fund through Paid Voucher No. CAP/013/24 dated 7th September, 2024, and

iii. There was no evidence that prior clearance was obtained from NITDA before the award and execution of the contract.

The above anomalies could be attributed to weaknesses in the internal control system at the Council for Federal Medical Centre, Daura, Katsina State.

Risks

i. Contract award to incompetent contractor.
ii. Inflation of contract.
iii. Loss of funds.

Management's Response

We acknowledge the importance of obtaining prior approval from NITDA for ICT projects. However, in this case, we inherited a legacy ICT project from Leko Abdurrahman Hospital Daura, which included existing equipment and software. We sought to upgrade and improved the system to support our Electronic Health Management System (EHMS).

We have since applied for approval and waiver from NITDA, and they have acknowledge receipt of our request. We are awaiting their oversight visit to obtain the waiver certificate. We believe our actions we-re in good faith, and we are committed to regularizing our compliance with NITDA regulations.

The attached document provide evidence of the project's history and our efforts to comply with regulatory requirements. **See Appendix Xii 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 Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦19,991,766.28 (Nineteen million, nine hundred and ninety one thousand, seven hundred and sixty six naira, twenty eight kobo), being payment for procurement of hospital management equipment to support the Electronic Health Management System (EHMS) without NITDA certification.
ii. Recover and remit the sum of ₦19,991,766.28 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 3: PAYMENTS WITHOUT REVALIDATION OF THE PAYMENT VOUCHERS (=₦54,275,399.60)

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. Eighteen (18) payment vouchers totaling ₦54,275,399.60 (Fifty four million, two hundred and seventy five thousand, three hundred and ninety nine naira, sixty kobo) were not revalidated prior to payment, and
ii. The vouchers were raised more than three (3) months before the payments were effected.

The above anomalies could be attributed to weaknesses in the internal control system at the Council for Federal Medical Centre, Daura, Katsina State.

Risks

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

Management's Response

The Fourteen (14) out of 18 stalled payment vouchers amounting to ₦33,699,323.00 which their approval passed 3 month and paid without re-validation of approval was an oversight. However, we have provided a procedure in place to avoid the occurrence of such in the future.

Moreover, out of 18 payment vouchers quoted as stalled payment vouchers, 3 payment vouchers amounting to (₦12,239,932.00) were duplicated on the appendix list and another payment voucher amounting to ₦8,336,144.60 paid to M/S BELIEVE INVESTMENT LTD has no issue. find the details below:

1. NORTH GATE GLOBAL CONCEPT LTD ₦4,997,082.00 appeared on No. 2 and No.14 on the appendix list
2. NORTH GATE GLOBAL CONCEPT LTD ₦5,000,000.00 appeared on No. 3 and No.15 on the appendix list
3. Kergoa ventures ₦2,242,850.00 appeared on No. 1 and No. 6 on the appendix list.

BELIEVE INVESTMENT LTD Amounting to ₦8,336,144.60 has no issue because it was approved and paid on the 19/11/24 and 23/12/24, respectively.

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 ₦54,275,399.60 (Fifty four million, two hundred and seventy five thousand, three hundred and ninety nine naira sixty kobo), being amount paid using stale paid vouchers.
ii. Recover and remit to the Treasury, the sum of ₦54,275,399.60.
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.

SECTION 5

HIGHER EDUCATION AUDIT DEPARTMENT (HEAD)

UNIVERSITY OF CALABAR, CALABAR

At the University of Calabar, Calabar, for the period 1st January to 31st December, 2024, the following observations were made:

ISSUE 1: PAYMENTS WITHOUT PRE-PAYMENT AUDIT (=₦1,893,500.00)

Description of Findings

Paragraph 601 of the Financial Regulations (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." 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. Twenty nine (29) payment vouchers amounting to ₦1,893,500.00 (One million, eight hundred and ninety three thousand, five hundred naira) were raised and paid between November and December 2024, and
ii. None of the payment vouchers were pre-audited or checked by the Internal Auditors.

The above anomalies could be attributed to weaknesses in the internal control system at the University of Calabar, Calabar.

Risks

i. Errors and omissions may not be detected.
ii. Management override.

Management's Response

This expenditure was incurred under emergency situations. The University is a volatile environment and sometimes such situations arise that demand urgent attention.

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 ₦1,893,500.00 (One million, eight hundred and ninety three thousand, five hundred naira), being payments made without prepayment audit.
iii. Recover and remit to the Treasury, the sum of ₦1,893,500.00.

iv. 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.

ISSUE 2: IRREGULAR PAYMENTS FOR TRAVELS (=₦8,677,500.00)

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." 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 University paid the sum of ₦8,677,500.00 (Eight million, six hundred and seventy seven thousand, five hundred naira) to staff and other persons whose names were not on the nominal roll of the University to embark on trips to Boki in Cross River State at twenty five (25) different occasions.
ii. The trips were embarked upon during the official working hours of these employees, and
iii. While there was no evidence from the University to justify such frequent travels by the beneficiaries, no reports were availed to the team from the trips.

The above anomalies could be attributed to weaknesses in the internal control system at the University of Calabar, Calabar.

Risks

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

Management's Response

Part of running the University system universally involves staff travelling to attend official seminars and meetings with the National Assembly and other official meetings both within and outside Nigeria for the betterment of 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 ₦8,677,500.00 (Eight million, six hundred and seventy seven thousand, five hundred naira), being irregular payments for travels.
ii. Recover and remit to the Treasury, the sum of ₦8,677,500.00.
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 3: CASH ADVANCES GRANTED ABOVE LIMIT (=₦47,702,184.00)

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 ₦47,702,184.00 (Forty seven million, seven hundred and two thousand, one hundred and eighty four naira) was granted as cash advances to three (3) officers of the University between May and June, 2024 for direct purchase of store items, renovation and other services.
ii. The advance to each of the officers, was in excess of the approved limit of ₦200,000.00, and
iii. Government was deprived of revenue of ₦6,439,794.84 (Six million, four hundred and thirty nine thousand, seven hundred and ninety four naira, eighty four kobo) that would have accrued from 1% Stamp Duty, 5% Withholding Tax and 7.5% VAT.

The above anomalies could be attributed to weaknesses in the internal control system at the University of Calabar, Calabar.

Risks

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

Management's Response

All financial transactions in the University relating to procurement are carried out in accordance with the Financial Regulations, extant laws and Treasury Circulars from the Federal Government. These payments were made under emergency situations to address the University's needs at that time.

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 ₦47,702,184.00 (Forty seven million, seven hundred and two thousand, one hundred and eighty four naira), being cash advances granted to staff above the statutory limit of ₦200,000.00.
ii. Recover and remit to the Treasury, the sum of ₦47,702,184.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments specified in paragraphs 3106 of the Financial Regulations (2009) should apply.

ISSUE 4: DOUBTFUL PAYMENT FOR OUT OF POCKET EXPENSE (=₦33,683,805.00)

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 ₦33,683,805.00 (Thirty three million, six hundred and eighty three thousand, eight hundred and five naira) was paid to some staff of the University as refund of out of-pocket expenses (OPE) incurred on different items of expenditure.
ii. The retirement vouchers were not supported with evidence of prior approvals to incur the expenditure or any authorization, and
iii. The payments would appear not to be a legitimate charge against public funds.

The above anomalies could be attributed to weaknesses in the internal control system at the University of Calabar, Calabar.

Risks .

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

Management's Response

All payments on this matter have official approvals.

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 ₦33,683,805.00 (Thirty three million, six hundred and eighty three thousand, eight hundred and five naira), being doubtful payment for Out of Pockets expenses (OPE).
ii. Recover and remit to the Treasury, the sum of ₦33,683,805.00.
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: CASH ADVANCES GRANTED ABOVE LIMIT (=₦54,352,550.00)

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. Payments totaling ₦29,576,550.00 (Twenty nine million, five hundred and seventy six thousand, five hundred and fifty naira) were made to some staff of the University as advances for various services and activities.
ii. The sum of ₦24,776,000.00 (Twenty four million, seven hundred and seventy six thousand naira) was paid to a staff of the University in an instance, which was above the stipulated threshold of ₦200,000.00.
iii. Departmental monthly imprests of ₦5,000,000.00 and ₦800,000.00 were also paid, which were above the Departmental limits, and
iv. Government was deprived of revenue in the sum of ₦7,337,594.25 (Seven million, three hundred and thirty seven thousand, five hundred and ninety four naira, twenty five kobo) that would have accrued from 1% Stamp Duty, 5% Withholding Tax and 7.5% VAT.

The above anomalies could be attributed to weaknesses in the internal control system at the University of Calabar, Calabar.

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

Management's Response
These special advances were made to meet up with the National Universities Commission (NUC) accreditation guidelines.

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 ₦29,576,550.00 (Twenty nine million, five hundred and seventy six thousand, five hundred and fifty naira), being cash advances granted above limit.
ii. Recover and remit to the Treasury, the sum of ₦29,576,550.00.
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 6: PAYMENTS WITHOUT RELEVANT SUPPORTING DOCUMENTS (=₦29,283,400.00)

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. Seventeen (17) payment vouchers amounting to ₦29,576,550.00 (Twenty nine million, five hundred and seventy six thousand, five hundred and fifty naira) were raised and paid by the University for items, and sundry goods and services, and
ii. The paid vouchers were not supported with relevant documents such as invoices, delivery notes, receipts, etc, required for a valid payment.

The above anomalies could be attributed to weaknesses in the internal control system at the University of Calabar, Calabar.

Risks
i. Diversion of public funds.
ii. Payment for goods not supplied and services not rendered.

Management's Response
The details were not found as there was no appendix.

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 ₦29,576,550.00 (Twenty nine million, five hundred and seventy six thousand, five hundred and fifty naira), being payments without relevant supporting documents.
ii. Recover and remit to the Treasury, the sum of ₦29,576,550.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments and failure to account for public funds specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 7: VIOLATION OF E-PAYMENT POLICY OF THE FEDERAL GOVERNMENT (=₦89,627,055.00)

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." In addition, 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 University made forty six (46) payments totaling ₦89,627,055.00 (Eighty nine million, six hundred and twenty seven thousand, fifty five naira) to beneficiaries whose names were not originally on the payment vouchers, in violation of the e-payment policy of the Federal Government, and
ii. The amounts in (i) above were paid without evidence that the intended beneficiaries actually received what was due to them, as names of attendees at the programmes were not listed in the attached memo.

The above anomalies could be attributed to weaknesses in the internal control system of the University of Calabar, Calabar.

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

Management's Response
Noted for management action.

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 ₦89,627,055.00 (Eighty nine million, six hundred and twenty seven thousand, fifty five naira), being payments in violation of the e-payment policy of the Federal Government.
ii. Recover and remit to the Treasury, the sum of ₦89,627,055.00.
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 8: NON-REMITTANCE OF INTERNALLY GENERATED REVENUE TO GOVERNMENT (=₦264,360,887.79)

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 University's Internally Generated Revenue (IGR) amounted to ₦1,057,443,551.18 (One billion, fifty seven million, four hundred and forty three thousand, five hundred and fifty one naira, eighteen kobo).
ii. 25% of the total IGR in paragraph (i) above amounting to ₦264,360,887.79 (Two hundred and sixty four million, three hundred and sixty thousand, eight hundred and eighty seven naira, seventy nine kobo) as shown in the Table below, were not deducted and remitted to the Consolidated Revenue Fund (CRF), and

S/N	IGR Inflow (Computed Monthly)	Date	75% of Gross Revenue (₦)	25% of Gross Revenue (₦)
1	71,678,767.33	28/04/23	53,759,075.49	17,919,691.83
2	44,641,965.33	31/05/23	33,481,473.99	11,160,491.33
3	496,139,380.00	30/06/23	372,102,285.00	124,034,845.00
4	146,939,850.00	31/07/23	110,204,887.50	36,734,962.50
5	35,501,130.00	31/08/23	26,625,847.50	8,875,282.50
6	123,517,981.52	30/09/23	92,638,486.14	30,879,495.38
7	86,118,277.00	31/10/23	64,588,707.75	21,529,569.25
8	27,561,220.00	30/11/23	20,670,915.00	6,890,305.00
9	25,344,980.00	31/12/23	19,008,735.00	6,336,245.00
	1,057,443,551.18		**793,082,663.38**	**264,360,887.79**

Table 1. IGR Computation (Jan–Dec 2023)

iii. There was however, no evidence of remittance of this amount to the CRF.

The above anomalies could be attributed to weaknesses in the internal control system of the University of Calabar, Calabar.

Risks

i. Loss of government funds.
ii. Inability to fund budget

Management's Response

These are school charges and does not form part of Internally Generated Revenue (IGR).

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. Justify to the Public Accounts Committee of the National Assembly the non-deduction and remittance of 25% Internally Generated Revenue of ₦264,360,887.79 (Two hundred and sixty four million, three hundred and sixty thousand, eight hundred and eighty seven naira, seventy nine kobo) to the Consolidated Revenue Fund (CRF).
ii. Provide and remit to the CRF, the sum of ₦264,360,887.79.
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.

ISSUE 9: PAYMENT FOR INTERNATIONAL TRAVELS WITHOUT APPROVAL (=₦24,906,770.00)

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. Nineteen (19) payments totaling ₦24,906,770.00 (Twenty four million, nine hundred and six thousand, seven hundred and seventy naira) were made in respect of Estacode and other related expenses to officers of the University for various meetings, training, conferences, and seminars outside the country, and
ii. Relevant approvals from the Head of Civil Service of the Federation, or the President or Secretary to the Government of the Federation were not obtained before embarking on these foreign trips as required by the provisions of the extant laws and regulations.

The above anomalies could be attributed to weaknesses in the internal control system at the University of Calabar, Calabar.

Risks

i. Diversion of public funds.
ii. Misappropriation of funds.

Management's Response

Noted for management action.

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. Justify to the Public Accounts Committees of the National Assembly, the sum of ₦24,906,770.00 (Twenty four million, nine hundred and six thousand, seven hundred and seventy naira), being payment for international travels without appropriate approvals.
ii. Recover and remit to the Treasury, the sum of ₦24,906,770.00.
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 spend public funds effectively, prescribed in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

FEDERAL UNIVERSITY, GASHUA, YOBE STATE

At the Federal University, Gashua, Yobe State, for the period 1st January to 31st December, 2024, the following observation was made:

ISSUE 1: EXTRA-BUDGETARY EXPENDITURE (=₦33,871,592.89)

Description of Findings

Paragraph 313 of the Financial Regulations (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.’’ 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.” In addition, paragraph 2906 (ii) of the FR (2009) states, “Pursuant to sub-section (i) above, 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 sum of ₦8,622,200.00 (Eight million, six hundred and twenty two thousand, two hundred naira) was expended on sub-head Code 22020401, Maintenance of Motor Vehicle and Transport, during the year 2024.
ii. The University also spent the sum of ₦49,973,702.89 (Forty nine million, nine hundred and seventy three thousand, seven hundred and two naira, eighty nine kobo) on sub-head Code 22020803, Plant/Generator Fuel Cost-Diesel, during the year 2024.
iii. The University’s 2024 appropriation showed that expenditures on the sub-heads for Maintenance of Motor Vehicle and Transport, and Plant/Generator Fuel Cost-Diesel were more than the approved budget for the two sub-heads during the year 2024 as shown in the Table below, and

CODE	SUB-HEAD	APPROPRIATED AMOUNT ₦	ACTUAL EXPENDITURE ₦	OVER BUDGETARY EXPENDITURE . ₦
22020401	Maintenance of Motor Vehicle and Transport	7,500,000.00	8, 622,200.00	1,122,200.00
22020803	Plant/Generator Fuel Cost	17,223,950.00	49, 973,702.89	32,749,752.89
	TOTAL			**33,871,952.89**

Sources: Overhead GIFMIS payment report and 2024 Appropriation of the University.

iv. Evidence of supplementary provisions or approved virement to support the extra expenditures were not provided.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal University of Gashua, Yobe State.

Risks

i. Misapplication and misappropriation of funds.
ii. Poor budget implementation

Management's Response

The Extra Budgetary expenditure was as a result of the difference between the appropriation on the GIFMIS Platform and the budget. Expenditure has to be incurred based on available balance on GIFMIS. See Overhead Costs Report at 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 Vice Chancellor should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦33,871,592.89 (Thirty three million, eight hundred and seventy one thousand, five hundred and ninety two naira, eighty nine kobo), being extra-budgetary expenditure during the year 2024.
ii. Recover and remit to the Treasury, the sum of ₦33,871,592.89.
iv. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
vi. Otherwise, sanctions relating to irregular payments and failure to manage public funds effectively, 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 CASH ADVANCES (=₦17,704,500.00)

Description of Findings

Paragraph 1405 of the Financial Regulation (FR) (2009) states, "Accounting Officers are responsible for ensuring the prompt repayment of all advances by installment 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."

Audit observed that,

i. The sum of ₦17,704,500.00 (Seventeen million, seven hundred and four thousand, five hundred naira) was paid to some staff during the year as advances, and
ii. The advances granted to staff were not retired as at the time of the audit.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal University, Oye-Ekiti.

Risks

i. Diversion of government funds.
ii. Loss 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 evidence 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 cash advance.
ii. Recover and remit to the Treasury, the sum of ₦17,704,500.00.
iii. Forward evidence of remittance to the Public Accounts Committee 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 2: PAYMENT WITHOUT RELEVANT SUPPORTING DOCUMENT (=₦40,405,668.87)

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. Four (4) payments totaling ₦40,405,668.87 (Forty million, four hundred and five thousand, six hundred and sixty eight naira, eighty seven kobo) were made to some contractors for the 2023 Capital Projects, and
ii. The relevant supporting documents, such as need assessment, bid evaluation reports, letters of award of contract, certificates of job completion, invoices, and receipts, etc, were not attached to the paid vouchers.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal University, Oye-Ekiti.

Risks

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

Management's Response

-FAGOBE COMPANY LTD-CONSTRUCTION OF IKOLE SPORTS COMPLEX, LOT 2 ₦13,476,072.10

The original Letter of Award is always issued to the Contractor while the photocopy was always attached to the payment voucher. See the attachment (9ia) as evidence to proof.

Request for payment from the contractor was attached with the payment voucher. See the attachment (9ib) as evidence to proof.

Pictorial evidence noted for correction

BoQ is a voluminous book of almost 100 pages usually kept inside the contractor's file which cannot be easily attached with the payment voucher. See the attached photocopy (9ic) of the first page of the BoQ.

Progress Report was not attached because the project had been fully completed.

Final Payment certificate co-signed by the Auditor General not attached is noted for correction.

KADEX EXPRESS LTD-BEING PAYMENT OF CERTIFICATE NO. 3 ON CONSTRUCTION AND FURNISHING OF STUDENTS' HALL LOT 1A ₦4,123,206.57

The Letter of Award was attached with the payment voucher. See the attachment (9iia) as evidence to proof.

Request for payment by the contractor was also attached. See the attachment (9iib) as evidence to proof.

Pictorial evidence not attached is noted for correction

Agreement was attached with the payment voucher. See the attachment (9iic) as evidence to proof.

BOQ not attached with the payment voucher because of its high volume. See the attached (9iid) photocopy of the first page of BOQ.

Progress Report was not attached because the project had been fully completed.

Final Payment certificate co-signed by the Auditor General not attached is noted for correction.

-TKTECH MULTI GLOBAL LTD- BEING PAYMENT OF CERTIFICATE NO.3 ON CONSTRUCTION AND FURNISHING OF STUDENTS' HALL LOT 1B ₦19,925,318.23
Letter of Award was attached with the payment voucher. See the attachment (9iiia) as evidence to proof.

Pictorial evidence not attached is noted for correction
BOQ not attached with the payment voucher because of its high volume. A copy is usually kept inside the contractor's file. See the attached (9iiib) photocopy of the first page of BOQ.

Progress Report was not attached because the project had been fully completed.
-DIAMOND GLOBAL ENGINEERING INVESTMENT LTD-BEING PAYMENT OF CERTIFICATE NO.3 ON CONSTRUCTION OF MAIN GATE WITH SECURITY BUILDING LOT 3. ₦2, 881,071.97

Letter of Award was attached with the payment voucher. See the attachment (9iva) as evidence to proof.

Pictorial evidence not attached is noted for correction

Agreement was attached with the payment voucher. See the attachment (9ivb) as evidence to proof.

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 ₦40,405,668.87 (Forty million, four hundred and five thousand, six hundred and sixty eight naira, eighty seven kobo), being payment without relevant supporting documents.
ii. Recover and remit to Treasury, the sum of ₦40,405,668.87.
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.

MODIBBO ADAMA UNIVERSITY, YOLA

At the Modibbo Adama University, Yola, Adamawa State, for the period 1st January to 31st December, 2024, the following observations were made:

ISSUE 1: STORE ITEMS NOT TAKEN ON LEDGER CHARGE (=₦210,835,085.78)

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. Store items worth ₦210,835,085.78 (Two hundred and ten million, eight hundred and thirty five thousand, eighty five naira, seventy eight kobo) were not taken on ledger charge.
ii. The paid vouchers for the items, which were procured through the IGR, were not supported with Store Receipt Vouchers (SRV) and Delivery Notes.

The above anomalies could be attributed to weaknesses in the internal control system at the Modibbo Adama University, Yola, Adamawa State.

Risks

i. Loss of government funds.
ii. Diversion of public funds.
iii. Items susceptible to pilferage.

Management's Response

The store item now are taken on charge in the store ledger.

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 ₦210,835,085.78 (Two hundred and ten million, eight hundred and thirty five thousand, eighty five naira, seventy eight kobo), being store items not taken on ledger charge.
ii. Recover and remit to the Treasury, the sum of ₦210,835,085.78.
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 spend public funds effectively, prescribed in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2: PAYMENT FOR FOREIGN TRAVELS WITHOUT APPROVAL (=₦28,591,231.13)

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. Five (5) payments totaling ₦28,591,231.13 (Twenty eight million, five hundred and ninety one thousand, two hundred and thirty one naira, thirteen kobo.) were made for oversea travels undertaken by some principal officers of the University in 2024, and
ii. Evidence of approval and clearance from the Office of the Secretary to the Government of the Federation and/or Office of the Head of Civil Service of the Federation as prescribed by the extant regulations, were not presented for audit.

The above anomalies could be attributed to weaknesses in the internal control system at the Modibbo Adama University, Yola.

Risks

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

Management's Response

The university position is that the governing council has a delegated power to authorized such trips.

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 ₦28,591,231.13 (Twenty eight million, five hundred and ninety one thousand, two hundred and thirty one naira, thirteen kobo), being payment made for oversea

travels without approval from the Office of the Secretary to the Government of the Federation and/or Office of the Head of Civil Service of the Federation

ii. Recover and remit the sum of ₦28,591,231.13 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 3: CASH ADVANCES GRANTED ABOVE LIMIT (=₦241,861,642.58)

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. One hundred and twenty seven (127) cash advances totalling ₦241,861,642.58 (Two hundred and forty one million, eight hundred and sixty one thousand, six hundred and forty two naira, fifty eighty kobo), were granted to officers of the University for various transactions such as procurement of items, repair of borehole, purchase of fuel, printing, and other activities, in excess of the approved threshold of ₦200,000.00.

ii. Personal advances amounting to ₦11,000,000.00 (Eleven million naira) were also granted to staff to execute procurement-related activities, and some of the advances were granted in piecemeal to circumvent the approval thresholds, and

iii. The action above resulted to loss of government revenue totaling ₦30,232,705.32 (Thirty million, two hundred and thirty two thousand, seven hundred and five naira, thirty two kobo) that would have accrued from VAT and WHT if the procurements were carried out through the award of contracts.

The above anomalies could be attributed to weaknesses in the internal control system at the Modibbo Adama University, Yola.

Risks

i. Loss of public funds.

ii. Diversion of public funds.

Management's Response

The management acknowledges receipt of the audit observation regarding alleged circumvention of procurement procedures amounting to ₦241,861,642.58. However,

the observation lacks sufficient clarity and specific transaction details such as project tiles, voucher numbers, or dates to enable a comprehensive response. Management therefore respectfully requests that the audit team provide detailed reference to facilitate a full clarification supported by documentation. The attachment of the appendix (iv) to the query is in respect of administrative advance not mobilization fee for 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 Vice Chancellor should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦241,861,642.58 (Two hundred and forty one million, eight hundred and sixty one thousand, six hundred and forty two naira, fifty eighty kobo), being cash advances granted above limit.
ii. Recover and remit to the appropriate tax authorities, the sum of ₦30,232,705.32.
iii. Forward evidence of remittances 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: DIESEL SUPPLIED NOT TAKEN ON STORE LEDGER CHARGE (=₦172,328,573.75)

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. Eight (8) paid vouchers totaling ₦172,328,573.75 (One hundred and seventy two million, three hundred and twenty eight thousand, five hundred and seventy three naira, seventy five kobo) were made for 78,000 litres of diesel (AGO) purportedly supplied but not taken on Store Ledger as required.
ii. Store Receipt Vouchers (SRVs) were raised for certain deliveries contrary to the requirement of extant regulations, and
iii. At the point of discharge, no records were kept to account for the distribution of diesel to end-users.

The above anomalies could be attributed to weaknesses in the internal control system at the Modibbo Adama University, Yola.

Risks

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

Management's Response

The are now taken on charge in the store ledger.

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 ₦172,328,573.75 (One hundred and seventy two million, three hundred and twenty eight thousand, five hundred and seventy three naira, seventy five kobo), being payments for diesel supplied, not taken on store ledger charge.
ii. Recover and remit to the Treasury, the sum of ₦172,328,573.75.
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 spend public funds effectively, prescribed in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 5: IRREGULARITIES IN THE AWARD OF CONTRACTS (=₦115,650,369.41)

Description of Findings

Paragraph 2921(i) of the Financial Regulations (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."

Audit observed that:

i. Ten (10) contracts were awarded at the sum of ₦115,650,369.41 (One hundred and fifteen million, six hundred and fifty thousand, three hundred and sixty nine naira, forty one kobo) without evidence of bidding and submission of quotations for the contracts, and
ii. Payment vouchers were, in several cases, not attached with quotations from prospective bidders, and in other cases, quotations from related contractors and consultants were submitted to justify the contract awards.

The above anomalies could be attributed to weaknesses in the internal control system at the Modibbo Adama University, Yola.

Risks

i. Award to illegitimate contractors.
ii. Diversion of government funds.

Management's Response

The University maintains that all contracts were awarded in strict compliance with the public procurement Act (PPA) 2007 and the procurement procedures manual. Open competitive bidding was the primary method of procurement, in accordance with section 16(1) © and section 24(1) of the PPA 2007.However in a situation of emergency like during examination period, incessant breakdown public supplied of electricity, water shorted, etc. University embarks of single source procurement method as is the case with the ten contractors listed in the table above.

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 ₦115,650,369.41 (One hundred and fifteen million, six hundred and fifty thousand, three hundred and sixty nine naira, forty kobo), being payment for contracts awarded without quotation from contractors.
ii. Recover and remit to the Treasury, the sum of ₦115,650,369.41.
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: EXTRA-BUDGETARY EXPENDITURE (=₦1,157,597,347.70)

Description of Findings

Paragraph 313 of Financial Regulations (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.'' 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." In addition, paragraph 2906 (ii) of the FR (2009) states, "Pursuant to sub-section (i) above, 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. A total expenditure of ₦1,157,597,347.70 (One billion, one hundred and fifty seven million, five hundred and ninety seven thousand, three hundred and forty seven naira, seventy kobo) was incurred from the University's Internally Generated Revenue (IGR) during the 2024 financial year.
ii. Budgetary documents revealed that these expenditures were not provided for in the approved 2024 budget of the University, and
iii. There was no evidence of approval from the Governing Council, Senate, or relevant regulatory agencies (e.g., Federal Ministry of Education, National Universities Commission, and Budget Office) before the expenditures were incurred.

The above anomalies could be attributed to weaknesses in the internal control system at the Modibbo Adama University, Yola.

Risks

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

Management's Response

It supposed to be approved but there was no council then, however the retrospective approval was given by the current council. See appendix v

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 ₦1,157,597,347.70 (One billion, one hundred and fifty seven million, five hundred and ninety seven thousand, three hundred and forty-seven naira, seventy kobo), being extra-budgetary expenditure in 2024 financial year.
ii. Recover and remit to the Treasury, the sum of ₦1,157,597,347.70.
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 7: PAYMENTS WITHOUT APPROVAL OF THE ACCOUNTING OFFICER (=₦33,232,849.28)

Description of Findings

Paragraph 401 (1) of the Financial Regulations (FR) (2009) states, "All disbursements of public funds shall be made by the Accountant General on the authority of the

appropriate Warrant issued to him and also by Accounting Officers entrusted with the expenditure of public fund falling within the votes of charge of their ministries or extra-ministerial offices and other arms of government." Furthermore, paragraph 420 of the FR (2009) states, "Before making any payment a Sub-Accounting Officer shall satisfy himself that …(b) The information furnished on the voucher is correct, the certificates on voucher completed where necessary and the vouchers signed by the appropriate officer…." 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 ₦33,232,849.28 (Thirty three million, two hundred and thirty-two thousand, eight hundred and forty nine naira, twenty eight kobo) was expended for various purposes without the authority and approval of the Vice-Chancellor, who is the Chief Accounting Officer of the University, and
ii. The payment of unapproved expenditure cannot be regarded as a legitimate charge against public funds.

The above anomalies could be attributed to weaknesses in the internal control system at the Modibbo Adama University, Yola.

Risks

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

Management's Response

All payment above ₦50,000.00 threshold are substantiated by the Vice-Chancellor with the exception of routine payments such as Visiting Lecturer's claim, external examiners claim which normally has head of department's signature, endorsement by concerned Dean, Registrar and Bursar. Such payment is furthermore substantiated by appointment letters and student attendance. A few that are not in these categories had VC's approval e.g. convocation souvenirs and accounting software annual maintenance. See appendix ix

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 Committee of the National Assembly, the sum of ₦33,232,849.28 (Thirty three million, two hundred and thirty two thousand, eight hundred and forty nine naira, twenty eight kobo), being payment without the approval of the Accounting Officer.
ii. Recover and remit to the Treasury, the sum of ₦33,232,849.28.
iii. Forward evidence of remittance to the Public Accounts Committee of the National Assembly,
iv. Otherwise, sanctions relating to gross misconduct and failure to account for public funds specified in paragraphs 3129 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 8: UNRETIRED CASH ADVANCES (=₦150,078,697.84)

Description of Findings

Paragraph 1420 of the Financial Regulations (FR) (2009) states, "It is the responsibility of all Accounting Officers to ensure that all advances granted to officers are fully recovered." Furthermore, paragraph 2302 (ii) of the 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 sum of ₦150,078,697.84 (One hundred and fifty million, seventy eight thousand, six hundred and ninety seven naira, eighty four kobo) granted to three hundred and eighty nine (389) staff as cash advances during the year 2024 remained unretired as at June 2025, and
ii. Several officers who had not retired previous advances were still granted additional ones, thus having multiples of advances unretired, in contravention of the above extant regulations.

The above anomalies could be attributed to weaknesses in the internal control system at the Modibbo Adama University, Yola.

Risks

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

Management's Response

Efforts are made to get the advances retired.

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 ₦150,078,697.84 (One hundred and fifty million, seventy eight thousand, six hundred and ninety seven naira, eighty four kobo), being unretired cash advances.
ii. Recover and remit to the Treasury, the sum of ₦150,078,697.84.
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 9: FAILURE TO INSURE MOTOR VEHICLES

Description of Findings

Section 68 of the Insurance Act, (1997), states "No vehicles, inclusive of Government vehicles, shall be used on a road 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 referenced 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. Similarly, 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;" 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, section 7 (d) of the National Insurance Commission (NAICOM) Act, 2003, states, "The Commission shall ensure adequate protection of strategic government assets and properties."

Audit observed that:

i. The University has a total of seventy eight (78) motor vehicles of various types in its fleet, but only twenty three (23) vehicles were serviceable, and
ii. Evidence of insurance of the vehicles with registered insurance companies against probable loss was not provided for audit.

The above anomalies could be attributed to weaknesses in the internal control system at the Modibbo Adama University, Yola.

Risks

i. Exposure of government assets to loss.
ii. Exposure of government assets to destruction.

Management's Response:

In compliance with the relevant law all university assets are insured under and annual cover receipt for the payment of premium are always attached to the payment voucher and photocopy kept in the relevant file in the Bursar's office the auditors most have cited this document.

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. Justify to the Public Accounts Committees of the National Assembly, the non-insurance of government assets.
ii. Evaluate the total of the University's serviceable vehicles and obtain an insurance cover to indemnify risks and protect them from financial and economic loss.
iii. Forward evidence of insurance cover 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 10: STORE ITEMS NOT TAKEN ON LEDGER CHARGE (=₦46,096,707.80)

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 procured various items totaling ₦46,096,707.80 (Forty six million, ninety six thousand, seven hundred and seven thousand, eighty kobo) during the year.
ii. The Store Receipt Vouchers (SRVs), which are required as evidence of receipt of the supplies, were not attached to the payment vouchers, and
iii. There was no evidence of end-user acknowledgment or certification confirming receipt of the items from stores.

The above anomalies could be attributed to weaknesses in the internal control system at the Modibbo Adama University, Yola.

Risks

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

Management's Response

The missing document are now available and update the ledger accordantly.

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 ₦46,096,707.80 (Forty six million, ninety six thousand, seven hundred and seven naira, eighty kobo), being store items not taken on store ledger charge.
ii. Recover and remit to the Treasury, the sum of ₦46,096,707.80.
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.

OBAFEMI AWOLOWO UNIVERSITY, ILE-IFE

At the Obafemi Awolowo University, Ile-Ile, for the period 1st January to 31st December, 2024 the following observations were made:

ISSUE 1: NON-REMITTANCE OF INTERNALLY GENERATED REVENUE TO CRF (=₦623,133,012.46)

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 sum of ₦5,486,647,514.43 (Five billion, four hundred and eighty six million, six hundred and forty seven thousand, five hundred and fourteen naira, forty three kobo) was generated in the year 2024.
ii. Administrative charges were applied to the total revenue in paragraph (i) above, reducing the revenue to ₦2,477,380,880.89 (Two billion, four hundred and seventy seven million, three hundred and eighty thousand, eight hundred and eighty naira, eighty nine kobo).
iii. Evidence of remittance of 25% of the residual revenue of ₦2,477,380,880.89, amounting to ₦619,345,220.22 to the Consolidated Revenue Fund (CRF) were not availed to audit.
iv. The sum of ₦33,787,792.24 (Thirty three million, seven hundred and eighty seven thousand, seven hundred and ninety two naira, twenty four kobo), being independent and statutory revenue from tenders fees, contractors' registration, etc, which is supposed to be remitted 100% to the CRF was not remitted as required, and
v. Out of the total of (₦619,345,220.22+₦33,787,792.24) ₦653,133,012.46 (Six hundred and fifty three million, one hundred and thirty three thousand, twelve naira, forty six kobo) only the sum of ₦30,000,000.00 was remitted to CRF, while the balance of ₦623,133,012.46 (Six hundred and twenty three million, one hundred and thirty three thousand, twelve naira, forty six kobo) was not remitted.

The above anomalies could be attributed to weaknesses in the internal control system at the Obafemi Awolowo University, Ile-Ile.

Risks

i. Diversion of revenue.
ii. Loss of revenue.
iii. Inability to fund budget.

Management's Response
All collections from students are tagged charges e.g. Accommodation, Identity Cards, Convocation Ceremonies were utilized for the purpose for which they were charged. There are 3rd Party Funds such as Prizes & Endowments, Scholarship & Bursary Awards, Electricity, Insurance Claims etc.

All independent revenue such as Tender Fees, Ground Rent, House Rent Contractor's Registration fees etc. go directly to Consolidated Revenue Fund Account in compliance with Treasury Circular. (See 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 ₦623,133,012.46 (Six hundred and twenty three million, one hundred and thirty three thousand, twelve naira, forty six kobo), being 25% of the IGR from January to December, 2024, not remitted appropriately.
ii. Recover and remit to Treasury, the sum of ₦623,133,012.46.
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: NON-SUBMISSION OF AUDITED FINANCIAL STATEMENTS

Description of Findings
Section 23(3) of the Fiscal Responsibility Act (2007) states, "Each corporation shall, not later than three months after the end of its financial year, cause to be prepared and published its audited financial reports in accordance with such rules as may be prescribed from time to time." 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 and the Accountant-General not later than 31st May of the following year of Account."

Inspite of the above extant regulations:
i. The University failed to submit the Audited Financial Statements and Management Reports for 2023 and 2024 financial years to the Auditor-General for the Federation, and
ii. There was no justification provided for the non-submission of the Audited Financial Statements, as required by extant regulations.

The above anomalies could be attributed to weaknesses in the internal control system at the Obafemi Awolowo University, Ile-Ife.

Risks

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

Management's Response

The 2023 Accounts already approved and submitted to appropriate offices while the 2024 Audited Account will be submitted on or before the 29th of January, 2026. Evidence of submission of 2023 account is attached herewith

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. Justify to the Public Accounts Committees of the National Assembly, the non-submission of the Audited Financial Statements of the University for 2023 and 2024 to the Auditor-General for the Federation.
ii. Produce the Audited Financial Statements for the years in (i) above, and the corresponding Management Letter/Report as required by extant regulations.
iii. Forward copies of the Audited Financial Statements and Auditor's Report thereon to both the Public Accounts Committees of the National Assembly and the Auditor-General for the Federation, and
iv. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

ISSUE 3: IRREGULARITIES IN THE PROCUREMENT OF VEHICLES (=₦194,071,807.55)

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 41(2) of the 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. Similarly, section 51(6) of the PPA (2007) states, "The successful proposals shall be: (a) the proposals with the best combined evaluation in terms of the criteria established under subsection (1) of this Section from price in the case of quality and cost-based selection; (b) the proposals with the lowest price in the case of least-cost selection." 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.'' In addition, paragraph 7(i) of the Financial Regulations (FR) (2009) states, "Any directive to the Accounting Officer by a Political Head having financial implications on the ministry, agency or parastatal shall be in writing." Similarly, paragraph 7(ii) of the FR (2009) states, "Should the implementation of a directive from a Political Head result in an unauthorized

expenditure, and/or contravene extant rules and regulations, the Accounting Officer shall be responsible for such an unauthorized expenditure unless a report had been made by the Accounting Officer to the Head of Service, in the case of ministries/extra-ministerial offices, or to the Minister, in the case of Parastatals."

Audit observed that:

i. The University paid the sum of ₦194,071,807.55 (One hundred and ninety four million, seventy one thousand, eight hundred and seven naira, fifty five kobo) for the procurement of two (2) Toyota Camry vehicles, which was awarded to a company on 16th October, 2024.
ii. The Contract which was paid on 15th November, 2024 was not supported with evidence of approval from the Ministerial Tenders Board, despite exceeding the University Tenders' Board approval threshold.
iii. The Pro-Chancellor (who has no legal authority) approved the disbursement of funds on 28th October 2024, instead of the Vice-Chancellor, in contravention of paragraph 111 (1) of Financial Regulations.
iv. Although the Acting Director (VC's Office) conveyed an approval purportedly from the Vice-Chancellor, no documentary evidence of the Vice-Chancellor's approval was provided to the audit team. This indicates non-compliance with due process and improper delegation of financial authority.
v. The sum of ₦94,896,250.00 was paid to another company on 21st June, 2024, for the procurement of one (1) Toyota Camry without adherence to due process, as the contract was not publicly advertised, instead, the University merely obtained quotations from selected Toyota Distributors, contrary to the provisions of the Public Procurement Act 2007, which mandates open competitive bidding for procurements above the approved threshold.
vi. There was no evidence that a Certificate of "No Objection" was obtained from the Bureau of Public Procurement (BPP), and
vii. Evidence of registration of the three (3) vehicles with the relevant licensing authorities were also not provided, hence the University lacked proof of ownership of the vehicles.

The above anomalies could be attributed to weaknesses in the internal control system at the Obafemi Awolowo University, Ile-Ife .

Risks

i. Award of contract to cronies.
ii. Loss of government funds.
iii. Diversion of government vehicles.

Management Response

The error has been noted. However, this was due to a gap in the Procurement Department as a result of restructuring. The Procurement Department is now fully restructured and in full operation with competent professionals appointed to man it, This mistake will not be repeated. Attached herewith are all the documents on the vehicles 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 Vice Chancellor should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦194,071,807.55 (One hundred and ninety four million, seventy one thousand, eight hundred and seven naira, fifty five kobo), being payment for irregular procurements.
ii. Register the vehicles with the relevant licensing authorities.
iii. Forward evidence of registration to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular award of contract and punishment for contravening any of the offences in the Public Procurement Act as stipulated in paragraphs 3117 and 3126 of the Financial Regulations (2009) respectively, should respectively.

UNIVERSITY OF ABUJA, ABUJA

At the University of Abuja, Abuja, for the period 1st January to 31st December, 2024, the following observations were made:

ISSUE 1: CASH ADVANCES GRANTED ABOVE LIMIT (=₦134,795,731.38)

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. One hundred and five (105) payment vouchers totaling ₦1,078,365,851.06 (One billion, seventy eight million, three hundred and sixty five thousand, eight hundred and fifty one naira, six kobo) were raised and paid to two hundred and ninety six (296) officers of the institution for direct procurement of food stuff meant for feeding of students.
ii. The payments, which was above the threshold of ₦200,000.00 would have been awarded through contracts, and
iii. The payments to staff instead of awarding contracts deprived government of revenue that would have accrued through 7.5% Value Added Tax and 5% Withholding Tax (WHT) totaling ₦134,795,731.38 (One hundred and thirty four million, seven hundred and ninety five thousand, seven hundred and thirty one naira, thirty one kobo).

The above anomalies could be attributed to weaknesses in the internal control system at the University of Abuja, Abuja.

Risks

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

Management's Response

Management stated that the University did not circumvent procurement procedures, explaining that the cash advances were issued for accreditation exercises, convocation and matriculation ceremonies, fieldwork and excursions (as core academic requirements), touring advances for drivers, and urgent minor repairs by Acting Heads of Works and Services.

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 ₦134,795,731.38 (One hundred and thirty four million, seven hundred and ninety five thousand, seven hundred and thirty one naira, thirty one kobo), being revenue that would have accrued through statutory taxes.
ii. Recover and remit to the Treasury, the sum ₦134,795,731.38.
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: UNACCOUNTED GOVERNMENT VEHICLES

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…" Also, section 56(1) of the Public Procurement Act (PPA) (2007) states, "Before slating any public property for disposal, the accounting officer (Whether acting in his own authority or at the direction of any superior or other authority (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 valuation." Furthermore, section 55(3) of the PPA (2007) states, "Open competitive bidding shall be the primary method for the disposal of any public property offered for sale."

Audit observed that:

i. A total of eight (8) vehicles were not sighted during audit inspections at the University of Abuja, and similar content was not found in the official vehicle register.

ii. While some of the vehicles were said to have been released to the former principal officers as parting gifts upon exit from the University, as detailed in the Table below, others were said to have been disposed of.

PLATE N0	VEHICLE MAKE	YEAR	CHASSIS N0	PRESENT LOCATION
50Z01FG	TOTAL LAND CRUISER			IMMEDIATE PAST VC
50Z07Z50	TOYOTA CAMRY	2018		PAST BURSAR
50Z02FG	TOYOTA LAND CRUISER	2013	JTMHS09J6D4039491	MISSING
FG83Z50	TOYOTA CAMRY			IMMEDIATE PAST LIBRARIAN
FG61Z50	TOYOTA CAMRY			IMMEDIATE PAST BURSAR
50Z06FG	TOYOTA COROLLA			REGISTRAR
50Z04FG	HYUNDAI ELENTRA			DVC ACADEMIC
50Z05FG	HYUNDAI ELENTRA			DVC ADMIN

iii. Some former principal officers were reportedly granted ownership of the vehicles at 50% of their net book value, purportedly approved by the Council.
iv. Evidence of an Independent Valuation Report by professionals, open competitive bidding, and compliance with disposal procedures were not provided to auditors, and
v. There was also no evidence of due process followed at the University in the disposal of the assets.

The above anomalies could be attributed to weaknesses in the internal control system at the University of Abuja, Abuja.

Risks

i. Loss of Assets.
ii. Diversion of Assets.
iii. Loss of Revenue.

Management's Response

Management stated that there are no missing vehicles in the University and referred the audit to pages 131–132 (Appendix XII), containing the Transport Officer's analysis of the vehicles

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 eight (8) vehicles either disposed off without following due process, or carted away by the former principal officers of the University.

ii. Recover the eight (8) University-owned vehicles from the former principal officers.
iii. Forward evidence of recovery to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to failure to collect government assets after payment and failure to pay for use of government property in paragraphs 3109 and 3113 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, 2024, the following observations were made:

ISSUE 1: DENIAL OF ACCESS TO FINANCIAL RECORDS OF THE UNIVERSITY (=₦29,598,146,975.00)

Description of Findings

Section 85(2) of the Constitution of the Federal Republic of Nigeria, 1999 (as amended) states "…The public accounts of the Federation and of all offices and courts of the Federation shall be audited and reported on by the Auditor-General who shall submit his reports to the National Assembly; and for that purpose, 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 those accounts. Also, 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."

Audit observed that:

i. The University denied access to relevant documents and information relating to the expenditure of ₦29,598,146,975.00 (Twenty nine billion, five hundred and ninety eight million, one hundred and forty six thousand, nine hundred and seventy five naira) incurred during the year 2024, and
ii. Audit could not attest that the expenditure of ₦29,598,146,975.00 in (i) above was validly charged against public funds.

The above anomalies could be attributed to weaknesses in the internal control system at the University of Lagos, Akoka.

Risks

i. Misapplications and misappropriations of funds.
ii. Diversion of public funds.
iii. Loss of funds

Management's Response

As outlined on the cover page, there was no refusal to provide records to the team. The under-listed addresses the specific documents raised and all attachments 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 Vice Chancellor should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦29,598,146,975.00 (Twenty nine billion, five hundred and ninety eight million, one hundred and forty six thousand, nine hundred and seventy five naira), being expenditure incurred by the University to which access to financial records and documents was denied.
ii. Recover and remit to the Treasury, the sum of ₦29,598,146,975.00.
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 as prescribed in paragraphs 3106 and 3115 of the Financial Regulations (FR) (2009) respectively, should apply.

ISSUE 2: VIOLATION OF E-PAYMENT POLICY OF THE FEDERAL GOVERNMENT (=₦116,374,844.25)

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 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 sum of ₦116,374,844.25 (One hundred and sixteen million, three hundred and seventy four thousand eight hundred and forty four naira, twenty five kobo) was paid to different recipients other than actual beneficiaries provided in the report, and
ii. There was no evidence to show that the payments to the third party recipients were given to the ultimate beneficiaries.

The above anomalies could be attributed to weaknesses in the internal control system at the University of Lagos, Akoka.

Risks

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

Management's response

"Management categorically states that no diversion of funds occurred and that the expenditures were legitimate and authorized for purposes to which they were meant…For all expenditures, both research-related and hospitality-related, the University maintains that verifiable supporting evidence were attached to the payment vouchers and retirement documents. These include signed acknowledgements by beneficiaries, receipts for lodging, consumables, and services, workshop attendance sheets, activity reports, vendor invoices, and expenditure breakdowns. All cited expenditures were therefore legitimate, duly documented, fully traceable to authorized research and administrative purposes, and executed in compliance with donor conditions and internal control procedures. Additionally, all related documents were made available during the audit exercise. No funds were diverted, misapplied, or utilized for unauthorized purposes."

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 ₦116,374,844.25 (One hundred and sixteen million, three hundred and seventy four thousand eight hundred and forty four naira twenty five kobo), being payments made in violation of e-payment policy of the Federal Government.
ii. Recover and remit to the Treasury, the sum of ₦116,374,844.25.
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: IRREGULARITIES IN THE AWARD OF CONTRACTS (=₦175,058,616.88)

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, section 41 (1) of the Public Procurement Act (PPA) (2007) states "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." Furthermore, section 41 (2) of the PPA (2007) states, "Generally quotations shall be obtained from at least 3 unrelated contractors or suppliers."

Audit observed that:

i. The sum of ₦175,058,616.88 (One hundred and seventy five million, fifty eight thousand, six hundred and sixteen naira eighty eight kobo) was paid to a company, being the cost of contract for the rehabilitation of Water Distribution System.
ii. The four (4) companies shortlisted for the contract, as indicated from the Corporate Affair Commission (CAC) status, revealed that the companies were owned by the same Directors, hence, the contract was awarded to related companies against the provisions of the above extant regulations, and
iii. Only one contractor, acting for and answering for four (4) names, was provided for the contract award, in violation of the principles of competitive bidding and due process.

The above anomalies could be attributed to weaknesses in the internal control system at the University of Lagos, Akoka.

Risks

i. Diversion of Government funds.
ii. Substandard contract performance.
iii. Loss of government funds.

Management's Response

The comment in vii. above is not true as all the internal audit reports raised with the Vice Chancellor on wrong procurement process in the Faculties were raised at various times with the Dean and HODs. Procurement and finance trainings were organized for them yearly to educate them on the processes.

The University Management reiterates that all procurement activities, including the Rehabilitation of the Water Distribution System, were conducted in strict compliance with the Public Procurement Act 2007 and extant guidelines. There was no bid rigging as claimed by the Audit team.

The process of award of the above-named contract was by way of advertisement in the National dailies and the University procurement unit only processed received interest.

The University carried out due diligence on the lowest evaluated responsive bidder, (Ibadak Construction) in line with the extant circular with the Ref. No. SGF.50/5.52/III/652 on Conduct of Post-Qualification/Due Diligence on recommended bidders for consideration for award of contract. The Due Diligence Report attached and Marked Appendix 2.

In addition, the Management had taken proactive steps in alerting its procurement unit on the need to include analysis and evaluation of corporate ownership in its due

diligence and also to blacklist companies involved in submitting bid for companies with same corporate ownership on same contract.

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 ₦175,058,616.88 (One hundred and seventy five million, fifty eight thousand, six hundred and sixteen naira eighty eight kobo), being payments made for contracts irregularly awarded.
ii. Recover and remit to the Treasury, the sum of ₦175,058,616.88.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular award of contracts and punishment for contravening any of the offences in the Public Procurement Act as stipulated in paragraphs 3117 and 3126 of the Financial Regulations (2009) respectively, should apply.

ISSUE 4: SPLIT OF CONTRACT TO CIRCUMVENT PROCUREMENT DUE PROCESS (=₦727,441,614.90)

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 University awarded contracts for the supply of stores as well as repairs and renovation work at the cost of ₦727,441,614.90 (Seven hundred and twenty seven million, four hundred and forty one thousand, six hundred and fourteen naira, ninety kobo).
ii. The items were either procured through the same companies or different companies, but in a fragmented manner, with contract sums kept within the approval thresholds of the Vice-Chancellor.
iii. In many cases, the items were procured on the same day, and at other times paid for on the same day.
iv. The irregular procurement was made despite an appeal to the Vice Chancellor on the practice by both the Procurement and Audit Departments, and
v. The items purportedly procured could not be verified and authenticated by Audit because the items could not be traced to the Store Ledgers despite the issuance of Good Received Notes (Store received vouchers) by the University.

The above anomalies could be attributed to weaknesses in the internal control system at the at the University of Lagos, Akoka.

Risks

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

Management's response

"The auditors claim on appeals to the Vice Chancellor have been refuted in issue 3 raised above. Proactive actions have always been taken. The University Management firmly clarifies that there were no contract splitting, no attempt to circumvent procurement thresholds, and no diversion or loss of public funds. While we accept the delay in documentation or timing lapses which may have occurred due to operational hitches, these were administrative in nature and did not compromise compliance, transparency, or value for money…The University rejects the suggestion that "documents might have been merely prepared to enable withdrawal of funds. ALL purchases within the University are verified by the internal audit before payment are made. Deliveries, storage and usage are controlled by the user departments and hence sometimes the store is not alerted on such deliveries. However, subsequently, management have decided that all deliveries whether taken into the central store or not must be accompanied with store received notes (SRN) and issued vouchers (SIV) irrespective of audit verification prior to payment processing. The University remains committed to continuous improvement in documentation, internal controls, and full compliance with the Public Procurement Act."

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 Committee of the National Assembly, the sum of ₦727,441,614.90 (Seven hundred and twenty seven million, four hundred and forty-one thousand, six hundred and fourteen naira, ninety kobo), being split of contracts to circumvent procurement due process.
ii. Recover and remit to the Treasury, the sum of ₦727,441,614.90.
iv. Forward evidence of remittance to the Public Accounts Committee of the National Assembly, and
v. Otherwise, sanctions relating to split of contracts and irregular or wrong payment stipulated in paragraphs 3116 and 3106 of the Financial Regulations (2009) respectively should apply.

ISSUE 5: IRREGULARITIES IN THE AWARD OF CONTRACT (=₦226,755,017.50)

Description of Finding

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, 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 51(6) of the PPA (2007) states, "The successful proposals shall be: (a) the proposals with the best combined evaluation in terms of the criteria established under subsection (1) of this Section from price in the case of quality and cost-based selection; (b) the proposals with the lowest price in the case of least-cost selection."

Audit observed that:

i. Contract for the rehabilitation of Electrical Supply and Distribution System was awarded to a company that was ranked 4th at the cost of ₦226,755,017.50 (Two hundred and twenty six million seven hundred and fifty five thousand, seventeen naira, fifty kobo) instead of a contractor with the responsive bid of ₦124,075,425.00 (One hundred and twenty four million, seventy five thousand, four hundred and twenty five naira).
ii. The contract in (i) above was awarded despite the fact that another contractor with a bid of ₦124,075,425.00 (One hundred and twenty four million, seventy five thousand, four hundred and twenty five naira) was recommended by the University's Bid Evaluation Committee in September 2024 as the lowest cost bidder among four (4) companies, and
iii. The contractor with the lowest cost bidder of ₦124,075,425.00 and most responsive, was persuaded by the University to give up the contract. However, the contractor indicated his strong willingness to execute the contract which the Management unilaterally awarded to their preferred contractor at the inflated cost in (i) above.

The above anomalies could be attributed to weaknesses in the internal control system at the University of Lagos, Akoka.

Risks

i. Award at inflated cost.
ii. Diversion of funds.
ii. Loss of public funds.

Management's Response

The contract for the rehabilitation of Electrical Supply and Distribution System (LOT 1) was initially awarded to Messrs. Onicon Resources Limited in September 2024 after the company convinced the Technical Evaluation Committee of its readiness to execute the project at the quoted amount. However, by a letter dated 8th October 2024, Messrs. Onicon Resources Limited requested an upward review of the contract sum. This request constituted a counter-offer, thereby rendering the original offer and award void.

Following the cancellation of the initial award, the next ranked bidder, Messrs. Ashfad Nigeria Limited, was contacted via a letter dated 23rd October 2024, duly acknowledged by the company. Despite this, the firm did not respond to the

Procurement Department's request to confirm its willingness and capacity to undertake the project.

Thereafter, Messrs. Volatix Products Limited, being the next responsive bidder, was contacted and formally confirmed its readiness to execute the project in line with the required specifications and timelines.

It is important to note that Section 33(1) of the Public Procurement Act (PPA) 2007 provides that the successful bid shall be that submitted by the *lowest cost bidder* among those responsive to the bid solicitation. Section 33(2) however permits that the selected bidder need not be the lowest cost bidder where the procuring entity can demonstrate valid grounds derived from the provisions of the Act. In this instance, the upward price request by the initially selected lowest bidder and the non-response of the next ranked bidder constituted sufficient grounds to proceed to the next substantially responsive and willing contractor.

Management affirms that the procurement process followed the provisions of the PPA 2007 and was undertaken in the best interest of the University. Relevant documents attached 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 ₦124,075,425.00 (One hundred and twenty four million seventy five thousand, four hundred and twenty five naira), being payment for irregular award of contracts.
ii. Recover and remit to the Treasury, the sum of ₦124,075,425.00
iii. Forward evidence of remittance to the Public Accounts Committee of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment, failure to spend public funds effectively, payment for jobs not executed and gross misconduct prescribed in paragraphs 3106, 3115, 3104 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 6: AWARD OF CONTRACTS TO RELATED COMPANIES (=₦1,309,471,672.01)

Description of findings

Section 41(1) of the Public Procurement Act (PPA) (2007) states, "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." Furthermore, section 41(2) of the PPA (2007) states "Generally quotations shall be obtained from at least 3 unrelated contractors or suppliers." Similarly, section 16(8) of the PPA (2007) states, …a bidder may have its

bid or tender excluded from any particular procurement proceeding if….(g) the bidder fails to submit a statement regarding its dominating or subsidiary relationships with respect to other parties to the proceedings and persons acting on behalf of the procuring entity participating in same proceeding or whom remains in subordinate relationship with other participants to the proceedings."

Audit observed that:

i. Management of the University awarded contracts for construction work, renovation, supply of stores, etc., amounting to ₦1,309,471,672.01 (One billion three hundred and nine million, four hundred and seventy one thousand, six hundred and seventy two naira, one kobo) during the year, when Lots were bided and quotations were submitted by companies owned by the same Directors, resulting in a compromised procurement process and award to related contractors.
ii. The contracts awarded for the sum in (i) above, followed a manipulated and loosed procurement process to the extent that valuation certificates were not signed, contracts were awarded to non-bidders, at higher prices, and to ineligible companies; construction contracts were awarded to enterprises without capacity; inspection reports were dated before contract award; indiscriminate procurement by departments; among others, as revealed in the procurement records, among others, and
iii. Evidence of records such as pre-qualification documents, evidence of similar work done by contractors, contract agreements, and other contract records were not found in the contract file.

The above anomalies could be attributed to weaknesses in the internal control system at the University of Lagos, Akoka.

Risks

i. Payment for work not done.
ii. Award to cronies at inflated prices.
iii. Loss of public funds.

Management's Response

i. Management maintains that no contract racketeering occurred.
ii. Management disavows that its procurement processes were not free, open, competitive and transparent. The 3 companies quoted are not owned by the same directors as insinuated by the Auditors. Management confirms that contracts were awarded to multiple vendors during the year in line with the Public Procurement Act (PPA) 2007, which encourages broad vendor participation, prevents monopoly, and ensures timely project delivery. Therefore, the award of contracts to several vendors does not constitute an infraction. On the issue of staff allegedly acting as contractors, Management clarifies that activities funded through cash advances were minor urgent repairs and administrative tasks, not procurement contracts. These activities are permissible for low-value operational needs. The Efficiency Unit verifies prices to ensure alignment with market rates and value-for-money. There were no instances of inflated pricing or staff receiving contracts at high rates.
iii. Management disagrees with the assertion of a "loose procurement process." The unsigned valuation certificates identified were due to administrative oversights arising from document movement between departments. These were not procedural breaches, and the claim by the auditors that 'contracts were awarded

merely to exhaust available votes' cannot be substantiated. With respect to the allegation that three companies—Arid Builders Nig. Ltd., Organitex Consultants Ltd., and Widebeam International Ltd.—share the same directors, Management states clearly that the directors of these companies are not the same, and no evidence supports the allegation of shared ownership. Verification is provided in the attached pre-qualification documents and attached as appendix 5 additionally, these companies did not participate in the same bidding processes or procurement lots. Each responded to different project needs and underwent independent procurement procedures in accordance with the PPA 2007. Finally, Management affirms that procurement activities followed due process, including advertisements, bid opening sessions, technical and financial evaluations, and Tenders Board approvals. There was no restriction of competition or deprivation of other 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 Vice Chancellor should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦1,309,471,672.01 (One billion three hundred and nine million four hundred and seventy one thousand six hundred and seventy two naira one kobo), being payments for contracts awarded to related companies.
ii. Recover and remit to the Treasury, the sum of ₦1,309,471,672.01.
iii. Forward the evidence of remittance to the Public Accounts Committee of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment, failure to spend public funds effectively, payment for jobs not executed and gross misconduct prescribed in paragraphs 3106, 3115, 3104 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 7: CASH ADVANCES GRANTED ABOVE LIMIT (=₦82,925,572.49)

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. Cash advances totaling ₦82,925,572.49 (Eighty two million, nine hundred and twenty five thousand, five hundred and seventy two naira, forty nine kobo) were granted to staff in excess of the previous approved limit of ₦200,000.00 limit, and in many cases, above the new limit of ₦1,000,000.00.
ii. The amounts in paragraph (i) above were paid to staff accounts for the procurement of assorted drinks, painting work, procurement of laptops, refrigerators, printing works, etc., even when the University had a printing company.
iii. The items procured through cash advances could not be traced to the relevant records such as the store ledger and the Fixed Assets register of the University, and
iv. The incessant cash advances deprived the government of revenue that would have accrued through taxes if contracts were awarded.

The above anomalies could be attributed to weaknesses in the internal control system at the University of Lagos, Akoka.

Risks

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

Management's Response

Management affirms that the University's standard procurement method remains award of contracts through competitive bidding, in line with the Public Procurement Act, 2007. It is important to clearly state that the University of Lagos did not circumvent procurement processes, did not divert public funds, and did not engage in any acts of financial impropriety. All expenditures referenced under this issue were incurred legitimately, approved appropriately, and utilized strictly guided by financial regulations, research guidelines, emergency conditions, and donor-funding requirements for University operations.

The University does not routinely use staff accounts for procurement, as opined by the auditors. However, cash advances were granted in limited situations to enable urgent operational needs. Management wishes to draw attention to the fact that several of the advances cited relates to research grants funded by TETFund and foreign donors. Many of the advance also relates to those taken for conference attendance and not procurement. TETFund and foreign research grants are used for research works and many times does not involve procurement. Funds are disbursed to Principal Investigators in tranches, and no new tranche is released until the earlier one is fully retired. Research advances cover activities such as fieldwork, organizing workshops, data collection, laboratory analysis, research assistants' stipends, and specialized equipment necessary for the specific research agenda. These advances are released in phases consistent with global best practices for grant management. Management also wishes to clarify that some of the flagged advances were issued to support large-scale University events such as annual convocation ceremonies, professorial chair lectures, International Week, accreditation and professional body visits, high-level workshops, and conferences. These events require complex logistics and immediate expenditures, including, refreshments and hospitality for guests, hiring of protocol vehicles, audio-visual support services, and emergency consumables. Advances are therefore issued to ensure smooth execution of these strategic University events, and

all related expenditures were retired with supporting documentation and available on file. Expenditures incurred for professorial chair lectures were guided by the terms of the endowments and chair guidelines, which often require urgent responsiveness. Staff advances were employed to ensure seamless execution of these academic obligations. Advances were also used for urgent repairs of operational University vehicles. Standard mechanic shops will require payment before repair work can commence while other smaller mechanic shops do not have the capital to carry out some repairs before payment are made. Hence, the University resolve to the use of advance or refund for accountability. A notable example is the University's fire truck, a critical emergency response asset, which experienced mechanical failure requiring immediate repair. Operating without a functional fire truck would have placed the entire University community at significant risk. Given the urgency and the vendor's requirement for immediate payment for parts and repairs, advances were provided to ensure the truck was restored without delay. Several advances were also used to support urgent repairs of buildings and infrastructure, particularly student hostels. In some cases, perimeter fences around hostels collapsed, exposing students to potential security threats, unauthorized access, and risk of further structural deterioration. These were carried out as direct labour. The urgency of such situations required immediate repair, as delaying action to follow full procurement cycles would have endangered students and violated safety obligations. Advances enabled rapid mobilization of artisans and materials to secure the affected areas. Most of these advances have been retired, while the few pending cases are currently undergoing reconciliation. With respect to documentation, the Audit Team noted that some items were not immediately traceable to Store Ledgers or the Fixed Asset Register. This was due to delayed postings, operational backlogs during peak periods. As explained earlier, the auditors verify all supplies and store notes are mandated to be issued, even though the items are not retained in the store, before payments are made.

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. Justify to the Public Accounts Committees of the National Assembly, the sum of ₦82,925,572.49 (Eighty two million, nine hundred and twenty five thousand, five hundred and seventy two naira, forty nine kobo), being cash advances granted to staff above the statutory limit.
ii. Recover and remit to the Treasury, the sum of ₦82,925,572.49.
iii. Forward the evidence of remittance to the Public Accounts Committee 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: UNACCOUNTED WITHDRAWALS FROM THE UNIVERSITY'S FUNDS (=₦240,768,596.00)

Description of Findings

Paragraph 1420 of the Financial Regulations (FR) (2009) states, "It is the responsibility of all Accounting Officers to ensure that all advances granted to officers are fully

recovered." Furthermore, paragraph 2302 (ii) of the 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." In addition, paragraph 1405 of the FR (2009) states, "Accounting Officers are responsible for ensuring the prompt repayment of all advances by installments or otherwise." 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." Additionally, paragraph 713 of the 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 ₦240,768,596.00 (Two hundred and forty million, seven hundred and sixty eight thousand, five hundred and ninety six naira) was reported in paragraph 8 of the Domestic Report of the University's Audited Accounts for the year ended 2023, being funds withdrawn by undisclosed persons between 2008 and 2023.

Unrecovered public funds from undisclosed persons in 2023 Financial Statements.

YEAR	AMOUNT ₦
2023	80,241,022.00
2022	86,479,342.00
2021	24,745,911.00
2020	13,942,991.00
2019	7,177,503.00
2018	470,000.00
2017	132,400.00
2016	100,000.00
2015	8,085,000.00
2014	11,665,500.00
2013	2,409,400.00
2012	568,800.00
2011	1,298,428.00
2010	1,314,000.00
2008	15,000.00
Unspecified	2,223,300.00
Total	**240,768,596**

Source: Consolidated Financial Statements & Domestic Report of the University for 2023

ii. The Management neither provided the names of the beneficiaries nor justification for the withdrawal of the funds, and

iii. The sum in (i) above, withdrawn by undisclosed staff, could not be accounted for by the Management of the University.

The above anomalies could be attributed to weaknesses in the internal control system at the University of Lagos, Akoka.

Risks

i. Diversion of public funds.

ii. Loss of public funds.

Management's Response

The University has long-established policies that strictly govern the issuance, retirement, and recovery of advances released to staff. These policies have consistently guided the handling of financial advances and have served as internal safeguards against misuse of public funds. The key provisions include;

Any advance not retired within one month of release with the exception of research related advance is automatically recovered through monthly salary deductions until the full amount is cleared.

A staff member with an outstanding advance is not eligible for a new advance until previous obligations have been fully retired or recovered.

The University maintains a firm policy that no staff member with an unretired advance is cleared to exit the system upon resignation, retirement, transfer, or expiration of appointment until the outstanding advance is fully accounted for. This measure ensures that no public fund remains unrecovered due to staff movement.

It is important to emphasize that a substantial portion of the outstanding amount relates to research advances, which, by their nature, do not conform to the standard one-month retirement time frame. Research projects often span extended period, sometimes years and their retirement is dependent upon completion.

Management wishes to address the Auditor's comment that "the amount cannot be written off without the approval of the Minister and the Auditor-General for the Federation as required under FR 231*."*

Firstly, it is necessary to clarify that the comment made during the audit exit meeting may have been misinterpreted by the auditors. The unretired advances were said to be deducted from the staff salary until it is fully recouped or till retirement is done. The amount recouped is then used to offset the advance taken by the staff and not written off as implied by the Auditors. The discussion during the exit meeting referred only to the possibility that some of the advances recorded as outstanding may have been fully retired or cleared many years ago, but due to on-going reconciliation of amount deducted from staff salary or paybacks made which were not properly journalized to remove the advances, the amounts are still outstanding. A comprehensive reconciliation is underway to identify and correct these entries, and any adjustment arising from verified retirements will be properly documented.
Management unequivocally states that the University does not condone misuse or diversion of public funds and there has been no deliberate concealment of staff identities or transaction.

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 ₦240,768,596.00 (Two hundred and forty million, seven hundred and sixty

eight thousand, five hundred and ninety six naira), being unaccounted withdrawals from the University's funds.

ii. Recover and remit to the Treasury, the sum of ₦240,768,596.00.

iii. Forward the 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 9: PAYMENTS WITHOUT EVIDENCE OF APPROPRIATE APPROVALS (=₦257,863,135.05)

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."

Audit observed that:

i. The sum of ₦257,863,135.05 (Two hundred and fifty seven million, eight hundred and sixty three thousand, one hundred and thirty five naira, five kobo) was embedded in the Bills of Quantities as cost of preliminaries, provisional sums, and variations in contract.

ii. From the amount in (i) above, the sum of ₦184,001,394.36 (One hundred and eight four million, one thousand, three hundred and ninety four naira, thirty six kobo) was the amount of contract variations from four (4) contracts, while ₦73,861,741.00 (Seven three million, eight hundred and sixty one thousand, seven hundred and forty one naira) represented preliminaries and provisional sums from seven (7) contracts.

iii. The provisional sums were paid without evidence of application for the sums to be utilized by the contractors, and the variations were paid without the requisite approvals, and

iv. Evidence to show that the various amounts paid to the contractors were utilized and retired was not provided, as such details were neither attached to the paid vouchers nor included in the contract files.

The above anomalies could be attributed to weaknesses in the internal control system at the University of Lagos, Akoka

Risk

i. Diversion of public funds.

ii. Waste of public funds.

Management's Response

i. Preliminary cost are indirect cost incurred by Contractors during contract execution. They are included as part of bill of quantities which form the Contract

Agreement between Contractor and Client. Preliminaries are priced by Contractors and part of the contract sum which is not subject to a separate approval by the client. It is regarded as part of agreed contract for indirect work for the execution of the measured construction works.

ii. The University's representative (Director of works or his representative) verifies and prepares payment certificates for work done and this is approved by the Vice Chancellor before payment is made.

iii. The following projects were claimed to have been VARIED in cost:
Rehabilitation of water distribution system – the awarded contract sum was ₦68, 677, 509.13. There was no cost variation on the contract as evidenced on the penultimate payment certificate attached as appendix 7

iv. Construction & furnishing of scholars hostel B - the awarded contract sum was ₦244, 563, 276. 76. There was no cost variation on the contract as evidenced on the penultimate payment certificate attached as appendix 7.

v. Procurement and installation of research equipment, CMUL - the awarded contract sum was ₦164, 089, 986. 99. There was no cost variation on the contract as evidenced on the penultimate payment certificate attached as appendix 7

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 Committee of the National Assembly, the sum of ₦257,863,135.05 (Two hundred and fifty seven million, eight hundred and sixty three thousand, one hundred and thirty five naira, five kobo), being payment without evidence of appropriate approvals.

ii. Recover and remit to the Treasury, the sum of ₦257,863,135.05.

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 10: UNRETIRED CASH ADVANCES (=₦434,785,669.00)

Description of Findings

Paragraph 1420 of the Financial Regulations (FR) (2009) states, "It is the responsibility of all Accounting Officers to ensure that all advances granted to officers are fully recovered." Furthermore, paragraph 2302 (ii) of the 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 sum of ₦434,785,669.00 (Four hundred and thirty four million, seven hundred and eighty five thousand, six hundred and sixty nine naira) was granted

to different staff as cash advances, which remained outstanding as at the time of audit in 2025.

ii. In some instances, multiple cash advances were granted to staff without retiring the previous ones, and

iii. No reason was given why the advances were not retired as required.

The above anomalies could be attributed to weaknesses in the internal control system at the University of Lagos, Akoka.

Risks

i. Diversion of public funds.

ii. Loss of public funds.

iii. Difficulty in funding budget.

Management's Response

The auditors alluded to discussing the issue of unretired advances with the Vice Chancellor in issue 11 above but denies receiving explanation on same matter in issue 14. This seems to be misleading.

Management reiterates that the advances classified as "unretired" mostly relate primarily to Research Grants funded by TETFund and external donor agencies. These advances are governed by donor-specific financial and reporting guidelines, and their treatment cannot be equated with routine administrative cash advances. Furthermore, these same research-related transactions have already been addressed under Issues 2, 7, and 9 of the Audit Report, where detailed explanations and documentation were provided. These appears repetitive of previous issues.

The figure of ₦434,785,669.00 reported as "unretired" was derived from sampled entries extracted from the cash books, because:

At the time of the periodic audit, the comprehensive annual ledger reconciliation for the year had not been completed;

Updates from Research Grants, TETFund projects, and donor-funded activities were still being consolidated;

Supporting schedules from investigators and project supervisors were still being reviewed by the Bursary for posting into the ledger.

Documents for retirement of advances are done separately from the payment and hence would not be attached to the payment voucher but all available on file in the creditors and advances unit. This would have been provided if raised by the auditors during the course of the audit work.

Accordingly, the amount presented in the audit report does not represent the actual retirement status of the unretired advances, and should not be interpreted as a complete or final position of unretired advance.

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 ₦434,785,669.00 (Four hundred and thirty four million, seven hundred and eighty five thousand, six hundred and sixty nine naira), being unretired cash advances.
ii. Recover and remit to the Treasury, the sum of ₦ 434,785,669.00.
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 11: PAYMENT OF UNAPPROVED ALLOWANCES TO STAFF (=₦178,022,070.52)

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 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 ₦178,022,070.52 (One hundred and seventy eight million, twenty two thousand, seventy naira, fifty two kobo) was paid as off-payroll allowances to staff.
ii. The allowances in (i) above included quarterly allowances and honorarium to the Council Chairman, monthly allowances to Principal Officers, telephone allowances, Christmas allowance/package, health insurance allowance, etc., as shown in the Table below.

S/N	Allowances Paid Off Payroll Without Approval	Period	Amount Paid ₦	Total ₦
1	Allowances to Principal Officers	March 2021 to December 2024	49,825,680.00	49,825,680.00
2	Christmas Allowance to Council Members	paid for 2024	18,103,750.00	18,103,750.00
3	Quarterly Allowance to Council Chairman And & 4 Others	Quarterly	2,835,000.00	11,340,000.00
4	Telephone Allowance	Monthly	7,275,000.00	87,300,000.00
5	Health Insurance Allowance	Quarterly	2,221,008.88	8,884,035.52
6	Welfare Items paid in cash	Paid for 2024	2,568,605.00	2,568,605.00
	Total			**178,022,070.52**

Extract from payment records, paid vouchers, and TSA

iii. Evidence of approval or ratification for the payment the above allowances by the National Salaries, Income and Wages Commission (NSIWC) was not provided for audit.

The above anomalies could be attributed to weaknesses in the inmternal control system at the University of Lagos, Akoka.

Risks

i. Misappropriation of public funds.
ii. Loss of funds.

Management's Response

Management wishes to draw the attention of the Auditor-General for the Federation to Section 6(7) of the University of Lagos Act, 1967, which expressly provides that:

"There shall be paid to the members of the Council, of the Finance and General Purposes Committee and of any other committee set up by the Council respectively, allowances in respect of travelling and other reasonable expenses, at such rates as may from time to time be fixed by Council."

This statutory provision empowers the University Council to determine and approve allowances related to Council activities, committee work, travelling and other reasonable expenses. The University's actions were therefore in conformity with its enabling law, and the payments made to Council members and other internal members engaged in official duties were within this legal framework.

It is worthy of note that the Council superintends over the internally generated revenue of the University and has the power to approve allowances/ honorarium for Council members and indeed other member of staff.

The payment to principal officers are not allowances consolidated in the monthly salary as claimed by the audit team but an additional honorarium approved to them by Council from Internally Generated Revenue.

Furthermore, Management wishes to clarify that internal Council members and other staff engaged in ad-hoc assignments were not paid sitting allowances, as suggested in the audit observation. Rather, they were paid honorarium for duties performed outside their normal schedule, which is a recognized administrative practice for compensating additional workload and special assignments.

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 ₦178,022,070.52 (One hundred and seventy eight million, twenty two thousand, seventy naira, fifty two kobo), being payment of unapproved allowances.

ii. Recover and remit to the Treasury, the sum of ₦178,022,070.52.
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.

ISSUE 12: PAYMENT FOR DOUBTFUL CONTRACT (=₦113,489,988.51)

Description of findings

Paragraph 2 of the Treasury Circular No. TRY A2 & B2 /2019/OAGF/CAD/026/V. 111358 dated 8th July 2019 on mandatory documents for payments of contracts requires amongst other, Final completion certificates duly signed by end users, Payment certificates, valuation certificates, progress reports, visual of projects, delivery notes, Contract Agreement etc. 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. Contract for the redecoration of Academic Building (Lot 3) was awarded to a company at a contract sum of ₦113,489,988.51 (One hundred and thirteen million, four hundred and eighty nine thousand, nine hundred and eighty eight naira, fifty one kobo) through letter Ref. No AD/REG/CAU/1 dated 1st November, 2023.
ii. The scope of the contract and the particular academic building was neither indicated in the award letter nor in any of the procurement due process documents.
iii. Several and repeated requests to sight the contract agreement were not successful; however, the Inspection report allegedly carried out by eleven members of the inspection committee, duly signed by all members, failed to indicate the location(s) of the project(s) but merely stated the amount to be paid.
iv. Project visuals showing that the work had actually been carried out were not provided.
v. The same contract was awarded in September 2024 to another company as Lot 4, at the cost of ₦123,819,575.00 (One hundred and twenty three million eight hundred and nineteen thousand five hundred and seventy five naira) this time, with few departments, and
vi. Neither was any explanation provided by the Management during the audit in July, 2025, nor at the audit exit meeting in August, 2025.

The above anomalies could be attributed to weaknesses in the internal control system at the University of Lagos, Akoka.

Risks

i. Diversion of public funds.
ii. Payment for work not done.
iii. Loss of government funds.

Management's response

Management wishes to clearly state that the same project was not awarded twice, as suggested in the audit report. The two contracts referenced were distinct projects implemented under separate Federal Government of Nigeria (FGN) Appropriations for different fiscal years—2023 and 2024.The Redecoration of Academic Buildings programme is a five-year rolling plan of the University aimed at improving the quality of the teaching and learning environment, and enhancing the overall academic experience for students and faculty. The programme commenced in the 2022 budget year and is expected to run until 2026, covering 13 faculty buildings identified for phased rehabilitation. The use of the title "Redecoration of Academic Buildings," is the standard nomenclature as defined by the FGN capital budget. We have however, noted the auditor's observation that the name of the redecorated academic buildings should be stated in the award to enable us differentiate each project. Each of the projects was advertised independently, at different periods, and subjected to the full procurement process in strict compliance with the Public Procurement Act, 2007. This ensures that each procurement stands alone as a separate transaction with its own approved budget, scope, and documentation. Accordingly, the two awards represent separate contracts arising from separate budgetary allocations, each processed transparently and in full compliance with due process. This confirms that no single project was duplicated, repeated, or awarded twice. The first contract was awarded to Messrs Loggiano Nigeria Limited in 2024, as provided for in the FGN Appropriation for 2023. The details of the scope and location of the works are clearly stated in the Contract Agreement and the Bill of Quantities (BOQ). Copies of the FGN Appropriation for 2023, the award letter, and the BOQ are attached and marked as Appendix 11.The second contract was awarded to Messrs Nidave Industrial Ventures Limited in 2024, in line with the provisions of the FGN Appropriation for 2024. The details of this project's scope and the specific locations covered are similarly provided in the Contract Agreement and the BOQ. Copies of the FGN Appropriation for 2024, the award letter, and the BOQ are attached and marked under Appendices 11. Under the 2023 annual budget, the following buildings were addressed in accordance with the BOQ: the Faculty of Social Sciences Professorial Block; the Faculty of Arts Building, including the Department of Creative Arts; the Department of Chemical Engineering Building; and the Faculty of Education Lecture Hall, including provision of lecture hall furniture. These projects were executed as approved and recorded. Photographs showing work in progress and completed works at the Faculty of Arts, the Department of Chemical Engineering, and other locations have been provided as evidence of execution and satisfactory completion. As earlier explained, the redecoration programme is planned to run over five consecutive budget years. Accordingly, the 2024 annual budget allocation of ₦123,819,575.00 has been applied to the following faculty buildings: Faculty of Education, Faculty of Law, Faculty of Management Sciences, and Faculty of Environmental Sciences.

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 ₦113,489,988.51 (One hundred and thirteen million, four hundred and eighty

nine thousand, nine hundred and eighty eight naira, fifty one kobo), being payment for a doubtful contract awarded without indicating the location and scope of work to be done.

ii. Recover and remit to the Treasury, the sum of ₦113,489,988.51.

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 in paragraphs 3106 and 3117 of the Financial Regulations (2009) respectively, should apply.

ISSUE 13: UNACCOUNTED PAYMENTS BY MANAGEMENT (=₦144,577,494.46)

Description of findings

Paragraph 112 (i) of the Financial Regulations (FR) (2009) states, "The functions of the Accounting Officer shall include: (a) ensuring accurate collection and accounting for all public moneys received and expended…" 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 ₦144,577,494.46 (One hundred and forty four million, five hundred and seventy seven thousand, four hundred and ninety four naira, forty six kobo) was paid to staff as honorarium for attending ad hoc committee meetings, and sitting allowance for Governing Council meetings as shown in the Table below, and

S/N	Expenditure items	AMOUNT ₦
1	Refreshment at meetings	17,316,102.23
2	Hospitality	71,667,314.50
3	Honorarium and sitting allowance	10,442,980.21
4	Honoraria for meetings	45,151,097.52
	Total	**144,577,494.46**

Source: Payment records and Budget Performance Report

ii. Evidence of minutes of meetings necessitating the above expenditure was not provided by the Management.

The above anomalies could be attributed to weaknesses in the internal control system at the University of Lagos, Akoka.

Risks

i. Diversion of funds.

ii. Loss of funds.

Management's response

Expenditure termed as refreshments are used to cater for various meetings across the University. The nature of meeting to be held including number of persons at each meeting is always attached to the request for payment or approval to incur expenditure as the case maybe, which was attached to the vouchers sited by the auditors. Claim that the records to substantiate expenditure was not attached is incorrect. Some of such meetings are Management meetings held weekly, departmental meetings, Council meeting to name a few. Minutes of all such meetings exist on file in the various offices in charge of such meeting as explained in issue 1 above.

Honorarium for meetings are paid to members of staff who are engaged in ad hoc committees outside their normal schedule such as Administrative and technical staff committee, Academic staff Committee to mention a few while sitting allowance is paid for Governing Council meetings. Hospitality is the vote used to cater for lodging need of all University visitors including those on accreditation and oversight visits to the University. All records to substantiate payments and meetings held were provided to the Auditors during the audit exercise as they were attached to the payment vouchers used to make the request for payment. These expenditures, therefore, represent legitimate, allowable, and budgeted administrative costs incurred in the course of fulfilling the University's statutory responsibilities. All payments were duly approved, properly classified under the relevant budget heads, and processed through established internal controls and they are on 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 ₦144,577,494.46 (One hundred and forty four million, five hundred and seventy seven thousand, four hundred and ninety four naira, forty six kobo), being unaccounted payments by the Management.
ii. Recover and remit to the Treasury, the sum of ₦144,577,494.46.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to payment for work not executed and irregular payment specified in paragraphs 3104(iii) and 3106 of the Financial Regulations (2009) respectively, should apply.

ISSUE 14: NON-REMITTANCE OF INDEPENDENT REVENUE (=₦398,301,002.00)

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 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 sums of ₦11,960,706,649.00 (Eleven billion, nine hundred and sixty million, seven hundred and six thousand, six hundred and forty nine naira), being Auxiliary Funds, and ₦1,598,160,678.00 (One billion, five hundred and ninety eight million, one hundred and sixty thousand, six hundred and seventy eight naira) reported as IGR, totaling ₦13,558,867,127.00 (Thirteen billion, five hundred and fifty eight million, eight hundred and sixty seven thousand, one hundred and twenty seven naira) was the total Internally Generated Revenue (IGR) by the University in 2024.

ii. Out of the above amount, the independent revenue of the Federal Government amounted to ₦398,301,002.00 (Three hundred and ninety eight million, three hundred and one thousand, two naira) as shown in the Table below, and

	Description	Amount (₦)	Remark
1	Hire/Rent of University Property	240,309,904.00	Wholly for Federal Government: Procurement of Assets and repairs are funded from capital budget.
2	Rent on Quarters	106,388,323.00	Same
3	Sale of Unserviceable Items	1,341,200.00	same
4	Insurance laim	50,261,575.00	same
	Total	**398,301,002.00**	

Source: Compiled from the Internally Generated Revenue (IGR) of the University

iii. Evidence of remittance of the above revenue was not provided for audit.

The above anomalies could be attributed to weaknesses in the internal control system at the University of Lagos, Akoka.

Risks

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

Management's response

The officers from the Office of the Accountant General of the Federation are sent on a yearly basis to carry out reconciliation with the University on funds to be remitted to the Consolidated Revenue Fund account. This is agreed on and signed by both parties before the remittance is done. It had become clear that fees collected from students to take care of student cost cannot be remitted to Government. They, along with reconciliation done by Fiscal Responsibility Commission, agreed on the deduction of

all student costs before the determination of amount to be remitted yearly. From 2015 to 2024, the University had remitted over N600Million to the cofers of the Federal Government.

The assertion of the Auditors that repairs of buildings, both administrative and residential, are fully funded by the Federal Government under the capital subvention is far from the truth. Up till now, 2024 capital projects have remained unfunded while nothing was released in 2025. The University has had to use its Internally Generated Revenue to take care of all its repair works to the extent of its funds.

The Management however remains committed to positioning the University as a world class higher education institution lending quality to the reputation of Nigeria's higher education and to realize this, it strives to ensure that the University's infrastructure and facilities are maintained at the best possible standards. The University therefore rejects any inference of misappropriation or disregard for 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 Vice Chancellor should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦398,301,002.00 (Three hundred and ninety eight million, three hundred and one thousand, two naira), being unremitted independent revenue.
ii. Recover and remit to the Treasury, the sum of ₦398,301,002.00.
iii. Forward the 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 15: NON-REMITTANCE OF INTERNALLY GENERATED REVENUE TO THE CRF (=₦3,290,139,031.25)

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 sums of ₦13,558,867,127.00 (Thirteen billion, five hundred and fifty eight million, eight hundred and sixty seven thousand, one hundred and twenty seven naira) was reported as the total internally generated revenue (IGR) by the University of Lagos during the year 2024.
ii. The total IGR in (i) above comprised of ₦11,960,706,649.00 (Eleven billion, nine hundred and sixty million, seven hundred and six thousand, six hundred and forty nine naira) as Auxiliary Funds, and ₦1,598,160,678.00 (One billion, five hundred and ninety eight million, one hundred and sixty thousand, six hundred and seventy eight naira) reported as IGR.
iii. The sum of ₦398,301,002.00 (Three hundred and ninety eight million, three hundred and one thousand, two naira) out of the total revenue in (i) above was accounted for, leaving a net revenue of ₦13,160,556,125.00 (Thirteen billion, one hundred and sixty million, five hundred and fifty six thousand, one hundred and twenty five naira), and
iv. There was no evidence to show that 25% of the net IGR amounting to ₦3,290,139,031.25 (Three billion, two hundred and ninety million, one hundred and thirty nine thousand, thirty one naira twenty five kobo) was remitted to the consolidated revenue fund (CRF).

The above anomalies could be attributed to weaknesses in the internal control system at the University of Lagos, Akoka

Risks

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

Management's Response

i. Management notes that this observation addresses issues already raised from 23 to 25 above and it has been dealth with. Nonetheless, the following responses are highlighted, Auxillary funds, which represent receipts from students to cover actual costs of services and products provided, cannot be classified as Internally Generated Revenue (IGR). This has been raised with the Office of the Accountant General of the Federation and accepted as required to cover student's cost which cannot otherwise be defrayed since Universities are not allowed to charge tuition.
ii. If these costs are paid for by students but treated as IGR and remitted to the government as suggested in the audit committee's observation, this will undoubtedly result in student protests and crises as the University will not be able to meet its obligations to the students.

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 ₦3,290,139,031.25 (Three billion, two hundred and ninety million, one hundred

and thirty nine thousand, thirty one naira, twenty five kobo), being unremitted Internally Generated Revenue.

iii. Recover and remit to the Treasury, the sum of ₦3,290,139,031.25.

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

v. 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 16: NON-UPLOADING OF CONTRACTS AWARDED ON NIGERIA OPEN CONTRACTING PORTAL (=₦7,828,737,226.27)

Description of Findings

Section 16(13) of the Public Procurement Act (PPA) (2007) states, "Copies of all procurement records shall be transmitted to the Bureau not later than 3 months after the end of the financial year and shall show: (a) information identifying the procuring entity and the contractors; (b) the date of the contract award; (c) the values of the contract; (d) the detailed records of the procurement proceedings." Also, 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." In addition, Circular Ref. No. SGF/OP/S.3/X1964 of 12th January, 2017, on Procurement Records requires that copies of all procurement records be transmitted to the Bureau not later than 3 months after the end of the financial year.

Audit observed that:

i. The University awarded contracts during the year 2024 amounting to ₦7,828,737,226.27 (Seven billion, eight hundred and twenty eight million, seven hundred and thirty seven thousand, two hundred and twenty six naira, twenty seven kobo), and

ii. Evidence to show that records of the procurement proceedings for the total of ₦7,828,737,226.27 as stated in (i) above were transmitted to the Bureau through the Nigeria Open Contracting Portal (NOCOPO) in line with the timelines provided in the disclosure guidelines of the Bureau was not provided for audit.

The above anomalies could be attributed to weaknesses in the internal control system at the University of Lagos, Akoka.

Risks

i. Concealment of procurement information.

ii. Payment for irregular procurement.

Management's Response

The Auditor's observation is noted. Management is taking steps to ensure that all outstanding procurement records, including those referenced, are fully updated and validated on the NOCOPO platform.

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 ₦7,828,737,226.27 (Seven billion, eight hundred and twenty eight million, seven hundred and thirty seven thousand, two hundred and twenty six naira, twenty seven kobo), being amount of contracts not uploaded on the Nigeria open contracting portal.
ii. Recover and remit to the Treasury, the sum of ₦7,828,737,226.27.
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 in paragraphs 3106 and 3117 of the Financial Regulations (2009) respectively, should apply.

ISSUE 17: PAYMENT OF UNAPPROVED ALLOWANCES TO STAFF (=₦726,973,770,79)

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." 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 ₦726,973,770,79 (Seven hundred and twenty six million, nine hundred and seventy three thousand, seven hundred and seventy naira, seventy nine kobo) was paid as off-payroll allowances to staff.
ii. The allowances in (i) above comprised of the sum of ₦319,158,617.16 (Three hundred and nineteen million, one hundred and fifty eight thousand, six hundred and seventeen naira, sixteen kobo) and ₦407,815,153.63 (Four hundred and seven million, eight hundred and fifteen thousand, one hundred and fifty three naira, sixty three kobo) for 2023 and 2024 financial years respectively, and
iii. Evidence of approval or ratification for the payment of the above allowances by the National Salaries, Income and Wages Commission (NSIWC) was not provided for audit.

The above anomalies could be attributed to weaknesses in the internal control system at the University of Lagos, Akoka.

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

Management's Response
Section 4(1)(d) of the University of Lagos Act, 1967 empowers the University to provide for the welfare of its members. In exercise of this statutory authority, the University Governing Council approved these welfare allowances, a long-standing practice since 5th April 2007 (Appendix 4).

The total sum of ₦726,973,770.79 paid in 2023 and 2024, was paid as a welfare palliative to cushion the high cost of living in Lagos. These payments are Council approved, budgeted staff welfare honoraria and do not represent new emoluments or salary enhancements. The payment is never from the proceeds of school fees but from other internally Generated Revenue activities such as Non Full Time Equivalent (part-time) programmes.

The University operates with statutory autonomy, and the Governing Council is empowered to approve welfare-related allowances. Accordingly, the payments do **not** constitute diversion of public funds, off-payroll emoluments, or misappropriation, but lawful welfare interventions made in line with the University's enabling Act.

These payments are not staff emoluments, and do not require Salaries, Income and Wages Commission (SIWC) approval. Management affirms that no government revenue was diverted or lost and remains available to provide further documentation as required.

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 ₦726,973,770,79 (Seven hundred and twenty six million, nine hundred and seventy three thousand, seven hundred and seventy naira, seventy nine kobo), being payment of unapproved allowances to staff
ii. Recover and remit to the Treasury, the sum of ₦726,973,770.79.
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 PAYMENTS TO STAFF (=₦397,501,351.78)

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." 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 ₦397,501,351.78 (Three hundred and ninety seven million, five hundred and one thousand, three hundred and fifty one naira, seventy eight kobo) was approved by the Vice Chancellor of the University and paid to staff ex grantia as Unilag factor.
ii. The payment was made from the Internally Generated Revenue of the University as payment due between July 2023 and June 2024, and
iii. Approval from National Salaries Income and Wages Commission was neither attached to the payments nor provided to audit despite repeated requests.

The above anomalies could be attributed to weaknesses in the internal control system at the University of Lagos, Akoka.

Risks

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

Management's Response

This is the same issue raised in issue 30 above and the same response applies. This WAS also explained at the exit meeting with the team.

The council in the exercise of its power derived from Section 4(1)(d) of the UNILAG Act 1967 to implement staff-welfare measures approved the UNILAG Factor to members of staff to cushion the high cost of living in Lagos.

The payment is not a salary adjustment and therefore does not require NSIWC approval and it is funded through Internally Generated Revenue.

Find the attached the relevant Council approvals. (Appendix 15)

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 ₦397,501,351.78 (Three hundred and ninety seven million, five hundred and one thousand, three hundred and fifty one naira, seventy eight kobo), being payment of unapproved allowances to staff
ii. Recover and remit to the Treasury, the sum of ₦397,501,351.78.
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 19: UNACCOUNTED PAYMENTS OF GRANTS FOR TRAVEL (=₦185,190,780. 84)

Description of Findings

Paragraph 112 (i) of the Financial Regulations (FR) (2009) states, "The functions of the Accounting Officer shall include: (a) ensuring accurate collection and accounting for all public moneys received and expended…" 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 ₦185,190,780.84 (One hundred and eighty five million, one hundred and ninety thousand, seven hundred and eighty naira, eighty four kobo) was paid to staff as grants during the year 2024, and
ii. The amount paid in paragraph (i) above, into the private accounts of staff as "grants" for travel was neither retired nor accounted for.

The above anomalies could be attributed to weaknesses in the internal control system at the University of Lagos, Akoka.

Risks

i. Misapplication of funds.
ii. Diversion of funds.

Management's Response

Management wishes to clearly state that there was no irregularity or diversion of public funds in the payments classified as "grants." The use of the grant mechanism was an approved administrative approach adopted to efficiently manage disbursements for official travel, research activities, and programme-related assignments - particularly those funded through external partners. This classification was introduced to enhance administrative efficiency and reduce the operational burden associated with processing

a high volume of traditional advances, without compromising accountability requirements.

Grants are approved to officers of the University who attends meetings in Abuja on behalf of the Vice Chancellor or on invitation by agencies with oversight to the University.

All payments were issued strictly in connection with authorized University activities and donor-supported programmes. Describing them as grants does not derogate from the legitimacy of the underlying activities. The fact that some vouchers did not contain all supporting documents at the time of audit reflects process flow dynamics within multi-activity projects rather than any indicator of misuse or financial impropriety.

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 ₦185,190,780.84 (One hundred and eight five million, one hundred and ninety thousand seven hundred and eighty naira eighty four kobo), being unaccounted payments of grants for travel.
ii. Recover and remit to the Treasury, the sum of ₦185,190,780.84.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to payment for work not executed and irregular payment specified in paragraphs 3104(iii) and 3106 of the Financial Regulations (2009) respectively, should apply.

ISSUE 20: PAYMENTS WITHOUT RELEVANT SUPPORTING DOCUMENTS (=₦355,607,021.23)

Description of Findings

Paragraph 2c of Treasury Circular Ref. No TRY/A2&B2/2019/OAGF/CAD/026/V.III/358 dated 8th July, 2019, requires that the following documents are mandatory to facilitate payments of Government Contracts for good, works and services amongst others; Original letter of contract award, Approval of Contract, Contract Agreement, End-users Certificate etc. 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." 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. Ninety (90) contracts were awarded and paid to different contractors at the cost of ₦355,607,021.23 (Three hundred and fifty five million, six hundred and seven thousand, twenty one naira, twenty three kobo), and
ii. The payments in (i) above were not supported with evidence of contract award letters or Local Purchase Orders (LPOs), despite several written requests and reminders.

The above anomalies could be attributed to weaknesses in the internal control system at the University of Lagos, Akoka.

Risks

i. Payment for non-existing contracts.
ii. Diversion of government funds.
iii. Loss of government funds.

Management's Response

The issuance of letters of award or LPOs is to convey approval to the contractor for job to be carried out after due process in procurement has been carried out. The non issuance of either of the 2 documents for some of the sampled minor contract transactions was not done to bypass procurement process, which had been completed before the job was carried out. A copy of approval granted to carry out the job including the procurement process adopted (some are single source/direct contracting while others for request for quotation below N1M) are attached to the payment vouchers reviewed by the auditors.

All goods, works, and services were properly requested by end-users, delivered, inspected, and accepted, and payments were made only after confirmation of value received. To ensure full compliance, with effect from January 2025, Management has instituted corrective measures, including:

enforcing strict issuance of LPOs or award letters as mandatory prerequisites for all procurements;

adopting a standardized procurement documentation checklist to accompany every payment voucher; and strengthening internal controls through periodic compliance reviews by the Procurement, Bursary, and Internal Audit Units.

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 ₦355,607,021.23 (Three hundred and fifty five million, six hundred and seven thousand, twenty one naira twenty three kobo), being payments to contractors without supporting documents.
ii. Recover and remit to the Treasury, the sum of ₦355,607,021.23.

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 21: UNSUBSTANTIATED WITHDRAWAL OF FUNDS (=₦270,650,202.32)

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 112 (i) of the Financial Regulations (FR) (2009) states, "The functions of the Accounting Officer shall include: (a) ensuring accurate collection and accounting for all public moneys received and expended…" 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. Four (4) withdrawals and payments totaling ₦270,650,202.32 (Two hundred and seventy million, six hundred and fifty thousand, two hundred and two naira, thirty two kobo) were made from the Unilag Development Revenue Account No. 0230216265012 as shown in the Table below, and

S/N	DATE	WITHDRAWAL	REMARK
1	9/1/2024	112,493,577.24	Payment details not provided
2	20/06/2024	24,732,549.22	Payment not details not provided
3	26/06/2024	3,254,345.03	Payment details not provided
4	4/10/2024	130,169,730.83	Paid to a company
	Total	**270,650,202.32**	

ii. As at 4th December 2024, only the balance of ₦1,439,938,104.01 (One billion, four hundred and thirty-nine million, nine hundred and thirty eight thousand one hundred and four naira one kobo) remained in the account.

The above anomalies could be attributed to weaknesses in the internal control system at the University of Lagos, Akoka.

Risks

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

Management's Response

Management acknowledges the audit observations regarding withdrawals from the account referenced under this issue. For clarity, the account in question is not the UNILAG Property Management and Development Fund Account but the UNILAG Development Revenue Collection Account, as earlier stated under Issue 54.

Management further notes that several matters raised herein were previously addressed under Issue 54, where explanations relating to project payments, including those for the Distance Learning Institute (DLI) Building, were provided.

The payment of ₦130,169,730.83 for the DLI construction was not made from the CBN TSA Internally Generated Revenue Account, but from the UNILAG Development Revenue Collection Account, in line with project cash-flow requirements. Find the attached.

Management confirms that award of contract and payments from the Development Revenue account followed procurement due process. The details of procurement and payments are all available on file and part of documents provided to the audit team.

The reported balance of ₦1,439,938,104.01 represents cumulative funds set aside over the years for ongoing and future property development projects of 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 failure to provide the source of ₦270,650,202.32 (Two hundred and seventy million, six hundred and fifty thousand, two hundred and two naira, thirty two kobo), being unsubstantiated withdrawal of funds.
ii. Recover and remit to the Treasury, the sum of ₦270,650,202.32.
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 22: PAYMENT FOR INTERNATIONAL TRAVELS WITHOUT APPROVAL (=₦81,113,972.15)

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 ₦81,113,972.15 (Eighty one million, one hundred and thirteen thousand, nine hundred and seventy two naira, fifteen kobo) was paid to officers for various foreign trips during the year, and
ii. Evidence of approval of the Secretary to the Government of the Federation, and that of the Head of the Civil Service of the Federation (OHCSF) as required by extant regulations, was neither attached to the paid vouchers nor presented for audit despite repeated requests.

The above anomalies could be attributed to weaknesses in the internal control system at the University of Lagos, Akoka.

Risks

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

Management's Response

There is categorically no weakness in the control systems in this area.
Among the objects of the University of Lagos spelt out in its enabling statue – University of Lagos Act 1967 are:

To encourage, promote and conduct research in all fields of learning and human endeavor; and

To undertake any other activities appropriate for a University of the highest standard
As a world class University, the Vice Chancellor, in line with the functions of the office, undertakes various local and international travels to promote research partnerships and other academic collaborations. The University of Lagos remains fully committed to the aspirations of the Federal Government to ensure that its higher education institutions rank with their peers as laid out in the NUC approved higher education internationalization strategy.

Foreign trips related to research grants ARE NOT FUNDED BY PUBLIC FUNDS as claimed, they are approved and sponsored by the grants.

All travels are planned, budgeted for and approved by the council in line with its statutory mandate. Section 2 Universities (Miscellaneous Provisions) Act, 1993 as amended by the Universities (Miscellaneous Provisions) (Amendment) Act 2003.

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 Public Accounts Committees of the National Assembly, the sum of ₦81,113,972.15 (Eighty one million, one hundred and thirteen thousand, nine hundred and seventy two naira, fifteen kobo), being the amount expended on foreign trips by officers of the University without appropriate approvals
ii. Recover and remit to the Treasury, the sum of ₦81,113,972.15.
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 23: STORE ITEMS NOT TAKEN ON LEDGER CHARGE (=₦121,709,504.79)

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. Seventeen (17) payments totaling ₦121,709,504.79 (One hundred and twenty one million, seven hundred and nine thousand, five hundred and four naira, seventy nine kobo) were made to some staff and companies for the procurement of goods and store items such as computers, furniture, office equipment, projectors, books, air conditioners, rims of papers, tables and chairs, tyres, etc., and
ii. There was no evidence to show that the items procured were taken on store ledger charge before the items were allegedly put to use.

The above anomalies could be attributed to weaknesses in the internal control system at the University of Lagos, Akoka.

Risks

i. Diversion of government funds.
ii. Payment for items not supplied or work not done.

Management's Response

Management has carefully reviewed the audit observations relating to the procurement and documentation of store items. The procurement referenced were undertaken to address urgent operational and academic requirements of the University, including the acquisition of computers, office equipment, teaching aids, furniture, and other essential materials necessary for the effective functioning of various departments. Payments were made for items that were duly delivered and deployed to user units. However, Management notes that in some of the cited cases, the mandatory stores documentation, particularly Store Receipt Vouchers and corresponding entries in the Store Ledger, as prescribed under Financial Regulations 2402(i), 2405, and 2802 - were not attached to the payment vouchers at the time of processing. This omission in documentation within the payment files does not imply that the items were not supplied. To strengthen internal controls and ensure full compliance with the Financial Regulations, Management directed that all future procurement, regardless of point of delivery, must be routed through the Stores Unit for proper receipting, documentation, and issuance. This will be evidenced in the 2025 audit. Management remains committed to upholding transparency, accountability, and strict adherence to established financial and stores management procedures.

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 ₦121,709,504.79 (One hundred and twenty one million, seven hundred and nine thousand, five hundred and four naira, seventy nine kobo), being payment for store items not taken on ledger charge.
ii. Recover and remit to the Treasury, the sum of ₦121,709,504.79.
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 24: IRREGULARITIES IN THE PAYMENT FOR CONTRACT POORLY EXECUTED (=₦444,612,904.90)

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." 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. Contract for the construction of a new library building was awarded to a company through award letter AD/REG/CAU/18 dated 6th October, 2016 at a contract sum of ₦1,935,135,087.35 (One billion, nine hundred and thirty five million, one hundred and thirty five thousand, eighty seven naira, thirty five kobo) to be completed in eighteen (18) months.
ii. The contractor was paid the sum of ₦444,612,904.90 (Four hundred and forty four million, six hundred and twelve thousand, nine hundred and four naira, ninety kobo) through valuation certificates Nos 1 to 5.
iii. The payments in (ii) above were made to the contractor despite the poor quality of work executed, leading to the collapse of part of the project and the abandonment of the contract since 2018.
iv. The Contractor was subjected to an alien 2% tax on the contract sum as endowment fund, in addition to other statutory taxes, and
v. Management of the University failed to return the contractor to sight nor recover the amount improperly paid for poor work, despite the provision of 10% performance bond.

The above anomalies could be attributed to weaknesses in the internal control system at the University of Lagos, Akoka.

Risks

i. Procurement compromise.
ii. Loss of funds.
iii. Waste of public funds.

Management's Response

The University is a beneficiary of this project, which is being fully sponsored by TETFund. The project comprises a 7-storey reinforced concrete library building constructed on a cellular raft foundation, and the contract was duly awarded to Messrs Dutum Nigeria Limited (DCL). Payment to the contractor up to the sum of ₦444,612,904.90 was made strictly based on measured and certified works by the supervising consultants. On Thursday, February 14, 2019, a part of the first-floor slab being cast by the contractor collapsed. Subsequent investigation revealed that the incident resulted from a partial formwork failure. In line with standard safety and contract administration procedures, the University immediately issued a stop-work order to the contractor to enable a comprehensive technical investigation and to allow Management and the consultants to determine the appropriate corrective actions required to move the project forward. Management confirms that the 10% performance bond required under the contract was duly provided by the contractor. A copy of the performance bond is attached herewith for verification. (Appendix 20) Additionally, the 2% endowment charge referenced by the Audit Team was not irregular but formed part of the contractual conditions expressly stated in item (b) (iii) of the award letter and was applicable to projects of this scale at the time.

With respect to procurement and payment documentation, Management has compiled and attached the detailed procurement records that led to the award of the contract for the construction of the University Library (marked as Appendix 20). These include bid

documents, evaluation reports, due process approvals, and other relevant documentation requested by the Audit Team. To ensure the continuation and eventual completion of the project, the University. Management has formally approached the Federal Ministry of Education and TETFund for the provision of additional funding, given the updated cost implications arising from the structural incident and prolonged project suspension. The University remains committed to completing this strategic academic infrastructure as soon as funding is made available.

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 ₦444,612,904.90 (Four hundred and forty four million, six hundred and twelve thousand, nine hundred and four naira, ninety kobo), being irregularly paid for a contract poorly executed.
ii. Recover and remit to the Treasury, the sum of ₦444,612,904.90.
iii. Forward evidence of recovery to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to the irregular award of contract and payment stipulated in paragraphs 3117 and 3106 of the Financial Regulations (2009) respectively, should apply.

ISSUE 25: IRREGULARITIES IN THE EXECUTION OF CONTRACT AGREEMENTS (=₦7,026,857,603.98)

Description of Findings

Paragraph 3 of the Establishment Circular with Ref. No MJ/DSD/471/1 dated 7th March, 2022, states, "…Accordingly, all agreements entered into by MDAs with consideration in excess of ₦100 Million (One hundred million Naira) should be referred to my office for vetting and approval. MDAs are to ensure agreements are drafted in their proper form taking cognizance of the salient clauses with protect government interests."

Audit observed that:

i. Twenty four (24) contracts were awarded by the University, each in the contract sum of ₦100 million (One hundred million) and above, and
ii. There was no evidence to show that Management complied with government regulations by referring agreements for contracts totaling ₦7,026,857,603.98 (Seven billion, twenty six million, eight hundred and fifty seven thousand six hundred and three naira ninety eight kobo) to the office of the Attorney General of the Federation and Minister of Justice for vetting and approval, as required by the extant circular.

The above anomalies could be attributed to weaknesses in the internal control system at the University of Lagos, Akoka.

Risks

i. Violation of extant regulations.
ii. Loss of public funds.

Management's Response

Management affirms that all procurements and contract administration in the University of Lagos are carried out strictly in line with the Public Procurement Act (PPA) 2007, the University of Lagos Act 1967, and the BPP Standard Approval Thresholds for Federal Tertiary Institutions. The PPA requires that all procurements be governed by written contract agreements (Section 35), using BPP-approved Standard Bidding Documents and contract forms. It further mandates internal controls for drafting, vetting, and reviewing agreements (Sections 22(3), 35). In compliance, the University's Legal Unit prepares and vets all contract agreements to ensure full adherence to PPA requirements and mandatory statutory protections. Consistent with Sections 20, 22, and 23 of the PPA, the University's Parastatal Tenders Board approves procurements only within BPP-issued thresholds, while all procurements exceeding these limits are duly referred to the BPP for review and issuance of a Certificate of No Objection, as required under Sections 16(1)(b) and 22(5). Accordingly, the contracts cited by Audit followed the mandated sequence of:

Due process and procurement planning;
Tenders Board approval within its limits;
BPP clearance for all procurements above threshold prior to contract execution.
Management underscores that the PPA 2007 is the prevailing legal authority governing public procurement and therefore takes precedence over administrative circulars where inconsistencies arise. The referenced circular does not alter or supersede the statutory processes established by the PPA and overseen by the BPP.

The University therefore maintains that all contracts were validly processed, lawfully executed, and supported by the required regulatory approvals.

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 ₦7,026,857,603.98 (Seven billion, twenty six million, eight hundred and fifty seven thousand, six hundred and three naira, ninety eight kobo), being contracts of 100m and above without referring agreement to the Attorney-General of the Federation for vetting and approval.
ii. Recover and remit to the Treasury, the sum of ₦7,026,857,603.98.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to gross misconduct stated in paragraph 3129 of the Financial Regulations (FR) 2009 should apply.

UNIVERSITY OF UYO, AKWA IBOM STATE

At the University of Uyo (UNIUYO), Akwa Ibom State, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: PAYMENTS WITHOUT PRE-PAYMENT AUDIT (=₦2,400,000.00)

Description of Findings

Paragraph 601 of the Financial Regulations (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." 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 University incur expenditure of ₦2,400,000.00 (Two million, four hundred thousand naira) without Internal Audit checks of the paid vouchers, and
ii. No reason was given for not subjecting the paid vouchers to Internal Audit checks.

The above anomalies could be attributed to weaknesses in the internal control system at the University of Uyo, Akwa Ibom State.

Risks

i. Loss of public funds.
ii. Diversion of funds.
iii. Management override.

Management's Response

All payments are pre-audited by internal audit department of the University before release and post-payment audit is done annually.

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 expenditure of ₦2,400,000.00 (Two Million four hundred thousand naira), being payments made without pre-payment audit.
ii. Recover and remit to the Treasury, the sum of ₦2,400,000.00.
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 2: CASH ADVANCES GRANTED ABOVE LIMIT (=₦7,029,846.14)

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. Cash advances totalling ₦7,029,846.14 (Seven million, twenty nine thousand, eight hundred and forty six naira, fourteen kobo) were granted in fourteen (14) instances to staff of the University to carry out various services.
ii. The advances were in excess of the approved threshold of ₦200,000.00 as required by the above extant regulations, and
iii. Government has been deprived of revenue that would have accrued through 7.5% Value Added Tax (VAT), Withholding Tax (WHT), and 1% Stamp Duty amounting to ₦949,029.23. (Nine hundred and forty nine thousand, twenty nine naira, twenty three kobo).

The above anomalies could be attributed to weaknesses in the internal control system at the Federal University, Uyo.

Risks

i. Misapplication of public funds.
ii. Diversion of public funds.
iii. Difficulty in funding budget

Management's Response

The Authority is aware of the provisions in the Public Procurement Act, 2007. The cases where procurements for goods and services above ₦200,000.00 have been undertaken are premised on Sec. 42 of public Procurement Act, 2007 which stipulates that: 42 (i) A procuring entity may carry out any emergency procurement where: (b) There is an urgent need for the goods, works or services and engaging in tender proceedings or any other methods of procurement is impractical due to unforeseeable circumstances giving rise to the urgency which is not the result of dilatory conduct on the part of the procuring entity. Therefore, the Authority is not liable for any wrong doing as those procurements were for the urgencies of their needs.

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 ₦7,029,846.14 (Seven million, twenty nine thousand, eight hundred and forty six naira, fourteen kobo), being cash advances granted above limit.
ii. Recover and remit to the Treasury, the sum of ₦7,029,846.14.
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: PAYMENT FOR INTERNATIONAL TRAVELS WITHOUT APPROVAL (=₦33,160,507.73)

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 ₦33,160,507.73 (Thirty three million, one hundred and sixty thousand, five hundred and seven naira, seventy three kobo) was spent on international training and payment for Estacode allowance for overseas trips without appropriate authorization, and
ii. There was no evidence of documents to authenticate that the trips were actually undertaken.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal University, Uyo.

Risks

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

Management's Response
Approval for foreign trips are usually obtained, where necessary. The queried item is noted for appropriate action. However, the schedule of ₦33,160,507.73 was not attached to enable us confirm the payment as we have not seen such amount in our payment profile.

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 payment of ₦33,160,507.73 (Thirty three million, one hundred and sixty thousand, five hundred and seven naira, seventy three kobo) for international travel without approval.
ii. Recover and remit to Treasury ,the sum of ₦33,160,507.73.
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: UNACCOUNTED MOTOR VEHICLE (=₦25,000,000.00)

Description of Findings
Paragraph 2001 of 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 2002 of the FR (2009) states, "Official transport is to be used on all occasions to facilitate government business but shall not be used for private journeys''. Paragraph 112 (f) of the FR (2009) states, "The functions of the Accounting Officer shall include: (a) ensuring accurate collection and accounting for all public moneys received and expended…"

Audit observed that:
i. A Toyota Land Cruiser with Chassis number JTEBU05J7G5022018, valued at ₦25,000,000.00 (Twenty five million naira) was not made available for audit inspection, and
ii. Efforts to confirm the existence and whereabouts of the vehicle proved abortive, as the Pro-Chancellor was said to have been in possession of the vehicle.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal University, Uyo.

Risks
i. Conversion of public Assets.
ii. Loss of government funds.

Management's Response
The vehicle was retrieved by the University after the expiration of the tenure of the Pro-Chancellor. It is in the custody of 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 Toyota Land Cruiser vehicle with Chassis number JTEBU05J7G5022018, valued at ₦25,000,000.00 (Twenty five million naira).
ii. Recover and remit to Treasury, the sum of ₦25,000,000.00, being value of the vehicle.
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 (2009) should apply.

USMAN DANFODIO UNIVERSITY, SOKOTO

At the Usman Danfodio University Sokoto, for the period 1st January to 31st December, 2024, the following observations were made:

ISSUE 1: VIOLATION OF DUE PROCESS IN THE AWARD OF CONTRACTS (=₦217,446,110.00)

Description of Findings
Section 16 (21) of the Public Procurement Act (PPA) (2007) states, "The accounting officer of a procuring entity and any officer to whom responsibility is delegated are responsible and accountable for any actions taken or omitted to be taken either in compliance with or in contravention of this Act." Furthermore, section 19 (d) of the 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: obtain approval of the approving authority before making an award." Also, Federal Treasury Circular Ref. No. TRY/A2 & B2/2019/OAGF/CAD/026/ V.III/358 dated 8th July, 2019 provide the mandatory documents required to facilitate payment of government contractors…"

Audit observed that:
i. The University awarded contracts for the procurement of works totaling ₦217,446,110.00 (Two hundred and seventeen million, four hundred and forty six thousand, one hundred and ten naira) without evidence of open competitive bidding, as mandated by the above provisions of extant laws.
ii. The University's request to the Bureau of Public Procurement (BPP) to be granted a Certificate of 'No Objection' to adopt restricted tendering in the award of the

contracts was rejected; rather, the Bureau explicitly directed the University to adopt open competitive bidding in the contract award process, and

iii. Evidence of compliance with the Bureau's directive in the adoption of open competitive bidding in the award of the contracts was not availed to audit.

The above anomalies could be attributed to weaknesses in the internal control system at the Usman Danfodio University, Sokoto.

Risks

i. Award of contracts to cronies.
ii. Bid rigging.
iii. 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 Vice Chancellor should be requested to:

i. Justify to the Public Accounts Committees of the National Assembly, the sum of ₦217,446,110.00 (Two hundred and seventeen million, four hundred and forty six thousand, one hundred and ten naira), being violation of due process in the award of contracts.
ii. Recover and remit to the Treasury, the sum of ₦217,446,110.00.
iii. Forwarding 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 in paragraphs 3106 and 3117 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2: IRREGULARITIES IN THE AWARD OF CONTRACT (₦748,006,821.16)

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."

Audit observed that:

i. The University awarded contract for the completion of 1150 capacity Lecture Theater to a company at the cost of ₦748,006,821.16. (Seven hundred and forty eight million, six thousand, eight hundred and twenty one naira, sixteen kobo).

ii. The company presented a counterfeit Tax Clearance Certificate (TCC) and Interim Registration Requirements (IRR) as confirmed in the company's profile submitted while bidding for the contract, and
iii. The award of contract to a company with counterfeit documents casts doubt on the due diligence and due process being followed by the University in the award of the award.

The above anomalies could be attributed to weaknesses in the internal control system at the Usman Danfodio University, Sokoto.

Risks
i. Award of contracts to cronies.
ii. Bid rigging.
iii. 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 Vice Chancellor should be requested to:
i. Justify to the Public Accounts Committees of the National Assembly, the sum of ₦748,006,821.16 (Seven hundred and forty eight million, six thousand, eight hundred and twenty one naira, sixteen kobo), being payment for a contract awarded with irregularities.
ii. Recover and remit to the Treasury, the sum of ₦748,006,821.16.
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: IRREGULAR AWARD OF CONTRACT FOR THE PROCUREMENT OF VEHICLES (=₦22,502,975.00)

Description of Findings
Paragraph 2305 of the Financial Regulation (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'' Furthermore, paragraph 3109 of the FR (2009) states, "An Accounting Officer or a Sub-Accounting Officer who pays for the acquisition of asset(s) with public funds but fails to collect the asset(s) from the contractor/supplier, shall be given 21 days to recover the asset(s) from the contractor/supplier, failing which the officer shall be transferred to another schedule. The contractor/supplier shall be blacklisted and reported to the Economic and Financial Crimes Commission for prosecution."

Audit observed that:

i. The University awarded a contract to a company and paid for the supply of two (2) Toyota Corolla vehicles at the cost of ₦22,502,975.00 (Twenty two million, five hundred and two thousand, nine hundred and seventy five naira).
ii. The company was not an accredited Toyota Corolla vehicle dealer in Nigeria and should not have been awarded the contract in the first instance, and
iii. As at the time of audit, the 2 vehicles could not be verified on the premises of the University to ascertain their existence and condition at delivery.

The above anomalies could be attributed to weaknesses in the internal control system at the Usman Danfodio University, Sokoto.

Risks

i. Award of fictitious contracts.
ii. Payment for vehicles not supplied.
iii. Diversion of public 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 Vice Chancellor should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦22,502,975.00 (Twenty two million, five hundred and two thousand, nine hundred and seventy five naira), being irregular award for procurement of vehicles.
ii. Recover and remit to the Treasury, the sum of ₦22,502,975.00.
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 4: PAYMENT OF MOBILIZATION FEE WITH A CONDITIONAL ADVANCE PAYMENT GUARRANTEE (=₦149,961,525.05)

Description of Findings

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 awarded a contract for the construction and furnishing of Laboratory Block for the Faculty of Allied Health Science Phase I, to a company at the cost of

₦499,871,750.28 (Four hundred and ninety nine million, eight hundred and seventy one thousand, seven hundred and fifty naira, twenty eight kobo).

ii. The University paid the sum of ₦149,961,525.05 (One hundred and forty nine million, nine hundred and sixty one thousand, five hundred and twenty five naira, five kobo) as 30% Mobilization fee, and

iii. The payment of the mobilization fee was based on a conditional Advance Payment Guarantee (APG) presented by the contractor to the University, which stated that the validity period covered is only between 29th May, 2024 and 28th May, 2025.

The above anomalies could be attributed to weaknesses in the internal control system at the Usman Danfodio University, Sokoto.

Risks

i. Lack of guarantee after the expiration of the validity period.
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 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 ₦149,961,525.05 (One hundred and forty nine million, nine hundred and sixty one thousand, five hundred and twenty five naira, five kobo), being payment of mobilization fee with a conditional Advance Payment Guarantee (APG).
ii. Recover and remit to the Treasury, the sum of ₦149,961,525.05.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments stipulated in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 5: UNSUBSTANTIATED/UNACCOUNTED PAYMENTS (=₦81,085,859.00)

Description of Findings

Paragraph 112 (i) of the Financial Regulations (FR) (2009) states, "The functions of the Accounting Officer shall include: (a) ensuring accurate collection and accounting for all public moneys received and expended…" Furthermore, paragraph 807 of the FR (2009) states, "Sub-Accounting Officers will ensure that all outstanding items in the Bank Reconciliation statement are cleared expeditiously…" In addition, paragraph 806 of the FR (2009) states, "Where a bank account is maintained, a bank reconciliation statement and certified bank statement as at the last business day of the month shall be attached to the cash book."

Audit observed that:

i. The sum of ₦392,324,254.29 (Three hundred and ninety two million, three hundred and twenty four thousand, two hundred and fifty four naira, twenty nine kobo) were transferred from the University's Sub-TSA Account for UDUS TETFund Center of Excellence in Urology, to various accounts between January and December 2024.

iii. Payment vouchers provided only supported the transfer of the sum of ₦311,238,394.84 (Three hundred and eleven million, two hundred and thirty eight thousand, three hundred and ninety four naira, eighty four kobo) from the amount in paragraph (i) above.

iv. The balance of ₦81,085,859.00 (Eight one million, eighty five thousand, eight hundred and fifty nine naira) transferred from the account was not supported with payment vouchers, cash book, or any other documents to justify the purpose of the transfers, and

v. There was no evidence of bank reconciliation statement on the account for the year 2024.

The above anomalies could be attributed to weaknesses in the internal control system at the Usman Danfodio University, Sokoto.

Risks

i. Misappropriation and 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 Vice Chancellor should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦81,085,859.00 (Eight one million, eighty five thousand, eight hundred and fifty nine naira), being unaccounted expenditures from the University's Special Account.

ii. Recover and remit to the Treasury, the sum of ₦81,085,859.00.

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

iv. Otherwise, sanction relating to irregular payments stipulated in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 6: NON-REMITTANCE OF INTERNAL GENERATED REVENUE (=₦60,059,866.98)

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 total Internally Generated Revenue (IGR) collected by the University through its E-Collection Account between January and December, 2024, was ₦2,015,301,846.79 (Two billion, fifteen million, three hundred and one thousand, eight hundred and forty six naira, seventy nine kobo).
ii. From the amount in paragraph (i) above, the University was expected to remit the sum of ₦60,059,866.98 (Sixty million, fifty nine thousand, eight hundred and sixty six naira, ninety eight kobo) as revenue to the Consolidated Revenue Fund (CRF) as mandated by extant regulations, and
iii. The University, however, did not present evidence of remittance to the CRF.

The above anomalies could be attributed to weaknesses in the internal control system at the Usman Danfodio University, Sokoto.

Risks

i. Diversion of funds
ii. Loss of government revenue.
iii. Denying government revenue needed for developmental works elsewhere.

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 ₦60,059,866.98 (Sixty million, fifty nine thousand, eight hundred and sixty six naira, ninety eight kobo), being independent and internally generated revenue not remitted to the Consolidated Revenue Fund.
ii. Recover and remit to the Treasury, the sum of ₦60,059,866.98.
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 7: DENIAL OF ACCESS TO DOCUMENTS AND RECORDS (=₦8,962,458,886.27)

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 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. The sum of ₦8,962,458,886.27 (Eight billion, nine hundred and sixty two million, four hundred and fifty eight thousand, eight hundred and eighty six naira, twenty seven kobo) was paid to staff of the Usman Danfodio University, Sokoto as staff salaries in the 2024 financial year.
ii. Documents and records relating to the payment of staff salaries, including the Nominal Roll and Payroll (for November and December) to enable verification of the salaries paid by the University were not availed for audit despite several and repeated requests, and.
iii. The non-presentation of these documents prevented audit from ascertaining the number of new appointments, retirements, promotions, variations, etc, in the University's payroll.

The above anomalies could be attributed to weaknesses in the internal control system at the Usman Danfodio University, Sokoto.

Risks

i. Payment to ghost workers.
ii. Concealment of financial information.
iii. Diversion 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 Vice Chancellor should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦8,962,458,886.27 (Eight billion, nine hundred and sixty two million, four hundred and fifty eight thousand, eight hundred and eighty six naira, twenty seven

kobo), being payments for salaries to which Auditors were denied access to documents and records.
ii. Recover and remit to the Treasury, the sum of ₦8,962,458,886.27.
iii. Forward 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.

FEDERAL UNIVERSITY OF TECHNOLOGY, AKURE

At the Federal University of Technology, Akure, for the period 1st January to 31st December 2024, the following observations were made:

ISSUE 1: NON-DEDUCTION OF TAXES (=₦21,363,807.10)

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 and VAT 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. Fourteen (14) contract payments totaling ₦157,936,460.88 (One hundred and fifty seven million, nine hundred and thirty six thousand, four hundred and sixty naira eighty eight kobo) were made to contractors for various procurement purposes, and
ii. There was no evidence of deduction and remittance of statutory taxes amounting to ₦21,363,807.10 (Twenty one million, three hundred and sixty three thousand, eight hundred and seven naira, ten kobo) from the contract payments, provided for audit.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal University of Technology (FUTA), Akure.

Risks
i. Loss of revenue to government.
ii. Loss of government fund.

Management's Response
The listed vouchers as attached to this issue raised have been checked and confirmed that the payments listed were taxed and taxes remitted appropriately. See attached samples as evidence. (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 Vice Chancellor should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦21,363,807.10 (Twenty one million, three hundred and sixty three thousand, eight hundred and seven naira ten kobo), being taxes due without evidence of deduction and remittance to the relevant tax authorities.
ii. Recover and remit the sum of ₦21,363,807.10 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 and gross misconduct specified in paragraphs 3112 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2: ENGAGEMENT OF EXTERNAL SOLICITORS WITHOUT THE ATTORNEY GENERAL OF THE FEDERATION'S FIAT (=₦49,844,328.82)

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 University paid the sum of ₦49,844,328.82 (Forty nine million, eight hundred and forty four thousand three hundred and twenty eight naira eighty two kobo) as legal fees and other expense to external solicitors in the period under review.
ii. There was no document/record indicating due process in the engagement of the legal Practitioners as required by regulations, and
iii. Evidence of prior approval of the Attorney-General of the Federation before the fees and other expenses were paid was not presented for audit.

The above anomalies could be attributed to weaknesses in the internal control system at the Federal University of Technology (FUTA), Akure.

Risks

i. Engagement of incompetent external solicitors.
ii. Loss of public funds.

Management's Response

By Section 6(1) of the Federal Universities of Technology Act CAP F3 LFN 2004 (hereinafter referred to as FUTA ACT), the Governing Council of the University is saddled with the exclusive power to oversee the general control and superintendence

of the University in all matters, which include the appointment and remuneration of external solicitors. For the avoidance of doubt, Section 6(1) is reproduced hereunder for ease of reference:

"Subject to the provisions of this Act relating to the Visitor, the Council shall be the governing body of each University and shall be charged with the general control and superintendence of the policy, finances and property of the University"

The powers given to the University by its enabling Act (the FUTA Act), is an autonomous power by virtue of the provisions of the Universities (Miscellaneous) (Amendment) Act 2003 (herein after referred to as the Universities Autonomy Act), particularly Sections 2AA and Section 2AAA which read as follow:

"2AA. The powers of the Council shall be exercised, as in the Law of the Council and Statutes of each University and to that extent establishment circulars that are inconsistent with the Laws and Statutes of the University shall not apply to the Universities.

2AAA. (1) The Governing Council of a university shall be free in the discharge of its functions and exercise of its responsibilities for the good management, growth and development of the university."

The powers of the University under the above-mentioned enabling Statutes, are superior to any directive that may be contained in any Circular such as the Establishment Circular No. Ref. SGF/PS/CIR/625/1/1 of 6th July 2003 which was referenced in the Audit Report attached to the memo forwarded to our Directorate.

The appointment of the External Solicitors of FUTA and other matters incidental thereto are the prerogative of the University's Governing Council, which the Governing Council exercised under the powers granted to it by the FUTA Act and the Universities Autonomy Act.

The powers of the Governing Council of the University do not require the prior approval or authorization of the Attorney General of the Federation before such powers can be exercised.

The University has acted within the powers granted to it by its enabling Statutes.
The documents earlier forwarded is hereby reverted for further action. Find attached copies of the relevant pages of the Statutes referenced above in Appendix IV

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 ₦49,844,328.82 (Forty nine million, eight hundred and forty four thousand three hundred and twenty eight naira eighty two kobo), being failure to produce evidence of due process records for the engagement of external solicitors and

subsequent payments of legal fees.

ii. Recover and remit to the Treasury, the sum of ₦49,844,328.82.

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 6

HEALTH RESEARCH INSTITUTIONS & SPECIALIZED HOSPITALS AUDIT DEPARTMENT (HRI & SHAD)

NATIONAL EYE CENTRE, KADUNA

At the National Eye Centre, Kaduna, Kaduna State, for the period 1st January to 31st December, 2024, the following observations were made:

ISSUE 1: PAYMENTS WITHOUT RELEVANT SUPPORTING DOCUMENTS (=₦15,150,000.00)

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. Three (3) paid vouchers totaling ₦15,150,000.00 (Fifteen million, one hundred and fifty thousand naira) were paid without attaching the necessary supporting documents such as request memo, store received vouchers, local purchase order, invitation letters, invoices, letter of authority to sign for others, evidence of participation in conferences and meetings, due process documents, among others, and
ii. The non attachment of the supporting documents as indicated in paragraph (i) above violated provisions of the above extant regulations.

The above anomalies could be attributed to weaknesses in the internal control system at National Eye Centre, Kaduna.

Risk

i. Diversion of public funds.
ii. The items supplied may not be traceable to the store.
iii. Payment for services/items not rendered/supplied.

Management's Response

Relevant documents are attached to payment vouchers. (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 Account Committees of the National Assembly, the sum of ₦15,150,000.00 (Fifteen million, one hundred and fifty thousand naira), being payments without relevant supporting documents.

ii. Recover and remit to the Treasury, the sum of ₦15,150,000.00.
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: MISSAPPLICATION OF FUNDS (=₦35,212,720.86)

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 ₦35,212,720.86 (Thirty five million, two hundred and twelve thousand, seven hundred and twenty naira, eighty six kobo) which was appropriated for the National Health Insurance Scheme (NHIS) was expended on other sub heads.
ii. The amount in (i) above was utilized for the settlement of electricity charges, satellite broadcasting charges, sitting allowances, welfare, local travels, and refreshments, among others, and
iii. There was no evidence supplementary appropriation or virement approval by the National Assembly for the fund misapplied.

The above anomalies could be attributed to weaknesses in the internal control system at National Eye Centre, Kaduna.

Risks

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

Management's Response

All expenses made were related to NHIS administration.

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 ₦35,212,720.86 (Thirty five million, two hundred and twelve thousand, seven hundred and twenty naira, eighty six kobo), being misapplication of public funds.
ii. Recover and remit to the Treasury, the sum of ₦35,212,720.86.

ii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iii. Otherwise, sanctions relating to irregular payment and gross misconduct specified in paragraphs 3115 and 3106 of the Financial Regulations (2009) respectively, should apply.

NATIONAL ORTHOPAEDIC HOSPITAL, IGBOBI, YABA, LAGOS STATE

At the National Orthopedic Hospital, Igbobi (NOHIL), Yaba, Lagos State, for the year 1st January to 31st December, 2024, the following observations were made:

ISSUE 1: NON-REMITTANCE OF TAXES (=₦65,310,968.34)

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, h"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." Also, section 40 of the Federal Inland Revenue Service Establishment Act (2007) states, "Any person who being obliged to deduct any tax under this Act or the laws listed in the First Schedule to this Act, but fails to deduct, or having deducted, fails to pay to the Service within 30 days from the date the amount was deducted or the time the duty to deduct arose, commits an of fence and shall, upon conviction, be liable to pay the tax withheld or not remitted in addition to a penalty of 10 per cent of the tax withheld or not remitted per annum and interest at the prevailing Central Bank of Nigeria minimum re-discount rate and imprisonment for period of not more than three years."

Audit observed that:

i. The Hospital deducted Withholding Tax, Value Added Tax, and Stamp Duties from payments to contractors in 2023 and 2024 amounting to ₦40,561,095.47 (Forty million, five hundred and sixty one thousand, ninety five naira and forty seven kobo) and ₦24,749,872.87 (Twenty four million, seven hundred and forty nine thousand, eight hundred and seventy two naira, eighty seven kobo) respectively.
ii. The total tax deductions for the two years in (i) above amounted to ₦65,310,968.34 (Sixty five million, three hundred and ten thousand, nine hundred and sixty eight naira, thirty four kobo) which was recognised on page 12 of the Statement of Financial Position for the year ended 31st December, 2024, as Unremitted Deductions as shown in the Table below, and

S/N	Type	2024 ₦	2023 ₦
1	Withholding Tax	14,999,209.19	19,171,142.46
2	Value Added Tax	5,859,697.49	16,749,385.67
3	Stamp Duties	3,890,965.99	4,640,567.34
	Total	**24,749,872.67**	**40,561,095.47**
	Grand Total	**65,310,968.14**	

iii. There was no evidence to show the above deductions were remitted to the appropriate tax authority.

The above anomalies could be attributed to weaknesses in the internal control system at the National Orthopedic Hospital, Igbobi, Yaba, Lagos State.

Risks

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

Management's Responses

The unremitted deductions are due to outstanding payments to the payee as at 31st December 2024. This is reflected in the statement of Financial position (Page 12 and Note 38 page 42) of the Consolidated General Purpose Financial Statements for the year ended 31st December, 2024, under "Trade and other payables from exchange transactions. The only outstanding up to date are those who the payee are still yet to be settled.

Evidence of the payments are hereby attached 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 ₦65,310,968.34 (Sixty five million three hundred and ten thousand nine hundred and sixty-eight naira, thirty four kobo), being unremitted taxes for the two (2) years.
ii. Recover and remit the sum of ₦65,310,968.34 to the relevant tax authorities.
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.

ISSUE 2: NON-REMITTANCE OF REVENUE (=₦19, 674,193.14)

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 Hospital generated a total of ₦51,879,767.53 (Fifty one million, eight hundred and seventy nine thousand, seven hundred and sixty seven naira, fifty three kobo) as non-revolving Internally Generated Revenue (IGR), as reflected in the General Purpose Financial Statements for the year ended 31st December, 2024.
ii. From (i) above, only ₦32,205,574.39 (Thirty-two million, two hundred and five thousand, five hundred and seventy four naira, thirty nine kobo) was remitted, based on the analysis of the General Ledger.
iii. The balance of ₦19,674,193.14 (Nineteen million six hundred and seventy four thousand one hundred and ninety three naira fourteen kobo) has not been remitted to government as required in the above-mentioned circular as shown in Table below, and

NON-REVOLVING FUND IGR PAYABLE TO THE CRF

S/N	REVENUE TYPE	AMOUNT ₦
1	BED FEES = 5% OF ADMISSION FEES (5%*N546,859,536.58)	27,342,976.83
2	MEDICAL REPORT	3,211,111.25
3	IGBOBI REVENUE	2,902,857.50
4	IGBOBI VENTURES	3,636,648.41
5	TRAINING SCHOOLS, EDUCATION, RESEARCH AND STATISTICS (TSERS)	3,120,781.26
6	FEDERAL COLLEGE OF ORTHOPAEDIC TECHNOLOGY (FECOT) SCHOOL TUITION & REGISTRATION FEES	11,665,392.28
	TOTAL	51,879,767.53
	LESS REMITTANCES MADE	32,205,574.39
	OUTSTANDING REMITTANCE	19,674,193.14

iv. The balance of ₦19,674,193.14 (Nineteen million six hundred and seventy four thousand one hundred and ninety three naira fourteen kobo) was not remitted in contravention of the extant provisions.

The above anomalies could be attributed to weaknesses in the internal control system at the National Orthopedic Hospital, Igbobi, Yaba, Lagos State.

Risks

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

Management's Response

The remittance made on Non-revolving fund of the Hospital Internally Generated is 50% of the Gross Revenue. This has been remitted to the consolidated Revenue Fund (CRF). Additionally, 100% tuition fees of Federal College of Orthopedic Technology have been remitted to Consolidated Revenue Fund. See 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 Medical Director has been requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦19,674,193.14 (Nineteen million six hundred and seventy four thousand one hundred and ninety three naira fourteen kobo), being non remittance of revenue.
ii. Recover and remit to the Treasury, the sum of ₦19,674,193.14.
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 3: UNRETIRED CASH ADVANCES (=₦22,087,167.13)

Description of Findings

Paragraph 1420 of the Financial Regulations (FR) (2009) states, "It is the responsibility of all Accounting Officers to ensure that all advances granted to officers are fully recovered." Furthermore, paragraph 2302 (ii) of the 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 sum of ₦22,087,167.13 (Twenty two million, eighty seven thousand, one hundred and sixty seven naira, thirteen kobo) was granted as personal cash advances to fifty nine (59) staff.
ii. Some staff who had not retired their previous advances were given fresh ones during the year, which in most cases, increased their outstanding advances, and
iii. There was no evidence of the retirement of the advances.

The above anomalies could be attributed to weaknesses in the internal control system at the National Orthopedic Hospital, Igbobi, Yaba, Lagos State.

Risks

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

Management's Response

The amount of ₦22,087,167.13 represents unretired advances as per the internal audit report for the period ended December 31st 2024 and most of those advances were granted/paid in December, 2024. In line with our management practice and extant rules, we ensure timely retirement of advances. The management ensures that, these aforementioned advances have since been retired in the following year.

Auditor's Evaluation

he 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 ₦22,087,167.13 (Twenty two million, eighty seven thousand, one hundred and sixty seven naira, thirteen kobo), being unretired cash advances.
ii. Recover and remit to the Treasury, the sum of ₦22,087,167.13.
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: IRREGULARITIES IN THE RECRUITMENT OF 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." Also, Establishment Circular number DB/2000/EXP/S.539/Vol.I/36 dated 17th January 2017 states, "MDAs are hereby advised to desist from increasing their nominal roll/personnel cost without recourse to the Budget Office for consideration to ensure appropriate budgetary provision. All new recruitments must be agreed with the Budget Office of the Federation upon submission of all necessary approvals for the MDAs to recruit new employees."

Audit observed that:

i. Management obtained approval to recruit one hundred and fourteen (114) staff.
ii. The Hospital's Nominal Roll however, indicated that one hundred and fifty six (156) senior and junior staff were employed as at 31st December, 2024, resulting to the recruitment of forty two (42) staff without approval.
iii. Evidence of waiver to recruit the extra number from the Office of the Head of Civil Service of the Federation (OHCSF), letter of Clearance from the Director General of the Budget Office of the Federation, and Approval of the Federal Character Commission (FCC) as well as Character Balancing Index from the FCC for the equitable distribution of vacancies among the States was not availed for audit, and
iv. There was no evidence that due process was followed in the recruitment exercise carried out by the Management.

The above anomalies could be attributed to weaknesses in the internal control system in the National Orthopedic Hospital, Igbobi, Yaba, Lagos State.

Risks

i. Over-bloating the wage bill.
ii. Uneven manpower distribution.

Management's Response

The requisite approvals were obtained. Appendix 7 contains the approval from the Authorized Establishment and the recruitment waiver from the Office of the Head of

Civil Service of the Federation. Additionally, Budgetary Provision was made and approval obtained from the Budget Office as evidence in Appendix 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 Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the irregular recruitment of one hundred and fifty six (156) senior and junior staff, and
ii. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

NATIONAL ORTHOPAEDIC HOSPITAL JOS, PLATEAU STATE

At the National Orthopaedic Hospital, Jos, for the period 1st January to 31st December, 2024, the following observations were made:

ISSUE 1: MISAPPLICATION OF FUND (=₦52,957,554.45)

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…" Similarly, paragraph 417 of Financial Regulation (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 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 authorized by an Appropriation Act, Supplementary Appropriation Act or an Act passed in pursuance of the National Assembly." 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 sum of ₦52,957,554.45 (Fifty two million, nine hundred and fifty seven thousand, five hundred and fifty four naira, forty five kobo), being payment for various services rendered to the Hospital was misapplied from another subhead.
ii. The funds meant for a different subhead were used for other expenditure, contrary to the provisions of the above extant regulations, and
iii. These payments were made in disregard to the approved Budget of the National Assembly.

The above anomalies could be attributed to weaknesses in the internal control system at the National Orthopaedic Hospital

Risks

i. Misapplication of funds.
ii. Diversion of funds.

Management's Response

We plead for pardon on misapplication of funds as the organization had to make a difficult decision on spending randomly against budget lines after trying to communicate the GIFMIS support on raising journals to move funds to the needed budget lines seemed impossible.

National Orthopedic Hospital Jos is a new establishment without take-off grant and it has been difficult struggling to start-up.

Auditors 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 Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦52,957,554.45 (Fifty two million, nine hundred fifty seven thousand, five hundred and fifty four naira, forty five kobo), being misapplication of funds.
ii. Recover and remit to the Treasury, the sum of ₦52,957,554.45.
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: IRREGULAR DIVERSION OF SALARY (=₦18,142,408.22)

Description of Findings

Paragraph 112 (g) of the Financial Regulations (FR) (2009) mandates all Accounting Officers to as part of their functions, to ensure 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. Staff salaries totalling ₦18,142,408.22 (Eighteen million, one hundred and forty two thousand, four hundred and eight naira, twenty two kobo) were debited from the Hospital's IPPIS Account to an account with description IPPIS Transaction with Account No (3000133948) instead of payments to the staff at source, and
ii. Reason for the movement of funds to an unusual account in paragraph (i) above was not explained.

The above anomalies could be attributed to weaknesses in the internal control system at the National Orthopedic Hospital, Jos.

Risks

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

Management's Response

i. With reference to issue 6 raised in the query, we wish to draw your attention to some discrepancies we noticed in the process. The table below highlights the difference for your review.
ii. Budget line: on the issue of no. 11 as seen on the table in APPENDIX IV stating that we had an expenditure on personnel to the tune of ₦26,000,000. our organization have a budget line of ₦8,546,478.08 and it is not feasible that we exceed the said budget line amount. Our organization wish to plead that you help investigate the matter as our actual schedule for the month was ₦8,471,636.59.
iii. The account detail on the GIFMIS report (3000133948) as stated on the query: our organization do not pay staff directly as the procedure of payment is made through schedule submitted to the office of the accountant general of the federation, IPPIS office. We plead that you look into that issue as well.
iv. Attached are all the acknowledged copies of salaries schedule from Jan-Dec 2024 that were submitted to the office of the accountant general, IPPIS office for the payment of monthly salaries to members of staff on the non-regular payroll (Appendix V).

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 Medical Director should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦18,142,408.22 (Eighteen million, one hundred and forty two thousand, four hundred and eight naira, twenty two kobo), being irregular diversion of salaries to an unusual account.
ii. Recover and remit to the Treasury, the sum of ₦18,142,408.22.
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.

MEDICAL LABORATORY COUNCIL OF NIGERIA, ABUJA

At the Medical Laboratory Council of Nigeria, Abuja, for the period 1st January to 31st December, 2024, the following observations were made:

ISSUE 1: PAID VOUCHERS NOT PRESENTED FOR EXAMINATION (=₦11,842,500.00)

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. The Council awarded two (2) contracts for the supply of Diesel totalling ₦11,842,500.00 (Eleven million, eight hundred and forty two thousand, five hundred naira). The request for payment was made on the 22nd July, 2024, and
ii. The amount in (i) above was paid to the company representing the two (2) contracts without evidence of paid vouchers.

The above anomalies could be attributed to weaknesses in the internal control system at Medical Laboratory Science Council of Nigeria, Abuja.

Risks

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

Management's Response

You went to the Procurement Unit and collected payment voucher not even signed or approved for payment and present as payment voucher without approval. It is not among the payment vouchers I gave you, I don't know how you get the payment without 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 acting Registrar should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦11,842,500.00 (Eleven million, eight hundred and forty two thousand, five hundred naira), being payments made without raising payment vouchers.
ii. Recover and remit to the Treasury, the sum of ₦11,842,500.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and gross misconduct specified in paragraphs 3106 and 3129 of the Financial Regulations (FR) (2009) respectively, should apply.

ISSUE 2: PAYMENT MADE WITHOUT VALIDATION OF VOUCHERS (=₦23,500,000.00)

Description of Findings

Paragraph 611 of the Financial Regulations (FR) (2009) states, "A Sub-Accounting officer may not make payment against a payment voucher unless:… (c) it is not more than three months since the voucher was signed by officer controlling expenditure."

Audit observed that:

i. The Council raised paid vouchers on 5th May, 2023 and 16th May, 2023 valued at ₦10,000,000.00 (Ten million naira) and ₦13,500,000.00 (Thirteen million, five hundred thousand naira), respectively in favor of two firms, and
ii. The total of ₦23,500,000.00 (Twenty three million, five hundred thousand naira) on the paid vouchers, were paid on 28th November, 2024, more than one year after the vouchers were raised, contrary to the extant regulations under reference.

The above anomalies could be attributed to weaknesses in the internal control system at Medical Laboratory Science Council of Nigeria, Abuja.

Risks

i. Duplicate payment of transactions.
ii. Waste and loss of public fund.

Management's Response

These were payment for legal services. The appointment of the Legal Officer was from the Chief Justice of Nigeria. Copy is here by attached for your perusal. Note we are under the Ministry of Health they are to direct on issues of the Council.

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 Acting Registrar should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦23,500,000.00 (Twenty three million, five hundred thousand naira), being irregular payments made without validation of paid vouchers.
ii. Recover and remit to the Treasury, the sum of ₦23,500,000.00**.**
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment prescribed in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 3: ENGAGEMENT OF EXTERNAL SOLICITORS WITHOUT THE ATTORNEY GENERAL OF THE FEDERATION'S FIAT (=₦23,000,000.00)

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 Council engaged the services of a legal firm to undertake legal services on some cases, vis MLSCN Vs Attorney-General of the Federation and Incorporated Trustees of Association of MLSCN Vs Attorney-General of the Federation. This letter was dated 24th October, 2024.
ii. The sum of ₦30,000,000.00 (Thirty million naira) was the value of the contract entered into with the legal firm without seeking the approval of the Attorney-General of Federation.
iii. Out of the contract sum in (ii) above, the sum of ₦23,000,000.00 (Twenty three million naira) was paid, and
iv. The Council, instead of obtaining approval from the Attorney-General of the Federation, attached a letter signed by the Minister of Health, serving as approval for the engagement.

The above anomalies could be attributed to weaknesses in the internal control system at Medical Laboratory Science Council of Nigeria, Abuja.

Risks

i. Incompetent solicitors may be engaged.
ii. Diversion of public funds.

Management's Response

The documents from the Attorney-General of the Federation were shown to you. Attached is for your attention. Federal Ministry of Health also direct Council affairs.

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 Acting Registrar should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦23,000,000.00 (Twenty three million naira), being payment made for the engagement of solicitors without the approval of the Attorney-General of the Federation.
ii. Recover and remit to the Treasury, the sum of ₦23,000,000.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment and gross misconduct specified in paragraphs 3117 and 3106 of the Financial Regulations (FR) (2009) respectively, should apply.

ISSUE 4: AWARD OF CONTRACT WITHOUT THE APPROVAL OF THE REGISTRAR (=₦30,856,149.00)

Description of Findings
Section 25 (2) (ii) of Public Procurement Act (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, and contracts shall only be awarded by the approval of the Chief Executive of the Procurement officer on his behalf once it has been agreed in the tender board meetings."

Audit observed that:
i. The sum of ₦30,856,149.00 (Thirty million, eight hundred and fifty six thousand, one hundred and forty nine naira) was awarded as contracts for procurement/services of ICT, Catering, supplies etc. without the approval of the Registrar, and
ii. The contracts were awarded by different Heads of Departments (HODs) in violation of extant regulations under reference.

The above anomalies could be attributed to weaknesses in the internal control system in Medical Laboratory Science of Nigeria, Abuja.

Risks
i. Possible Award of contracts to quacks.
ii. Lack of open competitive bidding in the award of contracts.
iii. Poor quality of services rendered.

Management's Response
From your explanation and understanding, you put to the above query was because the Registrar/CEO did not in his approval write the amount approved in words and figure. He simply writes approved or treat or process and identified the Contractor/Vendor in the bid reports. However, before the payments were made finally

the Registrar/CEO approved the payments vouchers and E-payments where raised the value, bank details name of the payee, the drawee and purpose of payment is/was meant for is approval by the Registrar/CEO. If at the originating memo requesting for the work to be done, amount was not written but before the payment was made. The amount to be paid was approved and written on the e-payment.

Furthermore, due to the work load and situation of the Registrar/CEO when the documents for work is/are brought to him for approval he may not approve with the amount in words and figures on the sport. But before payment is/are made he approves the amount. This cannot mean payments are made without the approval of the Registrar/CEO.

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 acting Registrar should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦30,856,149.00 (Thirty million, eight hundred and fifty six thousand, one hundred and forty nine naira), being the contract sum for the award of contract without the approval of the Registrar.
ii. Recover and remit the sum of ₦30,856,149.00 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 3117 and 3106 of the Financial Regulations (2009) respectively, should apply.

NATIONAL OBSTETRICS AND FISTULA CENTRE, NINGI, BAUCHI STATE

At the National Obstetrics and Fistula Centre, Ningi Bauchi State, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: EXTRA BUDGETARY EXPENDITURE FROM INTERNALLY GENERATED REVENUE (IGR) ACCOUNT (=₦44,384,543.00)

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 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 issued 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 controlling a vote, or part thereof, who incurs expenditure without such authority does so on his sole responsibility and will consequently be held pecuniarily responsible for his actions."

Audit observed that:

i. The sum of ₦44,384,543.00 (Forty four million three hundred and eighty four thousand, five hundred and forty three naira), was spent from the Internally Generated Revenue (IGR) Account, and
ii. There was no evidence of budgetary approval for the expenditure incurred from the IGR account.

The above anomalies could be attributed to weaknesses in the internal control system at the National Obstetrics and Fistula Centre, Ningi.

Risks

i. Disregard to extant rules
ii. Excessive spending.
iii. Misapplication of Funds.

Management's Response

The National Obstetrics Fistula Centre (NOFIC), Bauchi, is statutorily permitted to generate and utilise Internally generated Revenue (IGR) in line with the Fiscal Responsibility Act, 2007 and the relevant provisions of the Financial Regulations, 2009. Specifically, Ministries, Departments and Agencies (MDAs) are authorised to retain and spend up to 75% of their gross IGR for their operations, while the remaining 25% is required to be remitted into the Consolidated Revenue Fund (CRF) of the Federal Government.

Furthermore, in accordance with IPSAS 24 – Presentation of Budget Information in Financial Statements, all revenues and expenditures, including those funded from IGR are required to be captured within an approved budget framework to ensure transparency, accountability and proper legislative oversight.

The Centre acknowledges the observation and commits that henceforth, all expenditures funded from IGR will be fully integrated into the approved annual budgetary process, in compliance with FR 301, the Appropriation Act and IPSAS 24 standards on budget reporting.

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 ₦44,384,543.00 (Forty four million three hundred and eighty four thousand five hundred and forty three naira), being extra-budgetary expenditure.
ii. Recover and remit to the Treasury, the sum of ₦44,384,543.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to failure to manage public fund and irregular payment specified in paragraphs 3115 and 3106 of the Financial Regulations (FR) (2009) respectively, should apply.

ISSUE 2: PAYMENTS WITHOUT RELEVANT SUPPORTING DOCUMENTS (=₦1,555,046,361.65)

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, as to enable them to be check without reference to any other documents will and variably supported by relevant documents such as local purchase orders, invoice, special letters of authority, time sheets, etc."

Audit observed that:

i. The Bill of Quantity and cost breakdown for nine (9) contracts amounting to ₦1,555,046,361.65 (One billion, five hundred and fifty five million, forty six thousand, three hundred and sixty one naira, sixty five kobo) were not attached to the payment documents.
ii. The details/breakdown of the cost of the contracts could not be verified, and
iii. It was difficult assessing economy in the prices of the individual items included in the contract cost.

The above anomalies could be attributed to weaknesses in the internal control system at the National Obstetrics and Fistula Centre, Ningi.

Risks

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

Management's Response

Management acknowledges the observation of the Auditors on the absence of purpose order, bill of quantity and bill of engineering measurement, and it's already provided. Attached are samples of the required documents as evidence of compliance.

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 ₦1,555,046,361.65 (One billion, five hundred and fifty five million, forty six thousand, three hundred and sixty one naira, sixty five kobo), being payments made on contracts without supporting documents.
ii. Recover and remit to the Treasury, the sum of ₦1,555,046,361.65.
iii. Forward evidence of remittances 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 7

INFRASTRUCTURE AUDIT DEPARTMENT (IAD)

COUNCIL FOR REGULATION OF ENGINEERING IN NIGERIA, ABUJA

At the Council for Regulation of Engineering in Nigeria (COREN), Abuja, for the period 1st January 31st December, 2024, the following observations were made:

ISSUE 1: PROCUREMENT OF ICT FACILITIES WITHOUT CLEARANCE FROM THE NATIONAL INFORMATION TECHNOLOGY DEVELOPMENT AGENCY (=₦5,646,860.00)

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 ₦5,646,860.00 (Five million, six hundred and forty six thousand, eight hundred and sixty naira) were paid for the procurement of Information Communication Technology (ICT) Equipment and other accessories, and
ii. Evidence of prior approval from the National Information Technology Development Agency (NITDA), as required by the above Circular, were not provided for examination.

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 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 ₦5,646,860.00 (Five million, six hundred and forty six thousand, eight hundred and sixty naira), being payment for the procurement of ICT facilities without clearance from the National Information Technology Development Agency.
ii. Recover and remit to the Treasury, the sum of ₦5,646,860.00.
iii. Forward evidence of recovery particulars 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-SUBMISSION OF AUDITED FINANCIAL STATEMENTS

Description of Findings

Section 23(3) of the Fiscal Responsibility Act (2007) states, "Each corporation shall, not later than three months after the end of its financial year, cause to be prepared and published its audited financial reports in accordance with such rules as may be prescribed from time to time." 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 and the Accountant-General not later than 31st May of the following year of Account."

Inspite of the above extant regulations:

i. Management failed to submit the audited financial statements and management reports for 2024 financial years to the Auditor-General for the Federation, and
ii. There was no justification provided for non-submission of the Audited Financial Statements 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. Difficulty in assessing performance
ii. Lack of accountability.

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. Justify to the Public Accounts Committees of the National Assembly, the non-submission of the Audited Financial Statements for the year 2024 to the Auditor-General for the Federation.
ii. Produce the Audited Financial Statements for the year in (i) above, and the corresponding Management Letter/Report as required by extant regulations.
iii. Forward copies of the Audited Financial Statements and Auditor's Report thereon to both the Public Accounts Committees of the National Assembly and the Auditor-General for the Federation, and
iv. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

SURVEYORS COUNCIL OF NIGERIA, ABUJA

At the Surveyors Council of Nigeria (SURCON) Abuja for the period 1st January to 31st December 2024, the following observations were made:

ISSUE 1: PROCUREMENT OF ICT FACILITIES WITHOUT CLEARANCE FROM THE NATIONAL INFORMATION TECHNOLOGY DEVELOPMENT AGENCY (=₦4,800,000.00)

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 ₦4,800,000.00 (Four million, eight hundred thousand naira) was paid to a company for the development of Surveyors Council of Nigeria's (SURCON) Customized Software and Integrated Business System, and
ii. Evidence of clearance/approval from NITDA in accordance with the above stated extant regulations before the award were not provided.

The above anomalies could be attributed to weaknesses in the internal control system at the Surveyors Council of Nigeria (SURCON) Abuja.

Risks

i. Award of contract to incompetent contractors.
ii. Loss of public funds.
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 ₦4,800,000.00 (Four million, eight hundred thousand naira), being payment for ICT related contracts without NITDA approval.
ii. Recover and remit to the Treasury, the sum of ₦4,800,000.00.
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.

ISSUE 2: CASH ADVANCES GRANTED ABOVE LIMIT (=₦79,466,590.00)

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. One hundred and five (105) payment vouchers totalling ₦79,466,590.00 (Seventy nine million, four hundred and sixty six thousand, five hundred and ninety naira) were raised and paid to three (3) officers of the institution for direct procurement of food stuff meant for the feeding of students, and
ii. The payments in paragraph (i) above deprived government of 5% Value Added Tax and 5% Withholding Tax (WHT) totaling ₦9,933,323.75 (Nine million, nine hundred and thirty three thousand, three hundred and twenty three naira, seventy five kobo).

The above anomalies could be attributed to weaknesses in the internal control system at the Surveyors Council of Nigeria (SURCON), Abuja.

Risks

i. Loss of revenue to government.
ii. Diversion of public funds.
iii. Inability to fund 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 ₦79,466,590.00 (Seventy nine million, four hundred and sixty six thousand, five hundred and ninety naira), being cash advances granted above limit.
ii. Recover and remit to the Treasury, the sum of ₦79,466,590.00
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.

SECTION 8

INTERNATIONAL AUDIT & LIAISON DEPARTMENT (IA&LD)

THE NEW PARTNERSHIP FOR AFRICA'S DEVELOPMENT, ABUJA

At the New Partnership for Africa's Development (NEPAD), Abuja for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: NON–SUBMISSION OF AUDITED FINANCIAL STATEMENTS

Description of Findings

Section 23(3) of the Fiscal Responsibility Act (2007) states, "Each corporation shall, not later than three months after the end of its financial year, cause to be prepared and published its audited financial reports in accordance with such rules as may be prescribed from time to time." 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 and the Accountant-General not later than 31st May of the following year of Account."

In spite of the above regulations:

i. The Partnership's failed to submit it yearly audited accounts for four (4) financial years from 2019 to 2022, and
ii. Delays in compliance with financial reporting regulations and timeliness weaken the executive oversight function and deprive those charged with governance with timely information on performance and for decision making and deprive the full range of stakeholders, including the legislature, the executive of vital information on financial performance and stewardship.

The above anomalies could be attributed to weaknesses in the internal control system at the New Partnership for Africa's Development (NEPAD), Abuja.

Risks

i. Poor decision-making by stakeholders.
ii. Reputational damage.
i. Difficulty in assessing performance

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issues raised, the finding remain valid until the Management implements the recommendation.

Recommendations

The National Coordinator should be requested to:

i. Justify to the Public Accounts Committees of the National Assembly, the non-submission of Audited Financial Statement for the year 2019 to 2022.
ii. Produce the Audited Financial Statements for the year in (i) above, and the corresponding Management Letter/Report as required by extant regulations.

iii. Forward copies of the Audited Financial Statement and Auditor's Reports thereon to both the Public Accounts Committees of the National Assembly and the Auditor-General for the Federation, and
iv. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

ISSUE 2: UNJUSTIFIED INSERTION OF TAXES (=₦6,094,730.02)

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 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." Also, 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. The contract for the construction of Motorized Boreholes in Sokoto South, Sokoto state was awarded to a company at a total contract price of ₦95,000,000.00 (Ninety five million naira). The two paid vouchers are: PV/NEPAD/CAP/064/2023 dated 6th December, 2023, for ₦28,500,000.00 and PV/NEPAD/CAP/088/2023 dated 28th December, 2023, for ₦66,500,000.00 respectively.
ii. Another contract was awarded to a company vide award letter Ref. No. NEPAD/PROC/2023/CAP/S3) at a contract price of ₦11,555,937.75 (Eleven million, five hundred and fifty five thousand, nine hundred and thirty-seven naira, seventy five kobo).
iii. The sum of ₦5,160,207.06 and ₦934,522.96 was added to the contract in (i) and (ii) above as 5% Withholding Tax and 1% Stamp Duty, respectively.
iv. From (iii) above the sum of ₦6,094,730.02 (₦5,160,207.06 plus ₦934,522.96) (Six million, ninety four thousand, seven hundred and thirty naira, two kobo) was added in the contract price, thereby transferred the burden of the tax to government as against the contractors. See table below

S/N	DESCRIPTION OF THE CONTRACT	REF/DATE	CONTRACT SUM	WHT ADDED	STAMP DUTY	TOTAL OVER PAYMENT
1	The contract for the construction of Motorized Boreholes in Sokoto South, Sokoto State .	NEPAD/PROC/2023 CAP/W1 Dated 16th October, 2023	95,000,000.00	4,185,022.50	837,004.50	5,022,027.00
2	The contract for the Skill Acquisition for Women and Youths at IKA-South, Delta State,	Ref No: NEPAD/PROC/2023/CAP/S3) dated 16th October, 2023	11,555,937.75	975,184.56	97,518.46	1,072,703.02
		TOTAL	**106,555,937.75**	**5,160,207.06**	**934,522.96**	**6,094,730.02**

Source: Extracted from the Contractors payment Vouchers

The above anomalies could be attributed to weaknesses in the internal control system at the New Partnership for Africa's Development (NEPAD), Abuja.

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 issues raised, the finding remain valid until the Management implements the recommendations.

Recommendations

The National Coordinator should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦6,094,730.02 (Six million, ninety four thousand, seven hundred and thirty naira, two kobo), being insertion of taxes to the contract price thereby transferred the burden of the tax to government as against the contractors.
ii. Recover and remit to the Treasury, the sum of ₦6,094,730.02.
iii. Forward the 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 3: NON-DEDUCTION OF STATUTORY TAXES (=₦71,336,101.75)

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. The Partnership awarded the contract for the construction of Solar Security Light Stand in Tambuwal and two others LGA of Sokoto State at the cost of ₦326,500,500.00 and the contract for the Production of Instructional /Learning Materials to Students in Sokoto State at the cost of ₦ 59,100,050.00.
ii. From (i) above, the two (2) contracts totaling ₦385,600,550.00 (Three hundred and eighty five million, six hundred thousand, five hundred naira) were awarded and paid for, without deducting the necessary and statutory taxes and remittance of same to the relevant Tax Authorities, and

iii. This resulted to non deduction of tax revenue totaling ₦71,336,101.75 (Seventy one million, three hundred and thirty six thousand, one hundred and one naira, seventy five kobo).

The above anomalies could be attributed to weaknesses in the internal control system at the New Partnership for Africa's Development (NEPAD), Abuja.

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 respond to the issues raised, the finding remain valid until the Management implements the recommendations.

Recommendations

The National Coordinator should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦71,336,101.75 (Seventy one million, three hundred and thirty six thousand, one hundred and one naira, seventy five kobo), being statutory taxes not deducted and remitted.
ii. Recover and remit to the appropriate tax authority, the sum of ₦71,336,101.75.
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.

ISSUE 4: AWARD OF CONTRACT IN CONTRAVENTION OF BPP GUIDELINES (=₦6,941,005,267.32)

Description of Findings

Paragraph 2906 of the Financial Regulation (FR) (2009) states, "(i) All contracts or tenders falling within the limits of the threshold prescribed by the Bureau for Public Procurement, except as exempted under the Act, shall attract a "Certificate of 'No objection' to award Contract" for such to be seen as validly executed. The Bureau-shall issue this certificate only when it is satisfied that all necessary re-requisites have been complied with. (ii) Pursuant to sub-section (i) above, all (ii) Pursuant to sub-section (i) above, 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"

Audit observed that:

i. The Partnership vide letter Reference No. NEPAD/NC/CEO/MDAs/3440/v/401 dated 6th April, 2023, requested for due process ''No Objection'' to adopt Selective Tendering Method of procurement for the implementation of some capital and constituency projects under the 2023 Appropriation.

ii. Basic documents needed were not made available on one hundred and forty two (142) contract payment vouchers totaling ₦6,941,005,267.32 (Six billion, nine hundred forty one million, five thousand, two hundred and sixty seven naira and thirty two kobo) to authenticate the contractor's qualification for award of government contracts, and to show the costing and bidding process of the contracts met BPP standard, Such documents include:

(i) Copy of Certificate of incorporation issued by Corporate Affairs Commission;
(ii) Tax Clearance Certificate from Federal Inland Revenue Service;
(iii) Documents relating to bid offers and the bidding process;
(iv) Bill of Quantity or job specification in some construction contracts.
(v) Invite at least minimum of five (5) unrelated responsive bidders to tender public procurement Act, 2007 shall be shortlisted to participate in the procurement.
(vi) Ensure that no firm is allowed to participate in more than one (1) lot, as compliance with this requirement will be verified during procurement audit,
(vii) Ensure that company profiles of the shortlisted firms should include qualifications (e.g) COREN, QSRBN, ARCON, CORBON, ICAN, ANAN, OEM Authorization were applicable, and

iii. No document was made available to the Team as evidence of compliance and adherence to the guidelines despite several requests.

The above anomalies could be attributed to weaknesses in the internal control system at the New Partnership for Africa's Development (NEPAD), Abuja.

Risks

i. Award of contract to incompetent contractors.
ii. Poor quality delivery of projects to the citizens.
iii. Loss of value for money on government projects.

Management's Response

No response.

Auditor's Evaluation

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

Recommendations

The National Coordinator should be requested to:

i. Account to Public Accounts Committees of the National Assembly, the sum of ₦6,941,005,267.32 (Six billion, nine hundred and forty one million, five hundred thousand, two hundred and sixty seven naira, thirty two kobo), being award of contract in contravention of BPP guideline.
ii. Recover and remit to the Treasury, the sum of ₦6,941,005,267.32.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
v. Otherwise, sanctions relating to irregular award of contract prescribed in paragraph 3117 of the Financial Regulations (2009) should apply.

ISSUE 5: DENIAL OF ACCESS TO FINANCIAL RECORDS AND INFORMATION (=₦3,471,856,073.34)

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 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."

Audit observed that:

i. The Partnership made several payments via the REMITA platform for Zonal Intervention Projects (ZIPs) and other ancillary payments in 2023, totaling ₦3,471,856,073.34 (Three billion, four hundred and seventy one million, eight hundred and fifty six thousand, seventy three naira, thirty four kobo)
ii. The paid vouchers, cashbook and other necessary documents such as statement of account, bank reconciliation statement etc, were not presented for examination despite several and repeated requests, and
iii. The account Department of NEPAD could not give any reason for non-presentation of these outstanding payment vouchers and cashbooks in respect of the Zonal Intervention Projects for the year 2023.

The above anomalies could be attributed to weaknesses in the internal control system at the New Partnership for Africa's Development (NEPAD), Abuja.

Risks

i. Concealment of financial information.
ii. Diversion of government revenue.
iii. Loss of public funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issues raised, the finding remain valid until the Management implements the recommendation.

Recommendations

The Coordinator should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦3,471,856,073.34 (Three billion four hundred and seventy one million eight hundred and fifty six thousand, seventy three naira thirty four kobo), being payments for zonal Intervention Projects (ZIPs) and other ancillary in 2023 without presenting documents for examination.

ii. Forward all Books, Records, Returns and other documents relating to the payment in (i) above to the Public Accounts Committees of the National Assembly, and
iii. Otherwise, sanctions relating to failure to prepare bank reconciliation statement, render detailed statement of account and irregular payment specified in paragraphs 3121, 3122 and 3106 of the Financial Regulations (2009) respectively, should apply.

ISSUE 6: ADMINISTRATIVE ADVANCES NOT ACCOUNTED FOR (=₦1,010,934,617.50)

Description of Findings

Paragraph 1404 of Financial Regulations (FR) (2009) states, (i) The Accounting Officer of a ministry/extra ministerial offices and other arms of government shall ensure that Advances Account Records, fully indexed, are maintained to record advances issued and all the recoveries made. (ii) Transactions must be posted promptly and correctly and at the end of each months shall be reconciled with the Accountant-General's Control Account..."

Audit observed that:

i. The sum of ₦1,010,934,617.50 (One billion, ten million nine hundred and thirty four thousand, six hundred and seventeen naira, fifty kobo) were paid via twenty one (21) paid vouchers as personal advances to two (2) staff who served as project accountant for the New Partnership in 2023, and
ii. Advances ledger and retirement vouchers as well as the bank account statements and other documents that would have help the audit to ascertain whether these advances were actually used for government business were not made available for audit scrutiny despite repeated demand.

The above anomalies could be attributed to weaknesses in the internal control system at the New Partnership for Africa's Development (NEPAD), Abuja.

Risks

i. Diversion of public funds.
ii. Misappropriation of funds.
iii. Payment for unapproved expenditure.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issues raised, the finding remain valid until the Management implements the recommendation.

Recommendations

The Chief Executive Officer of NEPAD should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦1,010,934,617.50 (One billion ten million nine hundred and thirty four thousand, six hundred and seventeen naira fifty kobo), being administrative advances not accounted for.

ii. Recover and remit to the Treasury, the sum of ₦1,010,934,617.50.
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 7: PAYMENTS FOR CONTRACTS WITHOUT EVIDENCE OF EXECUTION (=₦1,102,679,538.62)

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 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. Twenty seven (27) contracts totaling ₦1,102,679,538.62 (One billion, one hundred and two million, six hundred and seventy nine thousand five hundred and thirty eight naira, sixty two kobo) for empowerments were awarded and paid for during 2023 financial year.
ii. Fourteen (14) contracts on capacity building on agro-processing and vocational skills for women and youths, totaling ₦540,103,252.77 (Five hundred and forty million one hundred and three thousand, two hundred and fifty two naira, seventy seven kobo) were awarded to fourteen (14) contractors.
iii. Four (4) contracts for the supply of agricultural farm inputs, totaling ₦225,200,363.91 (Two hundred and twenty five million, two hundred thousand, three hundred and sixty three naira, ninety one kobo) were awarded and paid for.
iv. Details of the beneficiaries of contracts in (iii) above were not made available for scrutiny while request for inspection visit to sites were turned down by the Management.
iii. Contracts files in respect of the above contracts were not made available for scrutiny, and
iv. There was no evidence to show any of the above contracts were executed.

The above anomalies could be attributed to weaknesses in the internal control system at the New Partnership for Africa's Development (NEPAD), 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 issues raised, the finding remain valid until the Management implements the recommendation.

Recommendations
The National Coordinator should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦1,102,679,538.62 (One billion, one hundred and two million, six hundred and seventy nine thousand five hundred and thirty eight naira sixty two kobo), being payment for contracts without evidence of execution.
ii. Recover and remit to the Treasury, the sum of ₦1,102,679,538.62.
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 8: PAYMENTS WITHOUT RELEVANT SUPPORTING DOCUMENTS (=₦326,500,500.00)

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." 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 ₦326,500,500.00 (Three hundred and twenty six million, five hundred thousand, five hundred naira) was awarded for the construction of Solar Security Light stand in Tambuwal and two (2) other LGA of Sokoto state in 2023 financial year.
ii. An examination of the GIMIS payment platform revealed that the contract was paid for in February,2023, and
iii. Paid voucher in respect of these contracts and all other supporting documents was not made available to the audit team despite request.

The above anomalies could be attributed to weaknesses in the internal control system at the New Partnership for Africa's Development (NEPAD), Abuja.

Risks

i. Possibility of theft and collusion.
ii. Loss of government revenue
iii. Misappropriation of public funds

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issues raised, the finding remain valid until the Management implements the recommendation.

Recommendations

The National Coordinator should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦326,500,500.00 (Three hundred and twenty six million, five hundred thousand, five hundred naira), being payments made without supporting documents.
ii. Recover and remit to the Treasury, the sum of ₦326,500,500.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
ii. 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 9: VIOLATION OF E-PAYMENT POLICY OF THE FEDERAL GOVERNMENT (=₦235,388,244.00)

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. Forty three (43) paid vouchers totaling ₦210,388,244.00 (Two hundred and ten million, three hundred and eighty eight thousand, two hundred and forty four naira) were raised in the name of two staff and paid to defray Duty Tour Allowance. All the payments were paid into two officers personal bank accounts.
ii. These payments were in tranches ranging between ₦1,000,000.00 and ₦12,000,000.00 and they were paid intermittently and in quick succession as DTA to staff of NEPAD who are on official assignments to inspect Zonal Intervention Projects (ZIP) in the six (6) geopolitical zones across the country.
iii. Another sum of ₦25,000,000.00 (Twenty five million naira) named "transition expense" was equally paid to one of the staff accounts.
iv. The relevant schedules of disbursements, rates, evidence of discharge to the personal accounts of beneficiaries, Boarding pass and Air tickets where applicable were not presented for audit scrutiny
v. Inspection report in respect of the visit by the purported beneficiaries of the DTA payments to the various project's locations across the country on Zonal Intervention Projects was not made available for audit, and
vi. The sums in (i) and (ii) above totalling ₦235,388,244.00 (Two hundred and thirty five million three hundred and eighty eight thousand two hundred and forty four naira), paid as DTA and transition expense for the staff of NEPAD could not be accepted as a legitimate charge to public fund.

The above anomalies could be attributed to weaknesses in the internal control system at the New Partnership for Africa's Development (NEPAD), 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 issues raised, the finding remain valid until the Management implements the recommendation.

Recommendations

The National Coordinator should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦235,388,244.00 (Two hundred and thirty five million three hundred and eighty eight thousand two hundred and forty four naira), being violation of e-payment policy of the federal government.
ii. Recover and remit to the Treasury, the sum of ₦235,388,244.00.
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 10: CASH ADVANCES GRANTED ABOVE LIMIT (=₦29,440,575.26)

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 ₦356,581,584.00 (Two hundred and fifty six million, five hundred and eighty one thousand, five hundred and eighty four naira) were paid to staff for production of flyers, customized banners, purchase of diesel and printing respectively, for NEPAD activities in 2023 as shown in the Table below:

S/N	Descriptions	Amount (₦)
1	Payment for production of flyers, customized banners etc	135,830,140.00
2	Purchase of diesel	9,723,400.00
3	Procurement and purchases of office use items (stationary, printing of official documents, printing of flags etc)	43,804,900.00
4	African peer review mechanism quarterly councils' summit with member stares for experience sharing in South Africa, via ref No NEPAD/CAP/028/2023 dated 21/9/2023 and Re-launch & Domestication of AUDA-NEPAD FRAMEWORK At the Federal, State & Local Government via ref No NEPAD/CAP/027/2023 dated 21/9/2023	167,223,144.00
	Total	**356,581,584.00**

ii. The payments in (i) above were above the statutory limit of ₦200,000.00 required by extant regulations, and

iii. The payment have deprived government of ₦29,440,575.26 (Twenty nine million four hundred and forty thousand, five hundred and seventy five naira, twenty six kobo) that would have accrued as revenue through taxes.

The above anomalies could be attributed to weaknesses in the internal control system at the New Partnership for Africa's Development (NEPAD), Abuja.

Risks

i. Diversion of public funds.
ii. Payment may be made for items not supplied

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issues raised, the finding remain valid until the Management implements the recommendation.

Recommendations

The National Coordinator should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦29,440,575.26 (Twenty nine million four hundred and forty thousand, five hundred and seventy five naira, twenty six kobo), being cash advances granted to staff above the statutory limit.
ii. Recover and remit to the Treasury, the sum of ₦29,440,575.26.
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 specifies in paragraphs 3106 and 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 11: UNACCOUNTED WORKSHOP FUNDS AND STAFF WELFARE FUNDS (=₦89,700,459.00)

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 sum of ₦68,917,209.00 (Sixty eight million nine hundred and seventeen thousand two hundred and nine naira) meant to organized workshop on second peer-review including the transport allowance to staff and stakeholders was paid into two staff accounts via five (5) paid vouchers without evidence of how the money was spent
ii. The Management of NEPAD also, approved a total of ₦20,783,250.00 (Twenty million, seven hundred and eighty three thousand, two hundred and fifty naira) as Christmas welfare packages to be paid to two (2) staff account via four (4) paid vouchers
iii. Acknowledged evidence of how the bulk payment was spent and distributed to the entire staff were not made available for the audit team despite repeated request.
iv. The relevant schedules of disbursements, rates, evidence of discharge to the personal accounts of beneficiaries, Boarding pass and Air tickets where applicable were not presented for audit scrutiny.

v. Report in respect of the staff and stakeholders' engagement, the hiring of venue, public address systems and resource person for the workshop on second peer review process in Nigeria was not made available for audit, and
vi. From the (i) and (ii) above, the sum of ₦89,700,459.00 (Eighty nine million, seven hundred thousand, four hundred and fifty nine naira) paid as DTA, payment made to project accountant for workshop on poultry production management in Imo state and Edo State, and Christmas welfare packages could not be accepted as a legitimate charge to public fund.

The above anomalies could be attributed to weaknesses in the internal control system at the New Partnership for Africa's Development (NEPAD), 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 issues raised, the finding remain valid until the Management implements the recommendations.

Recommendations
The National Coordinator should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦89,700,459.00 (Eighty nine million, Seven hundred thousand, four hundred and fifty nine naira), being unaccounted workshop funds and staff welfare funds, and violation of e-payment policy of the federal government.
ii. Recover and remit to the Treasury, the sum of ₦89,700,459.00.
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 12: MISAPPLICATION OF FUNDS (=₦57,802,891.10)

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. Nineteen (19) payments totaling ₦57,802,891.10 (Fifty seven million, eight hundred and two thousand, eight hundred and ninety one naira, ten kobo) were made from the capital budget votes of the office to defray some of the recurrent expenditures in the year 2023, and
ii. Recurrent expenditures such as payment of utility bills, over-time allowance, purchase of diesel, fumigation of buildings etc. are recurrent budget items and as such should not be charged to capital votes.

The above anomalies could be attributed to weaknesses in the internal control system at the New Partnership for Africa's Development (NEPAD), Abuja.

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 issues raised, the finding remain valid until the Management implements the recommendations.

Recommendations

The National Coordinator should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦57,802,891.10 (Fifty seven million, eight hundred and two thousand, eight hundred- and ninety one-naira, ten kobo), being capital vote expended on recurrent expenditures.
ii. Recover and remit to the Treasury, the sum of ₦57,802,891.10.
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 13: AWARD AND PAYMENT FOR CONTRACT WITHOUT DUE PROCESS (=₦14,670,000.00)

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 Agency made payments totaling ₦14,670,000.00 (Fourteen million, six hundred and seventy thousand naira) to a consultancy firm for consultancy services on Monitoring and Evaluation for the year 2022 in 2023, and
ii. The Payment was made on the 15th February, 2023 through the GIFMIS platform. The contract file as well as the necessary evidence of due process of award of this contract such as the advertisement in two national dailies or notice board advertisement and selection process were not made available to the team for scrutiny.

The above anomalies could be attributed to weaknesses in the internal control system at the New Partnership for Africa's Development (NEPAD), Abuja.

Risks

i. Award of contract to incompetent contractor.
ii. Diversion of public funds.
iii. Loss of government funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issues raised, the finding remain valid until the Management implements the recommendations.

Recommendations

The National Coordinator should be requested to:

i. Account to the Public Accounts Committees of National Assembly, the sum of ₦14,670,000.00 (Fourteen million, six hundred and seventy thousand naira), paid for contracts awarded without due process.
ii. Recover and remit to the Treasury, the sum of ₦14,670,000.00.
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 14: IRREGULAR PAYMENT OF GRANT (=₦47,500,000.00)

Description of Findings

Paragraph 613 of the Financial Regulations (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. This can be done by a member of the ministry, extra-ministerial office and other arms of Government attesting payment at the Treasury or Cash Office. Vouchers must be receipted in the presence of the paying officer by the payee or his properly authorized representative at the time payment is actually made, and the amount received completed in words." 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." 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 ₦47,500,000.00 (Forty seven million, five hundred thousand naira) was paid on 21st December, 2023, to a Bank as grant to market women and youths in Ewekoro Local Government Area in Ifo/Ewekoro Federal Constituency, Ogun State.
ii. There was no evidence to show details of the beneficiaries, bank account numbers and amount paid to each of the beneficiaries, etc, and
iii. The none availability of documents mentioned in (ii) above made the purpose of the payment doubtful.

The above anomalies could be attributed to weaknesses in the internal control system at the New Partnership for Africa's Development (NEPAD), Abuja.

Risks

i. Diversion of funds.
ii. Misapplication of funds

Management's Response

No response

Auditor's Evaluation

Since the Management failed to respond to the issues raised, the finding remain valid until the Management implements the recommendations.

Recommendations

The National Coordinator should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦47,500,000.00 (Forty seven million, five hundred thousand naira), being irregularities in the payment of grant to beneficiaries.
ii. Recover and remit to the Treasury, the sum of ₦47,500,000.00.
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 3106 of the Financial Regulations (2009) should apply.

ISSUE 15: UNCLEAR TRANSACTION IN RESPECT OF PAYMENT OF BOUNCED CHEQUE TO STAFF (=₦4,000,000.00)

Description of Findings

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 ₦4,000,000.00 (Four million naira) was paid into the bank account of a staff on 26th January, 2023, with the narration as 'payment of bounced' cheque during UNGA 2022 without any further details given or provided.
ii. On request, the origin of the transactions and all other supporting documents to validate the payments were not made available for audit, and
iii. The payment of bounced cheque without further provision of relevant documents to prove the genuineness of the payment cast doubt on the genuineness and authenticity of the payment.

The above anomalies could be attributed to weaknesses in the internal control system at the New Partnership for Africa's Development (NEPAD), Abuja.

Risks

i. Misapplication of public funds.
ii. Diversion of public funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issues raised, the finding remain valid until the Management implements the recommendations.

Recommendations

The National Coordinator should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum, ₦4,000,000.00 (Four million naira), being the payment of bounced cheque without any further details given or provided
ii. Recover and remit to the Treasury, the sum of ₦4,000,000.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payments and failure to account for public funds specified in paragraphs 3106 and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 16: IRREGULARITIES IN THE AWARD AND PAYMENT FOR CONTRACT (=₦219,273,508.00)

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." 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 ₦219,273,508.00 (Two hundred and nineteen million, two hundred and seventy three thousand, five hundred and eight naira) was contract for the construction of Motorized Bore-Hole in Sokoto South, Sokoto State, paid in four instalments as shown in the Table below.

S/N	PV NO & DATES	DESCRIPTION OF PAYMENT	GROSS AMOUNT (₦)
1	NEPAD/CAP/064/2023 of 6/12/2023	Being payment of 30% Mobilization fee	28,500,000.00
2	NEPAD/CAP/088/2023 of 28/12/2023	Part certificate 1	66,500,000.00
3	NEPAD/CAP/060/2023 of 6/12/2023	Part certificate 2	28,500,000.00
4	NEPAD/CAP/03/2023 of 20/7/2023	Final part certificate	95,773,508.00
			219,273,508.00

Source: paid vouchers of the project

ii. The contract in (i) above is without contract file and clear deliverable such as number of bore holes, unit costs, site's locations, number of class rooms blocks, etc, and

iii. In the absence of the documents in (ii) above, the audit team find it difficult to accept the payment as a legitimate charge against public funds.

The above anomalies could be attributed to weaknesses in the internal control system at the New Partnership for Africa's Development (NEPAD), 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 issues raised, the finding remain valid until the Management implements the recommendations.

Recommendations

The National Coordinator should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦219,273,508.00 (Two hundred and nineteen million, two hundred and seventy three thousand, five hundred and eight naira), being contract awarded without clear deliverables.
ii. Recover and remit to the Treasury, the sum of ₦219,273,508.00
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 17: VIOLATION OF E-PAYMENT POLICY OF THE FEDERAL GOVERNMENT (=₦11,600,100.00)

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. Three staff of NEPAD were paid the sum of ₦11,600,100.00 (Eleven million, six hundred thousand, one hundred naira) as estacode allowance for official trip to UAE. The payment is to enable them participate at COP28 Climate Change Conference in Dubai, as well as the estacode allowance and other allowances to South Africa and Senegal.
ii. The amount approved for one of the staff to embark on the trip was paid to another staff, in violation of e-payment policy of the Federal Government, and
iii. The details of the transaction could not be ascertained as relevant supporting documents such as a copy of invitation letter for the AU summit, nomination letter from NEPAD, travel documents such as copies of international passport, boarding pass, etc. were not made available for examination.

The above anomalies could be attributed to weaknesses in the internal control system at the New Partnership for Africa's Development (NEPAD), Abuja.

Risks

i. Diversion of public funds into person use.
ii. Funds may not get to the beneficiaries.

Management's Response
No response.

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

Recommendations
The National Coordinator should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦11,60,100.00 (Eleven million, six hundred thousand, one hundred naira), being payments made in violation of the federal government's e-payment policy and without necessary supporting documents.
ii. Recover the sum of ₦11,60,100.00 and remit 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 18: PAYMENT FOR PUBLICITY AND MEDIA BRIEFING WITHOUT EVIDENCE OF PERFORMANCE (=₦10,418,000.00)

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."

Audit observed that:

i. The sum of ₦10,418,000.00 (Ten million, four hundred and eighteen thousand naira) were paid as shown in the Table below, to the staff of NEPAD for publicity, entertainment and media campaigns on product lunching for 2023 financial year without providing valid evidence of execution.

PAYMENT FOR MEDIA PUBLICITY PAID TO STAFF WITHOUT EVIDENCE OF EXECUTION			
S/NO	**PV NO. & DATES**	**DETAILS**	**AMOUNT(N)**
1	NEPAD/CAP/029/23 of 13/12/2023	MEDIA COVERAGE OF AUDA -NEPAD ACTIVITIES AND ACHIEVEMENT ON RADIO AND TELEVISION STATIONS (NTA, CHANNELS, ITV, FRCN, WAZOBIA FM & JORDAN FM)	2,468,000.00
2	NEPAD/CAP/060/23 of 21/12/2023	FOR THE CONDUCT OF END OF THE YEAR `S MEDIA BRIEFING	2,100,000.00
3	NEPAD/CAP/058/23 of 21/12/2023	MEDIA COVERAGE FOR AUDA -NEPAD NIG SMALL HOLDER FAMERS	1,450,000.00
4	NEPAD/CAP/111/23 of 30/11/23	PRODUCTION OF AUDA -NEPAD FOR THE PRODUCTION OF AUDA-NEPAD/APRM	2,800,000.00

5	NEPAD/OC/110/23 of 30/11/23	PUBLICATION OF AGENCY`S ACHIEVEMENTS.	1,600,000.00
		TOTAL	**10,418,000.00**

ii. There were no receipts from the television stations/radio stations, and no certificate of performance was attached to the paid voucher, and
iii. Evidence of transfer of money from these staff accounts to the agency responsible for the advertisement account was also not made available to the audit team.

The above anomalies could be attributed to weaknesses in the internal control system at the New Partnership for Africa's Development (NEPAD), Abuja.

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 issues raised, the finding remain valid until the Management implements the recommendations.

Recommendations
The National Coordinator should be requested to:
i. Account to Public Accounts Committees of the National Assembly, the sum of ₦10,418,000.00 (Ten million, four hundred and eighteen thousand naira), being payments made for publication without evidence of execution.
ii. Recover and remit to the Treasury, the sum of ₦10,418,000.00.
iii. Forward evidence of remittance to the Public Accounts Committee of the National Assembly, and
iv. Otherwise, sanctions relating to irregular payment specified in paragraph 3106 of the Financial Regulations (2009) should apply.

ISSUE 19: IRREGULAR PAYMENT OF MOBILIZATION FEE (=₦95,773,508.00).

Description of Findings
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;…" Furthermore, section 36(1) of the PPA (2007) states, "The provision of a performance guarantee or an unconditional insurance bond shall be a

precondition for the award of any procurement contract upon which any mobilisation fee is to be paid, provided the performance guarantee or unconditional insurance bond is not less than 10% of the contract value."

Audit observed that:

i. The sum ₦95,773,508.00 (Ninety five million, seven hundred and seventy three thousand, five hundred and eight naira) was paid via payment voucher NO: NEPAD/CAP/055/23 dated 20th July, 2023, for the Effect of Biodiversity on Water Management for Food Nutrition.
ii. In accordance with the provision of the Finance Act 2020, 30% mobilization fee was expected to be paid to the contractor after submitting advance payment guarantee (APG).
iii. Examination of the supporting document showed that the contractor requested for 100% payment on 7th July, 2023, for effective implementation of the program within stipulated time, and
iv. Approval was granted on 11th July, 2023 and the total contract sum was paid as requested contrary to the provision of the extant regulation.

The above anomalies could be attributed to weaknesses in the internal control system at the New Partnership for Africa's Development (NEPAD), Abuja.

Risks

i. Loss of public fund.
ii. Difficulty in funding budget.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issues raised, the finding remain valid until the Management implements the recommendation.

Recommendations

The National Coordinator should be requested to:

i. Account to Public Accounts Committees of the National Assembly, the sum of ₦95,773,508.00 (Ninety five million seven hundred and seventy three thousand five hundred and eight naira), being 100% payment of mobilization fees to contractor.
ii. Recover and remit to the Treasury, the sum of ₦95,773,508.00
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 3129 of the Financial Regulations (2009) respectively, should apply.

ISSUE 20: UNACCOUNTED PAYMENTS MADE THROUGH STAFF BANK ACCOUNTS (=₦1,348,166,784.90)

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. Payment totaling ₦1,348,166,784.90 (One billion, three hundred and forty eight million, one hundred and sixty six thousand, seven hundred and eighty four naira, ninety kobo) were made into the bank accounts of two staff of the agency as shown in the extract from the GIFMIS capital.
ii. One of the staff bank account has a total payment of ₦782,646,847.51 (Seven hundred and eighty two million, six hundred and forty six thousand, eight hundred and forty seven naira, fifty one kobo) while the second has the sum of ₦565,519,937.39 (Five hundred and sixty five million, five hundred and nineteen thousand, nine hundred and thirty seven naira, thirty nine kobo).
iii. Necessary evidence to confirm the onward transfer of these payments from the staff bank accounts to the intended beneficiaries and for the discharge of any government business could not be traced to any paid vouchers and supporting documents, and
iv. The absence of (iii) above makes it difficult for the payments in (i) above to be accepted as a legitimate charge to government.

The above anomalies could be attributed to weaknesses in the internal control system at the New Partnership for Africa's Development (NEPAD), Abuja.

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 issues raised, the finding remain valid until the Management implements the recommendations.

Recommendations

The National Coordinator should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦1,348,166,784.90 (One billion, three hundred and forty eight million, one hundred and sixty six thousand, seven hundred and eighty four naira, ninety kobo), being unaccounted payment made through staff bank account.
ii. Recover and remit to the Treasury, the sum of ₦1,348,166,784.90
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 prescribed in paragraphs 3104(iii) and 3115 of the Financial Regulations (2009) respectively, should apply.

ISSUE 21: PAYMENT OF PUBLIC FUND INTO STAFF PERSONAL BANK ACCOUNT IN THE NAME OF OUT-OF-POCKET EXPENSES (=₦2,480,000.00)

Description of Findings

Paragraph 713 of the Financial Regulation 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 ₦2,480,000.00 (Two million, four hundred and eighty thousand naira) was paid into a staff account with paid voucher Ref. No. NEPAD/OC/130/2023 dated 13th December, 2023, and
ii. The payment was for the repairs of air conditioning, net to the windows and roofing leakages; however, the amount in (i) above was paid to a staff bank account with ref no 538275-1 dated 14th December, 2023, instead of the actual beneficiary that appear on the paid voucher without any justifiable reason.

The above anomalies could be attributed to weaknesses in the internal control system at the New Partnership for Africa's Development (NEPAD), Abuja.

Risks

i. Payment for sub-standard service.
ii. Loss of government funds.
iii Diversion of funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issues raised, the finding remain valid until the Management implements the recommendations.

Recommendations

The National Coordinator should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦2,480,000.00 (Two million, four hundred and eighty thousand naira), being payment of public fund into staff account without any justifiable reason.
ii. Recover and remit to the Treasury, the sum of ₦2,480,000.00
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 22: QUESTIONABLE PAYMENT FOR SPONSORSHIP OF FOREIGN TRAVELS (=₦5,050,100.00)

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." 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 ₦5,050,100.00 (Five million, fifty thousand, one hundred naira) was paid to a staff via payment voucher Ref. No. NEPAD/OC/114/2023 dated 30th November, 2023 for flight ticket on official trip to UAE to participate at COP28 Climate Change Conference in Dubai as shown in the GIFMIS payment report.
ii. The NEPAD payroll and nominal roll as well as the GIFMIS personnel cost monthly schedule for the year 2023 did not have the name of the male officer who made the trip as one of the agency staff, and
iv. There was no evidence or acknowledgement attached to the paid voucher to confirm that the male staff actually travelled for the program.

The above anomalies could be attributed to weaknesses in the internal control system at the New Partnership for Africa's Development (NEPAD), Abuja.

Risks

i. Diversion of public funds for non-existing program
ii. Loss of public funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issues raised, the finding remain valid until the Management implements the recommendations.

Recommendations

The National Coordinator should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦5,050,100.00 (Five million, fifty thousand, one hundred naira), being payment made to an unidentified staff, and trip without evidence of attendance.
ii. Recover and remit to the Treasury, the sum of ₦5,050,100.00.
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 23: PAYMENT FOR PROGRAMS NOT ACCOUNTED FOR (=₦338,924,255.00)

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 ₦338,924,255.00 (Three hundred and thirty eight million, nine hundred and twenty four thousand, two hundred and fifty five naira) was paid to a company and three (3) staff of the Agency who were nominated as Program Accountants in respect of the program for the re-launch & domestication of AUDA-NEPAD framework at the federal, state & local government; intensive training workshop on election monitoring & observation etc.
ii. The payments were for accommodation, hiring of venue, engagement of security, travel, honorarium, media, procurement of materials such as biro, jotters, brochures and production of report etc.
iii. Necessary evidence of discharge of the payments such as the receipts from vendors, payment transfer receipt of honorarium to beneficiaries, media & hotels were not attached to the paid vouchers, and
iv. The failure to produce or attached all evidence of discharging the payments makes it difficult for the audit team to accept the payments as a legitimate charge to government funds.

The above anomalies could be attributed to weaknesses in the internal control system at the New Partnership for Africa's Development (NEPAD), Abuja.

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 issues raised, the finding remain valid until the Management implements the recommendations.

Recommendations

The National Coordinator should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦338,924,255.00 (Three hundred and thirty eight million, nine hundred and twenty four thousand, two hundred and fifty five naira), being payment of programs not accounted for.
ii. Recover and remit to the Treasury, the sum of ₦338,924,255.00.
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 24: ADVANCE PAYMENTS RETIRED WITH DOUBTFUL DOCUMENTS (=₦33,000,073.15)

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." 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 ₦33,000,073.15 (Thirty three million, seventy three naira, fifteen kobo) comprising of ₦16,290,500.00 and ₦16,709,573.15 were paid as an advance payment to two officers of the Agency.
ii. The payment was for Capacity Building Workshop on Poultry Production Management for Rural Women & Youths in South-West Zone, and Target Review in Nigeria. The payments were made via voucher no. NEPAD/CAP/026/2023 and NEPAD/CAP/018/2023 both dated 22nd July, 2023.
iii. The receipts from the different service providers had the same writing pattern. The AIT media and Sheraton receipts with Receipts no 2854 and 1916 were not dated. Similarly, the media receipts of AIT and NTA did not indicate the details of the program covered, the time/duration covered and date of the event.
iv. The Management of the Agency attached handwritten Sheraton hotel receipt and invoice instead of providing authentic e-receipt and e-invoice from Sheraton hotel, and
v. The hotel receipts and invoices do not indicate the room no and details of the venue used at the hotel. The honorarium paid to the beneficiaries could not be verified as the names of the beneficiaries, and the evidence of onward transfer to the beneficiaries was not attached.

The above anomalies could be attributed to weaknesses in the internal control system at the New Partnership for Africa's Development (NEPAD), Abuja.

Risks
i. Use of doubtful receipts.
ii. Non-existing payments.
iii. Loss of government funds.

Management's Response
No response.

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

Recommendations
The National Coordinator should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦33,000,073.15 (Thirty three million, seventy three naira, fifteen kobo), being advance payments retired with doubtful documents.
ii. Recover and remit to the Treasury, the sum of ₦33,000,073.15.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to payment for job not done and irregular payment specified in paragraphs 3104(iii) and 3106 of the Financial Regulations (2009) respectively, should apply.

ISSUE 25: ABUSE OF PROCUREMENT PROCESS BY MANAGEMENT (=₦167,223,144.00)

Description of Findings
Section 16 (22) of Public Procurement Act (PPA) (2007) states, "The accounting officer of a procuring entity has the responsibility to ensure that the provisions of this Act and the regulations laid down by the Bureau are complied with and concurrent approval by any Tenders Board shall not absolve the accounting officer from accountability for anything done in contravention of this Act or the regulations laid down here under."

Audit observed that:
i. Two (2) payments for program amounting to ₦167,223,144.00 (One hundred and sixty seven million, two hundred and twenty three thousand, one hundred and forty four naira) were made to a staff designated as Program Accountant and the payments were made on the same date.
ii. The BPP Certificate of "NO-OBJECTION" Ref. No. BPP/S.1/CID/23/VOL.II/279 dated 16th June, 2023, paragraph 7 & 8 approved selective tendering after some conditions must have been met. Some of the conditions include "the invitation of 5 unrelated responsive bidders, ensuring that no firm participate in more than one (1) lot, and conducting of due diligence report", etc.
iii. Despite the conditions stipulated in the BPP "NO-OBJECTION", the Management paid the sum in (i) above to a staff bank account without providing the evidence

to proof that the conditions stipulated in the BPP "NO-OBJECTION" to adopt selective tendering were met. The contract details are as shown below, and

DETAILS	PAYMENT REF. NO	AMOUNT PAID (₦)
AFRICAN PEER REVIEW MECHANISM QUATERLY COUNCILS SUMMIT WITH MEMBER STARES FOR EXPERIENCE SHARING IN SOUTH AFRICA	NEPAD/CAP/028/2023 DATED 21/9/2023	84,676,911.00
RE-LAUNCH & DOMESTICATION OF AUDA-NEPAD FRAMEWORK AT THE FEDERAL, STATE & LOCAL GOVERNMENT	NEPAD/CAP/027/2023 DATED 21/9/2023	82,546,233.00
TOTAL		**167,223,144.00**

iv. The staff who doubled as Project Accountants could not produce any convincing and verifiable evidence to justify that the payments made were discharged in public interest.

The above anomalies could be attributed to weaknesses in the internal control system at the New Partnership for Africa's Development (NEPAD), Abuja.

Risks

i. Breach of procurement due process.
ii. Diversion of public funds.
iii. Loss of government funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issues raised, the finding remain valid until the Management implements the recommendations.

Recommendations

The National Coordinator should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦167,223,144.00 (One hundred and sixty seven million, two hundred and twenty three thousand, one hundred and forty four naira), being payment for contracts into staff account contrary to BPP's certificate of "No Objection".
ii. Recover and remit to the Treasury, the sum of ₦167,223,144.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to gross misconduct and irregular payment specified in paragraphs 3129 and 3106 of the Financial Regulations (2009) respectively, should apply.

ISSUE 26: UNSUBSTANTIATED PAYMENT FOR TRAINING & EMPOWERMENT ON AGRO-PROCESSING IN ONITSHA (=₦62,510,000.00)

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." 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 ₦62,510,000.00 (Sixty two million, five hundred and ten thousand naira) was contract price on a contract awarded via Ref. No. NEPAD/PROC/2023/CAP/S1 dated 16th October, 2023, to a company for the training of Youths and Women on Agro Processing and Value Addition on Sweet Potatoes for wealth Creation.
ii. The amount in (i) above was paid enbloc via paid voucher Ref. No. NEPAD/CAP/076/2023 on 28th December, 2023 without providing the terms of reference or paying statutory deduction.
iii. There was no verifiable evidence such as pictures of the on-going and completed project, list of participants, attendance list with phone number, report of project execution, photocopies of certificate of attendance etc. or payment receipts/evidence to other vendors/ beneficiaries etc. to justify that the project was actually executed.
v. Statutory taxes (VAT, WHT and Stamp Duty Taxes) totaling ₦10,757,534.88 (Ten million, seven hundred and fifty seven thousand, five hundred and thirty four naira, eighty eight kobo) was not deducted as the total contract price was paid in enbloc to the contractor/consultant.

The above anomalies could be attributed to weaknesses in the internal control system at the New Partnership for Africa's Development (NEPAD), Abuja.

Risks

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

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issues raised, the finding remain valid until the Management implements the recommendations.

Recommendations

The National Coordinator should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦62,510,000.00 (Sixty two million, five hundred and ten thousand naira), being payment without the terms of reference and evidence of execution.
ii. Recover and remit to the Treasury, the sum of ₦62,510,000.00.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to payment for job not done and irregular payment specified in paragraphs 3104(iii) and 3106 of the Financial Regulations (2009) respectively, should apply.

ISSUE 27: SPLITTING OF CONTRACTS TO CIRCUMVENT TENDERS PROCEDURES (=₦178,600,000.00)

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 Agency awarded contract for the Training and Empowerment of Women and Youths on Agro Processing of Sweet Potato in Onitsha, Anambra State amounting to ₦178,600,000.00 (One hundred and seventy eight million, six hundred thousand naira).
ii. The contracts in (i) above, ought to have been awarded as a single contract, were rather split into four (4) contracts and awarded to two (2) companies at a price that was within the Agency's threshold, in other to circumvent tenders' procedures, and
iii. The contracts had same scope and location with the same award and payment dates.

The above anomalies could be attributed to weaknesses in the internal control system at the New Partnership for Africa's Development (NEPAD), Abuja.

Risks

i. Abuse of procurement process.
ii. Misapplication of public funds\.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issues raised, the finding remain valid until the Management implements the recommendations.

Recommendations

The National coordinator should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦178,600,000.00 (One hundred and seventy eight million, six hundred thousand naira), being payments for contracts split to circumvent tenders' procedures.
ii. Recover and remit to the Treasury, the sum of ₦178,600,000.00.
iii. Forward the 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.

ISSUE 28: NON-MAINTENANCE OF PROPER ACCOUNTING RECORDS AND SUPPRESSION OF DOCUMENTS (₦12,126,187,526.47)

Description of Findings

Paragraph 112 (i) of the Financial Regulations (FR) (2009) states, "(i) The functions of the Accounting Officer shall include:…(f) ensuring accurate collection and accounting for all public moneys received and expended;" 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." In addition, paragraph 2209 of the FR (2009) requires every asset, both current and fixed asset/plant shall be numbered in a series to be recorded in a register at the ministry/extra ministerial office headquarters and updated yearly are complied with. Similarly, paragraph 2122 of the FR (2009) states, "In addition to stores ledgers, inventories of non-expendable stores in use as office furniture, camp equipment, tools, machinery, etc, shall be maintained by each officer to whom such property has been issued. A duplicate copy of the inventory shall be kept elsewhere in safe custody."

Audit observed that:

i. The sum of ₦12,126,187,526.47 (Twelve billion, one hundred and twenty six million, one hundred and eighty seven thousand, five hundred and twenty six naira, forty seven kobo) was spent from REMITA TSA and GIFMIS overhead, personnel, capital and TSA in the year 2023, as shown in the Table below:

Year 2023 payments	Source	Amount paid ₦
Overhead	GIFMIS 2023 overhead	255,772,897.34
Capital	GIFMIS 2023 capital	9,226,222,303.11
Personnel	GIFMIS 2023 personnel	192,193,778.69
TSA payments	TSA outflow of year 2023	2,451,998,547.33
Total		**12,126,187,526.47**

ii. Several requests made for documents such as Trial Balance, Audited Financial Statements, Contractor's Ledger, etc., to validate the genuineness of expenditures incurred in the year 2023 were not provided, and
iii. The vote book was not proper maintained to show gross total amount releases, total amount incurred, total outstanding or the available balance.

The above anomalies could be attributed to weaknesses in the internal control system at the New Partnership for Africa's Development (NEPAD), Abuja.

Risks
i. Misapplication of public funds.
ii. Diversion of public funds.
iii. Breach of government regulations.

Management's Response
No response.

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

Recommendations
The National Coordinator should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦12,126,187,526.47 (Twelve billion, one hundred and twenty six million, one hundred and eighty seven thousand, five hundred and twenty six naira, forty seven kobo), being payment without relevant documents presented for audit.
ii. Recover the sum of ₦12,126,187,526.47 and remit 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 29: AWARD OF CONTRACTS TO INELIGIBLE CONTRACTORS (=₦95,000,000.00)

Description of Findings
Section 16(6) of Public Procurement Act (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; (b) possess the legal capacity to enter into the procurement contract." Furthermore, section 31(1) of the PPA (2007) states, "All bids shall be first examined to determine if they: (a) meet the minimum eligibility requirements stipulated in the bidding documents." 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 (b) they possess the machinery, equipment, and manpower for the job."

Audit observed that:

i. The contract for the construction of classrooms in Sokoto South Senatorial District was awarded to a company vide Ref. No. NEPAD/PROC/2023/CAP/W2 dated 16th October, 2023 at a contract sum of ₦95,000,000.00 (Ninety five million naira).
ii. A total of ₦82,293,750.00 (Eighty two million, two hundred and ninety three thousand, seven hundred and fifty naira) was paid to the contractor in the year 2023 in respect of the contract in (i) above, and
iii. A review of the Tax Clearance Certificate (TCC) presented before the award shows that the company is yet to commence business and it has no record of any profit, revenue and tax over the three years period of 2020-2022, yet the contract was awarded to the company.

The above anomalies could be attributed to weaknesses in the internal control system at the New Partnership for Africa's Development (NEPAD), Abuja.

Risks

i. Award of contracts to ineligible contractors.
ii. Loss of public funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issues raised, the finding remain valid until the Management implements the recommendations.

Recommendations

The National Coordinator should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦95,000,000.00 (Ninety five million naira), being payments for contract awarded to ineligible company.
ii. Recover and remit the sum of ₦95,000,000.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of Financial Regulations (2009) should apply.

ISSUE 30: UNSUBSTANTIATED VARIANCE IN STAFF SALARIES AND ALLOWANCES (=₦20,757,007.74)

Description of Findings

Paragraph 1522 of the Financial Regulations (FR) (2009) states, "The salary section must be informed in writing of any variation that may affect the salary of any officer (e.g. Increment, promotion, or demotion, etc.) at the earliest possible time. (ii) Salary variation advice raised by Administration Department shall indicate all changes affecting salary as indicated in sub-section(i) above. Five copies of the variation advice

should be prepared and distributed as follows: (a) One copy to Payroll Section;(b) One copy to Variation Control Section;(C) One copy to Internal Audit Unit;(d) One copy in variation advice file;(e) One copy in the officer's personal file. Furthermore, paragraph 1523 of the (FR) (2009) states, "(i) The Head of Accounts shall ensure that a Variation Control Record on Treasury Form 208 is maintained to indicate each variation in the month under review of emoluments, taxable allowances, and the standard deductions from emoluments for each officer. The sum total of these variations shall be added to or subtracted from the relative total of the previous month, and from this will be calculated the totals of emoluments, taxable allowances, gross taxable emoluments and each type of standard deduction for the current month.(ii) The officer directly in charge of variation control shall be an officer not below the rank of Senior Accountant or Principal Executive Officer (II) (Accounts) and must not be the, officer directly in charge of preparation of payroll. He shall work independently of the payroll section."

Audit observed that:

i. Unsubstantiated variances were recorded in respect of the payment of salaries and allowances of staff of NEPAD during the year 2023.

ii. For instance, in the month of April, 2023 a total amount of ₦34,216,788.45 was paid as salary and allowances to 145 staff as against the total of ₦13,459,780.71 that was paid in March for 146 staff and ₦13,384,234.38 paid in May for the same 145 staff as salary and allowances. This suggests that there was an excess payment of ₦20,757,007.74 (Twenty million, seven hundred and fifty seven thousand, seven naira, seventy four kobo) over and above the amount paid in the month of April that need to be accounted for. Though there were some minor variances in some other months, but they were not significant when compared with that of April, as showed in the table below.

	VARIATION IN STAFF SALARIES AND ALLOWANCES				
S/N	MONTHS	NOS OF STAFF	DIFFERENCE	GROSS AMOUNT(N)	DIFFERENCE/VARIANCE ₦
1	JANUARY	150	0	14,625,828.87	0.00
2	FEBRUARY	147	3	13,634,914.04	990,914.83
3	MARCH	146	1	13,459,780.71	175,133.33
4	APRIL	145	1	34,216,788.45	-20,757,007.74
5	MAY	145	0	13,384,234.38	20,832,554.07
6	JUNE	143	2	12,891,160.88	493,073.50
7	JULY	142	1	12,830,282.05	60,878.83
8	AUGUST	142	0	12,830,282.05	0.00
9	SEPTEMBER	139	3	17,590,207.21	-4,759,925.16
10	OCTOBER	139	0	17,828,813.17	-238,605.96
11	NOVEMBER	139	0	17,626,757.69	202,055.48
12	DECEMBER	140	-1	17,762,386.19	-135,628.50

iii. Request for the reason(s) and relevant documents such as salary variation schedule that gave rise to the unsubstantiated variances were not obliged.

The above anomalies could be attributed to weaknesses in the internal control system at the New Partnership for Africa's Development (NEPAD), 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 issues raised, the finding remain valid until the Management implements the recommendations.

Recommendations
The National Coordinator should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦20,757,007.74 (Twenty million, seven hundred and fifty seven thousand, seven naira, seventy four kobo), being significant unsubstantiated variances in salaries for the month of April.
ii. Recover and remit to the Treasury, the sum of ₦20,757,007.74.
iii. Forward evidence remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of Financial Regulations (2009) should apply.

ISSUE 31: OFFICIAL VEHICLES NOT ACCOUNTED FOR

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. For this purpose, he will ensure that the following records are maintained: (a) Vehicles' control register (b) Requisition/Approval for journey; (c) Vehicle Log-Book (Gen. 59); (d) Vehicle maintenance register."

Audit observed that:
i. As at the 1st January 2023, the Management of NEPAD had a total of twelve (12) official vehicles in its possession and usage, as shown in the Table below.

S/N	MAKE/TYPE	REGISTRATION NO.	ENGINE NO.	CHASIS NO.	LOCATION	YEAR OF PURCHASE	REMARKS
1	NISSAN ALTIMA 3.5 LT SLAT	OIU 33 FG	VQ35320843Y	IN4BL3AP9DC206313	NC/CEO	2014	NOT SIGHTED
2	NISSAN PICK-UP NP 3002.4 (DOUBLE CABIN)	OIU 41 FG	KA2481894X	ANDCDUD22Z0043996	NC/CEO	2014	NOT SIGHTED
3	NISSAN SENTRA 1.8L TEKNA AT	OIU 39 FG	MRA832920SR	MNTBAAB17Z0005384	D/DAF	2014	NOT SIGHTED
4	NISSAN SENTRA	OIU 38 FG	MRA8331486R	MNTBAAB1720005559	D/APRM	2014	NOT SIGHTED

	1.8L TEKNA AT						
5	NISSAN SENTRA 1.8L TEKNA AT	OIU 37 FG	MRA8326533R	MNTBAAM17Z000 5055	D/PRS	2014	NOT SIGHTED
6	NISSAN SENTRA 1.8L TEKNA AT	OIU 36 FG	MRA8327971R	MNTBAAB17Z000 5247	D/PDI	2014	NOT SIGHTED
7	NISSAN SENTRA 1.8L TEKNA AT	OIU 40 FG	MRA8330327R	MNTBAAB17Z000 5502	ACCOUN T	2014	NOT SIGHTED
8	NISSAN URVAN 16 SEATER HIGH ROOF 2.5 LMT	OIU 42 FG	QR25523842Q	JNLUB4E26Z0001 449	POOL	2014	SIGHTED
9	TOYOTA HILUX (DOUBLE CABIN)	OIU 35 FG	AHTFK22CX030 14368	084601F7	POOL	2007	NOT SIGHTED
10	TOYOTA HIACE	OIU 16 FG		JTGJX02P670010 751	STAFF BUS	2007	NOT SIGHTED
11	INNOSON 33-SEATER BUS	OIU 34 FG	EQB160208757 7796	LGIBAJL7FF03004 3	STAFF BUS	2014	SIGHTED
12	HONDA ACCORD 2.4 LTE	OIU/01/AF G	K24W33090089	BLICR2650JN0000 91	NC/CEO	2018	SIGHTED

ii. Physical verification of these vehicles in the course of the audit of 2023 records and accounts carried out between February and March, 2025 shows that only three (3) vehicles were sited and verified while the remaining nine (9) vehicles could not be seen and made available for audit inspection.
iii. The vehicle files, logbooks and relevant documents relating to these official motor vehicles were also not produced for audit despite repeated request, and
iv. The market value of these vehicles could also not be ascertained because their monetary value or purchase price could not be seen, method of depreciation of the vehicle, if any, were also not provided.

The above anomalies could be attributed to weaknesses in the internal control system at the New Partnership for Africa's Development (NEPAD), Abuja.

Risks

i. Diversion of government vehicles.
iii. Loss of public assets.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issues raised, the finding remain valid until the Management implements the recommendations.

Recommendations

The National Coordinator should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the nine (9) motor vehicles belonging to the NEPAD.
ii. Recover the vehicles and present them to the Public Accounts Committees of the National Assembly, and
iii. Otherwise, sanctions relating to gross misconduct, and premature disposal of public asset specified in paragraphs 3129 and 3114 of the Financial Regulations (2009) respectively, should apply.

EMBASSY OF NIGERIA, BAMAKO, MALI

At the Embassy of Nigeria Mission, Bamako, Mali, for the period 1st January, 2018, to 31st December, 2019, the following observations were made:

ISSUE 1: PAYMENT OF UNAUTHORISED ALLOWANCES (=CFA37,560,000.00) AND (=US$20,000.00)

Description of Findings

Establishment Circular Ref. No. SWC/S/04/S.167/216, dated 12th February, 2004, requires all Federal Government Parastatals and Agencies wishing to monetize their fringe benefits to submit the proposal package to the National Salaries Income and Wages Commission for necessary evaluation and approval before implementation. Also, paragraph 415 of 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 CFA37,560,000.00 (CFA22,500,000.00 plus CFA15,060,000.00) and US$20,000.00 were unauthorized allowances paid in 2019 financial year.
ii. The Mission paid unauthorized monthly telephone allowance totalling CFA22,500,000.00 despite telephone bills for the Mission are settled from the mission's allocation. The Ambassador unilaterally approved a bogus personal telephone allowances to himself and other staff without recourse to the Nigerian Government for consideration and approval.
iii. The allowances in (i) above were paid to the home-based staff of the mission, aside the Consolidated Foreign Service Allowance (CFSA) and other allowances approved by the Nigerian Government, in the Nigerian Mission in Bamako, Mali.
iv. Additional allowance of CFA15,060,000.00 (CFA-7,660,000.00 plus CFA7,400,000.00) paid are listed below. There was no provision in the extant regulations on the adopted rates which varied on monthly basis and the amount was never retired.
    a) Diesel/Generator allowance- Despite maintenance of Residence of the Ambassador, Diesel/ Generator allowance totaling CFA-7,660,000.00 was paid to the Ambassador which is not provided for in the Consolidated Foreign Service Allowance (CFSA) and the amount was not accounted for as at the time of the audit.

b) Security Allowance- Included in the Ambassador's package is provision of security which is charged against the budgetary allocation of the Mission. However, monthly security allowances totaling CFA7,400,000.00 were further paid to the Ambassador were not backed by A.I.E. and were not accounted for.

v. Monthly payment of US$2,500.00 was paid to the Ambassador on Residence Maintenance Allowance for eight (8) months totaling US$20,000.00 despite provision and maintenance of the Ambassador's official residence. The allowance was neither approved by the Nigerian Government nor part of the Consolidated Foreign Service Allowance.

The above anomalies could be attributed to weaknesses in the internal control system at the Embassy of Nigeria Mission, Bamako, Mali.

Risks

i. Waste of government resources.
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 Permanent Secretary of MFA should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of CFA37,560,000.00 (CFA22,500,000.00 plus CFA15,060,000.00) and US$20,000.00 (Twenty thousand dollar), being unauthorized allowances paid in 2019 financial year.
ii. Recover and remit the sum of CFA37,560,000.00 (CFA22,500,000.00 plus CFA15,060,000.00) and US$20,000.00 to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of Financial Regulations (2009) should apply.

ISSUE 2: UNACCOUNTED CASH WITHDRAWAL (=US$211,033.00) AND (=CFA198,240,841.00)

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." Similarly, 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." In addition, 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 Mission's books and records of account revealed that cash withdrawal amounting to US$211,033.00 (Two hundred and eleven thousand, thirty three United States Dollars) and CFA198,240,841.00 (One hundred and ninety eight million, two hundred and forty thousand, eight hundred and forty one CFA) were made without adequate narration, poor explanations for the utilization while some were not retire.
ii. Where approval was given for cash withdrawal, the purpose for the expenditures and evidence of utilization of the amount withdrew were not made available, and
iii. Multiple daily withdrawals were made in staff names, instead of paying into beneficiaries' accounts in violation of e-payment policy of the federal government of Nigeria.

The above anomalies could be attributed to weaknesses in the internal control system at the Embassy of Nigeria Mission, Bamako, Mali.

Risks

i. Diversion of public funds.
ii. Funds may not get to the beneficiaries.

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 of MFA should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of US$211,033.00 (Two hundred and eleven thousand, thirty three United States Dollars) and CFA198,240,841.00 (One hundred and ninety eight million, two hundred and forty thousand, eight hundred and forty one CFA), being unaccounted cash withdrawal and violation of e-payment policy of Federal government of Nigeria.
ii. Recover and remit the sum of US$211,033.00 and CFA198,240,841.00 to the Treasury.
iii. Forward evidence 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: EXTRA-BUDGETARY SPENDING/VIREMENT WITHOUT APPROVAL (=₦43,630,685.22)

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. Seven (7) payments totaling ₦43,630,685.22 (Forty three million, six hundred and thirty thousand, six hundred and eighty five naira, twenty two kobo) equivalent to US$121,350.00 (One hundred and twenty one thousand, three hundred and fifty United States Dollar) and CFA12,500,000.00 (Twelve million, five hundred thousand CFA) were transferred from personnel emolument into Capital account of the Mission for the completion of Nigerian Residence project.

ii. These funds were claimed to have been transferred towards the completion of an abandoned Nigeria Mission Residence. These disbursements for the completion of the residence were made without appropriate approval and in total disregard with due process as the funds were moved from one Head of Account to another Head without the approval of the National Assembly.

iii. Cash were withdrawn by staff for procurements without compliance with due process requirements, and

iv. The payments in (i) above could not be accepted as a legitimate charge against public funds.

The above anomalies could be attributed to weaknesses in the internal control system at the Embassy of Nigeria Mission, Bamako, Mali.

Risks

i. Diversion of public funds

ii. Funds may not get to the beneficiaries.

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 of MFA should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦43,630,685.22 (Forty three million, six hundred and thirty thousand, six hundred and eighty five naira, twenty two kobo) equivalent to US$121,350.00

(One hundred and twenty one thousand, three hundred and fifty United States Dollar) and CFA12,500,000.00 (Twelve million, five hundred thousand CFA), being extra-budgetary expenditure from personnel emolument account into Capital account of the Mission for the completion of Nigerian Residence

ii. Recover and remit the sum of ₦43,630,685.22 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: VIOLATION OF E-PAYMENT POLICY OF THE FEDERAL GOVERNMENT (=CFA41,700,000.00)

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. Twenty one (21) payments totaling CFA 41,700,000.00 (Forty million, seven hundred thousand CFA) 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 Embassy of Nigeria Mission, Bamako, Mali.

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 Permanent Secretary of MFA should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of CFA 41,700,000.00 (Forty million, seven hundred thousand CFA), being payment made in violation of e-payment policy of the Federal Government.
ii. Recover the sum of CFA 41,700,000.00 and remit to the Treasury.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating to e-payment violations specified in paragraphs 3127 and 3128 of the Financial Regulations (2009) respectively, should apply.

ISSUE 5: DOUBLE PAYMENT OF 1ST 28 DAYS ALLOWANCE TO THE AMBASSADOR (=₦899,158.02)

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 Mission paid the Hotel bill of the Ambassador totalling ₦899,158.02 (Eight hundred and ninety nine thousand, one hundred and fifty eight naira, two kobo) equivalent to 2,296,000 CFA to Radisson Blu Hotel via paid voucher No ENB/OH/CFA/258/2017 for the provision of accommodation at his resumption of duty. The Mission further make full payment of 1st 28 days without deduction of initial payment for hotel accommodation.
ii. The bank statement shows that the sum of US$33,459.00 (Thirty three thousand, four hundred and fifty nine United States Dollar) paid to the Ambassador which included US$27,370.00 (Twenty seven thousand, three hundred and seventy United States Dollar), being 100% Estacode of his 1st 28 days (Stop-Over Estacode and Resettlement allowance). This amount was paid in full without recourse to initial expenditure incurred on his hotel accommodation since 1st 28 days allowance is in lieu of hotel accommodation, and
iii. From (i) above which represent the payment of 1st 28 days paid to the hotel as accommodation bill, the Ambassador is not entitled to US$27,370.00. Since the amount has been paid to the Ambassador, he should refund ₦899,158.02 (Eight hundred and ninety nine thousand, one hundred and fifty eight naira, two kobo) equivalent to 2,296,000 CFA as stated in (i) above to the treasury.

The above anomalies could be attributed to weaknesses in the internal control system at the Embassy of Nigeria Mission, Bamako, Mali.

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 Permanent Secretary of MFA should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦899,158.02 (Eight hundred and ninety nine thousand, one hundred and fifty eight naira, two kobo) equivalent to 2,296,000 CFA paid by the mission to Radisson Blu Hotel for the provision of accommodation after receiving payment of 1st 28 days (Stop-Over Estacode and Resettlement allowance).
ii. Recover and remit to Treasury, the sum of ₦899,158.02.
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: ESTACODES PAID ON LOCAL TRIP WITHOUT EVIDENCE OF JOURNEY COMPLETED (=$42,361.00)

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. Estacode allowances were paid to staff of the mission for a local trips totalling US$42,361.00 (Forty two thousand, three hundred and sixty one United States Dollar).
ii. There was no evidence like the report on the visits/assignment and no evidences of embarking on the journey.
iii. Evidence of travels such as copies of the invitation letter from the Organization, Immigration stamped pages in their international passports, air-tickets, or boarding pass, reports of training etc were not made available for audit despite several requests, and
iv. Non availability of the report on the trip and evidence of embarking on the journey make the entire transactions doubtful.

The above anomalies could be attributed to weaknesses in the internal control system at the the Embassy of Nigeria Mission, Bamako.

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 Permanent Secretary of MFA should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of US$42,361.00 (Forty two thousand, three hundred and sixty one United States Dollar), being estacode payment for local trips without evidence of execution.
ii. Recover and remit to the Treasury, the sum of US$42,361.00.
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 7: ILLEGAL CUSTODY OF GOVERNMENT FURNITURE AND EQUIPMENT

Description of Findings

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…" Also, 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;"

Audit observed that:

i. Equipments and assets purchased for the use of foreign based staff and the Ambassador could not be accounted for, at the time of visit. Assets records provided for audit did not include all the assets claimed to have been purchased and most of the items recorded in the Asset Register could not be provided for physical verification.
ii. Related transactions on assets purchased to Foreign Service officers in the Commission revealed:
    (a) Assets acquired for immediate past Ambassador were taken away at the expiration of his tenure without any authority. The audit obtained the record of an inventory of the embassy residence dated 20th June, 2016. where the immediate past Ambassador resided but the Mission could not provide the audit with the location of any of these assets for verification. Request for copies of handing over-note prepared and submitted to the current Ambassador in order to ascertain the number of assets / properties left behind could not be obtained.
    (b) The Mission's property in the houses occupied by former Finance Attache, former Head of Chancery and former Admin Attache could not be

produced for physical inspection and there was no record of such in the Asset records.

iii. In 2019 financial year, paid vouchers totaling CFA12,749,500.00 (Twelve million, seven hundred and forty nine thousand, five hundred CFA) were used for the procurement of assets for staff residence. This assets/ equipment could neither be traced into the inventory records nor physically produced for inspection, and

iv. The paid vouchers raised in the company's names were withdrew as cash by staff of the Mission.

The above anomalies could be attributed to weaknesses in the internal control system at the the Embassy of Nigeria Mission, Bamako, Mali.

Risks

i. Loss of public assets.

ii. Equipment and assets may be diverted for personal 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 Permanent Secretary of MFA should be requested to:

i. Recover the assets and equipment from the affected officers at the exact value they were at the time they were taken away, failure which should be recovered at their purchase price/value (to be provided by the Embassy).

ii. Forward evidence of compliance with (i) above to the Public Accounts Committees of the National Assembly, and

iii. Otherwise, sanctions relating to gross misconduct and non-payment for use of government property in paragraphs 3129 and 3113 of the Financial Regulations (2009) respectively, should apply.

ISSUE 8: AMBASSADOR AT POST AFTER RETIREMENT AGE

Description of Findings

Regulation 28 of the Nigerian Foreign Service Regulation on 'Retirement from service' states, "The compulsory retirement age for all grade in the Foreign Service shall be 60 years or 35 years of pensionable service which-ever is earlier. No officer shall be allowed to remain in the Foreign Service after attaining the retirement age of 60 years or 35 years of pensionable service which-ever is earlier.''

Audit observed that:

i. The Ambassador who clocked the retirement age of 60 years on the 16th of March, 2019 was still in charge of the affair of the Nigerian Mission in Bamako, Mali in contrast to Nigerian Foreign Service Regulation No. 28 on Retirement which recommended compulsory retirement age of 60 years or 35 years of pensionable service which-ever is earlier.

ii. As at the time of audit in August, 2019, the Ambassador, whom should have retired from service still presided as the Accounting Officer of the Nigerian Embassy and collected Foreign Service Allowances in contrast to the extant laws, and
iii. There was no evidence of Waiver from Mr. President, Commander in Chief of Arms forces of Nigeria, for the retention in office as the Ambassador of the Mission, provided for audit.

The above anomalies could be attributed to weaknesses in the internal control system at the the Embassy of Nigeria Mission, Bamako, Mali.

Risks
i. Abuse of official tenure.
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 Permanent Secretary of the (MFA) should be requested to:
i. Justify to the Public Accounts Committees of the National Assembly, the continuous acting of a retired Ambassador as the Accounting Officer at the Mission.
ii. Cummulate, recover and remit the amount paid as salaries and allowance from the date from the 17th of March, 2019, to the date of actual exit from the Office.
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 9: IRREGULARITIES IN THE PAYMENTS FOR THE COMPLETION AND FURNISHING OF NEW NIGERIA RESIDENCE (=US$1,961,415.92)

Description of Findings
Section 16(6) of 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; (b) possess the legal capacity to enter into the procurement contract." Furthermore, section 31(1) of Public Procurement Act (2007) states, "All bids shall be first examined to determine if they: (a) meet the minimum eligibility requirements stipulated in the bidding documents." 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 US$1,967,567.45 (₦400,354,752.00) was the contract price for the construction and furnishing of the Residence including guest house, boy's quarters and swimming pool for the Embassy of Nigeria, Bamako, Mali, awarded 22nd, February, 2012 while the sum of US$196,756.74 represent the consultancy fee.

ii. As at 17th August, 2015, the sum of US$1,774,497.52 and US$186,918.40 had been paid on the contract in (i) above to the contractor and consultant representing 90% and 95% respectively via document made available for audit.

iii. While payment in (ii) above have been made, it was confirmed from the budget performance report schedule tagged FGT/BME/001 attached with a letter Reference No. ENB/FC&C/CONF.168/1 dated 1st July, 2016 signed by an officer and sent to the Director, Physical Planning Division, Ministry of foreign Affairs, Abuja that the percentage of project completion was 25% only.

v. From the examination of records, it was observed through Valuation Certificate No.1 dated 1st March, 2012, that the consultant was paid 60% of its consultancy fee when the work has not commenced and which was above the approved 15% mobilization fee by Federal Government as at then, and

vi. The project has since been abandoned, despite paying significant amount totaling US$1,961,415.92 (US$1,774,497.52 plus US$186,918.40) from the total of US$2,164,324.19 (US$1,967,567.45 plus US$196,756.74) no legal action or administrative prosecution has been initiated against the defaulting contractor or the consultant and the staff involved who authorized payment without physical and necessary verification and adhering to extant circulars.

The above anomalies could be attributed to weaknesses in the internal control system at the the Embassy of Nigeria Mission, Bamako, Mali.

Risks

i. Diversion of public funds into individual pockets

ii. Loss of government funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issues raised, the finding remain valid until the Management implements the recommendations.

Recommendations

The Permanent Secretary of MFA should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of US$1,961,415.92 (One million, nine hundred and sixty one thousand, four hundred and fifteen United States dollar, ninety two cent), being irregularity in the payment for Embassy of Nigeria, Bamako, Mali which was later abandoned.

ii. Recover and remit the sum of US$1,961,415.92 to the Treasury.

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

iv. Otherwise, sanctions relating to irregular award of contract, and irregular payment stated in paragraphs 3117 and 3106 of the Financial Regulations (2009) respectively, should apply.

ISSUE 10: UNBUDGETED CAPITAL EXPENDITURE (=US$402,591.00) AND (=CFA10,000,000.00)

Description of Findings

Paragraph 417 of the Financial Regulations (FR) (2009) states, "Expenditure shall strictly be classified in accordance with the Estimates, and votes musts be applied only to the purpose or which the money is provided. Expenditure incorrectly charged to a vote shall be disallowed." Furthermore, paragraph 2906 (ii) of the FR (2009) states, "All procurement plans must be supported by prior budgetary appropriation as proof of availability of funds." Similarly, 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."

Audit observed that:

i. The Mission disbursed the sum of US$402,591.00 (Four hundred and two thousand, five hundred and ninety one United States of dollar) and CFA10,000,000.00 (Ten million CFA) through staff personal accounts for the procurement of furniture and completion of the project without budgetary appropriations.
ii. Paid vouchers raised in name of a corporate body totalling US$252,591.00 were withdrawn in piecemeal from the Mission Dollar's account by staff of the Mission.
iii. The sum of US$150,000, was paid to the representative of the company (for the construction of Embassy residence) instead of the name of the company without proper authorization and evidence of work done.
iv. The management of the Mission diverted personnel and overhead funds to procure furniture from Turkey for the Mission in total disregard to due process procedures and regulations, and
v. The prices at which the furniture / assets were procured were not subject to competitive scrutiny, therefore, the price was at the discretion of the staff.

The above anomalies could be attributed to weaknesses in the internal control system at the Embassy of Nigeria Mission, Bamako, Mali.

Risks

i. Misappropriation of public funds.
ii. Irregular variation in budget execution.

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 of MFA should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of US$252,591.00 (Two hundred and fifty to thousand, five hundred and ninety one United States of dollar) and CFA10,000,000.00 (Ten million CFA), being

unbudgeted capital expenditure, expended by the management thought the staff of the Mission instead of the corporate name in the paid voucher.

ii. Forward approved virement on (i) above by the National Assembly to the Public Accounts Committees of the National Assembly.

iii. Recover and remit the sum of US$252,591.00 and CFA10,000,000.00 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 (FR) (2009) should apply.

ISSUE 11: CASH WITHDRAWN AS CASH TILL NOT ACCOUNTED FOR BY THE FINANCE ATTACHE (=CFA10,786,900.00)

Description of Findings

Paragraph 1007 of the Financial Regulations (FR) (2009) states, “The procedure for the operation of imprest shall be as follow: (a) ‘’Every imprest holder will keep a cash book and will record therein all receipts and payments…’’

Audit observed that:

i. The Mission gave several approvals and disbursements to the Finance Attache for cash withdrawal totaling CFA10,786,900.00 (Ten million, seven hundred and eighty six thousand, nine hundred CFA) as cash till but there were no records of utilization or Imprest Register maintained for monitoring the utilization of the disbursements and there was no cash produced for inspection during the audit, and

ii. In the absence of records and physical cash made the entire transactions is consider doubtful and such would not to be a legitimate /proper charge against public funds.

The above anomalies could be attributed to weaknesses in the internal control system at the the Embassy of Nigeria Mission, Bamako, Mali.

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 Permanent Secretary of MFA should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of CFA10,786,900.00 (Ten million, seven hundred and eighty six thousand, nine hundred CFA), from cash till no records of utilization.

ii. Recover and remit to the Treasury, the sum of CFA10,786,900.00 and.
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, apply sanctions relating to poor cash management and gross misconduct specified in paragraphs 3115 and 3129 of the Financial Regulations respectively.

ISSUE 12: NON–SUBMISSION OF FINANCIAL STATEMENTS

Description of Findings

Paragraph 5.3 of 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:

a. Statements of Financial Performance
b. Statements of Financial Position
c. Cash Flow Statement
d. Statements of Changes in Net Assets/Equity
e. Statements of Comparison of Actual and Budget
f. Notes to the Account

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

In spite of the above regulations:

i. The Embassy failed to submit its Financial Statements from 2018 to 2019 financial year, and
ii. Delays in compliance with financial reporting regulations and timeliness weaken the executive oversight function and deprive those charged with governance with timely information on performance and for decision making and deprive the full range of stakeholders, including the legislature, the executive of vital information on financial performance and stewardship.

The above anomalies could be attributed to weaknesses in the internal control system at the Embassy of Nigeria Mission, Bamako, Mali.

Risks

i. Poor decision-making by stakeholders.
ii. Reputational damage.
iii. Difficulty in assessing performance

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issues raised, the finding remain valid until the Management implements the recommendation.

Recommendations

The National Coordinator should be requested to:

i. Justify to the Public Accounts Committees of the National Assembly, the non-submission of stand-alone financial statements for the year 2018 and 2019.
ii. Forward copies of the financial statement to both the Public Accounts Committees of the National Assembly and the Auditor-General for the Federation, and
iii. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

ISSUE 13: PAYMENT OF AIR-TICKETS WITHOUT EVIDENCE OF EMBARKING ON THE JOURNEY (=US$42,361.00)

Description of Finding

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 (i) of the 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 are put in place to minimize waste and fraud…"

Audit observed that:

i. The Mission paid the sum US$42,361.00 (Forty two thousand, three hundred and sixty one United States Dollar) as estacodes allowances to officials.
ii. Necessary evidence of activities to justify the payments such as copies of invitation letters, visa fee receipt, courses certificates of attendance, etc., were not attached to the paid vouchers, and
iii. The air ticket purportedly purchased for the trip was not made available to the Audit team to confirm the claim.

The above anomalies could be attributed to weaknesses in the internal control system at the Embassy of Nigeria Mission, Bamako, Mali.

Risks

i. Payment for non-existent transactions.
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 Permanent Secretary of MFA should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of US$42,361.00 (Forty two thousand, three hundred and sixty one United States Dollar), being payment for foreign trip without evidence of embarking on the journey.
ii. Recover the sum of US$42,361.00 and remit 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 specified in paragraphs 3106 and 3111 of the Financial Regulations (2009) respectively, should apply.

ISSUE 14: IMPROPER MAINTENANCE OF THE OLD NIGERIAN RESIDENCE

Description of Finding

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;

Audit observed that:

i. During physical verification on the old Nigerian residence the property has degenerated to an unsuitable condition, despite monthly maintenance of security and gardeners, the entire building and premises are deteriorating on daily basis without proposed action to resuscitate the structure for use.
ii. It would appear that the Mission enjoys monthly payment of Rent allowances to its staff rather than putting the building into habitable condition that could accommodate them and save the country some funds, and
iii. No records of items of assets and furniture attached to the building were made available for audit verification.

The above anomalies could be attributed to weaknesses in the internal control system at the Embassy of Nigeria Mission, Bamako, Mali.

Risks:

i. Poor representation of the Nation's image.
ii. Waste of government funds.

Management's Response

No response.

Auditor's Evaluation

Since the Management failed to respond to the issues raised, the finding remain valid until the Management implements the recommendations.

Recommendations

The Permanent Secretary of MFA should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, efforts made to resuscitate the building for proper use of the Mission.
ii. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

EMBASSY OF NIGERIA TUNIS, TUNISIA

At the Embassy of Nigeria Tunis, Tunisia for the period 1st January, 2022 to 31st December, 2023, the following observation was made:

ISSUE 1: IRREGULARITY IN THE AWARD AND PAYMENT FOR CONTRACT (=US$30,409.00)

Description of Findings

Section 42(1) of the Public Procurement Act (PPA) (2007) states, "A procuring entity may carry out any emergency procurement where:…(b) there is an urgent need for the goods, works or services and engaging in tender proceedings or any other method of procurement is impractical due to unforeseeable circumstances giving rise to the urgency which is not the result of dilatory conduct on the part of the procuring entity;" Furthermore, section 43(4) of the 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." 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 Embassy, via a memo from First Secretary/Head of Chancery dated 16th February, 2022 approved by the Ambassador, made payment totalling US$30,409.00 (Thirty thousand, four hundred and nine United States Dollar) for the procurement of Crested Crockery in the residence of the Ambassador totalling.
ii. The procurement was without budgetary approval and did not pass through the procurement procedures.
iii. In approving the payment there was complete disregard for approval threshold by the Ambassador, and
iv. Items purportedly procured were not taken on ledger charge nor were they recorded in any ledger in the Mission.

The above anomalies could be attributed to weaknesses in the internal control system at the Embassy of Nigeria Tunis, Tunisia.

Risks
i. Diversion of public 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 Permanent Secretary of MFA should be requested to:
i. Account to Public Accounts Committees of the National Assembly, the sum of US$30,409.00 (Thirty thousand, four hundred and nine United States Dollar), being irregular award and payment of contract.
ii. Recover and remit the sum of US$30,409.00 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.

EMBASSY OF FEDERAL REPUBLIC OF NIGERIA, RABAT, MOROCCO

At the Embassy of Federal Republic of Nigeria, Rabat, Morocco, for the period 1st January, 2020 to 31st December, 2022, the following observation was made:

ISSUE 1: MISAPPLICATION OF FUNDS (=₦105,922,940.57)

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 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 ₦105,922,940.57 (One hundred and five million, nine hundred and twenty two thousand, nine hundred and forty naira, fifty seven kobo) was paid, between January to June 2022 from Capital Account - Rehabilitation/Repairs of Residential Buildings to defray Overhead expenses, without necessary procurement process, and
ii. There was no evidence to show that the payment was contained in the Appropriation Act of the Commission for 2022.

The above anomalies could be attributed to weaknesses in the internal control system at the Embassy of Federal Republic of Nigeria, Rabat, Morocco.

Risks
i. Mismanagement of public funds.
ii. Diversion of public funds.
iii. Loss 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 Permanent Secretary FMA should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦105,922,940.57 (One hundred and five million, nine hundred and twenty two thousand, nine hundred and forty naira, fifty seven kobo), being payment of funds without relevant authorization and approval.
ii. Recover the sum of ₦105,922,940.57and remit 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.

EMBASSY OF NIGERIA, LOME, TOGO

At the Embassy of Nigeria, Lome, Togo, for the period 1st January, 2015 to 31st December, 2019, the following observation was made:

ISSUE 1: UNDER-REMITTANCE OF INTERNALLY GENERATED REVENUE TO THE CONSOLIDATED REVENUE FUND (=₦19,780,928 FCFA)

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(a) of the Treasury Circular Ref. No. TRY/A10&B10/2016 OAGF/CAD/026/V.111/101 of 22nd November, 2016, states, "all Federal Agencies fully funded from the Treasury are mandated to remit 100 percent (100%) of their Internally Generated Revenue (IGR) to the Consolidated Revenue Fund (CRF)."

Audit observed that:
i. The Embassy's records and documents showed the total of 29,780,928 FCFA (Twenty nine million, seven hundred and eighty thousand, nine hundred and twenty eight FCFA) as revenue generated between 1st January, 2015 to 31st December, 2019, and

ii. Out of the sum in (i) above, the sum of 10,000,000 FCFA (Ten million FCFA) was remitted to the Consolidated Revenue Fund in 2019, leaving a balance of 19,780,928 FCFA (Nineteen million, seven hundred and eighty thousand, nine hundred and twenty eight FCFA) yet to be remitted.

The above anomalies could be attributed to weaknesses in the internal control system at the Embassy of Nigeria, Lome, Togo.

Risks

i. Loss of government revenue.
ii. 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 Permanent Secretary should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of 19,780,928 FCFA (Nineteen million, seven hundred and eighty thousand, nine hundred and twenty eight FCFA), being under-remitted IGR to the CRF
ii. Recover and remit to the Treasury, the sum of 19,780,928 FCFA
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.

EMBASSY OF NIGERIA, TEL AVIV, ISREAL

At the Embassy of Nigeria Tel Aviv, Isreal, for the period 1st January, 2019 to 31st December, 2022, the following observations were made:

ISSUE 1: UNAUTHORIZED VIREMENT (=NIS687,656.53) AND (≈₦269,254,962.73)

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 309 of the FR (2009) states, "A Virement Warrant shall be issued when, as a result of circumstances which could not have been foreseen when the Annual Estimates were being compiled, additional provision is required under a particular sub-head (or a new sub-head is required) while, at the same time, equivalent savings can be made under another sub-head of the same

Head. Virement Warrants shall be issued on the approval of the virement by the National Assembly."

Audit observed that:

i. The sum of NIS498,102.70 (₦196,349,643.50) One Hundred and ninety six million, three hundred and forty nine thousand, six hundred and forty three naira fifty kobo) was vired from the Personnel Account to Overhead account without approval.
ii. A total of NIS189,553.83 (₦72,905,319.23) (Seventy two million, nine hundred and five thousand, three hundred and nineteen naira twenty three kobo) was also vired from Capital Allocation to Overhead within the period under review without authority.
iii. The capital fund vired to Overhead account was not properly accounted for.
iv. The total amount vired from one expenditure head to another without approval total NIS687,656.53 which is equivalent to ₦269,254,962.73) (Two hundred and sixty nine million, two hundred and fifty four thousand, nine hundred and sixty two naira, seventy three kobo), and
v. Funds were moved indiscriminately from one expenditure head to another in the name of "borrowing" without refund, leading to shortfall in the fund for payment of salaries.

The above anomalies could be attributed to weaknesses in the internal control system at the Embassy of Nigeria Tel Aviv, Isreal.

Risks

i. Diversion of 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 Permanent Secretary should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of NIS687,656.53 ≈ ₦269,254,962.73 (Two hundred and sixty nine million, two hundred and fifty four thousand, nine hundred and sixty two naira, seventy three kobo), being virement of funds without approval.
ii. Recover and remit to the Treasury, the sum of NIS687,656.53 ≈ ₦269,254,962.73
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 2: UNACCOUNTED REVENUE (=NIS50,587.00, €219.00 US$4,700.00)

Description of Findings

Paragraph 223 of the Financial Regulations (FR) (2009) states, "No deductions shall be made from any revenue collections or other receipts to adjust a previous over-credit. The gross amount received must, on all occasions, be accounted for in full. The procedure for refunds of revenue and advance payments above is prescribed in Financial Regulations 3006."

Audit observed that:

i. The sum of NIS50,587.00 (Fifty thousand, five hundred and eighty seven NIS), £219.00 (Two hundred and nineteen euro) and US$4,700.00 (Four thousand seven hundred dollar) were not accounted for from the mission revenues account contrary to extant regulations which requires that all revenue should be remitted to the Consolidated Revenue Fund Account.
ii. There was also cash collection system existing at the embassy for the receipt of administrative charges and fees, and
iii. The cash book and bank statements for revenue collections were not presented for audit to ascertain possible revenue leakage despite repeated requests from the Management.

The above anomalies could be attributed to weaknesses in the internal control system at the Embassy of Nigeria Tel Aviv, Isreal.

Risks

i. Revenue Leakage.
ii. 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 Permanent Secretary should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of NIS50,587.00 (Fifty thousand, five hundred and eighty seven NIS), £219.00 (Two hundred and nineteen euro) and US$4,700.00 (Four thousand seven hundred dollar), being unaccounted revenue from the Embassy's revenue account.
ii. Recover and remit to the Treasury, the sum of NIS50,587.00, £219.00 and US$4,700.00.
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 and gross misconduct specified in paragraphs 3112 and 3129 of the Financial Regulations (2009) respectively, should apply.

INSTITUTE OF PEACE AND CONFLICT RESOLUTION, ABUJA

At the Institute of Peace and Conflict Resolution, Abuja, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: DISREGARD FOR THE PROVISION OF THE ACT ON THE DIRECTORS' TENURE OF OFFICE

Description of Findings

Section 10(2) of the Institute for Peace and Conflict Resolution (Establishment) Act (2007) states, "A director shall hold office for a term of 4 years in the first instance and may be re-appointed for a further term of one year at a time but not more than 2 renewals on such terms and conditions as may be specified in his letter of appointment."

Audit observed that:

i. Two (2) staff of the Institute were appointed as Director on 19th September, 2008 and 1st January, 2020.
ii. The two Directors had exceeded their tenure of office as their expected retirement or renewal of appointment dates were 19th September, 2012 and 1st January, 2024, contrary to the provision of the Establishment Act of the Institute cited above, and
iii. At the time of the audit in November, 2024, the two (2) Directors were still in service and appeared in the nominal roll and payroll of the Institute, and
iv. Evidence for renewal of appointments, as stipulated in the Establishment Act, was not produced for examination despite repeated requests.

The above anomalies could be attributed to weaknesses in the internal control system at the Institute of Peace and Conflict Resolution, Abuja.

Risks

i. Payment of salaries to ineligible persons.
ii. Loss of government funds.

Management's Response

The Institute is a Research Institute and do not apply the regular public service system of tenuring. The Salary structure is that of Research Institutes Dr, Bakut Tswa Bakut is currently not directly engaged with the Institute and his case is being handled by the Head of Service. The issue of tenure cannot be in the act and we go by extant circular and Public Service Rules for Non-Research Directors using 60 years or 8 years The Research Directors are tenured by an initial 4 years and subsequent appointments of no more than two 1 year tenure each as enshrined in the act.

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. Justify to the Public Accounts Committees of the National Assembly, the non-compliance with the provisions of the Establishment Act, 2007 on the tenure of office for the Directors.
ii. Provide to the Public Accounts Committees of the National Assembly, the letters of appointment and career progression report of the two Directors and subsequent Board approval for their Directorate reappointment for a term of one year at a time but not more than two renewals on such terms and conditions in accordance with the Section 10(2) of the Establishment Act.
iii. Account for the total amount paid as excess salaries and allowances to the two (2) Directors.
iv. Recover and remit to the Treasury, all amount paid in (iii) above.
v. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
vi. Otherwise, sanctions relating to overpayment of salaries and allowances to staff and irregular or wrong payment as specified in paragraphs 3111 and 3106 of the Financial Regulations (2009) respectively, should apply.

ISSUE 2: PAYMENT OF SALARY TO STAFF DUE FOR RETIREMENT (=₦48,724,556.34)

Description of Findings

Paragraph 020908(i) of the Public Service Rules (PSR) (2021) states, “The mandatory retirement age for all grades in the Service shall be 60 years or 35 years of pensionable service whichever is earlier. Furthermore, paragraph 020908 (ii) of the PSR (2021) states, “No Officer shall be allowed to remain in Service after attaining the retirement age of 60 years or 35 years of pensionable Service whichever is earlier.”

Audit observed that:

i. Three (3) staff of the Institute had attained the mandatory retirement age of 60 years but were still on the Institute’s payroll and were paid the sum of ₦48,724,556.34 (Forty eight million, seven hundred and twenty four thousand, five hundred and fifty six naira, thirty four kobo) for the period in excess of specified active service.
ii. The Institute could not provide any justifiable reason for the continuous payment of salaries and allowances to staff overdue for retirement, and
iii. The Institute is not categorized as a certificate awarding institute such as universities and has not been placed as Research Institute.

The above anomalies could be attributed to weaknesses in the internal control system at the Institute of Peace and Conflict Resolution, Abuja

Risks

i. Loss of government funds.
ii. Inability to fund government budget.

Management's Response
The institute is a research Institute and Researcher with PhD and relevant publication are allowed to stay till 65 as evinced by a memo from Head of service to buttress the case of Dr Emmanuel.

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 ₦48,724,556.34 (Forty eight million, seven hundred and twenty four thousand, five hundred and fifty six naira, thirty four kobo), being salary paid to staff that have exceeded the retirement age.
ii. Recover and remit to the Treasury, the sum of ₦48,724,556.34
iii. Forward evidence of remittance to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating overpayment of salaries and allowances specified in paragraph 3111 of the Financial Regulations (2009) shall apply.

ISSUE 3: NON-REMOVAL OF STAFF DUE FOR RETIREMENT FROM THE NOMINAL ROLL

Description of Findings
Paragraph 020908(i) of the Public Service Rules (PSR) (2021) states, "The mandatory retirement age for all grades in the Service shall be 60 years or 35 years of pensionable service whichever is earlier. Furthermore, paragraph 020908(ii) of the PSR (2021) states, "No Officer shall be allowed to remain in Service after attaining the retirement age of 60 years or 35 years of pensionable Service whichever is earlier.'

Audit observed that:
i. A Deputy Director of the Institute had attained the compulsory retirement age of 60 years as of 2023 but was still on the Nominal Roll of the Institute as at 2024, and
ii. The Deputy Director was not listed among the personnel who exited the service in 2023 according to Commission's audit records, and the name remained on the 2024 nominal roll examined during the audit, and

The above anomalies could be attributed to weaknesses in the internal control system at the Institute of Peace and Conflict Resolution, Abuja.

Risks
i. Retired staff may be added to the payroll.
ii. Payment to retired staff.
iii. Loss of public funds.

Management's Response
The position of the Auditor- General's staff is noted and corrective measures will be taken to prevent future anomalies. Dr. Bakut's case is ongoing at the Office of the Head of Service.

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. Justify to the Public Accounts Committees of the National Assembly, the non-removal of the retired staff on the nominal roll of the Institute.
ii. Recover and remit to the Treasury, all payment to the officers from the time of expected date of retirement and the day he left the service.
iii. Forward evidence of remittance particulars to the Public Accounts Committees of the National Assembly, and
iv. Otherwise, sanctions relating overpayment of salaries and allowances specified in paragraph 3111 of the Financial Regulations (2009) should apply.

ISSUE 4: IRREGULARITIES IN THE AWARD OF CONTRACT FOR WORKSHOP (=₦81,411,561.01)

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." 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, time sheets. etc."

Audit observed that:
i. The sum of ₦81,411,561.01(Eighty one million, four hundred and eleven thousand, five hundred and sixty one naira, one kobo) was paid to a contractor vide P V No CAP/047 dated 10th November, 2023, for a Sensitization Workshop on Countering Terrorism and Agitation in North East Nigeria.
ii. Evidence of competitive bidding such as quotations from bidders (including the winning bid) was not produced for audit. This prevented the audit from ascertaining the integrity and transparency of the selection process.
iii. Included in the cost in (i) above, was the sum of ₦58,600,000.00 from the Bill of Quantities attached to the voucher as shown in the Table below.

S/N	ITEM	UNIT COST	QTY	FREQ.	AMOUNT ₦
1.	Writing pad	6,500.00	600	1	3,900,000.00
2.	Sensitization Training	30,000.00	600	2	36,000,000.00
3.	Branded Shirts	9,500.00	650	1	6,175,000.00
4.	Branded Caps	4,500.00	650	1	2,925,000.00
5.	Production of Training Modules	9,000.00	600	1	5,400,000.00
6.	Designing and Printing of Certificates	7,000.00	600	1	4,200,000.00
	TOTAL				**58,600,000.00**

iv. The sum of ₦36,000,000.00 designated as payment for Sensitization training remained unaccounted for at the time of the audit as the nature of this item, whether it pertained to the contractor's training fees or payments to individual participants, remain unclear.
v. Evidence that the contractor had produced and delivered the said quantity of training materials such as Store Receipt Voucher, Delivery Note and Store Issue Voucher were neither attached to the voucher nor produced for audit.
vi. There was no evidence provided for distribution of items and payment of stipend to respective participants, and
vii. Provision was made for honorarium to be paid to six (6) facilitators at ₦80,000.00 each, totaling ₦480,000.00. However, the approved list of facilitators was not produced for audit, and

The above anomalies could be attributed to weaknesses in the internal control system at the Institute of Peace and Conflict Resolution, Abuja.

Risks

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

Management's Response

The project was awarded following due process. The technical and financial bid analysis are attached for your consideration. Five companies bidded for this job and it was awarded to the successful company.

Auditor's Evaluation

Audit notes the Management's response to the issue raised but not satisfactory. Therefore, 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 ₦81,411,561.01 (Eighty one million, four hundred and eleven thousand, five hundred and sixty one naira, one kobo), being award of contracts without evidence of competitive bidding and utilization of funds.
ii. Recover and remit to the Treasury, the sum of ₦81,411,561.00.
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 5: PAYMENTS WITHOUT RELEVANT SUPPORTING DOCUMENTS (=₦35,375,684.38)

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 Institute made payments amounting to ₦35,375,684.38 (Thirty five million, three hundred and seventy five thousand, six hundred and eight four naira, thirty eight kobo)
ii. Relevant supporting documents such as receipts, quotations, contract award letters etc. were not attached to the paid vouchers, and
iii. The absence of the supporting documents made it impossible to ascertain the genuineness of the payments.

The above anomalies could be attributed to weaknesses in the internal control system at the Institute of Peace and Conflict Resolution, Abuja.

Risks

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

Management's Response

The position of the Auditor- General's staff is noted and corrective measures will be taken to prevent future anomalies.

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 ₦35,375,684.38 (Thirty five million, three hundred and seventy five thousand, six hundred and eight four naira, thirty eight kobo), being payment without relevant supporting documents.
ii. Recover and remit to the Treasury, the sum of ₦35,375,684.38.

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 6: ARBITRARY PAYMENT OF HONORARIUM (=₦5,620,000.00)

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 National Peace Academy (NPA), an arm of the Institute, conducted various training in the year 2023 with provision for payment to facilitators.
ii. Honorarium totaling ₦5,620,000.00 (Five million, six hundred and twenty thousand naira) were paid to staff and non-staff facilitators for the training, and
iii. There was no approved policy document/regulation to serve as a guide for the payment for honorarium, as the Institute's approved condition of service was not produced for audit.

The above anomalies could be attributed to weaknesses in the internal control system at the Institute of Peace and Conflict Resolution, Abuja.

Risks

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

Management's Response

The position of the Auditor- General's staff is noted and corrective measures will be taken to prevent future anomalies. The position of the Institute is that honorarium was paid to staff for the extra work done as an incentive beyond the line of typical work schedule, however, as stated earlier, the position of the Auditor-General's staff is noted and corrective measures will be taken to prevent future anomalies.

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 ₦5,620,000.00 (Five million, six hundred and twenty thousand naira), being

payment of honorarium without approved policy document/regulations for the rates and condition.

ii. Recover and remit to the Treasury, the sum of ₦5,620,000.00.

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 7: CASH ADVANCES GRANTED ABOVE LIMIT (=₦5,447,700.00)

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. Eleven (11) payments totaling ₦5,447,700.00 (Five million, four hundred and forty seven thousand, seven hundred naira) were made as advances to the private bank accounts of three (3) staff of the Institute for the purchase of diesel.

ii. Eight (8) of these payments to staff were above ₦200,000.00 statutory limit as specified in extant regulations, and

iii. The granting of advances in (i) above deprived the federal government of ₦710,924.86 (Seven hundred and ten thousand, nine hundred and twenty four naira, eighty six kobo) that would have accrued as revenue through taxes.

The above anomalies could be attributed to weaknesses in the internal control system at the Institute of Peace and Conflict Resolution, Abuja.

Risks

i. Loss of government revenue.

ii. Diversion of public funds.

Management's Response

While it's true that 8 of these payments were above ₦200,000.00, the situation where the volatile market and past experiences have made it unattractive for the vendor to be interested in L.P.O. orders for marginal sums necessitate the use of staff to make these procurements, especially when the programmes for which the diesel was bought happened at short notice, the auditors should bear in mind that the entire project is taxed and the tax is remitted to the relevant tax authorities. The vendors operate in a price volatile market, they usually say that the delay between when the goods are supplied and when they are paid will affect their business and the volatile price regime affects profit margins, and may crumble their businesses. It is sometimes easier in real terms to resort to these methods to ensure they get their monies quickly.

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 ₦5,447,700.00 (Five million, four hundred and forty seven thousand, seven hundred naira), being advances granted to staff above statutory limit.
ii. Recover and remit to the Treasury, the sum of ₦5,447,700.00.
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.

NIGERIA HIGH COMMISSION, KAMPALA, UGANDA

At the Nigerian High Commission Kampala, Uganda, for the period 1st January, 2019 to 31st December, 2021, the following observation was made:

ISSUE 1: IRREGULAR PAYMENTS TO EVACUATE NIGERIANS FROM UGANDA DUE TO COVID-19 PANDEMIC (=₦76,333,333.33)

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 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 ₦76,333,333.33 (Seventy six million, three hundred and thirty three thousand, three hundred and thirty three naira, thirty three kobo) was paid by the High Commission to contract 2 airlines on the 30th June, 2020 for the evacuation of stranded Nigerians away from Uganda as a result of the outbreak of COVID-19 Pandemic worldwide.
ii. The first Airlines was paid the sum of US$94,000.00 (Ninety four thousand United States Dollar equivalent of ₦31,333,333.33 (Thirty three million, three hundred and thirty three thousand, three hundred and thirty three naira, thirty three kobo) while the second was paid US$135,000.00 (One hundred and thirty five thousand United States Dollar) equivalent of ₦45,000,000.00 (Forty five million, naira), totaling the sum in (i) above.
iii. The evacuees were also requested to pay the total of US$6500 (₦2,166,666.67) to the embassy for the execution of the evacuation.

iv. The receipts issued to evacuees for the payment made and the evidence of payment to the Airlines was not made available for audit despite repeated request, and
v. The claim for the payments and the receipt of funds from the evacuees could not be authenticated with justifiable evidence.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian High Commission Kampala, Uganda.

Risks
i. Diversion of 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 Permanent Secretary should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦76,333,333.33 (Seventy six million, three hundred and thirty three thousand, three hundred and thirty three naira, thirty three kobo), being payments to the two (2) airlines without justifiable documentary evidence.
ii. Recover and remit to the Treasury, the sum of ₦76,333,333.33.
iii. Forward evidence of recovery and 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.

NIGERIAN EMBASSY, BANGUI, CENTRAL AFRICAN REPUBLIC

At the Nigerian Embassy of Bangui, Central African Republic, for the period 1st January 2022 to 31st December, 2023, the following observations were made:

ISSUE 1: IRREGULAR REFUND OF OUT OF POCKETS EXPENSES (=₦25,688,261.02)

Description of Findings
Regulation16 (2) of Nigerian Foreign Services Regulation states "At each post abroad, a Medical Practitioner and a Dentist will be appointed by the Head of Mission after due consultation with the Home-based staff and members of staff must consult them when necessary. Each Head of Mission will explore the possibility of making single comprehensive payment for all medical attention to staff and where the cost of medical attention is exceptionally high, some form of group insurance scheme may be advantageous." 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 Embassy refunded Out of Pockets Expenses (OPE) amounting to ₦18,238,236.38 (Eighteen million, two hundred and thirty eight thousand, two hundred and thirty six naira, thirty eight kobo) to Home Based staff in respect of their private medical expenses during the period under review.
ii. The refund of medical expenses to home based staff contravened the Nigerian Foreign Services Regulations on medical treatment which requires the Embassy to pay medical bills directly to Hospital (medical practitioner or consultant) appointed in line with foreign Service Regulation cited above.
iii. The sum of ₦7,450,024.64 (Seven million, four hundred and fifty thousand, twenty four naira, and sixty four kobo) was also refunded to some members of staff as out of pockets expenses incurred for various purposes.
iv. Documentary evidence to show that Staff actually incurred expenses out of their pockets to necessitate the refunds and the prior approval to incur the expenses were neither attached to the paid vouchers nor provided for confirmation, and
v. The refund to Staff in (i) and (iii) above amounting to ₦25,688,261.02 (Twenty five million, six hundred and eighty eight thousand, two hundred and sixty one naira, two kobo) cannot be considered a legitimate charges against public funds.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Embassy of Bangui, Central African Republic.

Risks

i. Payment for false claims.
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 implement the recommendations.

Recommendations

The Permanent Secretary should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦25,688,261.02 (Twenty five million, six hundred and eighty eight thousand, two hundred and sixty one naira, two kobo), being irregular and unsubstantiated refund of out-of-pocket expenses.
ii. Recover and remit to the Treasury, the sum of ₦25,688,261.02.
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: PAYMENTS OF UNAPPROVED SALARIES AND WELFARE PACKAGES (=₦9,355,215.10)

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…"

Audit observed that:

i. The sum of ₦9,355,215.10 (Nine million, three hundred and fifty five thousand, two hundred and fifteen naira, ten kobo) was paid to home based Officers, local staff and casual staff as 13th month salary and welfare packages during the period under review, and
ii. The 13th Month salaries and welfare packages in (i) above were not approved by the National Salaries, Incomes and Wages Commission and were also not provided for in Nigerian Foreign Service Regulations, and
iii. There was no evidence of budgetary provision for the expenditure on the 13th Month salaries and welfare package.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Embassy of Bangui, Central African Republic.

Risks

i. Misapplication of 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 Permanent Secretary should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦9,355,215.10 (Nine million, three hundred and fifty five thousand, two hundred and fifteen naira, ten kobo), being payment of 13th Month salaries and welfare package without approval.
ii. Recover and remit to the Treasury, the sum of ₦9,355,215.10.
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: IRREGULARITIES IN THE PAYMENT OF OFFICERS' CHILDREN SCHOOL FEES (=₦64,585,549.56)

Description of Findings

Paragraph 112 (i) 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." Also, regulation 24 of the Nigerian Foreign Service Regulations, Children Education Supplement, states, "(1) Children of officers at post shall enjoy free primary Education at Government expense. (2)The contribution of an officer to secondary education in respect of each child shall be 15% of the cost (boarding and tuition inclusive) (3) The Head of Mission shall (in the case of 1 & 2), in the first instance, pay the fees directly on production of the bills, and thereafter deduct it from the officer's Foreign Service Allowance."

Audit observed that:

i. The sum of US$149,280.00 equivalent to ₦64,585,549.56 (Six four million, five hundred and eighty five thousand, five hundred and forty five naira, fifty six kobo) was paid to home based officers as school fees for their children.
ii. There was no evidence that the concerned officers actually pay the school fees as receipts or letters of confirmation from the schools were not attached to the paid vouchers.
iii. While the Foreign Service Regulations requires the recovery of 15% of school fee paid on behalf of the children of Home Based Staff Secondary School Students from the Foreign Service Allowance of the respective officers, the academic levels of the concerned Officers' children were not disclosed, making it difficult to ascertain the applicability of the recovery from the concerned staff allowances, and
iv. There was no evidence to show that 15% of the paid school fees amounting to ₦5,448,702.00 were recovered from the respective Home Based Staff allowances.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Embassy of Bangui, Central African Republic.

Risks

i. False claim of school fees.
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 Permanent Secretary should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of US$149,280.00 equivalent to ₦64,585,549.56 (Six four million, five hundred and eighty five thousand, five hundred and forty five naira, fifty six kobo), being

school fees paid on behalf of Home Based Staff for secondary school students without disclosing the academic level and deduction of 15% from the allowances of the staff.
ii. Recover and remit to the Treasury, the sum of ₦64,585,549.56.
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: PAYMENT OF UNAPPROVED ALLOWANCES (=₦23,831,816.07)

Description of Findings

Paragraph 112(i) of the Financial Regulations (FR) (2009) "The functions of the Accounting Officer shall include:…ensuring that the essential management control tools are put in place to minimize waste and fraud." 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 ₦23,831,816.07 (Twenty three million, eight hundred and thirty one thousand, eight hundred and sixteen naira, seven kobo) was paid to Home Based Staff as security and hardship allowances during the year under review.
ii. Security and hardship allowances are not included in the legitimate allowances authorized by the Nigerian Foreign Service Regulations, and
iii. The payments were not considered to be a legitimate charge against public funds.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Embassy of Bangui, Central African Republic.

Risks

i. Payment of unapproved allowance.
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 Permanent Secretary should be requested to:
i. Account to the Public Accounts Committee of the National Assembly, the sum of ₦23,831,816.07 (Twenty three million, eight hundred and thirty one thousand, eight hundred and sixteen naira, seven kobo), being unapproved security and hardship allowances paid to staff.
ii. Recover and remit to the Treasury, the sum of ₦23,831,816.07.
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: MISAPPLICATION OF FUNDS (=₦250,442,000.00)

Description of Findings

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 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 US$476,800.00 equivalent of ₦250,442,000.00 (Two hundred and fifty million, four hundred and forty two thousand naira) was transferred from personnel vote to fund overhead related transactions, and
ii. There was no evidence to show that the Ministry of Foreign Affairs obtained National Assembly's approval for virement of funds from personnel vote to overhead vote.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Embassy of Bangui, Central African Republic.

Risks

i. Misappropriation of 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 Permanent Secretary should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of US$476,800.00 equivalent of ₦250,442,000.00 (Two hundred and fifty million, four hundred and forty two thousand naira), being personnel vote applied to overhead related expenditures.
ii. Recover and remit to the Treasury, the sum of US$476,800.00 equivalent of ₦250,442,000.00.
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.

ISSUE 6: IRREGULAR WITHDRAWALS OF FUNDS (=₦20,320,542.33)

Description of Findings

Paragraph 112 (i) 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." 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 sum of US$47,147.43, equivalent of ₦20,320,542.33 (Twenty million, three hundred and twenty thousand, five hundred and forty two naira, thirty three kobo) was withdrawn from the Embassy's overhead (USD) Bank Account in favour of some persons, during the year 2023.
ii. The transactions were not recorded in the Overhead (US$) Cash Book and there were no payment vouchers to support the withdrawals, and
iii. There was no evidence to show that the amount withdrawn was duly authorized, approved and utilized for the operations of the Embassy.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Embassy of Bangui, Central African Republic.

Risks

i. Diversion of 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 Permanent Secretary should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦20,320,542.33 (Twenty million, three hundred and twenty thousand, five hundred and forty two naira, thirty three kobo), being irregular withdrawal of funds from the Embassy's US$ Overhead Account.
ii. Recover and remit to the Treasury, the sum of US$47,147 43, equivalent of ₦20,320,542.33.
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: PAYMENTS WITHOUT PROPER AUTHORIZATION (=US$136,640.64) EQUIVALENT OF (=₦59,408,973.91)

Description of Findings

Paragraph 112 (i) 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." 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 US$136,640.64, equivalent of ₦59,408,973.91 (Fifty nine million, four hundred and eight thousand, nine hundred and seventy three naira, ninety one kobo) was paid from overhead (US$) bank account to six (6) beneficiaries for various purposes during the year 2023.
ii. The payment instructions were not signed by the Finance Attache (FA) of the Nigerian Embassy in Bangui, and
iii. The lack of authorisation by the Finance Attache made the payment not to be considered as a legitimate charge against public funds.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian Embassy of Bangui, Central African Republic.

Risks

i. Override of control
ii. Diversion of public 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 Permanent Secretary should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of US$136,640.64, equivalent of ₦59,408,973.91 (Fifty nine million, four hundred and eight thousand, nine hundred and seventy three naira, ninety one kobo), being payments without authorisation of the Finance Attache.
ii. Recover and remit to the Treasury, the sum of US$136,640.64 equivalent of ₦59,408,973.91
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.

NIGERIAN HIGH COMMISSION, NAIROBI, KENYA

At the Nigerian High Commission Nairobi, Kenya for the period 1st January, 2019 to 31st December, 2021, the following observation was made:

ISSUE 1: NON-UTILIZATION OF PROJECT FUNDS (=₦25,566,303.00)

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 Embassy received the sum of ₦25,566,303.00 (Twenty five million, five hundred and sixty six thousand, three hundred and three naira) equivalent of KSH6,763,572.22, at the exchange rate of 0.2881 to ₦1 for Construction of Chancery Building in the first tranche of 2018 Capital Allocation to the Mission through a Development Fund General Warrant No. 00009540 dated 12th November, 2018 (AIE MFA/MS/CAP/088/2018).
ii. As at the time of the audit on 12th August, 2021, over two years after the release of the fund, the Embassy claimed that the fund was not substantial enough to start the Chancery Building, and
iii. The Embassy failed to return the fund to the Treasury and reapplied for it in the subsequent years.

The above anomalies could be attributed to weaknesses in the internal control system at the the Nigerian High Commission Nairobi, Kenya.

Risks

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

Management's Response

The capital fund is inadequate for the construction of a chancery building for an embassy of this nature.

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 ₦25,566,303.00 (Twenty five million, five hundred and sixty six thousand, three hundred and three naira) equivalent of KSH6,763,572.22, being unutilised and unaccounted project funds.
ii. Recover and remit to the Treasury, the sum of ₦25,566,303.00

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.

NIGERIAN HIGH COMMISSION, PORT OF SPAIN, TRINIDAD AND TOBAGO

At the Nigerian High Commission Port of Spain, Trinidad and Tobago, for the period 1st January, 2020 to 31st December, 2022, the following observations were made:

ISSUE 1: UNSETTLED ACCUMULATED DEBT(=TTD297,470.85) AND (=US$219,379.85)

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."

Audit observed that:
i. The sum of TTD297,470.85 (Two hundred and ninety seven thousand, four hundred and seventy dollar, eight five cent) and US$219,379,85. (Two hundred and nineteen thousand, three hundred and seventy nine dollar, eighty five cent) were the indebtedness of the Commission to external parties as at the time of the audit.
ii. The debt in (i) above was owed to third parties as shown in the Table below, and

S/N	DETAILS	AMOUNT TTD	AMOUNT US$
1	Spanish Court	32,143.79	
2	TSTT Land[line Phone Bills Breakdown	178,060.72	
3	Officers Outstanding Rent		46,000.00
4	Unpaid Estacode	35,315.34	43,779.85
5	Education Supplement		129,600.00
6	Staff Out of Pocket Expenses	51,951.34	
	TOTAL	**297,471.19**	**219,379.85**

iii. There was no justification for the accumulation of debt leading to disrepute for the Commission and the possibility of withdrawal of services by the third parties.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian high commission, Port of Spain, Trinidad and Tobago.

Risks
i. National disrepute.
ii. Loss of reputation.

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. Justify to the Public Accounts Committees of the National Assembly, the cumulative unsettled debt of the Commission totaling TTD297,470.85 (Two hundred and ninety seven thousand, four hundred and seventy dollar, eight five cent) and US$219,379,85. (Two hundred and nineteen thousand, three hundred and seventy nine dollars and eighty five cent).
ii. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

ISSUE 2: UNSPENT BALANCE NOT ACCOUNTED FOR (=US$810,348.03)

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 because it has been voted."

Audit observed that:
i. The closing balances of the Embassy from 2020 to 2022 amounted to US$810,348.03 (Eight hundred and two thousand, three hundred and forty eight dollar, three cent) as shown in the Table below, and

S/N	DESCRIPTION	YEAR	AMOUNT US$
1	CLOSING BALANCE	2020	247,183.86
2	CLOSING BALANCE	2021	226,138.20
3	CLOSING BALANCE	2022	337,025.97
	TOTAL		**810,348.03**

ii. There was no evidence to show that the unspent balances in (i) above, were remitted to the Treasury at the end of each financial year.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerian high commission, Port of Spain, Trinidad and Tobago.

Risks
i. Waste of public funds.
ii. Misappropriation 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 Permanent Secretary of MFA should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of US$810,348.03 (Eight hundred and two thousand, three hundred and forty eight dollar, three cent), being unspent balances for year end 2020 to 2023 not returned to the Treasury as require by extant regulations.
ii. Provide and remit to the Treasury, the sum of US$810,348.03
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.

NIGERIANS IN DIASPORA COMMISSION, ABUJA

At the Nigerians in Diaspora Commission, Abuja, for the period 1st January to 31st December, 2023, the following observations were made:

ISSUE 1: NON-SUBMISSION OF AUDITED FINANCIAL STATEMENTS

Description of Findings
Section 23(3) of the Fiscal Responsibility Act (2007) states, "Each corporation shall, not later than three months after the end of its financial year, cause to be prepared and published its audited financial reports in accordance with such rules as may be prescribed from time to time." 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 and the Accountant-General not later than 31st May of the following year of Account."

In spite of the above regulations:

i. The Commission's yearly audited account for financial year 2023 has not been submitted to the Auditor-General for the Federation as required by extant regulations.
ii. The last set of audited annual financial statements submitted in compliance with extant regulations, was for the financial year 2022, and
iii. No justifiable 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 Nigerians in Diaspora Commission (NIDCOM), 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 observations remain valid until the Management implements the recommendations.

Recommendations
The Chairman should be requested to:
i. Justify to the Public Accounts Committees of the National Assembly, the non-submission of the Audited Financial Statements for 2023 to the Auditor-General for the Federation.
ii. Produce the Audited Financial Statements for the year 2023 and the corresponding Management Letter/Report as required by extant regulations.
iii. Forward copies of the Audited Financial Statements and Auditor's Report thereon to both the Public Accounts Committees of the National Assembly and the Auditor-General for the Federation, and
iv. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

ISSUE 2: CIRCUMVENTION OF PROCUREMENT PROCEDURE (=₦340,827,119.00)

Description of Findings
Section 43(1) of the Public Procurement Act (PPA) (2007) states, "A procuring entity may for the purpose of this Act, carry out an emergency procurement where: (a) the country is either seriously threatened by or actually confronted with a disaster, catastrophe, war, insurrection or Act of God ; (b) the condition or quality of goods, equipment, building or publicly owned capital goods may seriously deteriorate unless action is urgently and necessarily taken to maintain them in their actual value or usefulness ; or (c) a public project may be seriously delayed for want of an item of a minor value." Furthermore Section 43(4) of the 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 Commission, in the 2023 capital Intervention projects, awarded five (5) contracts amounting to ₦340,827,119.00 (Three hundred and forty million, eight hundred and twenty seven thousand, one hundred and nineteen naira) for the procurement of consultancy services in respect of the Organisation of Global African Diaspora Symposium Abuja, 2023.
ii. The contracts were awarded using Direct Emergency Procurement on the justification that the scope and schedule date of the event are out of full control of NIDCOM.
iii. The decision was a resolution of the 10th Summit of OACPS Heads of State and Government held on 7th December, 2022, in Luanda, Republic of Angola.
iv. The period in between the Summit where the decision was made and the Symposium date of 27th - 28th April, 2023, was one hundred and forty (140) days

(20 weeks) which is adequate for the Commission to adopt Open Competitive Method of Procurement to ensure competitiveness, transparency and fairness, and

v. The Management of NIDCOM did not obtain Certificate of 'No objections' from the Bureau of Public Procurement (BPP) for review and approval of the method.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerians in Diaspora Commission (NIDCOM), Abuja.

Risks

i. Favouritism in award of contracts.
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 Chairman should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦340,827,119.00 (Three hundred and forty million, eight hundred and twenty seven thousand, one hundred and nineteen naira) paid for contract award without due process.
ii. Recover and remit to the Treasury, the sum of ₦340,827,119.00.
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: SPLITTING OF CONTRACTS TO CIRCUMVENT APPROVAL THRESHOLD (=₦137,524,353.00)

Description of Findings

Section 20(2) of the Public Procurement Act (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 contracts for the procurement of logistics services for the Global African Diaspora Symposium 2023, Abuja, were awarded to two (2) contractors for the of ₦62,513,293.00 (Sixty two million, five hundred and thirteen thousand, two hundred and ninety three naira) and ₦75,111,060.00 (Seventy fine million, one hundred and eleven thousand, sixty naira) totaling ₦137,524,353.00 (One hundred and thirty seven million, five hundred and twenty four thousand, three hundred and fifty three naira) in its Capital/Intervention Accounts for the year 2023.

ii. The two contracts were the same as they involved procurement of logistic services for payment of international flight and air tickets of participants into the country, and

iii. The individual procurement which could be awarded to a single contractor was, however, split to circumvent approval threshold as set by the Bureau of Public Procurement (BPP), and to evade the Federal Executive Council (FEC) Approval.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerians in Diaspora Commission (NIDCOM), Abuja.

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 Chairman should be requested to:

i. Account to the Public Accounts Committee of the National Assembly, the sum of ₦137,524,353.00 (One hundred and thirty seven million, five hundred and twenty four thousand, three hundred and fifty three naira), being contract split to circumvent procurement approval threshold.
ii. Recover and remit to the Treasury, the sum of ₦137,524,353.00.
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.

ISSUE 4: AWARD OF CONTRACTS TO CONTRACTORS WITHOUT VALID DOCUMENTS (=₦165,291,775.00)

Description of findings

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;"

Audit observed that:

i. The Commission awarded contracts totaling ₦50,112,975.00 (Fifty million, one hundred and twelve thousand, nine hundred and seventy five naira) to two (2) contractors for the procurement of consultancy services for management of NIDCOM Website and Organisation of Programmes for the National Diaspora Day, 2023, from its 2023 Capital & Intervention Projects.
ii. Due diligence checks revealed that the Tax Clearance Certificate (TCC) of these contractors were not authentic. The scanning of the barcode of this certificate showed other company's details and alteration of TCC Turnover figure.

iii. Another three (3) contractors awarded contracts of ₦115,170,800.00 (One hundred and fifteen million, one hundred and seventy thousand, eight hundred naira) for consultancy services submitted invalid TCC and BPP certificate for the bidding. These were discovered through the scanning of barcode of these certificates which indicates that the contractors were not qualified for the contract.
iv. In total, contracts for the sum ₦165,291,775.00 (One hundred and sixty five million, two hundred and ninety one thousand, seven hundred and seventy five naira) were awarded and paid to companies with invalid TCC, and
v. The Management of the Commission did not conduct a due diligence check on the companies prior to award of the contract.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerians in Diaspora Commission (NIDCOM), Abuja.

Risks
i. Bid rigging
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 Chairman should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦165,291,775.00 (One hundred and sixty five million, two hundred and ninety one thousand, seven hundred and seventy five naira), being contracts awarded to contractors without valid TCC documents.
ii. Recover and remit to the Treasury, the sum of ₦165,291,775.00.
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 5: AWARD OF CONTRACTS TO INELIGIBLE CONTRACTORS WITHOUT FINANCIAL CAPACITY (=₦91,902,975.00)

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, Article 3 (Prequalification/Eligibility) of the advertisement placed by the Nigerians in Diaspora Commission in the Federal Tenders Journal of Monday, 12th June, 2023, and two (2) National Dailies (Daily Times and the Nigeria News Direct Newspapers) dated Monday,15th August, 2022 requires bidders to present among others:… (b) Evidence of Company's Income Tax Clearance

Certificate for the last three (3) years for 2019, 2020 and 2021 valid till 31st December 2023 with minimum average annual turnover of ₦20million.

Audit observed that:

i. The Commission awarded four (4) contracts amounting to ₦91,902,975.00 (Ninety one million, nine hundred and two thousand, nine hundred seventy five naira) for the procurement of consultancy services in management of NIDCOM Website and organisation of programmes for the Global African Diaspora Symposium / National Diaspora Day, in Abuja for the year 2023, from its 2023 Capital / Intervention Accounts.
ii. The four (4) contractors/suppliers did not meet with the average turnover requirement of N20 million as stated in the contract advertisement, and
iii. The Turnover of the four (4) companies for the last three (3) financial years were ₦0.00 which violates the provision of the contract advertisement.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerians in Diaspora Commission (NIDCOM), Abuja.

Risks

i Contracts may face financial constraint.
ii Quality jobs may not be done.
iii Sub-standard products 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 Chairman should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦91,902,975.00 (Ninety one million, nine hundred and two thousand, nine hundred seventy five naira), being contract awarded to ineligible companies with NIL Turnover for the three (3) relevant years.
ii. Recover and remit to the Treasury, the sum of ₦91,902,975.00.
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 6: AWARD OF CONTRACTS TO COMPANIES WITH EXPIRED DOCUMENTS (=₦356,383,349.15)

Description of Findings

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." Furthermore, section 16(6) of

the 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;"

Audit observed that:

i. Seven (7) companies were awarded contracts amounting to ₦356,383,349.15 (Three hundred and fifty six million, three hundred and eighty three thousand, three hundred and forty nine naira, fifteen kobo) for the procurement of goods and services from the Commission's capital/Intervention Projects for the year 2023, and
ii. The seven (7) companies did not fulfill the eligibility requirements as some of the prequalification documents submitted for bidding have expired since 2022.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerians in Diaspora Commission (NIDCOM), Abuja.

Risks

i. Award of contracts to incompetent contractors.
ii. Poor execution of contracts.
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 Chairman should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦356,383,349.15 (Three hundred and fifty six million, three hundred and eighty three thousand, three hundred and forty nine naira, fifteen kobo), being amount of contracts awarded to contractors with expired prequalification documents.
ii. Recover and remit to the Treasury, the sum of N356,383,349.15.
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: OVER-PAYMENT TO CONTRACTORS (=₦6,092,083.90)

Description of findings

Paragraph 415 of the Financial Regulations (FR) (2009) 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 Commission awarded contracts amounting ₦111,542,597.15 (One hundred eleven million, five hundred and forty two thousand, five hundred ninety seven naira, fifteen kobo) to five (5) contractors for the procurement of consultancy services for the management of NIDCOM website and organisation of National Diaspora Day / Merit Award Day, Abuja for the year 2023, in its 2023 Capital Projects.
ii. There was an inclusion of unallowable tax element such as Withholding Tax (WHT) &1% Stamp Duty (STD) amounting to ₦6,092,083.90 (Six million, ninety two thousand, eighty three naira, ninety kobo) in the projects Bills of Quantities (BOQ), and
iii. The inclusion of the WHT and STD, which is a charge on the contractor's income, inflated the contract price paid to the contractor.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerians in Diaspora Commission (NIDCOM), Abuja.

Risks

i. Contract Inflation.
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 Chairman should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦6,092,083.90 (Six million, ninety two thousand, eighty three naira, ninety kobo), being WHT and STD included in contract sum, leading to over-payment to contractors.
ii. Recover and remit to the Treasury, the sum of ₦6,092,083.90.
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 specified in paragraph 3104 (iii) of the Financial Regulations (2009) should apply.

ISSUE 8: PAYMENTS FOR CONTRACTS WITHOUT EVIDENCE OF EXECUTION (=₦209,085,405.00)

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 awarded contracts amounting to ₦302,270,720.00 (Three hundred and two million, two hundred and seventy thousand, seven hundred and twenty naira) to five (5) companies for the procurement of consultancy services in its Capital/Intervention Projects for the year 2023.

ii. Included in the sum in (i) above was ₦209,085,405.00 (Two hundred and nine million, eighty five thousand, four hundred and five naira) paid to the contractors for participants, awardees, special guests and resources persons' flight booking, accommodation, rent of hall, music performance Artist, for the organisation of Global African Diaspora Symposium Abuja, 2023 and the National Diaspora Day (NDD) celebration and Diaspora Merit Award, Abuja, without evidence of execution as shown in the Table below:

S/N	DATE	PV NO.	PURPOSE	AMOUNT (₦)
1	16/05/2023	NIDCOM /OC/ 118	Procurement of logistic (flight booking and accommodation) services for Participants from Europe and African to Nigeria for Global African Diaspora Symposium, Abuja	74,391,060.00
2	16/05/2023	NIDCOM /OC/ 105	Venue for the Organisation of Global African Diaspora Symposium Abuja,	30,000,000.00
3	4/8/2023	NIDCOM /OC/ 101	for International flight tickets for 12 Resource persons and Awardees, special guest (Flight booking and Hotel Accommodation) in respect of the National Diaspora Day (NDD) celebration and Diaspora Merit Award, Abuja	28,601,050.00
4	3/8/2023	NIDCOM /OC/ 093	Venue, Music performance Artiste of International for the National Diaspora Day (NDD) celebration and Diaspora Merit Award, Abuja	14,300,000.00
5	16/05/2023	NIDCOM /OC/ 109	Return Flight Ticket from Europe to Nigeria of 15 participants, and Hotel Accommodation	61,793,295.00
	TOTAL			**209,085,405.00**

iii. Evidence of flight ticket booking, accommodation booking, names and details of all the participants, venue rental, invitation and payment to music artist, copy of stamped visa passport and attendance register, etc. were not provided to authenticate the genuineness of the payments made to the Contractors, and
iv. As at the time of the audit, the Management of the Commission could not justify the authenticity of the utilisation of these funds.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerians in Diaspora Commission (NIDCOM), Abuja.

Risks
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 observations remain valid until the Management implements the recommendations.

Recommendations
The Chairman should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦209,085,405.00 (Two hundred and nine million, eighty five thousand, four hundred and five naira), being payment to contractor for logistics without evidence of execution.
ii. Recover and remit to the Treasury, the sum of ₦209,085,405.00
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 9: UNDER-DEDUCTION OF TAXES (=₦16,433,627.77)

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." 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 Commission awarded contracts totaling ₦453,369,716.15 to ten (10) contractors for the procurement of goods and services in its Capital and Intervention projects for the year 2023.

ii. 5% Withholding Tax (WHT) totaling ₦16,433,627.77 (Sixteen million, four hundred and thirty three thousand, six hundred twenty seven naira, seventy seven kobo) were charged on payments to some consultants instead of 10% amounting to ₦32,867,255.54 (Thirty two million, eight hundred and sixty seven thousand, two hundred and twenty five naira, fifty four kobo), and
iii. The irregular deduction of taxes in (ii) above resulted to loss of tax revenue amounting to ₦16,433,627.77 (Sixteen million, four hundred and thirty three thousand, six hundred twenty seven naira, seventy seven kobo) to the Government.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerians in Diaspora Commission, (NIDCOM), Abuja.

Risks
i. Loss of revenue.
ii. 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 Chairman should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦16,433,627.77 (Sixteen million, four hundred and thirty three thousand, six hundred twenty seven naira, seventy seven kobo), being under-deduction of Withholding Tax from payments to contractors.
ii. Recover and remit the sum of ₦16,433,627.77 to the relevant tax Authority.
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: MISAPPLICATION OF FUND (=₦15,600,000.00)

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. The sum of ₦15,600,000.00 (Fifteen million, six hundred thousand naira) was paid to security personnel within the period under review.
ii. The payments were wrongly charged to the Sub-Head 22021007 (Welfare Package) and 22020606 (Cleaning and Fumigation Services) in violation of extant regulations, and
iii. 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 Nigerians in Diaspora Commission, (NIDCOM), Abuja.

Risks

i. Misappropriation of 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 Chairman should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦15,600,000.00 (Fifteen million, six hundred thousand naira), being funds misapplied without the approval of National Assembly.
ii. Recover and remit to the Treasury, the sum of ₦15,600,000.00.
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.

ISSUE 11: VIOLATION OF E-PAYMENT POLICY OF THE FEDERAL GOVERNMENT (=₦48,905,092.00)

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 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. Nine (9) payments totaling ₦48,905,092.00 (Forty eight million, nine hundred and five thousand, ninety two naira) were made to some officers of the Commission for different purposes.
ii. The above payments were made to some officers other than the actual beneficiaries that were named in the approved memo attached to the paid vouchers, and
iii. There was no evidence that the amount in (i) above got to the ultimate beneficiaries.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerians in Diaspora Commission (NIDCOM), Abuja.

Risks

i. Payments may not get to the ultimate beneficiaries.
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 Chairman should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦48,905,092.00 (Forty eight million, nine hundred and five thousand, ninety two naira), being payments in violation of e-payment policy of the Federal Government.
ii. Recover and remit to the Treasury, the sum of ₦48,905,092.00.
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 12: DOCUMENTED VEHICLES NOT SIGHTED DURING PHYSICAL VERIFICATION

Description of Findings

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."

Audit observed that:

i. Five (5) vehicles comprised of four (4) Toyota Corolla, and one (1) Toyota Hiace bus were documented in the books of the Commission for the year, and

ii. During the physical inspection of the Commission's vehicles to ascertain their existence and current condition, the five vehicles in (i) above were not sighted nor were they provided for audit verification.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerians in Diaspora Commission (NIDCOM), Abuja.

Risks

i. Loss of government Asset.
ii. Vehicles may be diverted for personal use.

Management's Response

No response.

Auditor's Evaluation

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

Recommendations

The Chairman should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the five (5) vehicles of the Commission not provided for physical confirmation.
ii. Recover the vehicles from the custodian and return to the Commission
iii. Forward evidence of recovery of the vehicles 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.

ISSUE 13: CASH ADVANCES GRANTED ABOVE LIMIT (=₦20,548,308.00)

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 Commission granted cash advances amounting to ₦20,548,308.00 (Twenty million, five hundred and forty eight thousand, three hundred and eight naira) to twenty one (21) staff for different purposes which includes office running, procurement of stationaries, computer consumables among others for the year 2023.
ii. The advances granted were in excess of the approved threshold of ₦200,000.00, contrary to the above Circular.
iii. The payments deprived government of 7.5% Value Added Tax. 1% Stamp Duty and 5% Withholding Tax totaling ₦2,681,547.20 (Two million, six hundred and

eighty one thousand, five hundred and forty seven naira, twenty kobo) that would have accrued as revenue through taxes.

The above anomalies could be attributed to weaknesses in the internal control system at the Nigerians in Diaspora Commission, (NIDCOM), 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 observations remain valid until the Management implements the recommendations.

Recommendations

The Chairman should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦20,548,308.00 (Twenty million, five hundred and forty eight thousand, three hundred and eight naira), being advances granted in excess of the approved threshold of ₦200,000.00 as required by extant regulations.
ii. Recover and remit to the Treasury, the sum of ₦2,568,538.50
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

PERMANENT MISSION OF NIGERIA TO ECOWAS

At the Permanent Mission of Nigeria to ECOWAS, for the period 1st January 2023 to 31st December, 2023, the following observations were made:

ISSUE 1: PAID VOUCHERS WITHOUT RELEVANT SUPPORTING DOCUMENTS (=₦42,382,663.00)

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 ₦42,382,663.00 (Forty two million, three hundred and eighty two thousand, six hundred and sixty three naira) was paid for the procurement of goods and services during the year 2023.
ii. The above payments were effected through eleven (11) paid vouchers, and
iii. No relevant supporting documents were attached to the paid vouchers to ascertain the genuineness and authenticity of the payments.

The above anomalies could be attributed to weaknesses in the internal control system at the Permanent Mission of Nigeria to ECOWAS Mission.

Risks

i. Payment for non-existence transactions.
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 Permanent Secretary should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦42,382,663.00 (Forty two million, three hundred and eighty two thousand, six hundred and sixty three naira), being payment without attaching relevant supporting documents to the paid vouchers.
ii. Recover and remit to the Treasury, the sum of ₦42,382,663.00
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: IRREGULAR PAYMENTS FOR OVERSEAS TRAVELS FOR MEETINGS AND CONFERENCES (=₦22,966,995.88)

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."

Audit observed that:

i. The sum of ₦22,966,995.88 (Twenty two million, nine hundred and sixty six thousand, nine hundred and ninety five naira, eighty eight kobo) was spent by the Commission in respect of air tickets to officers of the mission for various meetings, conferences and other foreign engagements.
ii. The payments were effected through nine (9) paid vouchers, and

iii. There was no letter of invitation or other evidence that necessitates the need for the foreign travel.

The above anomalies could be attributed to weaknesses in the internal control system at the Permanent Mission of Nigeria to ECOWAS Mission.

Risks
i. Payments for non-existent transactions.
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 Permanent Secretary should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦22,966,995.88 (Twenty two million, nine hundred and sixty six thousand, nine hundred and ninety five naira, eighty eight kobo), being payment for foreign travel to attend meetings and conferences without Letter of Invitation from the organisers.
ii. Recover and remit to the Treasury, the sum of ₦22,966,995.88.
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: CASH ADVANCES GRANTED ABOVE LIMIT (=₦2,535,700.00)

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. Five (5) payment vouchers totaling ₦2,535,700:00 (Two million, five hundred and thirty five thousand, seven hundred naira) were raised between 1st January and December, 2023, and paid to two (2) officers of the Mission for the direct procurement of air conditioner, table construction etc.

ii. The payments were in excess of the approved threshold of ₦200,000.00, contrary to the above circular, and
iii. The payments deprived government of 7.5% Value Added Tax. 1% Stamp Duty and 5% Withholding Tax totaling ₦330,908.86 (Three hundred and thirty thousand, nine hundred and eight naira, eighty six kobo) that would have accrued as revenue through taxes.

The above anomalies could be attributed to weaknesses in the internal control system at the Permanent Mission of Nigeria to ECOWAS Mission.

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 Permanent Secretary should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦2,535,700.00 (Two million, five hundred and thirty five thousand, seven hundred naira), being cash advances granted above statutory limit.
ii. Recover and remit to the Treasury, the sum of ₦316,692.50.
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: REFUND OF OUT-OF-POCKET EXPENSES WITHOUT PRIOR APPROVAL (=₦22,742,524.00)

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 Mission made six (6) payments totalling ₦22,742,524.00 (Twenty two million, seven hundred and forty two thousand, five hundred and twenty four naira) to various staff as Out of Pocket (OPE) expenses without prior approval authorizing the expenditure.

ii. The written claims of the Out-of-Pocket expenses on educational supplement for officers who are within the operational boundaries of ECOWAS were not provided as evidence to support the assertion that the expenses actually occurred, and
iii. There was no prior approval of the expenses claimed to have been incurred as Out-of-Pocket by the staff.

The above anomalies could be attributed to weaknesses in the internal control system at the Permanent Mission of Nigeria to ECOWAS Mission.

Risks
i. Payments for unapproved expenditure.
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 Permanent Secretary should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦22,742,524.00 (Twenty two million, seven hundred and forty two thousand, five hundred and twenty four naira), being refund of Out-of-Pocket expenses without prior approval.
ii. Recover and remit to the Treasury, the sum of ₦22,742,524.00.
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.

EMBASSY OF NIGERIA, ANKARA, TURKEY

At the Embassy of Nigeria, Ankara, Turkey, for the period 1st January, 2023 to 31st December, 2024, the following observations were made:

ISSUE 1: VIREMENT WITHOUT APPROVAL (=₦503,064,423,28)

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 316(iii) of the FR

(2009) states, "Virement from one Head of Account in the Recurrent Expenditure estimates to another Head of account in Capital Expenditure estimates shall not be allowed and vice versa."

Audit observed that:

i. The sum of ₦503,064,423.28 (Five hundred and three million, sixty four thousand, four hundred and twenty three naira, twenty eight kobo) was transferred from the Mission Personnel Salary Account to Overhead Dollar & Turkish Lira Account during the period under review, and
ii. There was no evidence of approval for virement from the Minister of Finance, Budget and National Planning and the National Assembly for the movement of funds from one Vote Head to another.

The above anomalies could be attributed to weaknesses in the internal control system at the Embassy of Nigeria, Ankara, Turkey,

Risks

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

Management's Response

The Mission attributed its act of borrowing/transfers to delay/non-release of Overhead allocation from the Home Office in Abuja.

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 ₦503,064,423.28 (Five hundred and three million, sixty four thousand, four hundred and twenty three naira, twenty eight kobo), being virement of funds from Personnel Account to Overhead Account without appropriate approval.
ii. Recover and remit to the Treasury, the sum of ₦503,064,423.28
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 DOMESTIC & LOCAL STAFF MONTHLY SALARIES IN US DOLLAR (=US$24,410.00) EQUIVALENT OF (=₦10,681,818.18)

Description of Findings

Paragraph 111(i) of the Financial Regulations (FR) (2009) states, "The Term "Accounting Officer" means the Permanent Secretary of a ministry or the head of extra-ministerial office and other arms of government who is in full control of, and is

responsible for human, material and financial resources which are critical inputs in the management of an organization." Furthermore, paragraph 111(ii) 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."

Audit observed that:

i. The salaries of domestic and local staff at the Embassy, including the security personnel, totaling ₦10,681,818.18 (Ten million, six hundred and eight one thousand, eight hundred and eighteen naira, eighteen kobo) were being paid on monthly basis in the United State dollar equivalent of US$24,410.00 instead of the local currency i.e the Turkish Lira (TL) contrary to the practice in other missions, and
ii. There was no justification for paying the local staff salaries in United State dollar instead of the local currency of the country where the Embassy is located.

The above anomalies could be attributed to weaknesses in the internal control system at the Embassy of Nigeria, Ankara, Turkey.

Risks

i. Budget instability.
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 implement the recommendations.

Recommendations

The Permanent Secretary should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, why payments of local staff were made in US dollar as against local currency
ii. Discontinue from paying local staff in US dolloar, and
iii. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

ISSUE 3: CONTRACT JOBS WITHOUT EVIDENCE OF CONTRACTUAL ENGAGEMENT (=₦23,605.062.56)

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."

Audit observed that:

i. Contract jobs such as general cleaning/fumigation and provision of other services were given to companies for ₦23,605,062.56 (Twenty three million, six hundred and five thousand, sixty two naira, fifty six kobo).
ii. There was no contractual engagement in the form of Letter of Award, Job Order or LPO that defines the terms, scope, amount and the duration of the contract, and
iii. The supporting documents attached to few out of all the paid vouchers examined were the invoices and cash receipts which were written in Turkish language.

The above anomalies could be attributed to weaknesses in the internal control system at the Embassy of Nigeria, Ankara, Turkey,

Risks

i. Irregular award.
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 implement the recommendations.

Recommendations

The Permanent Secretary should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦23,605,062.56 (Twenty three million, six hundred and five thousand, sixty two naira, fifty six kobo), being payment for contract jobs without evidence of contractual engagement.
ii. Recover and remit to the Treasury, the sum of ₦23,605,062 56.
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 4: HIGH MAINTENANCE COST ON VEHICLES (=₦14,491,533.45)

Description of Findings

Paragraph 112 (i) 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 Mission has six (6) vehicles under its custody and three (3) of the vehicles were not in good condition, leading to high cost of maintenance.
ii. The sum of ₦14,491,533.45 (Fourteen million, four hundred and ninety one thousand, five hundred and thirty three naira, forty five kobo) was expended on maintenance of the Embassy's vehicles for the period, and
iii. The amount for the maintenance of the vehicles was a substantial proportion of the total maintenance cost of the Embassy.

The above anomalies could be attributed to weaknesses in the internal control system at the Embassy of Nigeria, Ankara, Turkey.

Risks

i. Payment for services not rendered.
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 implement the recommendations.

Recommendations

The Permanent Secretary should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦14,491,533.45 (Fourteen million, four hundred and ninety one thousand, five hundred and thirty three naira, forty five kobo), being high maintenance cost on the Embassy's vehicles.
ii. Develop a viable proposal that minimises the maintenance cost of the Embassy's vehicles.
iii. Forward proposal 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 5: PAYMENTS WITHOUT RELEVANT SUPPORTING DOCUMENTS (=₦6,611,530.42)

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."

Audit observed that:

i. The repair works and services rendered to the Embassy by various companies amounted to ₦6,611,530.42 (Six million, six hundred and eleven thousand. five hundred and thirty naira, forty two kobo), and
ii. Relevant supporting documents such as award letters, LPO, Invoices and Job Orders were neither attached to the paid vouchers nor presented for audit examination.

The above anomalies could be attributed to weaknesses in the internal control system at the Embassy of Nigeria, Ankara, Turkey.

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 implement the recommendations.

Recommendations

The Permanent Secretary should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦6,611,530.42 (Six million, six hundred and eleven thousand. five hundred and thirty naira, forty two kobo), being payments without relevant supporting documents.
ii. Recover and remit to the Treasury, the sum of ₦6,611,530.42.
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.

ISSUE 6: HUGE COST ON STAFF ACCOMMODATION DESPITE EXISTIENCE OF OFFICIAL RESIDENCE & UNDEVELOPED LAND (=₦45,000,000.00)

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."

Audit observed that:

i. The sum of ₦45,000,000.00 (Forty five million naira) was expended on the residential rented accommodation of four (4) staff of the embassy within a period of four months while one of the official residence of the Embassy, aside the one allocated to the Ambassador, has been renovated and suitable for use, and

ii. The Embassy also has an undeveloped land which can be developed for future use of the staff instead of expending high rental cost on accommodation for staff.

The above anomalies could be attributed to weaknesses in the internal control system at the Embassy of Nigeria, Ankara, Turkey.

Risks
i. Wastage 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 implement the recommendations.

Recommendations
The Permanent Secretary should be requested to:
i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦45,000,000.00 (Forty five million naira), being high rent on staff accommodation when there exist a renovated and suitable Embassy's residential accommodation.
ii. Put the Embassy's residential accommodation to use and cease payment of rent for staff, and
iii. Otherwise, sanctions relating to gross misconduct specified in paragraph 3129 of the Financial Regulations (2009) should apply.

ISSUE 7: PAYMENTS FOR STORE ITEMS WITHOUT EVIDENCE OF DELIVERY (=₦5,909,767.42)

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 sum of ₦5,909,767.42 (Five million, nine hundred and nine thousand, seven hundred and sixty seven naira, forty two kobo) was paid to four (4) officials for the purchase of stationery and other materials, and
ii. There was no evidence to show that the items were purchased and delivered to the store of the Embassy.

The above anomalies could be attributed to weaknesses in the internal control system at the Embassy of Nigeria, Ankara, Turkey.

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 implement the recommendations.

Recommendations
The Permanent Secretary should be requested to:

i. Account to the Public Accounts Committees of the National Assembly, the sum of ₦5,909,767.42 (Five million, nine hundred and nine thousand, seven hundred and sixty seven naira, forty two kobo), being payments for store items to officials, without evidence of delivery to the store.
ii. Recover and remit to the Treasury, the sum of ₦5,909,767.42.
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 specified in paragraph 3104(iii) of the Financial Regulations (2009) should apply.