



ABIA STATE OF NIGERIA

AUDIT REPORT 2015

**REPORT OF THE AUDITOR-GENERAL ON THE
ACCOUNTS OF THE GOVERNMENT OF ABIA STATE OF
NIGERIA FOR THE YEAR ENDED 31ST DECEMBER, 2015**

PRESENTATION OF 2015 AUDITED REPORT, REVIEW, COMMENTS, QUESTIONS AND ANSWERS

BY

THE AUDITOR GENERAL OF ABIA STATE AT THE 1ST AUDIT FORUM ON STRENGTHENING OVERSIGHT FUNCTIONS OF THE AUDIT IN ABIA STATE WITH THE STAKE-HOLDERS.

Introduction: The Governor of Abia State, **Victor Okezie Ikpeazu (Ph.D)**, the Deputy Governor, **Chief, Sir Ude Oko chukwu**; Head of Service, **Dr. Vivian Umah**, Chairman of Public Accounts Committee, distinguished dignitaries on invitation, Ladies and Gentlemen.

I am highly honored and delighted to stand before you as the Abia State Auditor-General, at this historic Occasion of the 1st Abia State Audit Forum. Let me seize this wonderful opportunity to thank our dear Governor, **Victor Okezie Ikpeazu(Ph.D)**, for sponsoring and graciously bringing the "World Bank" into our State for Partnership with his Administration" for the singular purpose of developing the pivotal areas of economy in Abia State. I should joyfully regard it as a privilege to be interacting with the stake holders of Abia State on matters pertaining to the office of Auditor General, especially as they are going to hear me present the **2015 Audit Report**, from which will arise questions, answers and explanations where necessary.

However, this **1st Audit Forum** is intended to serve as a sensitizing lesson or exercise to the stakeholders on their "**right to access Audit Report**" annually after the House of Assembly might have deliberated on it to ensure that Government business is open and transparent because, (above every other consideration), the State Governor, Dr. Victor Okezie Ikpeazu, believes in open-door administration, transparency and accountability.

This has been so since he came to power in **2015**, and is moving in line with acceptable international standards of administration, trying, by all means, to write the chequered history of Abia State and patch up the dented surfaces created by corruption during the early stages of the life of Abia State.

Back Ground: The Supreme Audit Institution of Auditor-General of Abia State, is a statutory establishment created under section 125(2) of the constitution of the Federal Republic of Nigeria 1999 (as amended) and also empowered by the Audit Law CAP 45 of 1997. The Constitution vested on the office to carry out the Audit of State Accounts as well as the accounts of the Government Institutions, in line with the generally accepted Audit Standards and report the finding to the House of Assembly for further action. In discharging the Audit

functions, the office is guided by regulations, laws and instant circulars of the State, in line with the constitution of the Federal Republic of Nigeria, including International Organization of Supreme Audit Institution (INTOSAL), guidelines and standards issued by relevant authorities from time to time.

The enormous responsibility entrusted into the office of the State Auditor General requires a Solid partnership between the office, the House of Assembly and the stakeholders, thereby promoting accountability and transparency in Government financial management of the state, without sacrificing their respective independence in accordance with laid down procedures.

MODE OF OPERATION BETWEEN OFFICE OF THE AUDITOR-GENERAL AND HOUSE OF ASSEMBLY:

Westminster and Francophone Models

The two types of models of accountability are practised in some African and European Countries. Here in Abia State we adopt and practise the **Westminster** Model whereby the Auditor-General sends in his Audit Report to the House Assembly for implementation of his recommendations. This model draws office of the Auditor General closer to Public Accounts Committee of the House of Assembly and provides technical and expert basis for the implementation of the report.

However, though the office of the Auditor-General has been vested with the responsibility of securing financial accountability, the assurance of effective accountability does not solely depend on the specific roles of the State Auditor General but on the wider financial governance environment in which the public sector operates.

PUBLIC ACCOUNTS COMMITTEE EXPECTATIONS FROM THE OFFICE OF THE STATE AUDITOR-GENERAL:

It is a Constitutional mandate for the office of the State Auditor-General to produce, within three months of the receipt of the Accountant-General's report, and forward such (user-friendly easy to read) copy and self explanatory report to the House of Assembly.

The Auditor General must be meticulous in details ensuring that its audit opinions are feasible and are based on sufficient facts, that can be reliable as evidence. The Auditor-General must ensure that the recommendations are constructive and seeks to improve the overall performance of the system and motivate the audited bodies to implement them.

It is the PAC responsibility to organize and ensure the implementation of the Audit Report and recommendations to stakeholders in the state.

OFFICE OF THE STATE AUDITOR GENERAL EXPECTATION OF PAC

The house of Assembly is responsible for ensuring that the framework for the independence of the Auditor-General is in place regarding appointment of the Auditor General, his tenure of office and removal from office.

Strengthening and formalizing the relationship between the PAC and Office of the State Auditor General with the Civil Society Organizations and the public, will result in building the success of the audit.

The PAC is to support and ensure effectiveness of the working of Audit Committees of all the MAD's in which the Auditor General is to serve as chairman for the overall transparency accountability and probity in carrying out Government transactions.

RELATIONSHIP WITH ACCOUNTING OFFICERS:

The Accounting Officers should be friendly and more cooperative with audit teams carrying out their periodic auditing. It is expected that they should update their Accounts with relevant supporting documents and ready for auditing at all times. Apply acceptable accounting standards, like IPSAS, in their accounting preparation and documentation.

Provide unrestricted access to the accounting records, books and sources of financial information to auditors including prompt response to audit queries etc.

Relationship with the Office of the Accountant-General and Auditor General: The constitution empowered the Accountant General to prepare the Accounts of the State and consolidate them with the mandate to submit for auditing within six months following the end of the year to which the financial statements relate.

The office of the Auditor-General expects the accounts to be submitted within the legal deadline. It is hoped that both offices should be computerized so that the preparation should be thorough and auditing time minimized.

Common training and seminars should be jointly shared by the two offices for easy implementation of International Public Sector Accounting Standard (IPSAS) in which the preparation is based.

That all relevant schedules and notes are prepared and submitted with the accounts for ease of understanding of the financial statement. That issues of clarification during the audit are handled promptly.

Challenges Militating Against Greater Productivity:

The major challenges militating against greater productivity in the office of the Auditor-General includes:

- a. **Poor office Accommodation:** The present office accommodation is nothing to write home about; a situation where 3-4 Directors are crammed in one room apartment without light and air conditioners is highly deplorable and does not create room for efficiency and productivity. Indeed the ramshackled environment of the office of the Auditor-General is basically not conducive for serious audit work.
- b. **Inadequate staffing and training:** The present staff strength is grossly inadequate to cope with the enormous responsibilities imposed on the office, in accordance with the provisions of our statutory assignments.

However there is need for information technological training for all the staff to cope with the current trend in our profession. The injection of young intelligent graduates into the work force of the Audit is highly needed to upgrade the needed standard of our work. If the above areas of staff training are satisfied, capacity building which should be giving priority would be ensured and assured for the office of Auditor-General.

- c. **Inadequate Funding:** The office of the State Auditor-General is poorly funded. At present, it receives what other MDA's receive within three months intervals, despite the touring nature of the office. Paucity of fund has hindered the office meeting up her statutory functions. Generally the office over-head funding is grossly inadequate.
- d. **Vehicular Need:** The office of the Auditor General is a touring office with three branch offices to cover the Scope of Annual Programme of Auditing. It is on record that since the creation of the office of the Auditor General, that no ^{new} single Vehicle has been allocated to her except the old ones that were inherited from Imo State. No meaningful and effective auditing can be achieved under our present circumstances.

THE WAY FORWARD:

- a. **Special Releases of Funds: ₦500,000 monthly:** Office of the State Auditor-General should be provided with a monthly release of ₦500,000 (Five Hundred Thousand Naira), being fund as agreed earlier in one of the Technical Committee Meetings with the Secretary to the State Government.

At present the Governor, out of share magnanimity, has graciously provided the office with one new Hilux van and one new brand bus to assist the office to carry out their work diligently and timely. These vehicles require routine services and maintenance with fuelling because Audit programmes involve touring within and around the State for Audit assignment.

The special gifts included 20 pieces of new brand computers and accessories and 2 new brand photocopying machines. These computers are yet to be installed due to lack of funds as this office receives only ₦200,000 in three month's interval like other MDA's and is grossly incapacitated financially.

There is no adequate accommodation to make room for even installing the computers and create conducive environment for Audit functions. Effort should be made to build a modern and conducive Audit ^{House} ~~House~~. Training and Retraining of the Audit Staff in this modern age is necessary to build intelligent and dependable crop of staff that will match the rate of increases in "**sharp and smart practices**" prevalent in the system.

Audit Committee to be formed in MDA's

We recommend that the Audit Committee be established in all the MDA's, as part of internal control mechanism in the system, with the Auditor-General as the Chairman. The membership of the Committee is suggested as follows:

- a. Internal Auditor of MDA-
- b. Accounting Staff
- c. Administrative Staff
- d. A staff of Planning Commission
- e. A staff of Research and Statistics Bureau

Thus the Auditor-General expects that the Committee must satisfy themselves with the scrutiny of financial transactions and that the budgetary provisions are not violated.

However, the Committee should strive to limit themselves within the ambit of the Laws, regulations and circulars and that financial information complies with the performance indicators as specified by the Public Expenditure and financial Accountability – (PEFA pronouncements). The Committee can assist the MDA to supervise the maintenance of assets register as required by IPSAS.

CONCLUSION: The Supreme Audit Institution and the Public Accounts Committee of the House of Assembly exercised independent functions which constitute the core external oversight mechanism by which the Executive is held accountable for the Management of public funds and other resources of the State.

The quality of the oversight function performed by the two institutions depend on their level of independence and effectiveness and the level of cooperation between them.

I once again thank the Governor for attracting the World Bank to work in partnership with his administration for the overall development of the State as already evidenced in many World Bank Projects in the State.

I also thank the organizers of the 1st Audit Forum for the opportunity to share experiences and interact with the Stakeholders on moving the State forward.

May I plead that you kindly lend me your ears for my presentation of **2015 Audit Report.**

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SECTION I

1. INTRODUCTION:

The Accounts of the Government of Abia State of Nigeria for the year ended 31st December, 2015 have been examined under my direction as required by Section 6(1) of the Abia State Audit Law 1997 (Cap. 45) of Laws of Abia State of Nigeria (1991 - 2000), and in accordance with section 125(2) of the constitution of the Federal Republic of Nigeria 1999.

I have certified the Accounts subject to the comments and observations contained in this report.

2. SUBMISSION OF ACCOUNTS:

As provided in Section 6(1) of the Abia State Audit Law 1997 (Cap. 45) of the Laws of Abia State of Nigeria 1991 – 2000 and Section 24 of the Public Finance and Management Act 1958 as amended, the Financial Statement of the Government of Abia State for the year ended 31st December, 2015 were submitted to me on 31st October, 2016.

3. PROGRAMME OF WORK

The Audit Inspection Programmes for the year under review were drawn up to cover the Audit Inspection of all Government Ministries and Agencies Operating in the State. The Accounting Books and Records of Ministries and Non-Ministerial Departments including their outstation offices, Parastatals and post primary institutions were also audited and Inspection Reports thereon were issued to the appropriate Authorities/Accounting officers for their comments and necessary actions.

4. FINANCIAL HIGHLIGHT

Five (5) Year Financial Summary

REVENUE					
Revenue Description	2015	2014	2013	2012	2011
	N	N	N	N	N
Statutory Allocation	40,848,398,633.70	56,129,468,988.28	57,641,677,572.96	47,448,689,025.84	43,676,641,167.35
Internally Generated Revenue	11,840,705,013.17	12,376,291,754.17	12,871,640,249.73	14,012,842,175.47	11,763,510,585.86
Capital Receipts	1,646,655,804.62	2,338,794,315.62	14,618,433,412.00	24,875,215,386.60	24,279,230,501.97
	54,335,759,451.49	70,844,555,058.07	85,131,751,234.69	86,336,746,587.91	79,719,382,255.18

EXPENDITURE					
Expenditure Description	2015	2014	2013	2012	2011
	N	N	N	N	N
Personnel Cost	31,169,081,190.56	20,977,319,583.76	23,284,044,435.81	20,640,348,479.82	15,802,125,729.27
Overhead Cost	24,103,194,893.75	23,641,276,246.12	28,619,377,813.60	28,962,773,261.28	34,209,434,254.07
Public Debt	--	--	14,220,118,678.31	10,496,305,576.85	15,324,087,253.28
Consolidated Revenue Charges	12,998,818,661.31	8,560,591,723.12	5,331,951,092.43	3,324,903,186.68	4,838,249,615.63
Capital Expenditure	11,897,576,145.99	13,586,913,895.63	14,541,207,203.99	14,745,702,251.97	9,136,621,068.63
	80,168,670,891.61	66,766,101,448.63	85,996,699,224.14	78,170,032,756.60	79,310,517,920.88

SECTION II: ANNUAL FINANCIAL STATEMENT

CASHFLOW STATEMENT FOR THE YEAR ENDED 30/12/2015

5. **Receipts:** N52,689,103,646.87

The total sum of N52,689,103,646.87 represents current year receipts which is less than the last year's figure of N68,505,760,741.45 by N15,816,657,094.58 or 23.09%. A downward trend of receipts has been noticed for the past two (2) years from 2013 – 2015. The following items contribute to the receipts:

Items	₦	%
Statutory Allocations	33,062,583,471.81	63
Value Added Tax	7,785,815,161.89	15
Independent Revenue	11,840,705,013.17	22
	<u>52,689,103,646.87</u>	<u>100</u>

The government should gear up its revenue efforts to avert this downward trend.

6. **Payments:**

Personnel and Overheads: N68,271,094,745.62

The sum of N68,271,094,745.62 represents total payments on personnel and overheads for the year ended 31/12/2015 which is more than the last years' figure of N53,179,187,553.00 by N15,091,907,192.62 or 28.38%. The breakdown is as follows:

ITEMS	₦	%
Compensation of employees	31,169,081,190.56	46
Social Benefits	3,758,135,725.49	5
Overhead costs	24,103,194,893.75	35
Service wide vote	9,240,682,935.82	14
	<u>68,271,094,745.62</u>	<u>100</u>

It is observed that there was an increase of N15,091,907,192.62 in Personnel and Overheads due to poor internal control measure within the system.

7. **Investment Activities:** N14,289,386,233.39

The sum of N14,289,386,233.39 represents cash outflows for investment activities for the year under review which is less than last years figure of N13,550,218,955.64 by N739,167,277.75 or 5.46%.

The breakdown is as follows:

	N	%
Economic Empowerment through Agriculture	381,651,749.92	2.67
Societal Re-Orientation	11,400,000.00	0.08
Poverty Alleviation	906,605,843.47	6.34
Improvement to Human Health	404,473,128.44	2.83
Enhancing Skills and knowledge	78,958,960.00	0.55
Housing and Urban development	1,658,000,000.00	11.60
Gender	2,000,000.00	0.01
Youth	4,062,000.00	0.03
Environmental Improvement	980,655,393.53	6.86
Water Resources & Rural Development	23,500,000.00	0.16
Information and Communication Technology	8,000,000.00	0.08
Growing the Private Sector	4,000,000.00	0.04
Reform of Government and Governance	2,146,782,365.14	15.02
Power	40,911,890.00	0.28
Road	7,638,084,902.89	53.45
Oil and Gas Infrastructure	500,000.00	--
	<u>14,289,386,233.39</u>	<u>100</u>

8. **Cashflow from Financial Activities:** N32,770,818,312.54

The figure of N32,770,818,312.54 represents the net cash flow from financial activities of the government in the year under review. The figure was an improvement over last year's negative figure of N3,481,977,316.84 by N36,252,795,629.38 or 1,041.16%.

	N	%
Proceeds from Aids & Grants	510,756,113.94	2
Proceeds from Internal Loans	43,021,738,653.91	131
Proceeds from Other Capital Receipts	265,720,000.00	1
Repayment of external loans	(166,535,589.62)	(1)
Repayment of Internal loans	(10,860,860,865.69)	(33)
	<u>32,770,818,312.54</u>	<u>100</u>

9. **Cash Balance for the Year:** N2,899,440,980.40

The net cashflow for the year ended 31st December 2015 was N2,899,440,980.40 as against the negative balance for the same period of 2014 of N1,705,623,083.03. The difference of N4,605,064,063.43 represents an improvement of 270%.

10. **Closing Cash Balance:** N3,621,436,130.06

The figure of N3,621,436,130.06 representing cash balances as at 31st December, 2015 did not include the following balances:

	N
Pension Board – Eco Bank	273,297.18
Pension Board – Diamond Bank	2,896,207.10
	<u>3,169,504.28</u>

The non-inclusion of N3,169,504.28 in the list of Bank balances as at 31st December, 2015 definitely placed the Accountant-General's Financial Statements presented for the Auditor-General's verification for qualifications.

11. **Social Benefits:** N3,758,135,725.49

The social benefits were made up of the following:

		N
11035001/22010101	Gratuity	146,606.46
11035001/22010102	Pensions	3,757,989,119.03
		<u>3,758,135,725.49</u>

On investigation, it was observed that the Abia State Pensions Board received through its various banks, the sum of N533,691,842.00 as shown below:-

		N	MONTHLY
Cash	5,200,000.00	Feb.	41,750,000.00
Zenith Bank	550,000.00	April	2,700.00
UBA	516,000.00	May	260,536,571.00
		June	220,836,571.00
GTB	51,750,000.00	July	10,000,000.00
Diamond Bank	1,000,000.00	Aug.	15,000.00
		Sept.	550,000.00
Fidelity Bank	474,675,842.00	Dec.	1,000,000.00
		<u>533,691,842.00</u>	<u>533,691,842.00</u>

The discrepancy of N3,224,443,883.49 in the Accountant-General's Financial Statements in Note 3 (Social Benefits) and what was observed by the Audit verification Team showed the pension board did not reconcile her records with the Accountant General.

STATEMENT OF CONSOLIDATED REVENUE FUND (CRF)

12. RECURRENT REVENUE:

The audit review of the Consolidated Fund of the State showed that the actual Recurrent revenue collection during the 2015 fiscal year amounted to ₦53,899,871,764.83 and fell below the estimated revenue of ₦91,959,433,342.00 by ₦38,059,561,577.17 or 70.60%. It may be instructive to look at the total Internally Generated Revenue (IGR) of ₦11,840,705,013.17 achieved in that year. This is shown below:

THE CONTRIBUTION OF REVENUE ITEMS TO THE TOTAL INTERNALLY GENERATED REVENUE 2015

S/N	DETAILS	ACTUAL RESERVE ₦	CONTRIBUTION %
1.	Direct Taxes	4,819,521,217.64	40.70
2.	Licenses	380,094,468.60	3.21
3.	Fees	4,444,756,140.53	37.54
4.	Fines	18,664,279.21	0.16
5.	Sales	148,924,211.67	1.26
6.	Earnings	182,933,313.11	1.54
7.	Rent of Govt. Property	5,939,330.00	0.05
8.	Rent of Govt. Building	37,424,878.48	0.32
9.	Investment Income	2,883,119.14	0.03
10.	Interest Earned	2,076,174.65	0.01
11.	Miscellaneous	1,797,487,880.14	15.18
	TOTAL	11,840,705,013.17	100%

The above Statement discloses that Direct taxes and fees contributed 40.70 and 37.54 respectively of the Internally Generated Revenue of the State in 2015. While others showed abysmal performance ranging from 0.01% to 15.18%. Specifically, the contributions to the Internally Generated Revenue of ₦11,840,705,013.17 achieved during the year included licenses (3.21%), fines

(0.16%), sales (1.26%), earnings (1.54%), rent on Government property (0.05%), rent on Government building (0.32%), investment income (0.03%), interest earned (0.01%) and miscellaneous (15.18%).

Arising from the information contained in the Statement, the need for strong efforts at improving on the revenue generation capacity and overhaul of the revenue collection machinery of the State Government must be emphasized. Revenue windows or sources are not just opened without matching actions to ensure their collection for improved economic growth of the State.

The notes to the accounts also showed specific establishments that had significant variances under various heads as follows:

TABLES A - K, SHOWING SOME ESTABLISHMENT WITH SIGNIFICANT NEGATIVE VARIANCES FOR RECURRENT REVENUE

S/N	ESTABLISHMENT	REVISED BUDGET N	ACTUAL N	VARIANCE UNDER COLLECTION N	PERCENTAGE VARIANCE (%)
TABLE A: DIRECT TAXES					
1	Board of Internal Revenue	11,975,400,000.00	4,742,053,025.90	7,233,346,974.10	60.40
2	Abia Liaison Office - Lagos	497,976,002.00	598,188.95	497,377,813.05	99.88
TABLE B: LICENSES					
1	Ministry of Agriculture	800,000.00	-	800,000.00	100
2	Board of Internal Revenue	255,000,000.00	236,109,574.80	18,890,425.20	7.4
3	Ministry of Commerce and Industry	200,000.00	49,000.00	151,000.00	75.5
4	Ministry of Science and Technology	1,300,000.00	50,000.00	1,250,000.00	96.5
5	Ministry of Transport	315,000,000.00	-	315,000,000.00	100
6	Ministry of Petroleum & Solid Minerals	500,000.00	-	500,000.00	100
7	Ministry of Public Utility	48,625,000.00	-	48,625,000.00	100
8	Abia State Water Board	940,000.00	123,000.00	817,000.00	86.91
9	Ministry of Local Govt. & Chieftaincy Affairs	100,000.00	-	100,000.00	100
TABLE C: FEES					
1	Office of the Governor	59,650,000.00	9,358,466.80	50,291,533.20	83.31
2	Deputy Governor's office	2,000,000.00	1,006,750.00	993,250.00	50
3	Bureau of Special Services	2,000,000.00	-	2,000,000.00	100

4	Abia State Liaison office, Lagos	4,800,000.00	-	4,800,000.00	100
5	Abia State Liaison office, Abuja	1,200,000.00	-	1,200,000.00	100
6	Abia State Infrastructural Development Board	1,006,770,000.00	33,331,954.10	973,438,045.90	96.69
7	Abia State Oil Prod. Area Development. Commission-ASOPADEC	7,600,000.00	-	7,600,000.00	100
8	Abia Printing & PUBLISHING COMPANY	10,600,000.00	1,281,123.82	9,318,876.18	87.91
9	Bureau of Training	5,050,000.00	-	5,050,000.00	100
10	Bureau of service welfare	550,000.00	-	550,000.00	100
11	Civil Service Commission	1,000,000.00	-	1,000,000.00	100
12	Abia State Independent Electoral Commission	460,200,000.00	4,095.00	460,195,905.00	92
13	Local Government Service Commission	2,550,000.00	147,000.00	2,403,000.00	94.23
14	Ministry of Agriculture	29,650,000.00	12,910,300.00	16,739,700.00	56.46
15	Ministry of Commerce & Industry	354,890,000.00	35,435,106.68	319,454,893.32	90
16	Ministry of Science and Technology	17,880,000.00	89,000.00	17,791,000.00	99.50
17	Abia State Investment and Property Development Company	250,000.00	-	250,000.00	100
18	Ministry of Transport	707,910,210.00	3,781,300.00	704,128,910.00	99.47
19	Ministry of Petroleum & Solid Minerals	54,200,000.00	1,449,375.00	52,750,625.00	97.33
20	Ministry of Culture & Tourism	40,250,000.00	664,000.00	39,586,000.00	98.35
21	Abia State Council for Arts & Culture	200,000.00	-	200,000.00	100
22	Tourism Board	300,000.00	-	300,000.00	100
23	Abia State Planning Commission	600,000.00	68,600.00	531,400.00	86.57
24	Ministry of Public Utility & Water Resources	1,948,000.00	1,088,930.00	859,070.00	44.10
25	Abia State Water Board	29,240,250.00	432,550.00	28,807,700.00	98
26	Ministry of Lands and Survey	646,510,000.00	170,819,091.82	475,690,908.18	73.58
27	Abia State Estate Development Agency	83,904,500.00	14,837,570.00	69,066,930.00	82.32
28	Ministry of Physical Planning & Urban Renewal	48,450,000.00	18,886,300.00	29,563,700.00	61.01
29	Ministry of Education	152,490,818.00	77,960,564.00	74,530,254.00	48.87
30	Universal Basic Education Board	6,224,001.00	100,000.00	6,124,001.00	98.39
31	Agency for mass literacy Adult & Non-formal	9,500,000.00	-	9,500,000.00	100
32	Abia State College of Education (Technical) Arochukwu	62,277,000.00	35,569,600.00	26,707,400.00	42.88

33	Ministry of Health	99,350,000.00	19,691,398.00	79,658,602.00	80.18
34	Primary Health Care Development Mgt. Agency	900,000.00	-	900,000.00	100
35	Hospital Management Board	39,230,000.00	8,270,830.00	30,959,170.00	78.91
36	Ministry of Environment	9,660,000.00	4,878,380.00	4,781,620.00	49.49
37	Abia State Environment Protection Agency (ASEPA)	911,136,999.00	14,061,394.04	897,075,604.96	98.46
38	Ministry of Sports	1,463,000.00	122,300.00	1,340,700.00	91.64
TABLE D: FINES					
1	Ministry of Transport	3,000,000.00	98,100.00	2,901,900.00	96.73
2	Ministry of Petroleum & Solid Minerals	12,500,000.00	604,400.00	11,895,600.00	95.16
3	Ministry of Public utilities & Water Resources	70,000,000.00	-	70,000,000.00	100
4	Abia State Water Board	3,000,000.00	54,250.00	2,945,750.00	98.19
5	Judiciary – Customary Court of Appeal	19,000,000.00	1,112,965.00	17,887,035.00	94.14
6	Agency for Mass Literacy Adults & Non-formal	4,000,000.00	-	4,000,000.00	100
7	Ministry of Environment	1,670,000.00	663,000.00	1,007,000.00	60.29
8	Abia State Environmental Sanitation Agency	83,860,000.00	-	83,860,000.00	100
TABLE E: SALES					
1	Government House	1,500,000.00	-	1,500,000.00	100
2	Abia State House of Assembly	4,997,000.00	-	4,997,000.00	100
3	Bureau of Administration	2,000,000.00	-	2,000,000.00	100
4	Local Government Service Commission	1,766,000.00	-	1,766,000.00	100
5	Board of Internal Revenue	500,000.00	-	500,000.00	100
6	Abia State Law Review & Reform Commission	28,000,000.00	200,000.00	27,800,000.00	99.28
7	Abia State Polytechnic	156,000,000.00	6,174,690.00	149,825,310.00	96.04
8	Abia State Universal Basic Education Board	6,307,200.00	-	6,307,200.00	100
9	Ministry of Health	9,600,000.00	20,000.00	9,580,000.00	99.79
10	Ministry of Sport	8,000,000.00	-	8,000,000.00	100
TABLE F: EARNINGS					
1	Broadcasting Corporation of Abia State	308,600,000.00	-	308,600,000.00	100

2	Local Government Service Commission	3,000,000.00	-	3,000,000.00	100
3	Ministry of Agriculture	4,000,000.00	-	4,000,000.00	100
4	Abia Agricultural Development Program (AADP)	2,480,000.00	-	2,480,000.00	100
5	Ministry of Commerce & Industry	34,140,000.00	17,800.00	34,122,200.00	99.94
6	Ministry of Science & Technology	400,000.00	-	400,000.00	100
7	Abia Transport Corporation (Abia Line Network)	30,000,000.00	-	30,000,000.00	100
8	Tourism Board	195,000.00	-	195,000.00	100
9	Abia State Council for Arts & Culture	6,750,000.00	-	6,750,000.00	100
10	Ministry of Lands and Survey	864,000.00	-	864,000.00	100
11	Ministry of Poverty Reduction Co-op. & Rural Devt.	22,000,000.00	4,804,200.00	17,195,800.00	78.16
12	Ministry of Sports	50,000,000.00	10,000.00	49,990,000.00	99.98
13	Abia State Passenger Insurance Manifest Scheme.	5,000,000.00	-	5,000,000.00	100
TABLE G: RENT ON GOVT. PROPERTY					
1	Ministry of Housing	270,216,000.00	5,939,330.00	264,276,670.00	97.80
2	Abia State Estate Development Agency	2,000,000.00	-	2,000,000.00	100
TABLE H: RENT ON GOVT. LAND					
1	Ministry of Lands and Survey	71,920,000.00	37,400,878.48	34,519,121.52	47.99
2	Abia State Estate Development Agency	2,000,000.00	-	2,000,000.00	100
TABLE I: REPAYMENTS					
1	Abia State Transport Loan and Artisan	17,400,000.00	-	17,400,000.00	100
TABLE J: INVESTMENT INCOME					
1	Ministry of Finance	113,400,000.00	2,883,119.14	110,516,880.86	97.45
TABLE K: STATUTORY ALLOCATION					
1	Office of the Accountant General	52,500,000,000.00	33,062,583,471.81	19,437,416,528.19	37.02

From the eleven tables above, it can be seen that most of the Establishments with negative variances above 45% are many, despite the fact that they are major holders of the State Assets. This scenario indicates that such Establishment may not have remitted Fund as required by the Appropriation Law or their methods of revenue generation have innumerable loopholes that it is quite easy for finances to leak out of their proper channel. There is also the need for a more pragmatic approach in forecasting expected revenue to be within attainable target.

However, unbudgeted receipts totaling ₦870,179,690.68 were recorded under below the line receipts.

13. **RECURRENT EXPENDITURE**

During the year under review, the financial statements revealed that the actual recurrent expenditure stood at N80,168,670,891.61 as against the budget figure of N83,848,778,150.00

This shows an overall positive variance of N3,680,107,258.39 or 4.59% from the budgetary provisions.

A comparative analysis of this figure of N80,168,670,891.61 with figure of N66,766,101,448.63 for 2014 showed an increase of N13,402,569,442.98 or 16.71%. This picture is not commendable as it indicates poor control measures and lack of good management of public funds in the year under review, inflationary effect notwithstanding.

However, it must be noted that unbudgeted expenses totaling N870,179,690 were incurred on the below the line payments. It is equally pertinent to observe that the notes to the accounts also disclosed that the excess expenditure of N2,298,047,310.39 and N2,992,018,295.29 were incurred by ministries and departments under personnel costs and overhead costs respectively as shown below.

EXCESS EXPENDITURE UNDER PERSONNEL COSTS

S/N	ESTABLISHMENT	REVISED BUDGET	ACTUAL EXPENDITURE	EXCESS EXPENDITURE
1	Deputy Governor's Office	89,378,280.00	121,425,286.21	32,047,006.21
2	Abia House of Assembly	695,129,310.00	791,752,755.29	96,623,445.29
3	B. C. A	325,157,990.00	413,569,719.49	88,411,729.49
4	Abia Printing & Publishing	74,401,260.00	139,919,017.95	65,517,757.95
5	Abia State Electoral Commission	44,012,050.00	341,729,577.48	297,717,527.48
6	Ministry of Finance	180,000,000.00	437,552,748.48	257,552,748.48
7	Board of Internal Revenue	273,349,420.00	382,080,574.52	108,731,154.52
8	Customary Court of Appeal	1,365,252,760.00	1,464,696,744.76	99,443,984.76
9	Ministry of Youth Development	115,725,930.00	187,936,117.98	72,210,187.98
10	Ministry of Education	273,490,760.00	463,194,151.31	189,703,391.31
11	ASUBEB	323,216,350.00	419,474,327.51	96,257,977.51
12	Ministry of Health	1,146,288,770.00	1,559,317,125.10	413,028,355.10
13	Ministry of Environment	199,454,400.00	207,859,984.09	8,405,584.09
14	ASEPA	109,205,220.00	185,582,118.00	76,376,898.00
15	Ministry of Sports	77,307,910.00	108,689,379.47	31,381,469.47
16	Judicial Service Commission	113,737,750.00	121,850,652.65	8,112,902.65
17	Ministry of Justice	215,061,640.00	571,586,830.10	356,525,190.10
		5,620,169,800.00	7,918,217,110.39	2,298,047,310.39

EXCESS EXPENDITURE UNDER OVERHEAD COSTS

S/N	ESTABLISHMENT	REVISED BUDGET	ACTUAL EXPENDITURE	EXCESS EXPENDITURE
1	Office of the SSG	150,632,000.00	155,744,780.00	5,112,780.00
2	Bureau of Political Affairs	10,580,000.00	15,040,000.00	4,460,000.00
3	Muslim Pilgrim Welfare Board	-	11,500,000.00	11,500,000.00
4	Abia State Infrastructural Dev. Board	24,000,000.00	46,063,797.90	22,063,797.90
5	Abia Printing & Publishing Company	25,250,000.00	205,815,016.05	180,565,016.05
6	Bureau of Common Serv. and Monitoring	10,000,000.00	10,345,000.00	345,000.00
7	Abia State Gaming Commission	5,000,000.00	7,906,000.00	2,906,000.00
8	Ministry of Transport	20,000,000.00	25,651,400.00	5,651,400.00
9	Ministry of Justice	50,120,000.00	72,406,600.00	22,286,600.00
10	Abia State Polytechnic	480,000,000.00	1,027,474,988.40	547,474,988.40
11	Ministry of Health	30,000,000.00	45,284,882.00	15,284,882.00
12	Abia State Pensions Board	2,000,000,000.00	3,757,989,119.03	1,757,989,119.03
13	Board of Internal Revenue	-	416,378,711.91	416,378,711.91
		2,805,582,000.00	5,797,600,295.29	2,992,018,295.29

These Ministries and Departments mentioned above should be prevailed upon to give details of their expenditure in order to put adequate budgetary controls for future years.

14. **DISCREPANCIES BETWEEN THE RECORDS OF MINISTRIES AND DEPARTMENTS AND THE ACCOUNTANT-GENERAL**

FAILURE TO RECONCILE WITH ACCOUNTANT-GENERAL'S RECORD

All the Ministries/Departments as highlighted below failed to reconcile their expenditure records with those of Accountant-General before the later closed the State Account for 2015. This led to discrepancies between the records of Ministries/Departments and of that of the Accountant-General.

These Ministries have failed in their responsibilities under the financial regulations which required them to reconcile their accounts/returns with monthly figure of the Accountant-General. It is imperative that the Ministries should be directed to comply to the policy of reconciling their records with that of the Accountant-General.

S/N	MINISTRY/DEPARTMENT	AG'S FIGURE	MINISTRY'S FIGURE	SHORT FALL	EXCESS	REMARKS
		N	N	N	N	
1	Government House	505,383,039.58	Not Assessed	-	505,383,039.58	P.E
2	Ministry of Rural Devt. And Poverty Alleviation	209,711,368.42	Not Assessed	-	209,711,368.42	✓
3	Ministry of Sports	108,689,379.47	Not Assessed	-	108,689,379.47	✓
4	Judiciary Customary Court of Appeal	1,464,696,744.76	Not Assessed	-	1,464,696,744.76	✓
5	Ministry of Trade and Investment	255,143,792.78	161,493,755.00	-	93,650,037.78	✓
6	Abia State Planning Commission	216,129,889.60	157,824,223.32	-	58,305,666.28	✓
7	Judicial Service Commission	121,850,652.65	77,218,909.58	-	44,631,743.07	✓
8	Office of the Secretary to the State Government	166,800,144.81	130,445,510.15	-	36,354,634.66	✓
9	Ministry of Works	182,858,822.18	120,335,631.81	-	62,523,190.37	✓
10	Ministry of Education	463,194,151.31	252,312,541.08	-	210,881,610.23	✓
11	Office of the Deputy Governor	121,425,286.21	Not Assessed	-	121,425,286.21	✓
12	Ministry of Local Government and Chieftaincy Affairs	150,210,518.22	Not Assessed	-	150,210,518.22	✓

13	Board of Internal Revenue	382,080,574.52	Not Assessed	-	382,080,574.52	✓
14	Local Government Service Commission	25,002,442.96	Not Assessed	-	25,002,442.96	✓
15	Ministry of finance	437,552,748.48	Not Assessed	-	437,552,748.48	✓
16	Ministry of Lands and Survey	218,592,333.82	155,402,232.60	-	63,190,101.22	✓
17	Ministry of physical and urban planning	103,003,585.53	80,437,346.45	-	22,566,239.08	✓
18	ministry of Industry, Science and Technology	92,086,331.40	65,978,190.76	-	26,108,140.64	✓
19	Civil Service commission	168,079,847.45	104,370,125.79	-	63,709,721.66	✓
20	Ministry of Health	1,559,317,125.10	1,149,053,718.00	-	410,263,407.10	✓
21	Ministry of Housing	138,037,673.18	106,479,506.80	-	31,558,166.38	✓
22	Ministry of justice	571,586,830.10	397,732,338.46	-	173,854,491.64	✓
23	Ministry of Youth Development	187,936,117.98	76,812,813.45	-	111,123,304.53	✓
24	Office of the Head of Service	39,788,533.55	35,433,237.52	-	4,355,296.03	✓
25	Ministry of Public Utility & Water Resources	135,607,474.97	105,850,448.05	-	29,757,026.92	✓
26	Ministry of Agriculture	607,219,497.38	446,142,989.33	-	161,076,508.05	✓
27	Abia State Independent Electoral Commission	341,729,577.48	200,883,716.68	-	140,845,860.80	✓
28	Ministry of Environment	207,859,984.09	Not Assessed	-	207,859,984.09	✓
29	Abia State House of Assembly	791,752,755.29	Not Assessed	-	791,752,755.29	✓
30	Bureau of Establishment & Pensions	82,314,160.93	59,822,578.51	-	22,491,582.42	✓
31	Ministry of Women Affairs	136,634,716.50	105,039,404.50	-	31,595,312.00	✓
32	Ministry of Petroleum & Solid Minerals	99,839,958.81	67,673,732.03	-	32,166,226.78	✓
33	Bureau of Training	62,644,258.76	40,409,548.38	-	22,234,710.38	✓
34	Bureau of Common Services & Service Monitoring	68,932,389.52	48,542,617.22	-	20,389,772.30	✓

15. PERSONNEL COSTS

A comparative analysis of the actual personnel costs of N31,169,081,190.56 with that of N20,977,319,583.76 for 2014 showed an increase of N10,191,761,606.80 or 48%. This scenario is not commendable as it indicates poor control measure and freehands given to the state Salary Committee members who paid salaries to Ministries, Departments and Agencies without disclosing to them the actual figures paid to them in each month to enable them render their returns and reconcile their records with the office of Accountant-General.

In 2014, where allowances such as promotion arrears, salaries arrears, non accountable and entertainment allowance and up-keep were paid in full, the personnel cost was far less than what was paid in the year under review.

In view of the fore-going information, the State Government should mount an Internal Control system to checkmate the activities of the state salary committee because the current practice has not reduced the salary bill of the State.

STATEMENT OF ASSETS AND LIABILITIES

16. **ASSETS:**

Treasuries and Bank Balances: The figure of N3,621,436,130.06 represents the total cash balances held at the state treasury offices as well as the various commercial bank accounts maintained by the treasury offices as at 31st December, 2015. As a result of non-submission of the Annual Boards of Survey reports to me, it was not possible to confirm the account.

17. **INVESTMENTS:**

The investment profile of the state as reflected in the 2015 Financial statement stood at N356,806,728.26. When compared with the total investment figure of N394,019,957.82. in the previous year, show a depreciation in investment value of N37,213,229.56.

There was no disclosure to explain the depreciation or variation in the value of the investment. It is pertinent to note that the issue has featured in the previous years report without any positive action. It is believed that decisive action should be taken now to address this issue properly and ensure that reasons for variation in investment are fully disclosed in future.

18. **LIABILITY OVER ASSETS:**

The figure of N48,370,185,614.20 was presented as liability over assets as at 31st December, 2015. This represents the net movement of investment, internal and external loan in the Account of the state as source to achieve some capital expenditure and other investments by the State Government.

LIABILITY

19. CAPITAL DEVELOPMENT FUND:

Capital Development Fund in the year 2015 stood at N3,621,436,130.06 which shows an increase of N3,240,029,407.68 as against the 2014 figure of N381,406,722.38.

20. INTERNAL LOANS:

The sum of N41,572,490,967.79 represents internal loans in the year 2015. this amount when compared with the internal loans of N4,247,965,284.13 in 2014 fiscal year reveals a sharp increase on internally sourced funds mainly from FGN Bond and Excess crude-loan as well as Bail out fund. The implication is that these loans will have a negative impact on the state economy as a results of the interest payment and other financial cost implications. The Audit is still of the opinion that caution should be employed on both loan generation and prudent management of the funds.

21. FOREIGN LOANS:

The sum of N7,154,501,374.67 represents the balance of foreign loans owed by the State Government as at 31st December, 2015.

STATEMENT OF CAPITAL DEVELOPMENT FUND

22. CAPITAL RECEIPTS

Forty Four Billion, One Hundred and Seventy Nine Million, Six Hundred and Twenty One Thousand, Four Hundred and Ninety Naira, Twenty Three Kobo (N44,179,621,490.23), was recorded as actual capital Development Fund available for the year 2015. This figure shows a reasonable increase from that of last year – 2014 which was N13,931,625,625.02 by N30,247,995,812.21, representing 217.12 percent increase. When compared to the budgetary provision for capital for the year under review, the sum of N95,331,178,570.00 was provided, while N44,179,621,490.23 were made available, showing an under receipt of N51,151,557,079.77 or 53.66 percent under funding of the 2015 Capital Development Fund provisions.

Worthy of note in 2015 CDF receipts is the fact that, of the N44,179,621,490.23 that was made available, N43,021,738,653.91 came from internal loans alone. This shows that internal loans contributed 97.38 percent of the total capital receipt available for the year 2015. When related to the budgetary provision for internal loans for the year under review, the sum of N28,104,885,920.00 was provided as internal loans, while the sum of N43,021,738,653.91 was actually borrowed, showing a total of N14,916,852,733.91 or 53.08 percent excess borrowing in 2015 for Capital Development. This implies that an increased debt servicing burden in subsequent years given the memorandum of understanding or the loan agreements of these loans. Furthermore, records show that there was no Capital Development receipts from the consolidated revenue fund. This may be due to some exogenous variables that affected the economy. Below are the rundown of the Capital Development Receipts performance for the year ended 31st December, 2015.

CAPITAL RECEIPT 2015

	AUTHORIZED ESTIMATE N	ACTUAL RECEIPT N	VARIANCE N	2014 RECEIPTS N
Opening Balance		381,406,722.38	381,406,722.38	258,781,145.79
Add: Transfer from CRF	29,598,679,972.00	--	29,598,679,972.00	5,202,662,499.06
Aids and Grants	13,796,490,978.00	510,756,113.94	13,285,734,864.06	704,039,770.00
Internal Loans	28,104,885,920.00	43,021,738,653.91	14,916,852,733.91	7,766,142,263.17
Other Capital Receipts	23,831,121,700.00	265,720,000.00	23,565,401,700.00	--
TOTAL	95,331,178,570.00	44,179,621,490.23	81,748,075,992.35	13,931,625,678.02

23. CAPITAL EXPENDITURE

A total of Fourteen Billion, Two Hundred and Eighty Nine Million, Three Hundred and Eighty Six Thousand, Two Hundred and Thirty Three Naira, Thirty-Nine Kobo, (N14,289,386,233.39) was actually expended on capital projects for the year ended 31st December 2015, and compared to 2014 figure of N13,550,218,955.64, resulting in difference of N739,167,277.75 or 5.46 percent increase in capital development spending from that of 2014. However, when related to the budgetary Provision on capital expenditure for the year under review, a total of N48,133,532,0090.00 was provided for Capital expenditure, while actual expenditure stood at N14,289,386,233.39, showing a difference of N33,844,145,856.61 or 70.3 percent of non performance of the capital expenditure provisions for the 2015.

Records also showed that a total of Twenty Six Billion, Two Hundred and Sixty Eight Million, Seven Hundred and Ninety Nine Thousand, One Hundred and Twenty Six Naira, Seventy Eight Kobo (N26,268,799,126.78) appeared as transfer to Consolidated Revenue Fund from the Capital Development Fund.

Below is a table showing Sectorial Capital Expenditure performance for the year ended 31st December, 2015

General Personnel Services	1,000,000.00	-	1,000,000.00	-
Overall Planning and Statistical Services	4,496,700,000.00	42,751,000.00	4,453,949,000.00	4,039,225,584.35
Other General Services	2,678,110,000.00	868,005,843.47	1,810,104,156.53	2,187,361,073.00
Total	11,607,625,000.00	2,548,017,502.15	9,059,607,497.85	7,051,804,933.38
DEFENCE		26,268,799,126.78		
PUBLIC ORDER AND SAFETY				
Law Courts	898,434,330.00	33,440,000.00	864,994,330.00	5,000,000.00
Research & Dev. Public Order & Safety	300,000,000.00	-	300,000,000.00	-
Total	1,198,434,330.00	33,440,000.00	1,164,994,330.00	5,000,000.00
ECONOMIC AFFAIRS				
General Economic & Commercial Affairs	753,400,000.00	475,330,706.46	278,069,293.54	516,038,945.85
General Labour Affairs	40,000,000.00	-	40,000,000.00	-
Agriculture	167,000,000.00	381,651,749.92	(214,651,749.92)	756,203,543.46
Coal and Other Solid Minerals	55,000,000.00	1,000,000.00	54,000,000.00	1,500,000.00
Petroleum and Natural Gas	37,000,000.00	500,000.00	36,500,000.00	-
Electricity	43,000,000.00	19,100,000.00	23,900,000.00	5,381,000.00
Manufacturing	-	-	-	-
Construction	16,255,000,000.00	6,601,084,902.89	9,653,915,097.11	1,023,055,368.30
Road Transport	3,463,507,070.00	1,033,000,000.00	2,430,507,070.00	15,000,000.00
Water Transport	160,000,000.00	44,111,890.00	115,888,110.00	9,600,000.00
Distributive Trade Storage & Ware Housing	-	-	-	-
Multipurpose Dev. Projects	50,000,000.00	-	50,000,000.00	-
R & D Gen. ECO., Commercial Labour Affairs	2,580,000,000.00	-	2,580,000,000.00	-
R & D Other Industries	-	-	-	-
Total	23,603,907,070.00	8,555,779,249.27	15,048,127,820.73	2,326,778,857.61
ENVIRONMENTAL PROTECTION				
Waste Management	850,000,000.00	806,413,000.00	43,587,000.00	969,878,000.00
Waste Water Management	19,000,000.00	-	19,000,000.00	-
Protection of Biodiversity & Land Scape	326,000,000.00	171,524,013.53	154,475,986.47	1,989,083,209.75
R & D Environmental Protection	11,500,000.00	2,118,380.00	9,381,620.00	24,000,000.00
Environmental Protection	20,000,000.00	-	20,000,000.00	-
Total	1,226,500,000.00	980,055,393.53	246,444,606.47	2,982,961,209.75

HOUSING AND COMMUNITY AMENITIES				
Housing Development	5,134,265,680.00	1,584,000,000.00	3,550,265,680.00	946,829,442.54
Community Development	526,000,000.00	60,000,000.00	466,000,000.00	19,000,000.00
Water Supply	578,000,000.00	26,000,000.00	552,000,000.00	13,305,570.00
R & D Housing and Community Amenities	170,000,000.00	19,600,000.00	150,400,000.00	76,890,642.36
Total	6,408,265,680.00	1,689,600,000.00	4,718,665,680.00	1,056,025,654.90
HEALTH				
General Medical Services	1,240,200,000.00	254,140,227.95	986,059,772.05	58,348,300.00
Specialised Medical Services	660,000.00	-	660,000.00	-
General Hospital Services	250,000.00	-	250,000.00	-
Public Health Services	200,000,000.00	-	200,000,000.00	-
R & D Health	549,500,000.00	150,332,900.49	399,167,099.51	-
Total	1,990,610,000.00	404,473,128.44	1,586,136,871.56	58,348,300.00
RECREATION CULTURE & RELIGION				
Recreation and Sporting Services	239,000,000.00	-	239,000,000.00	-
Culture Services	52,000,000.00	-	52,000,000.00	-
Total	291,000,000.00	-	291,000,000.00	-
EDUCATION				
Pre-Primary Education	-	-	-	-
Primary Education	10,000,000.00	-	10,000,000.00	-
Upper Secondary Education	544,000,000.00	7,000,000.00	537,000,000.00	-
First Stage of Tertiary Education	776,500,010.00	62,558,960.00	713,941,050.00	-
Second Stage of Tertiary Education	310,000,000.00	2,400,000.00	307,600,000.00	-
Education not Defined by Level R&D	91,300,000.00	-	91,300,000.00	-
R & D Education	-	-	-	50,000,000.00
Total	1,731,800,010.00	71,958,960.00	1,659,841,050.00	50,000,000.00
SOCIAL PROTECTION				
Family and Children	15,000,000.00	-	15,000,000.00	-
Unemployment	-	-	-	-
Social Exclusions	5,000,000.00	-	5,000,000.00	-
R & D Social Protection	55,000,000.00	6,062,000.00	48,938,000.00	19,300,000.00
Total	75,000,000.00	6,062,000.00	68,938,000.00	19,300,000.00

24. SUMMARY OF CAPITAL EXPENDITURE FOR THE YEAR ENDED 31ST DECEMBER, 2015

SECTOR	AUTHORISED ESTIMATES N	ACTUAL EXPENDITURE N	SAVINGS N	2014 ACTUAL EXPENDITURE N
General Public Services	11,607,625,000.00	2,548,017,502.15	9,059,607,497.85	7,051,804,933.38
Public Order and Safety	1,198,434,330.00	33,440,000.00	1,164,994,330.00	5,000,000.00
Economic Affairs	23,603,907,070.00	8,555,779,249.27	15,048,127,820.73	2,326,778,857.61
Environmental Protection	1,226,500,000.00	980,055,393.53	246,444,606.47	2,982,961,209.75
Housing and Community Amenities	6,408,265,680.00	1,689,600,000.00	4,718,665,680.00	1,056,025,654.90
Health	1,990,610,000.00	404,473,128.44	1,586,136,871.56	58,348,300.00
Recreation, Culture & Religion	291,000,000.00	-	291,000,000.00	-
Education	1,731,800,010.00	71,958,960.00	1,731,800,010.00	50,000,000.00
Social Protection	75,000,000.00	6,062,000.00	68,938,000.00	19,300,000.00
Total	48,133,142,090.00	14,289,386,233.39	33,915,714,816.61	13,550,218,955.64

SECTION III: ANNUAL REPORT PARAGRAPHS

25. MINISTRIES AND EXTRA-MINISTERIAL DEPARTMENT

This part of the report contains uncleared significant observations arising from the Audit of accounts and records kept at the Ministries and Extra Ministerial Departments for the year under review. To these matters, the various Accounting officers had failed to give satisfactory replies or have not yet replied.

They are still answerable.

ABIA STATE POLYTECHNIC ABA

26. **Un-recovered Salary Advances:** A total of N16,172,542.00 in respect of staff salary advance was found outstanding against some staff of the institutions. In my Inspection Report No. SCA/38/42 of 4th November, 2016, the Rector, Abia State polytechnic, was briefed with this observation and requested to explain and take early and necessary action to recover the outstanding salary advances from the staff concerned. At the time of writing this Report, no reply had been brought to my attention. The matter is kept in view.

27. **Un-remitted Pay Tax:** The sum of N134,820,055.02 was Pay-As-You-Earn (PAYE) tax deductions from the staff salaries of the institution, from December 2012 to December 2013 but not remitted to the Board of Internal Revenue. The details of this observations were communicated to the Rector, Abia State Polytechnic, Aba in my Inspection Report No. SCA/38/42 of 4th November, 2016 with a request for him to effect the remittance of the sum N134,820,055.02 to Board of Internal Revenue. His reply was still being awaited at the time of writing this report.

28. **Insufficiently Vouched Payments:** A total sum of N30,741,123.00 was paid on various payment vouchers in purported settlement of certain services rendered to the institution. But no details of the expenditure either in the form of bills, invoice or sub-receipts or other support documents were made available for audit scrutiny. In my Inspection Report No. SCA/38/2 of 4th November, 2016

to the Rector, Abia State Polytechnic Aba, he was given the details of these observations. His reply is yet to be received in my office, at the time of writing this report.

29. **Un-retired Imprest:** The sum of N1,911,300.00 represents imprests granted to various officers of the Abia State Polytechnic Aba, which was not retired as at the time of inspection. The details of these observations were communicated to the rector of the institution, in my Inspection Report No. SCA/38/42 of 4th November, 2016 with a request for him to comment and effect the recovery of N1,911,300.00 from the affected officers. But as at the time of writing this report, his reply has not reached my office.

30. **Misappropriation of Loan:** The sum of N4,000,000,000.00 represents a loan facility granted to the institution by the Federal Government of Nigeria and First Bank of Nigeria respectively, since 2015; for the payment of arrears of salaries but was diverted to other purposes. The details of these purported payments were sent to the Rector, Abia State Polytechnic Aba, for him to comment on my inspection report No. SCA/38/42 of 4th November, 2016. As at the time of writing this report, no reply had been brought to my attention.

MINISTRY OF AGRICULTURE

31. **Un-remitted Cattle Tax Revenue:** the sum of N40,500,000.00 was revenue collected on cattle tax from Lokpanta Cattle Market for the period of January 2014 – May 2016. There was no evidence to show that this amount has been lodged into the state Internally Generated Revenue Account. The details of this observation were communicated to the Permanent Secretary, Ministry of Agriculture in my inspection Report Min 14/T/1/47 OF 13th July, 2016 with a request for him to recover the sum of N40,500,000.00 from the contractor and affect the lodgment to the state internal generated Revenue Account. His reply was still being awaited at the time of writing this report.

32. **Records not Produce During Audit Inspection:** A total sum of N2,000,000,000.00 was shown to have been spent as Agricultural Loan disbursement to farmers, but no details of these purported expenditure either in form of records or otherwise were made available for audit scrutiny.

Consequently, in my Inspection Report No. Min.14/T/1/47 of 13th July, 2016, I called for explanations, full records of this disbursement which details has been communicated to Permanent Secretary. But as at the time of writing this report, his reply had not been received in my office.

MINISTRY OF TRANSPORT

33. **Spurious Expenditure:** The total sum of N500,000.00 was paid to the Honourable Commissioner Barrister Nnenna Obewu Onwuka for the furnishing of her office. However, the items stated in one payment vouchers were not seen. In my Inspection Report No. Min.35/24 of 30th June, 2016 to the Permanent Secretary, Ministry of Transport, was given the details of the above paragraphs, but his reply is still being awaited as at the time of writing this report.

34. **Irregular Payment of Salaries:** The sum of N63,773.00 being payment made after retirement to Duruibe C. I. resulting to irregular payment. In my Inspection Report No. Min.35/24 of 30th June, 2016, details of the payments were sent to the Permanent Secretary Ministry of Transport, with a specific instruction to recover this money, but his reply is still being awaited at the time of writing this report.

35. **Insufficiently Vouched Expenditure:** A total sum of N11,677,500.00 was paid in various payment vouchers in purported settlement of certain services rendered to Government. But no details of the expenditure either in form of bills, invoice or sub-receipts or other support documents were made available for audit.

In my Inspection Report Min35/24 of 30th June, 2016 to the Permanent Secretary of Transport Umuahia for him to comment or recover, however, at the time of writing this report, his reply is yet to be received in my office.

MINISTRY OF PETROLEUM AND NATURAL RESOURCES

36. **Unaccounted Revenue:** A total sum of N3,584,400.00 was collected as revenue for Petroleum Products in 2015 as detailed in my inspection Report No. Min.31/87 of 25th October, 2016.

However, the Permanent Secretary, Ministry of Petroleum was requested to obtain explanations or recover the sum from the Director of Finance, but his reply was not satisfactory to me and the contractor who purportedly held the said money should pay it back to Government treasury without further delay.

SECTION IV

ACCOUNTS OF GOVERNMENT PARASTATALS

37. ACCOUNTS NOT SUBMITTED:

Further to paragraph 35 of my Annual Audit Report 2014, I am pleased to note that there has been a remarkable improved response in the submission of Audited Annual Accounts of some of the Government Parastatals. However, the following government Parastatals failed to have their accounts audited inspite of all my reports on them, leading to a situation where these accounts have fallen into many years of arrears of audit as at 31st December, 2015 and consequently have not been submitted for my review and comments.

S/N	NAMES OF PARASTATALS	YEARS OF ACCOUNT NOT SUBMITTED
1	Abia State Tourism Board	2014 & 2015
2	Abia State Transport Corporation	2013, 2014 & 2015
3	Council for Art and Culture	2014 % 2015
4	Abia State Polytechnic Aba	2010 – 2015
5	Sports Council	2008 – 2015
6	Abia State Water Board	2014 – 2015
7	Ikwuano Town Planning Authority	2012 – 2015
8	Abia State Housing Loan Board	2009 – 2015
9	Isuikwuato Planning Authority	2013 – 2015
10	Osisioma Town Planning Authority	2010 – 2015
11	Mass Literacy Adult Education Programme	2011 – 2015
12	Abia State Newspapers	2008 – 2015
13	Project Insurance Brokers Ltd.	2013 – 2015
14	Aba Shopping Centre	2013 – 2015
15	Open Spaces Development Commission	2012 – 2015
16	Obingwa Town Planning Authority	2013 – 2015
17	Abia State Library Board	2010 – 2015
18	Abia State Pilgrims Welfare Board	2013 – 2015

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SECTION V: GENERAL

38. STAFF ESTABLISHMENT:

The staff strength of the office of the Auditor-General as at the end of financial year 31st December, 2015 was 127 as detailed below:

Auditors Cadre	-	-	-	40
Executive Officers Cadre	-	-	-	51
Clerical Staff	-	-	-	15
Ancillary Staff	-	-	-	21

39. STAFF TRAINING AND DEVELOPMENT:

As in my previous Audit Report on this score, the training of staff of Office of the Auditor-General needs to be highlighted. Adequate and commensurate training of staff enhances their effectiveness, efficiency, productivity, creativity, maximum and optimal prompt service delivery in the discharge of assigned duties.

It would appear that paucity of fund had confirmed to be a major constraint hindering the exposure of audit staff to training course, seminar and workshop. It is recommended that Government will provide adequate fund available for the training and retraining of staff for efficient and optimum performance.

40. OFFICE EQUIPMENT AND TRANSPORTATION:

The inadequacy of Office Equipment and vehicles as reported in my previous Audit Reports has not changed. There still exists a most cogent need for the office to be computerized and three Hilux Vans procured.

This would definitely remove the critical impairment in the discharge of Constitutional Audit functions.

41. PENSIONS AND GRATUITY:

In accordance with the Pension Act, the pension papers of retiring public servants were scrutinized and certified by the office. In the year under review, a total of 826 files retired officers were received, treated and certified at the time of issuing this report.

ACKNOWLEDGMENT

May I use this opportunity to express my profound appreciation to the Executive Governor of Abia State for his relentless financial assistance to this office. I also extend my thanks to the Abia State Legislature for her role in ensuring that our Audit Report impacts on Abians. My special gratitude however is to the entire staff of this office, to whom I am highly indebted for their sense of commitment and dedication to duty. The role of the Secretary to the State Government, the Head of Service, the Honourable Commissioners, Heads of Extra-Ministerial Departments, the Permanent Secretaries, Chief Executives of Government Parastatals and their staff, have been quite supportive, to our onerous work during the period under review.

AUDIT CERTIFICATE

The Accounts and Financial Statement of the Government of Abia State of Nigeria for the financial year ended 31st December, 2015 have been examined in accordance with section 125 (20) of 1999 Constitution of the Federal Republic of Nigeria And Section 6(1) of the Abia State Audit Law 1997 (Cap. 45 of the Laws of Abia State of Nigeria 1999-2000). I have obtained all information and explanations that I required and I certify, subject to the comments and observations contained in this Audit Report, that in my opinion and to the best of my knowledge and belief, the statements of Consolidated Revenue Fund, Capital Development Fund, together with the Cash Flow Statement, annexed thereto, reflect a true and fair view of the financial transactions of the Abia State Government for the year ended 31st December, 2015 while the statement of Assets and Liabilities shows a true and fair view of the financial position of Abia State Government as at that date.

Office of the Auditor-General
State Audit Headquarters
P.M.B. 7040
December, 2015.



B. C. Mgbaramuko
Auditor-General
Abia State

RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Financial Statements have been prepared by the Accountant-General of Abia State in accordance with the provisions of the Finance (Control and Management) Act 1958 as amended. The Financial Statements complied with the generally accepted accounting practice to fulfill accounting and reporting responsibilities, the Accountant-General is responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance that the transactions recorded are within statutory authority and properly recorded the use of all public financial resources by the government.

Efforts were made to ensure that these financial statements reflect the financial position of Government as at 31st December, 2015 and its operations for the year ended on the date.

The effort of all Officer of the Final Accounts Production Department, the Accounting Officers in the Pay Office, Treasury Headquarters, Sub-Treasuries, Ministries and Parastatals are worthy of mention and recognition in the preparation of this report.



SIR G. C. OYENDILEFU
ACCOUNTANT-GENERAL
ABIA STATE.