

## **PART ONE**

### **INTRODUCTION**

The Accounts of the Government of Ebonyi State of Nigeria and all the related financial statements for the year ended 31<sup>st</sup> December, 2008, have been audited under my directions in accordance with Section 125, sub-section 2 of the Constitution of the Federal Republic of Nigeria, 1999. The Accounts have been certified subject to the comments contained in this Report as provided in Section 5, sub-section 3 of the Audit Law (Cap. 13) of the Laws of Eastern Nigeria, 1963, as applicable to Ebonyi State of Nigeria.

2. The Financial Statements for the year ended 31<sup>st</sup> December, 2008, were prepared by Accountant-General in the new Accounting Pro-forma detailed out in the Standardization of Federal, States, and Local Governments accounts in Nigeria.

**PART TWO**  
**GENERAL OBSERVATIONS**

**2.1 OMISSION OF ₦ 178,524.06**

The sum of **one hundred and seventy eight thousand, five hundred and twenty four naira, six kobo (₦ 178,524.06)** being a KEKE NAPEP Proceeds Accounts with Eco Bank Plc, Abakaliki Branch account number 0500090150964301 was not reflected in the Accountant-General's 2008 Annual Financial Statements.

**2.2 INTERCONTINENTAL BANK PLC A/C NO. 00580010006157 UNDERSTATED BY ₦ 2,240,000.00**

The State Government Expenditure Account with the Inter-Continental Bank Plc account number 00580010006157 was stated as **eight hundred and thirty four million, one hundred and eighty seven thousand four hundred and sixteen naira, sixty seven kobo (₦ 834,187,416.67)** instead of **eight hundred and thirty six million, four hundred and twenty seven thousand, four hundred and sixteen naira, seventy seven kobo (₦ 836,427,416.77)** and thereby understating the actual figure by **two million, two hundred and forty thousand naira (₦ 2,240,000.00)**.

**2.3 DISCREPANCIES BETWEEN ANNUAL ACCOUNT AND MINISTRY OF FINANCE INCORPORATED (MOFI) REGISTER FIGURES**

A discrepancy of **one million, three hundred and eleven thousand, three hundred and sixty one naira, twenty kobo (₦ 1,311,361.20)** was observed between the figure stated in the Annual Account and that of the Ebonyi State Ministry of Finance Incorporated (MOFI) Register as shown below:

Amount in the Annual Account	₦ 118,163,547.34
Amount in the MOFI Register	<u>116,852,186.14</u>
<b>DISCREPANCY</b>	<b><u><u>₦ 1,311,361.20</u></u></b>

## 2.4 UNDERSTATEMENT OF INTERNAL LOAN REFUNDS

It was observed that the sum of **three billion, two million, seven hundred and twenty thousand, two hundred and ninety three naira, forty five kobo (₦ 3,002,720,293.45)** was the actual amount of internal loan refunded and not **eight hundred and twenty million, two hundred and sixty three thousand, one hundred and fourteen naira, twenty four kobo (₦ 820,263,114.26)** as stated below:

Bank	₦	₦	₦
Access Bank Plc	333,333,333.36	127,618,742.26	460,952,075.62
Access Bank Plc Loan Facility Transfer from ICB Plc	<u>481,000,000.00</u>	<u>-</u>	<u>481,000,000.00</u>
	814,333,333.36	127,618,742.26	941,952,075.62
ICB Plc	<u>1,894,786,858.88</u>	<u>165,981,358.95</u>	<u>2,060,768,217.83</u>
Grand Total	2,709,120,192.24	293,600,101.21	<u><u>3,002,720,293.45</u></u>

It was also observed that the details of how and who the internal loans refunds of **eight hundred and twenty million, two hundred and sixty three thousand, one hundred and fourteen naira, twenty kobo (₦820,263,114.24)** were made to, were not disclosed.

## 2.5 CONVERSION RATE OF EXTERNAL LOAN OF USD 30,088,193.24 NOT DISCLOSED

The exchange rate of the external loan of USD30,088,193.24 was not disclosed as at the time of writing this report.

## 2.6 IMPROPER CLASSIFICATION OF EXPENDITURE

The following expenditures which were not capital in nature were included in the Capital Expenditure made during the year:

	₦
Exam fees for WAEC/NECO Exam	224,154,000.00
Fund for Ebonyi Micro Credit Scheme	<u>210,050,000.00</u>
	<u><u>434,204,000.00</u></u>

WAEC/NECO Exam fees disbursement is a subsidy by the government to its students. In my opinion, it should be classified as part of recurrent expenditure.

The loans given in the Micro-Credit Scheme are recoverable. It should therefore not be written off as Capital expenditure. The intention of government is that the Scheme's fund should revolve overtime and ultimately the Principal recovered over time, as well.

2.6.1 Included in the Capital Development Fund are funds not yet accessed by Ministries and Departments at the end of the 2008 financial year. Some of the unaccessed funds are:

<b>ITEM</b>	<b>APPROVED ₦</b>	<b>ACCESSED ₦</b>	<b>UNACCESSED ₦</b>
Furnishing of Boarding Schools	109,477,574	94,838,369	14,639,205
Purchase of Vehicles	325,596,293	258,600,382	66,995,911
Construction of Canteens	10,000,000	5,000,000	5,000,000
			<b>86,635,116</b>

Inclusion of unaccessed funds understates the Capital Development Fund closing balance. All information relating to actual payments must be sought from payment vouchers with the relevant source documents.

2.6.2 Some Capital Payments were omitted from the Capital Development Fund during the year. Significant payments so omitted include:

<b>PV NO.</b>	<b>DATE</b>	<b>PAYEE</b>	<b>AMT. (₦)</b>	<b>PURPOSE</b>
41	25/7/08	M.D. Grands Ltd	39,877,000.00	Amusement Park
7	25/9/08	Safer Nig. Ltd	67,312,541.30	Fence for Army Land

35	22/8/08	Hapel Nig. Ltd	11,856,742.63	EBSU Perm Site Road
7	25/9/08	EDON Nig. Ltd	76,772,580.00	Staff Dev. Centre

The omission of capital payments in the Capital Expenditure profile of the State tends to understate budget performance. Also, this has effect on the Capital Development Fund closing balance at the end of the year.

**PART THREE**  
**STATEMENT OF ASSETS AND LIABILITIES AS AT 31<sup>ST</sup>**  
**DECEMBER, 2009**

**3.1 ASSETS**

**BANK AND TREASURIES - ₦ 9,022,823,640.80**

The figure of **nine billion, twenty two million, eight hundred and twenty three thousand, six hundred and forty naira, eighty kobo (₦ 9,022,823,640.80)** represents the total cash held at all the banks, sub-treasuries and pay offices in the State as at 31<sup>st</sup> December, 2008. However, the Board of Survey Certificates in respect of balances held at the end of business on 31<sup>st</sup> December, 2008, were not submitted to me to enable me ascertain any discrepancies between the balances in the Accountant-General's Published Account and those contained in the Board of Survey Certificates. Noteworthy also is the opening balance which rose from **two billion, eighty one million, four hundred and eighty seven thousand, one hundred and seventy naira, seven kobo (₦ 2,081,487,170.07)** as closing balance as at 31<sup>st</sup> December, 2007, to **four billion, one hundred and sixty four million, nine hundred and twenty six thousand, sixty eight naira, seventy nine kobo (₦ 4,164,926,068.79)**.

**3.2 INVESTMENTS (MOFI) - ₦ 538,125,369.90**

Investments amounting to **five hundred and thirty eight million, one hundred and twenty five thousand, three hundred and sixty nine naira, ninety kobo (₦ 538,125,369.90)** represented the value of investments as at 31<sup>st</sup> December, 2008, held by the State Government in form of shares in Banks and other Public Liability Companies and purchase of Central Bank of Nigeria Certificate. The share certificates were not presented, as at the time of writing this report, for authentication and determination of their current values in books of accounts. It is pertinent that the Accountant-General reconciles these figures, up-dates them and reflect their current values in the Statements of Assets and Liabilities.

### **3.3 LIABILITY OVER ASSETS**

As at the time of this report there was no schedule showing the details of the liabilities made available to me.

### **3.4 ADVANCES - ₦ 455,592,998.52**

The figure of **four hundred and fifty five million, five hundred and ninety two thousand, nine hundred and ninety eight naira, fifty two kobo (₦ 455,592,998.52)** represents Cash Advances of **one hundred and twenty million, seventy four thousand, one hundred and twenty six naira, sixty five kobo (₦ 120,074,126.65)**, Salary Advances of **one million, five hundred and seventy thousand, six hundred and eighteen naira, forty nine kobo (₦ 1,570,618.49)**, Car Loan Advances of **one hundred and twenty seven million, four hundred and sixty seven thousand, eight hundred and seventy nine naira forty five kobo (₦ 127,467,879.45)** and Motorcycle/Bicycle Advances of **five million eight hundred and twenty three thousand, one hundred and thirty four naira, thirty one kobo (₦ 5,823,134.31)**.

### **3.5 LIABILITIES**

#### **Internal Loans - ₦ 1,640,526,228.48**

The figure represents the difference between the total of **two billion, four hundred and sixty million, seven hundred and eighty nine thousand, three hundred and forty two naira, seventy two kobo (₦ 2,460,789,342.72)** owed by the Ebonyi State Government and a total repayment of **eight hundred and twenty million, two hundred and sixty three thousand, one hundred and fourteen naira, twenty four kobo (₦ 820,263,114.24)**. The creditors were, however not disclosed in the statement.

**Foreign Loans - ₦ 291,876,071.37**

This figure represents the net foreign loan of **five hundred and ninety four million, seven hundred and ninety one thousand, four hundred and seventy two naira (₦ 594,791,472.00)** and the repayment of **three hundred and two million, nine hundred and fifteen thousand, four hundred naira, sixty three kobo (₦ 302,915,400.63)**. Details of the foreign loans were not disclosed as at the time of writing this report.

## PART FOUR

### REPORT ON CONSOLIDATED REVENUE FUND

#### 4.1 TAXES

The sum of N1,478,579,683.79 (one billion, four hundred and seventy eight million, five hundred and seventy nine thousand, six hundred and eighty three naira, seventy nine kobo) was generated from taxes whereas the sum of N766,446,320.00 (seven hundred and sixty six million, four hundred and forty six thousand three hundred and twenty naira) was budgeted thus resulting in a surplus of N712,133,363.79 (seven hundred and twelve million, one hundred and thirty three thousand, three hundred and sixty three naira, seventy nine kobo).

ACTUAL (₦ )	BUDGETED (₦ )	VARIANCE (₦ )
1,478,579,683.79	766,446,320.00	712,133,363.79

#### 4.2 FINES AND FEES

During the period under review, the sum of **₦ 1,502,604,437.67 (one billion, five hundred and two million, six hundred and four thousand, four hundred and thirty seven naira, sixty seven kobo)** was generated from fines and fees while **₦ 298,116,470.00 (two hundred and ninety eight million, one hundred and six thousand, four hundred and seventy naira)** was budgeted. This resulted to a surplus of **₦ 1,204,487,967.67 (one billion, two hundred and four million, four hundred and eighty seven thousand, nine hundred and sixty seven naira, sixty seven kobo)**.

ACTUAL (₦ )	BUDGETED (₦ )	VARIANCE (₦ )
1,502,604,437.67	298,116,470.00	1,204,487,967.67

#### 4.3 LICENCES

While the sum of **N8,986,600.00** (eight million, nine hundred and eighty six thousand six hundred naira) was budgeted for Licences for the period under review, the sum of **N27,006,145.00** (twenty seven million, six thousand, one hundred and forty five naira) was actually generated thus, giving rise to a surplus of **N18,019,545.00** (eighteen million, nineteen thousand, five hundred and forty five naira).

<b>ACTUAL (₦ )</b>	<b>BUDGETED (₦ )</b>	<b>VARIANCE (₦ )</b>
27,006,145.00	8,986,600.00	18,019,545.00

#### 4.4 EARNINGS AND SALES:

The sum of **N285,843,980.00** (two hundred and eighty five million, eight hundred and forty three thousand, nine hundred and eighty naira) was budgeted for earnings and sales whereas it was only **N86,715,395.62** (eighty six million, seven hundred and fifteen thousand, three hundred and ninety five naira sixty two kobo) was generated. This resulted to a deficit of **N199,128,584.38** (one hundred and nineteen million, one hundred and twenty eight thousand, five hundred and eighty four naira thirty eight kobo).

<b>ACTUAL (₦ )</b>	<b>BUDGETED (₦ )</b>	<b>VARIANCE (₦ )</b>
86,715,395.62	285,843,980.00	(199,128,584.38)

#### 4.5 RENT ON GOVERNMENT PROPERTY:

While the sum of **N132,128,000.00** (one hundred and thirty two million, one hundred and twenty eight thousand naira) was budgeted for rent on government property it was only a paltry sum of **N4,189,631.65** (four million, one hundred and eighty nine thousand, six hundred and thirty one naira sixty five naira) was generated. This resulted to a whopping deficit of **N127,938,368.35** (one

**hundred and twenty seven million, nine hundred and thirty eight thousand, three hundred and sixty eight naira thirty five kobo).**

<b>ACTUAL (₦ )</b>	<b>BUDGETED (₦ )</b>	<b>VARIANCE (₦ )</b>
4,189,631.65	132,128,000.00	(127,938,368.35)

#### **4.6 INTEREST REPAYMENT AND DIVIDENDS**

The sum of **N569,861,930.00 (five hundred and sixty nine million, eight hundred and sixty one thousand, nine hundred and thirty naira)** was budgeted for the period under review while the sum of **N118,163,547.34 (one hundred and eighteen million, one hundred and sixty three thousand, five hundred and forty seven naira thirty four kobo)** was actually generated, thus resulting to a deficit of **N451,698,382.66 (four hundred and fifty one million, six hundred and ninety eight thousand, three hundred and eighty two naira, sixty six kobo).**

<b>ACTUAL (₦ )</b>	<b>BUDGETED (₦ )</b>	<b>VARIANCE (₦ )</b>
118,163,547.34	569,861,930.00	(451,698,382.66)

#### **4.7 MISCELLANEOUS**

While the sum of **N389,500.00 (three hundred and eighty nine thousand, five hundred naira)** was budgeted, **N1,085,020.00 (one million, eighty five thousand, twenty naira)** was generated. This gave rise to a surplus of **N695,520.00 (six hundred and ninety five thousand, five hundred and twenty naira).**

<b>ACTUAL (₦ )</b>	<b>BUDGETED (₦ )</b>	<b>VARIANCE (₦ )</b>
1,085,020.00	389,500.00	695,520.00

#### **4.8 STATUTORY ALLOCATION FROM FEDERATION ACCOUNT**

During the period under review, the State received from the federation account the sum of **N23,033,985,758.20 (twenty three billion, thirty three million, nine hundred and eighty five thousand, seven hundred and fifty eight naira twenty**

**kobo) as against the budgeted figure of N22,234,413,420.0 (twenty two billion, two hundred and thirty four million, four hundred and thirteen thousand, four hundred and twenty naira) thus giving a surplus of N799,572,338.20 (seven hundred and ninety nine million, five hundred and seventy two thousand, three hundred and thirty eight naira twenty kobo.**

<b>ACTUAL (₦ )</b>	<b>BUDGETED (₦ )</b>	<b>VARIANCE (₦ )</b>
23,033,985,758.20	22,234,413,420.00	799,572,338.20

It is to be noted that the figure N23,033,985,758.20 as reported above is the net amount. However, the gross and details of deductions were not made available.

#### **4.9 INTERNALLY GENERATED REVENUE NOT PAID INTO THE CONSOLIDATED REVENUE FUND**

It has become a regular feature in the annual financial statements sent to me for verification to have internally generated revenues of State Parastatals excluded simply because they were not paid into Consolidated Revenue Fund.

I am aware that the non-payment of these revenues into the State treasuries directly was agreed upon by the State Government and the those Parastatals years back, to avoid strangulating the operations of the Parastatals by the Civil Service bottle-necks that may inhibit their quick access to funds. However, that does not mean that we shall not report their financial status and as well recognize their contributions to the state economy especially as it affects our internally generated revenue profile. Moreover, the way the Parastatals are handled in the State, here, are also like the Ministries and Departments. We pay their monthly salaries and

give them their monthly allocations for their overhead expenses in addition to the income they generate and other lump sum releases to them. Good reasons therefore, demand that we should disclose to the taxpayers and the general public what the organizations generate from the payments made to them by the public for the services rendered by the former.

Likewise, since the State Government provides all the necessary platform that enables them generate whatever revenue they have, we should equally reflect in our State Account the internally generated revenue efforts of the Parastatals.

Again, Donor Agencies who often times help these establishments may wish to know their financial status.

In view of the aforesaid, I have demanded and received from the Accountant-General the comparative figures of the internally generated revenues of some of the State Parastatals as disclosed hereunder.

During the period under review, the total Internally Generated Revenue (IGR) from Parastatals that are on their own but fully funded by the State Government was **N2,478,277,359.20 (two billion, four hundred and seventy eight million, two hundred and seventy seven thousand, three hundred and fifty nine naira, twenty kobo)** as against that of year 2007 of **N541,482,249.94 (five hundred and forty one million, four hundred and eighty two thousand, two hundred and forty nine naira, ninety four kobo)**. This showed an improvement in the revenue

generation of these Parastatals to the tune of **N1,936,795,109.26** (one billion, nine hundred and thirty six million, seven hundred and ninety five thousand, one hundred and nine naira twenty six kobo) or 358% increase.

<b>2007</b> <b>N</b>	<b>2008</b> <b>N</b>	<b>INCREASE/DECREASE</b> <b>N</b>
541,482,249.94	2,478,277,359.20	1,936,795,109.26

**(a) EBONYI STATE UNIVERSITY**

The sum of **N2,050,100,250.20** (two billion, fifty million, one hundred thousand two hundred and fifty naira twenty kobo) was generated by the State University during the period under review as against that of year 2007 of **N360,988,166.63** (three hundred and sixty million, nine hundred and eighty eight thousand, one hundred and sixty six naira sixty three kobo). This gave rise to an increase of **N1,689,112,083.57** (one billion, six hundred and eighty nine million, one hundred and twelve thousand eighty three naira fifty seven kobo).

<b>2007</b> <b>N</b>	<b>2008</b> <b>N</b>	<b>INCREASE/DECREASE</b> <b>N</b>
360,988,166.63	2,050,100,250.20	1,689,112,083.57

**(b) EBONYI STATE UNIVERSITY TEACHING HOSPITAL**

The sum of **N171,190,843.60** (one hundred and seventy one million, one hundred and ninety thousand, eight hundred and forty three naira, sixty kobo) was generated for 2008 financial year while the sum of **N72,197,633.32** (seventy two million, one hundred ninety seven thousand, six hundred and thirty three naira, thirty two kobo) was generated in 2007. This showed an increase of Internally Generated Revenue (IGR) of **N98,993,210.28** (ninety eight

million, nine hundred and ninety three thousand, two hundred and ten naira twenty eight kobo)

<b>2007</b> <b>N</b>	<b>2008</b> <b>N</b>	<b>INCREASE/DECREASE</b> <b>N</b>
72,197,633.32	171,190,843.60	98,993,210.28

**(c) EBONYI STATE COLLEGE OF EDUCATION IKWO**

In year 2007, the College generated the sum of **N108,296,449.99** (one hundred and eight million, two hundred and ninety six thousand, four hundred and forty nine naira ninety nine kobo) while the sum of **N256,986, 265.40** (two hundred and fifty six million, nine hundred and eighty six thousand, two hundred and sixty five naira forty kobo) was generated in year 2008. This showed an increase in Internally Generated Revenue (IGR) of **N148,689,815.41** (one hundred and forty eight million, six hundred and eighty nine thousand, eight hundred and fifteen naira forty one kobo) or 137% increase.

<b>2007</b> <b>N</b>	<b>2008</b> <b>N</b>	<b>INCREASE/DECREASE</b> <b>N</b>
108,296,449.99	256,986,265.40	148,689,815.41

A reflection of these returns from the Parastatals on the State annual accounts for the period, year 2004 - 2008 brings the Internally Generated Revenue (IGR) status of the State Government thus:

<b>ITEMS</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
State Accounts as verified 'A'	1,024,589,417.75	777,298,210.47	688,715,780.74	1,538,441,295.65	3,100,128,463.46
The three (3) Parastatals above 'B'	182,749,640.10	275,955,134.60	323,455,180.81	541,482,249.94	2,478,077,359.20
Dividends + Interests from State Investment 'C'	-	48,959,895.73	31,851,631.45	103,800,948.41	118,163,547.34
'A' + 'B' + 'C'	1,207,339,057.85	1,151,173,136.53	1,075,874,224.45	2,287,525,442.41	5,814,532,917.34

## PART FIVE

### APPROPRIATION AND ANNUAL ABSTRACT REPORT

#### 5.1 PREAMBLE

This part contains three sections. Section 'a' and 'b' which are Personnel and Overhead Costs respectively are issues arising from the Accountant-General's Statements of Account for the 2008 financial year, while section 'c' are issues arising from recent Audit Inspection Reports on continuous audit of government establishments in order to bring this Annual Report as up-to-date as possible.

#### 5.2 OFFICE OF THE EXECUTIVE GOVERNOR

##### 5.2.1 GOVERNOR'S OFFICE

###### (a) Personnel Cost:

Out of a total budget provision of **N367,499,100.00** (three hundred and sixty seven million, four hundred and ninety nine thousand, hundred naira), only **N188,836,390.04** (one hundred and eighty eight million, eight hundred and thirty six thousand, three hundred and ninety naira, four kobo) was spent leaving a total sum of **N178,662,709.96** (one hundred and seventy eight million, six hundred and sixty two thousand, seven hundred and nine naira, ninety six kobo) unutilized.

Actual	Budgeted	Variance
N188,836,390.04	N367,499,100.00	N178,662,709.96

###### (a) Overhead Cost:

A total sum of **N2,363,020,286.17** (two billion, three hundred and sixty three million, twenty thousand, two hundred and eighty six naira, seventeen kobo) was spent as Overhead Cost, out of a total of **N2,562,817,810.00** (two billion, five hundred and sixty two million, eight hundred and seventeen thousand, eight hundred and ten naira) provided in the year's estimate. The implication is that the sum of **N199,797,523.83** (one hundred and ninety nine million, seven

**hundred and ninety seven thousand, five hundred and twenty three naira, eighty three kobo) remained unspent.**

<b>Actual</b>	<b>Budgeted</b>	<b>Variance</b>
<b>₦2,363,020,286.17</b>	<b>₦2,562,817,810.00</b>	<b>₦199,797,523.83</b>

### **5.2.2 DEPUTY GOVERNOR'S OFFICE**

#### **(a) Personnel Cost:**

The Office of the Deputy Governor spent the sum of **N31,895,914.83 (thirty one million, eight hundred and ninety five thousand, nine hundred and fourteen naira, eighty three kobo)** out of a total budgetary provision of **N31,379,050.00 (thirty one million, three hundred and seventy nine thousand, fifty naira)**. The implication is that the Office spent **N516,864.83 (five hundred and sixteen thousand, eight hundred and sixty four naira, eighty three kobo)** over and above its budgetary provision.

<b>Actual</b>	<b>Budgeted</b>	<b>Variance</b>
<b>₦31,895,914.83</b>	<b>₦31,379,050.00</b>	<b>₦516,864.83</b>

#### **a. Overhead Cost:**

The Deputy Governor's Office spent **N12,839,000.00 (twelve million, eight hundred and thirty nine thousand naira)** less than the budgeted provision of **N76,600,000.00 (seventy six million, six hundred thousand naira)** having spent **N63,761,000.00 (sixty three million, seven hundred and sixty one thousand naira)** during the year.

<b>Actual</b>	<b>Budgeted</b>	<b>Variance</b>
<b>₦63,761,000.00</b>	<b>₦76,600,000.00</b>	<b>₦12,839,000.00</b>

### **5.2.3 STATE PLANNING COMMISSION**

#### **(a) Personnel Cost:**

The Commission spent a total of **₦12,538,613.41** (twelve million, five hundred and thirty eight thousand, six hundred and thirteen naira, forty one kobo) out of a budgetary provision of **₦13,147,420.00** (thirteen million, one hundred and forty seven thousand, four hundred and twenty naira) with the sum of **₦1,208,806.59** (one million, two hundred and eight thousand, eight hundred and six naira, fifty nine kobo) utilized.

<b>Actual</b>	<b>Budgeted</b>	<b>Variance</b>
<b>₦12,538,613.41</b>	<b>₦13,147,420.00</b>	<b>₦1,208,806.59</b>

#### **(b) Overhead Cost:**

The actual Overhead expenditure of the Commission at the end of the financial year stands at **₦7,676,133.52** (seven million, six hundred and seventy six thousand, one hundred and thirty three naira, fifty two kobo) out of a total sum of **₦9,905,705.00** (nine million, nine hundred and five thousand, seven hundred and five naira) budget provision and a total sum of **₦2,229,736.48** (two million, two hundred and twenty nine thousand, seven hundred and thirty six naira, forty eight kobo) unutilized.

<b>Actual</b>	<b>Budgeted</b>	<b>Variance</b>
<b>₦7,676,133.52</b>	<b>₦9,905,705.00</b>	<b>₦2,229,736.48</b>

### **5.2.4 MINISTRY OF ECONOMIC EMPOWERMENT & POVERTY ALLEVIATION**

#### **(a) Personnel Cost:**

The Ministry had a total budgetary provision of **₦14,265,200.00** (fourteen million, two hundred and sixty five thousand, two hundred naira) but spent **₦988,606.03** (nine hundred and eighty eight thousand, six hundred and six naira, three kobo) and **₦13,276,593.63** (thirteen million, two hundred and

seventy six thousand, five hundred and ninety three naira, sixty three kobo) not accessed.

<b>Actual</b>	<b>Budgeted</b>	<b>Variance</b>
₦988,606.03	₦14,265,200.00	₦13,276,593.63

Audit verification disclosed that this wide variance was caused by the remuneration of the Commissioner and salaries of some staff of the Ministry being payrolled and paid by the Government House simply because the Ministry is directly supervised by the Governor. This system is wrong as it gives a wrong picture of budget performance with respect to the Ministry. This is moreso as the year's Appropriation Law gave the Ministry a financial independence.

The Accountant-General should deploy appropriate finance officers to keep and maintain separate and correct accounting records for the Ministry.

The Audit position on this Ministry is applicable to other Ministries similarly located, viz

- (a) Ministry of Border Security and Conflict Resolution
- (b) Ministry of Grant and Donor Agencies
- (c) Ministry of Inter Party Dialogue

**a. Overhead Cost:**

A total sum of **₦14,209,612.99** (fourteen million, two hundred and nine thousand, six hundred and twelve naira, ninety nine kobo) was spent during the year as Overhead cost out of a budgetary provision of **₦20,193,410.00** (two million, one hundred and ninety three thousand, four hundred and ten naira) with the sum of **₦5,983,797.01** (five million, nine hundred and eighty three thousand, seven hundred and ninety seven naira, one kobo) unaccessed.

<b>Actual</b>	<b>Budgeted</b>	<b>Variance</b>
₦14,209,612.99	₦20,193,410.00	₦5,983,797.01

### **5.2.5 MINISTRY OF BORDER SECURITY & CONFLICT RESOLUTION**

#### **a. Personnel Cost:**

The Ministry spent a total of **₦763,908.20** (seven hundred and sixty three thousand, nine hundred and eight naira, twenty kobo) out of a total provision of **₦17,169,160.00** (seventeen million, one hundred and sixty nine thousand, one hundred and sixty naira) and had unutilized amount of **₦16,405,252.80** (sixteen million, four hundred and five thousand, two hundred and fifty two naira, eighty kobo).

<b>Actual</b>	<b>Budgeted</b>	<b>Variance</b>
<b>₦763,908.20</b>	<b>₦17,169,160.00</b>	<b>₦16,405,252.80</b>

#### **b. Overhead Cost:**

The Ministry spent **₦16,369,459.26** (sixteen million, three hundred and sixty nine thousand, four hundred and fifty nine naira, twenty six kobo) less than the budgeted provision of **₦33,359,000.00** (thirty three million, three hundred and fifty nine thousand naira) having spent the sum of **₦16,989,541.74** (sixteen million, nine hundred and eighty nine thousand, five hundred and forty one naira, seventy four kobo) for the year.

<b>Actual</b>	<b>Budgeted</b>	<b>Variance</b>
<b>₦16,989,541.74</b>	<b>₦33,359,000.00</b>	<b>₦16,369,459.26</b>

### **5.2.6 .MINISTRY OF GRANT AND DONOR AGENCIES**

#### **a. Personnel Cost:**

Out of a total provision of **₦13,630,810.00** (thirteen million, six hundred and thirty thousand, eight hundred and ten naira) the sum of **₦725,095.71** (seven hundred and twenty five thousand, ninety five naira, seventy one kobo) was spent during the year leaving the sum of **₦12,905,714.24** (twelve million, nine

hundred and five thousand, seven hundred and fourteen naira, twenty nine kobo) unutilized.

<b>Actual</b>	<b>Budgeted</b>	<b>Variance</b>
₦725,095.71	₦13,630,810.00	₦12,905,714.24

**b. Overhead Cost:**

The sum of ₦9,226,250.00 (nine million, two hundred and twenty six thousand, two hundred and fifty naira) was spent for the year out of a total provision of ₦15,810,000.00 (fifteen million, eight hundred and ten thousand naira) with the sum of ₦6,588,750.00 (six million, five hundred and eighty eight thousand, seven hundred and fifty naira) unutilized.

<b>Actual</b>	<b>Budgeted</b>	<b>Variance</b>
₦9,226,250.00	₦15,810,000.00	₦6,588,750.00

**5.2.7 MINISTRY OF INTER PARTY DIALOGUE**

**a. Personnel Cost:**

The Ministry spent a total of ₦737,501.73 (seven hundred and thirty seven thousand, five hundred and one naira, seventy three kobo) out of a budget provision of ₦13,516,480.00 (thirteen million, five hundred and sixteen thousand, four hundred and eighty naira) and unutilized amount of ₦12,778,978.27 (twelve million, seven hundred and seventy eight thousand, nine hundred and seventy eight naira, twenty seven kobo)

<b>Actual</b>	<b>Budgeted</b>	<b>Variance</b>
₦737,501.73	₦13,516,480.00	₦12,778,978.27

**b. Overhead Cost:**

During the period under review, the Ministry spent ₦5,634,754.62 (five million, six hundred and thirty four thousand, seven hundred and fifty four naira, sixty two kobo) out of a total budget provision of ₦26,124,770.00 (twenty six million, one hundred and twenty four thousand, seven hundred and seventy

naira) leaving the sum of **₦20,490,015.38** (twenty million, four hundred and ninety thousand, fifteen naira, thirty eight kobo) unaccessed.

<b>Actual</b>	<b>Budgeted</b>	<b>Variance</b>
<b>₦5,634,754.62</b>	<b>₦26,124,770.00</b>	<b>₦20,490,015.38</b>

### **5.2.8 .OFFICE OF THE SECRETARY TO THE STATE GOVERNMENT**

#### **a. Personnel Cost:**

The Office spent **₦57,159,152.82** (fifty seven million, one hundred and fifty nine thousand, one hundred and fifty two naira, eighty two kobo) out of a total budgetary provision of **₦88,279,510.00** (eighty eight million, two hundred and seventy nine thousand, five hundred and ten naira). The sum of **₦31,120,357.18** (thirty one million, one hundred and twenty thousand, three hundred and fifty seven naira, eighteen kobo) was the unspent amount.

<b>Actual</b>	<b>Budgeted</b>	<b>Variance</b>
<b>₦57,159,152.82</b>	<b>₦88,279,510.00</b>	<b>₦31,120,357.18</b>

#### **b. Overhead Cost:**

Cabinet Office spent **₦136,988,269.37** (one hundred and thirty six million, nine hundred and eighty eight thousand, two hundred and sixty nine naira, thirty seven kobo) less than its budgetary provision of **₦373,436,760.00** (three hundred and seventy three million, four hundred and thirty six thousand, seven hundred and sixty naira) by spending **₦236,448,490.63** (two hundred and thirty six million, four hundred and forty eight thousand, four hundred and ninety naira, sixty three kobo) only.

<b>Actual</b>	<b>Budgeted</b>	<b>Variance</b>
<b>₦236,448,490.63</b>	<b>₦373,436,760.00</b>	<b>₦136,988,269.37</b>

### **5.3 LIAISON OFFICE, ABUJA**

#### **a. Personnel Cost:**

This Office spent **₦4,208,629.33** (four million, two hundred and eight thousand, six hundred and twenty nine naira, thirty three kobo) out of the budgetary provision of **₦5,020,240.00** (five million, twenty thousand, two hundred and forty naira) leaving a positive variance of **₦811,610.67** (eight hundred and eleven thousand, six hundred and ten naira, sixty seven kobo).

<b>Actual</b>	<b>Budgeted</b>	<b>Variance</b>
<b>₦4,208,629.33</b>	<b>₦5,020,240.00</b>	<b>₦811,610.67</b>

#### **b. Overhead Cost:**

The budgetary provision was **₦16,400,000.00** (sixteen million, four hundred thousand naira) out of which its actual expenditure was **₦10,079,920.00** (ten million, seventy nine thousand, nine hundred and twenty naira) with an unutilized sum of **₦6,320,080.00** (six million, three hundred and twenty thousand, eighty naira) only.

<b>Actual</b>	<b>Budgeted</b>	<b>Variance</b>
<b>₦10,079,920.00</b>	<b>₦16,400,000.00</b>	<b>₦6,320,080.00</b>

### **5.4 LIAISON OFFICE, LAGOS**

#### **a. Personnel Cost:**

The Actual expenditure is **₦8,727,925.47** (eight million, seven hundred and twenty seven thousand, nine hundred and twenty five naira, forty seven kobo) out of a budgetary provision of **₦11,419,530.00** (eleven million, four hundred and nineteen thousand, five hundred and thirty naira) with an unaccessed amount of **₦2,691,604.53** (two million, six hundred and ninety one thousand, six hundred and four naira, fifty three kobo).

<b>Actual</b>	<b>Budgeted</b>	<b>Variance</b>
<b>₦8,727,925.47</b>	<b>₦11,419,530.00</b>	<b>₦2,691,604.53</b>

b. **Overhead Cost:**

The sum of **₦6,110,625.87** (six million, one hundred and ten thousand, six hundred and twenty five naira, eighty seven kobo) was spent out of a total of **₦12,546,820.00** (twelve million, five hundred and forty six thousand, eight hundred and twenty naira) budgetary provision for the year and **₦6,436,194.13** (six million, four hundred and thirty six thousand, one hundred and ninety four naira, thirteen kobo) unutilized amount.

<b>Actual</b>	<b>Budgeted</b>	<b>Variance</b>
<b>₦6,110,625.87</b>	<b>₦12,546,820.00</b>	<b>₦6,436,194.13</b>

**5.5 LIAISON OFFICE, ENUGU**

a. **Personnel Cost:** No provision, no expenditure.

b. **Overhead Cost:** The sum of **₦300,000.00** (three hundred thousand naira) only was spent on overhead without any budgetary expenditure for the year leaving a negative variance of **₦300,000.00** (three hundred thousand naira).

<b>Actual</b>	<b>Budgeted</b>	<b>Variance</b>
<b>₦300,000.00</b>	<b>-</b>	<b>(₦300,000.00)</b>

**5.6 UNDP**

a. **Personnel Cost:** No provision, no expenditure.

b. **Overhead Cost:** The sum of **₦700,000.00** (seven hundred thousand naira) was spent even when there was no budgetary provision.

<b>Actual</b>	<b>Budgeted</b>	<b>Variance</b>
<b>₦700,000.00</b>	<b>-</b>	<b>(₦700,000.00)</b>

## **5.7 NIGERIA SECURITY & CIVIL DEFENCE**

(a) **Personnel Cost:** No provision, no expenditure.

(b) **Overhead Cost:**

There was no budgetary provision yet a total of **₦700,000.00** (seven hundred thousand naira) was spent indicating a negative variance of **₦700,000.00** (seven hundred thousand naira) only.

<b>Actual</b>	<b>Budgeted</b>	<b>Variance</b>
₦700,000.00	-	(₦700,000.00)

## **5.8 OFFICE OF THE HEAD OF SERVICE**

a. **Personnel Cost:**

A total of **₦49,153,240.00** (forty nine million, one hundred and fifty three thousand, two hundred and forty naira) was provided for the Office while it spent only **₦32,312,337.30** (thirty two million, three hundred and twelve thousand, three hundred and thirty seven naira, thirty kobo) with the sum of **₦16,840,902.70** (sixteen million, eight hundred and forty thousand, nine hundred two naira, seventy kobo) unutilized.

<b>Actual</b>	<b>Budgeted</b>	<b>Variance</b>
₦32,312,337.30	₦49,153,240.00	₦16,840,902.70

b. **Overhead Cost:**

The Office spent **₦38,474,454.98** (thirty eight million, four hundred and seventy four thousand, four hundred fifty four naira, ninety eight kobo) out of a total provision of **₦56,745,910.00** (fifty six million, seven hundred and forty five thousand, nine hundred and ten naira) and an unutilized amount of **₦18,271,455.02** (eighteen million, two hundred and seventy one thousand, four hundred and fifty five naira, two kobo).

<b>Actual</b>	<b>Budgeted</b>	<b>Variance</b>
₦38,474,454.98	₦56,745,910.00	₦18,271,455.02

## **5.9 MINISTRY OF AGRICULTURE & NATURAL RESOURCES**

### **(a) Personnel Cost:**

Out of a total provision of **₦240,655,810.00** (two hundred and forty million, six hundred and fifty five thousand, eight hundred and ten naira), only **₦121,216,925.37** (one hundred and twenty one million, two hundred and sixteen thousand, nine hundred and twenty five naira, thirty seven kobo) was actually spent with an unutilized sum of **₦119,438,884.63** (one hundred and nineteen million, four hundred and thirty eight thousand, eight hundred and eighty eight naira, sixty three kobo).

<b>Actual</b>	<b>Budgeted</b>	<b>Variance</b>
<b>₦121,216,925.37</b>	<b>₦240,655,810.00</b>	<b>₦119,438,884.63</b>

### **(b) Overhead Cost:**

The Ministry spent **₦34,919,136.07** (three four million, nine hundred and nineteen thousand, one hundred and thirty six naira, seven kobo) less than the actual provision of **₦54,790,350.00** (fifty four million, seven hundred and ninety thousand, three hundred and fifty naira) having spent **₦19,871,214.93** (nineteen million, eight hundred and seven one thousand, two hundred and fourteen naira, ninety three kobo).

<b>Actual</b>	<b>Budgeted</b>	<b>Variance</b>
<b>₦19,871,214.93</b>	<b>₦54,790,350.00</b>	<b>₦34,919,136.07</b>

### **(c) Annual Extract**

#### ***Over payment of 2006 Promotion Arrears***

The sum of **two million, eight hundred and eighty seven thousand, two hundred and eighty four naira seventy two kobo (₦ 2,887,284.72)** was paid into the bank accounts of six staff of the Ministry of Agriculture and natural Resources vide payment vouchers MANR/PE/63 of 7<sup>th</sup> March, 2008 for **one million, eight hundred and sixty four thousand, sixty nine naira, thirty two kobo**

(N1,864,069.32); MANR/PE/262 of 5<sup>th</sup> August, 2008 for **nine hundred and seventy six thousand, six hundred and twenty three naira, thirty eight kobo (N976,623.38)**; and MANR/PE/263 of 7<sup>th</sup> August, 2008 for **forty six thousand, five hundred and ninety two naira, two kobo (N46,592.02)**. This payment was alleged to have been year 2006 arrears of promotion due to the recipients. Out of this amount, only **sixty nine thousand, four hundred and fifty eight naira, ninety one kobo (N69,458.91)** was the actual amount due to beneficiaries which they agreed has earlier been paid to them, while the sum of **two million, eight hundred and seventeen thousand, eight hundred and twenty five naira, eighty one kobo (N2,817,825.81)** was the inflated figure. The Civil Service Commission has already disposed of this issue as shown below:

S/NO.	NAME OF STAFF	DISCIPLINARY ACTION	REF. NO.
1.	Mbam Emmanuel	Refund N46,692.02. 10% of the above sum. Reduced in rank from G.L. 05 to G.L. 04 with effect from 19/05/09	EBS/CSC/09/002/I/240
2.	Alexander Nwalobu	Refund N39,186.60 and 10% of the above sum. Reduced in rank from G.L. 04 to G.L. 03 with effect from 19/05/09	EBS/CSC/09/002/I/238
3.	Okoro Innocent	Dismissed from the Civil Service of Ebonyi State with effect from 19/05/09	EBS/CSC/09/002/I/250
4.	Idam Moses	Refund N638,786.88 and 10% of the above sum. Reduced in rank from G.L. 12 to G.L. 10 with effect from 19/05/09	EBS/CSC/09/002/I/251
5.	Akwakwa Emmanuel	Dismissed from the Civil Service of Ebonyi State with effect from 19/05/09	EBS/CSC/09/002/I/251
6.	O. A. Uduma	Dismissed from the Civil Service of Ebonyi State with effect from 19/05/09	EBS/CSC/09/002/I/248
7.	Ukpai Oji Inya	Dismissed from the Civil Service of Ebonyi State	EBS/CSC/09/002/I/255

		with effect from 19/05/09	
8.	Egbe Akwari (Mrs.)	Dismissed from the Civil Service of Ebonyi State with effect from 19/05/09	
9.	Ukpai Oko Inya	Dismissed from the Civil Service of Ebonyi State with effect from 19/05/09	

### ***5.10 MINISTRY OF COMMERCE, INDUSTRY & MINERAL DEVELOPMENT***

#### **(a) Personnel Cost:**

While the budget provision was **₦133,582,970.00** (one hundred and thirty three million, five hundred and eighty two thousand, nine hundred and seventy naira), the actual expenditure made by the Ministry was **₦53,336,934.65** (fifty three million, three hundred and thirty six thousand, nine hundred and thirty four naira, sixty five kobo) leaving unaccessed amount of **₦60,246,035.35** (sixty million, two hundred and forty six thousand, thirty five naira, thirty five kobo).

<b>Actual</b>	<b>Budgeted</b>	<b>Variance</b>
<b>₦53,336,934.65</b>	<b>₦133,582,970.00</b>	<b>₦60,246,035.35</b>

#### **(b) Overhead Cost:**

The sum of **₦18,930,500.00** (eighteen million, nine hundred and thirty thousand, five hundred naira) was actually spent out of a budgetary provision of **₦42,220,000.00** (forty two million, two hundred and twenty thousand naira) and an unutilized sum of **₦23,289,500.00** (twenty three million, two hundred and eighty nine thousand, five hundred naira) arose as at the year end.

<b>Actual</b>	<b>Budgeted</b>	<b>Variance</b>
<b>₦18,930,500.00</b>	<b>₦42,220,000.00</b>	<b>₦23,289,500.00</b>

### **5.11 BUILDING MATERIAL INDUSTRY**

#### **a. Personnel Cost:**

The sum of ₦6,601,395.90 (six million, six hundred and one thousand, three hundred and ninety five naira, ninety kobo) was spent for the year.

<b>Actual</b>	<b>Budgeted</b>	<b>Variance</b>
₦6,601,395.90	-	(₦6,601,395.90)

#### **b. Overhead Cost:**

Out of a total provision of ₦4,200,000.00 (four million, two hundred thousand naira), only ₦150,000.00 (one hundred and fifty thousand naira) was spent with a positive variance of ₦4,050,000.00 (four million, fifty thousand naira).

<b>Actual</b>	<b>Budgeted</b>	<b>Variance</b>
₦150,000.00	₦4,200,000.00	₦4,050,000.00

### **5.12 EBONYI SALT AND MINERAL DEVELOPMENT**

#### **a. Personnel Cost:**

The sum of ₦3,025,931.80 (three million, twenty five thousand, nine hundred and thirty one naira, eighty kobo) was the actual expenditure.

<b>Actual</b>	<b>Budgeted</b>	<b>Variance</b>
₦3,025,931.80	-	(₦3,025,931.80)

#### **b. Overhead Cost:**

Only ₦50,000.00 (fifty thousand naira) was spent out of a total provision of ₦23,000,000.00 (twenty three million naira) with a positive variance of ₦22,950,000.00 (twenty two million, nine hundred and fifty thousand naira).

<b>Actual</b>	<b>Budgeted</b>	<b>Variance</b>
₦50,000.00	₦23,000,000.00	₦22,950,000.00

### **5.13 MINISTRY OF CULTURE AND TOURISM**

#### **a. Personnel Cost:**

The sum of **₦67,211,940.00** (sixty seven million, two hundred and eleven thousand, nine hundred and forty naira) was provided for the year, while **₦20,176,697.52** (twenty thousand, one hundred and seventy six thousand, six hundred and ninety seven naira, fifty two kobo) was actually spent. An unutilized sum of **₦47,035,242.48** (forty seven million, thirty five thousand, two hundred and forty two naira, forty eight kobo), therefore existed at the end of the financial year.

<b>Actual</b>	<b>Budgeted</b>	<b>Variance</b>
<b>₦20,176,697.52</b>	<b>₦67,211,940.00</b>	<b>₦47,035,242.48.</b>

#### **b. Overhead Cost:**

The sum of **₦34,332,370.37** (thirty four million, three hundred and thirty two thousand, three hundred and seventy naira, thirty seven kobo) was spent out of a total provision of **₦55,722,020.00** (fifty five million, seven hundred and twenty two thousand, twenty naira) and a positive variance of **₦21,389,649.63** (twenty one million, three hundred and eighty nine thousand, six hundred and forty nine naira, sixty three kobo) was observed.

<b>Actual</b>	<b>Budgeted</b>	<b>Variance</b>
<b>₦34,332,370.37</b>	<b>₦55,722,020.00</b>	<b>₦21,389,649.63</b>

### **5.14 STATE ART COUNCIL**

#### **a. Personnel Cost:**

A total of **₦14,588,415.70** (fourteen million, five hundred and eighty eight thousand, four hundred and fifteen naira, seventy kobo) was spent.

<b>Actual</b>	<b>Budgeted</b>	<b>Variance</b>
<b>₦14,588,415.70</b>	<b>-</b>	<b>(₦14,588,415.70)</b>

b. **Overhead Cost:** Out of a total budgetary provision of **₦5,500,000.00** (five million, five hundred thousand naira) only **₦700,000.00** (seven hundred thousand naira) was actually spent leaving the sum of **₦4,800,000.00** (four million, eight hundred thousand naira) unutilized.

<b>Actual</b> ₦700,000.00	<b>Budgeted</b> ₦5,500,000.00	<b>Variance</b> (₦4,800,000.00)
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## 5.15 MINISTRY OF HEALTH AND ENVIRONMENT

(a) **Personnel Cost:** Personnel Costs for the Ministry of Health and Environment for the year was **one hundred and forty five million, eight hundred and six thousand, nine hundred and eighty three naira, nine kobo (₦ 145,806,983.09)**. This represents 9.41% of the budgeted sum of **one billion, five hundred and forty nine million, eight hundred and forty one thousand, four hundred and ninety naira (₦ 1,549,841,490.00)**. Unutilized funds for the Ministry is thus **one billion, four hundred and four million, thirty four thousand five hundred and six naira, ninety one kobo (₦ 1,404,034,506.91)** or 90.59% of budgeted sum.

(b) **Overhead Cost:**

Out of a budget of **one hundred and fifty million, two hundred and thirty six thousand, four hundred and ten naira (₦ 150,236,410.00)** for Overhead in the Ministry, **sixteen million, six hundred and fifty seven thousand, five hundred and six naira, thirty two kobo (₦ 16,657,506.32)** or 11.09% was utilized. This leaves **one hundred and thirty three million, five hundred and seventy eight thousand, nine hundred and three naira, sixty eight kobo (₦ 133,578,903.68)** or 88.91% of the budgetary provisions of the Ministry utilized as represented below:

	<b>Budgeted ₦</b>	<b>Actual ₦</b>	<b>Unutilized ₦</b>
Personnel Cost	1,549,841,490.00	145,806,983.09	1,404,034,506.91
Overhead	150,236,410.00	16,657,506.32	133,578,903.68

(c) **Annual Abstract**

***Diversion of Purported Arrears of Rural/Promotion Arrears Cashier, Internal Auditor and Payroll Office.***

The sum of **ten million, six hundred and sixty eight thousand, fifty naira, four kobo (₦ 10,668,050.04)** alleged to have been paid into the bank accounts of 25 staff of the Ministry of Health as arrears of 2005/2006 Rural Posting/Promotion was discovered by Audit to have been diverted into the bank accounts of Messrs Nkama Ude. Opoke Alex and Chukwu, the Payroll Officer, Cashier and Internal Auditor respectively of the Ministry between March and September, 2008.

***Duplication of Names for Staff Annual Leave Allowance***

It was also observed that the sum of **five hundred and five thousand, two hundred and fifty four naira, eighty kobo (₦ 505,254.80)** being amount of money arising from the duplication of names of staff of the Ministry for the 2008 annual leave allowances was also diverted by the then Cashier of the Ministry, Mr. Alex Opoke.

The above issues have been disposed of by the Civil Service Commission as stated below:

<b>S/NO.</b>	<b>NAME OF STAFF</b>	<b>DISCIPLINARY ACTION</b>	<b>REF. NO</b>
1.	Elizabeth Anigor (Chief Accountant G.L. 14)	Warned not to sign payment vouchers while on official maternity leave. To forfeit 2009 salary increment. Deferred her 2009 promotion to 2010	EBS/CSC/09/002/I/91
2.	Alex Opoke (Cashier) PEO (Accounts) G.L. 12	Dismissed from the Civil Service of Ebonyi State with effect from 16/04/09. To refund N2.50 million as pledged in writing by him	EBS/CSC/09/002/I/90

3.	Nkama Ude (Payroll Officer) SEO (Accounts) G.L. 10	Dismissed from the Civil Service of Ebonyi State with effect from 16/04/09. To refund N2.6 million as pledged in writing by him	EBS/CSC/09/002/I/89
4.	John Chukwu (HOU, Internal Audit) ACEO (Accounts) G.L.	Dismissed from the Civil Service of Ebonyi State with effect from 16/04/09. To refund N2.50 million as pledged in writing by him	EBS/CSC/09/002/I/90

(d)i **Personnel Cost:**

The two major parastatals supervised by the Ministry of Health had no individual budgetary provisions reported for them. These two: Ebonyi State University Teaching Hospital and State Hospital Management Board however spent **one billion, eighty five million, three thousand, two hundred and twenty six naira seventy seven kobo (₦ 1,085,003,226.77)** and **two hundred and twenty seven million, seven hundred and twelve thousand, seven hundred and fourteen naira eighteen kobo (₦ 227,712,714.18)** respectively on Personnel Costs against a lump sum provision of **one billion, one hundred and fifty million naira (₦ 1,150,000,000.00)** for them. This resulted in an overspending of **one hundred and sixty two million, seven hundred and fifteen thousand, nine hundred and forty naira (₦ 162,715,940.00)** or 14.15% of the budgeted sum.

Again lump sum budgetary provision for the two establishments does not allow for a fair assessment of budgetary performance.

## 5.16 MINISTRY OF WORKS & TRANSPORT

(a) **Personnel Cost:**

The sum of **₦80,544,720.00 (Eighty million, five hundred and forty four thousand, seven hundred and twenty naira)** was budgeted while the sum of

**₦51,851,903.31 (Fifty one million, eight hundred and fifty one thousand nine hundred and three naira thirty one kobo)** was spent thereby leaving the sum of **₦28,692,816.69 (Twenty eight million, six hundred and ninety two thousand, eight hundred and sixteen naira sixty nine kobo)** unutilized during the period under review.

<b>ACTUAL (₦ )</b>	<b>BUDGETED(₦ )</b>	<b>VARIANCE (₦ )</b>
51,851,903.31	80,544,720.00	28,692,816.69

**(b) Overhead Cost:**

The Ministry had budgetary provision of **₦158,639,820.00 (One hundred and fifty eight million, six hundred and thirty nine thousand eight hundred and twenty naira)** whereas it spent the sum of **₦106,549,763.45 (One hundred and six million, five hundred and forty nine thousand, seven hundred and sixty three naira forty five kobo only)** thus having an unutilized fund of **₦52,089,056.55 (Fifty two million, eighty nine thousand, fifty six naira fifty five kobo only)** at the end of the financial year.

<b>ACTUAL (₦ )</b>	<b>BUDGETED (₦ )</b>	<b>VARIANCE (₦ )</b>
106,549,763.45	158,639,820.00	52,089,056.55

**(c) Annual Abstract:**

***Non Recovery of plant Advances:***

Plant advances due from some payments on certificates of work completed were not removed during the year. Sample of such payments include:

<b>Date</b>	<b>Payment</b>	<b>Amount (₦ )</b>
05/09/08	04	248,108,849.70
01/09/08	03	132,652,283.00
30/04/08	12	71,910,000.00
28/08/08	02	100,642,800.00
16/09/08	04	246,720,690.00

The Ministry claims that the non-deduction of plant advance is in compliance with clause 74(4) of the General condition of contract issued by the FMW&H which form part of the contract agreement. Audit verification of the contract agreements however revealed a provision that when the General condition of contract conflict with the contract agreement, the Agreement supersedes.

It is my opinion that it is irresponsible of the Ministry to deny the State the use of the fund that should arise from the deduction of plant advances especially in this period of economic difficulty. Accordingly, I have directed that the Ministry should deduct the above stated sums from payments due to the companies concerned.

## **5.17 MINISTRY OF EDUCATION**

### **(a) Personnel Cost:**

Actual expenditure on Personnel Cost for the Ministry alone amounted to **forty million, seven hundred thousand, five hundred and eighty eight naira, thirty five kobo (₦ 40,700,588.35)**, while the total provision for the Ministry and its Parastatals on Personnel Cost was **three billion, eight hundred and seventy eight million, thirty seven thousand, and ninety naira (₦ 3,878,037,090.00)**. The actual for the Ministry was reported as stated above while those of the Parastatals were not, thus making it difficult for me to express my opinion on the subject other than to state that the figure representing the unutilized fund does not appear to be correct, since our verification showed that staff there were Personnel expenditures incurred by the Parastatals within the financial year.

### **(b) Overhead Cost:**

Regarding Overhead Costs, **one hundred and one million, two hundred and sixty six thousand, one hundred and twelve naira, twenty seven kobo (₦ 101,266,112.27** representing 16.19% of the **six hundred and twenty five million, six hundred and sixteen thousand, five hundred and sixty naira**

(**₦ 625,616,560.00**) budgeted for the Ministry was utilized. Unutilized funds thus amounted to **five hundred and twenty four million, three hundred and fifty thousand, four hundred and forty seven naira, seventy three kobo (₦ 524,350,447.73)** or 83.81% of the budgeted sum. Again, the expenditures were not clearly split between the Ministry and its Parastatals so as to determine the extent of distribution of available funds.

	<b>BUDGET (₦ )</b>	<b>ACTUAL (₦ )</b>	<b>UNUTILIZED (₦ )</b>
Personnel Cost	3,878,037,090.00	40,700,588.35	3,837,336,501.65
Overhead	625,616,560.00	101,266,112.27	524,350,447.73

(c) **Annual Abstract**

***Illegal Adding on of WHT to contract sum.***

A variation in the contract price for the supply of school furniture initiated by the Ministry led to the loss of **five million, eight hundred and fifty three thousand, eight hundred and ninety four naira (₦ 5,853,894.00)** in the form of WHT and Education levies paid by the government on behalf of the contractors. The Ministry claim of ignorance is unsatisfactory to Audit.

***Fraudulent Application of Government Examination fee subsidy for External candidates.***

Against Government policy, the Ministry accepted private candidates for the May/June SSCE and applied the **three thousand naira (₦ 3000.00)** Exam fee subsidy meant for internal candidates also on the private candidates. For Abakaliki Zone alone, for which verification has been completed, a total of 1,753 private candidates were registered for the two exams. Exam fee subsidy fraudulently applied to these private candidates amounted to **five million, two hundred and sixty five thousand naira (₦ 5,265,000.00)**.

A reply to the interim report sent to the Permanent Secretary in this regard is awaited.

***Audit verification of Phase I and II projects on 27 Pilot Boarding Schools in Ebonyi State revealed that:***

(i.) A total number of three projects were not executed even when the contractors were paid a total of **ten million, three hundred and twenty one thousand, one hundred and nineteen naira and fifty six kobo (₦ 10,321,119.56)**. Details are as stated below.

S/ NO.	NAME OF SCHOOL	PROJECT	CONTRACTOR	AMOUNT PAID TO DATE
1.	Govt. Sec. Sch. Afikpo	Renovation of Dormitory	Chief Aka A. N.	1,500,000.00
2.	Govt. Sec. Sch. Afikpo	Renovation of Refectory	Onany Nig. Ltd	1,500,000.00
3.	Ezillo Girls Sec. Sch.	New Quarters	Ozua Invest. Ltd	7,321,199.58
<b>TOTAL</b>				<b>10,321,199.56</b>

(ii) A total number of 10 projects have one problem or the other as stated below:

S / N	Name of Contractor	Project	Location	Initial Contract Sum	Variation	New Contract Sum	Total Payment to date	Status of Project	Remarks
1.	Consolidated Masters	Renovation of Dorm (Upstair)	-do-	8,990,298.00	899,020.98	9,080,200.98	9,080,200.98	Completed	Roof leaking
2.	JAUNE KAY LTD First Royal Press	Dorm(Renovation) Ref (Renovation)	Ugwuachara GSS -do-	7441,112.50 6,761,212.00	74,111.13 64,612.12	7,515,223.63 6,825,824.12	7,515,223.63 6,761,212.50	-do- -do-	Roof leaking
3.	Sookie Nig. Ltd. -do-	Renovation Dorm Ref. Renovation	Sharon -do-	4,976,927.00 500,000.00	49,769.27 Nil	5,026,696.27 500,000.00	4,976,927.50 500,000.00	-do- -do-	Broken leuvres not changed
4.	Ogban Invest. Ltd.	Renovation Dorm	ST Edans	6,074,166.50				-do-	Roof leaking
5.	Kendo Ventures DGM Int. Vent. Kendo Ventures	Renovation Dorm Renovation Ref. Renovation Dorm	Ezza High Sch. Amuzu -do- -do-	6,074,160.00 5,156,556.00 6,074,160	60,741.60 51,565.56 1,050,669.00	7,124,829.00 5,028,121.56 6,134,901.60	6,134,901.60 5,208,121.56 7,124,829.00	-do- -do- Emerging issues yet to be cleared with the Ministry	Roof leaking -do-

6	Elekwachi	Dorm Reno. 1 wing	Akaeze Sec Sch.	9,590,462.00	95,904.62	9,686,366.62	9,590,467.00	Completed	No Sucker well
	Creative Heritage	New Quarter	-do-	6,598,378.00	725,821.58	7,324,199.58	6,441,829.40	Completed	
	Uzaek Venture	Ref. Renovation	-do-	10,210,522.00	102,105.22	10,312,627.22	8,835,996.19	Completed	
	Edon Nig. Ltd.	Fencing & Gate House	C.S.S Okposi Eheku	15,702,304.70			7,385,804.19	Fence on-going	No gate house
	Edon Nig. Ltd.	Renovation of 2 classroom block	-do-	13,528,495.50			6,780,361.49	Not completed	Roof leaking
	Aguiyi Nig. Ltd.	Renovation of Ref. Block	-do-	4,863,114.98			4,379,885.20	Completed	Roof leaking

(iii) A total sum of **one million, nine hundred and fifty three thousand, five hundred and sixty eight naira, seventy four kobo (₦ 1,953,568.74)** was paid over and above the contract sum to three contractors as stated below:

S/No	Name of Contractor	Project	Location	Contract Sum	Total Payment to Date	Status of Project	Remarks
1.	Chibueze Agbo & Sons	New Staff Qters	-do-	7,324,199.58	7,914,157.87	Completed	Over payment of contract sum by ₦589,960.29
2.	Illang Ventures	Renovation of Principal/Staff Qters	-do-	8,661,154.10	9,379,666.83	Completed	Over payment of contract sum by ₦718,572.73
3.	Aguiyi Nig. Ltd.	-do II -	-do-	2,015,500.83	2,660,536.55	Completed	Contract sum over Paid by ₦645,035.72

(d)i. **Personnel Cost**

Of the **Parastatals** and **Agencies** supervised by the Ministry, only Examination Development Centre had a budgetary provision for Personnel Cost reported. Actual Expenditure by the Centre in this regard was **three million, six hundred and ninety three thousand, seven hundred and sixty three naira, ninety five kobo (₦ 3,693,763.95)** or 48.56% of the budgeted sum of **seven million, six hundred and seven thousand, four hundred and ten naira (₦ 7,607,410.00)**.

Unutilized funds were thus **three million, nine hundred and thirteen thousand, six hundred and forty six naira, five kobo (₦ 3,913,646.05)** or 51.44%.

The other **Parastatals** and **Agencies** supervised by the Ministry of Education incurred Personnel Costs as listed below even though no budgetary provisions were reported for them individually.

	<b>₦</b>
Mass Literacy	2,718,646.83
Library Board	14,304,225.80
Ebonyi State College of Education	272,251,836.00
Ebonyi State University	2,020,000,000.00
SUBEB	121,323,986.00
Scholarship board	8,372,281.09
Secondary Education Board	1,186,160,548.11
	<b>3,625,131,523.83</b>

The lump sum provision of **three billion, six hundred and forty eight million, seven hundred and fifty three thousand, ten naira (₦ 3,648,753,010.00)** set against these **Parastatals** and **Agencies** does not allow for a fair assessment of budget performance by them. The practices of reporting a lump sum provision for several agencies defeats one of the purposes for budgeting i.e. to provide a control over expenditure.

**(d)ii Overhead Costs:**

Overhead expenditure by Examination Development Centre amounted to **three million, six hundred and seventy seven thousand, one hundred and twenty seven naira sixty three kobo (₦ 3,677,127.63)** or 18.33% of the budgeted sum of **twenty million, fifty seven thousand, sixty naira (₦ 20,057,060)**. 81.67% of budgeted sum i.e. **sixteen million, three hundred and seventy nine thousand,**

**nine hundred and thirty two naira, thirty seven kobo (₦ 16,379,932.37)** was unutilized.

Out of **thirty seven million naira (₦ 37,000,000.00)** Overhead budgeted for **State Library Board**, the Board spent **one million, six hundred thousand naira (₦ 1,600,000.00)** or 4.32% of the budgeted sum. Unutilized funds for the Board is thus **thirty five million, four hundred thousand naira (₦ 35,400,000.00)** or 95.68% of budgeted sum.

Out of **nine hundred and thirty million naira (₦930,000,000.00)** Overhead budgeted for **Ebonyi State University**, **thirty five million naira (₦ 35,000,000.00)** or 3.76% was actually spent. Unaccessed fund was thus **eight hundred and ninety five million naira (₦ 895,000,000.00)** or 96.24% of budgeted sum.

#### **5.17.1 SECONDARY EDUCATION BOARD**

**Secondary Education Board** spent **one hundred and twenty three million, six hundred and eighty one thousand, seven hundred and seventy three naira, seventy four kobo (₦ 123,681,773.74)** on Overheads for the year. This amount is above the budgetary provision of **one hundred and seventeen million, two hundred and forty thousand naira (₦ 117,240,000.00)** by **six million, four hundred and forty one thousand, seven hundred and seventy three naira, seventy four kobo (₦ 6,441,773.74)** or 5.5% of budgeted sum.

#### **5.17.2 AGENCY FOR MASS LITERACY**

**Agency for Mass Literacy** spent **three million, one hundred thousand naira (₦ 3,100,000.00)** out of the **seven million, three hundred and forty thousand naira (₦ 7,340,000.00)** provided for their Overhead. This represents 42.23% of the budgeted sum. Unutilized fund is therefore **four million, two hundred and forty thousand naira (₦ 4,240,000.00)** or 57.77%.

### 5.17.3 EBONYI STATE COLLEGE OF EDUCATION

Ebonyi State College of Education spent **twelve million naira (₦ 12,000,000.00)** representing **52.17%** of the **twenty three million naira (₦ 23,000,000.00)** provided for their Overhead during the year. This shows unutilized funds of **eleven million, nine hundred and ninety nine thousand, eight hundred and eighty one naira (₦ 11,999,881.00)** or **47.83%** of budgeted sum.

### 5.17.4 EBONYI STATE UNIVERSAL BASIC EDUCATION BOARD

#### (a) Overhead Cost:

Universal Basic Education Board spent **eighty four million, eight hundred thousand naira (₦ 84,800,000.00)** representing **73.74%** of the **one hundred and fifteen million naira (₦ 115,000,000.00)** provided for their Overhead during the year. This leaves **thirty million, two hundred thousand naira (₦ 30,200,000.00)** or **26.266%** of the budgeted sum as unutilized funds for the period.

A total Overhead expenditure of **twenty six, six hundred and eighty thousand, nine hundred and sixty naira (₦ 26,680,960.00)** was incurred on the following subheads for which no budgetary provision were made:

	₦
Zonal Chief Supervising Principal	12,000,000.00
Monthly Imprest for Principals	12,280,960.00
Zonal and Area Inspector of Education	2,400,000.00
	<hr/>
	<b>26,680,960.00</b>
	<hr/> <hr/>

No evidence of authority for virement was presented to audit in this regard.

#### (b) Annual Extract

It was observed that the Board received **twelve million, four hundred and sixty six thousand, six hundred and twenty naira (₦ 12,466,620.00)** for the payment of staff salaries for the month of April, 2008. This amount is **one million four**

**hundred and fifty three thousand, nine hundred and thirty naira, sixteen kobo (N 1,453,930.16)** more than the sum of **eleven million, twelve thousand, six hundred and eighty nine naira, sixteen kobo (N 11,012,689.16)** required to pay the salaries of members of staff of the Board for the month.

The Board should refund the sum of **one million, four hundred and fifty three thousand, nine hundred and thirty naira (N 1,453,930.00)** to the State.

***Payments without supporting documents:***

Audit observed that payments totaling **four million, seven hundred and seventy seven thousand naira (N 4,777,000.00)** made by the Board in 2008 have no supporting retirement documents. Such payments could not be verified by Audit.

***Government Revenue not Accounted for:***

Revenue totaling **seventy eight thousand, five hundred naira (N 78,500.00)** collected by the Board through the registration of contractors were not accounted for. Contrary to regulation, cash receipts were not issued for some of the collection.

The Chief Accounting Officer of the Board, the Executive Chairman, has been notified of these observations. A response from him is awaited.

**5.18 MINISTRY OF JUSTICE**

	<b>Budgeted N</b>	<b>Actual N</b>	<b>Unutilized N</b>
Personnel Cost	49,669,200.00	36,153,829.00	13,515,371.00
Overhead	44,575,000.00	17,135,125.10	27,439,875.00

**(a) Personnel Cost:**

Actual Personnel Costs of the Ministry was **thirty six million, one hundred and fifty three thousand, eight hundred and twenty nine naira, ten kobo (N36,153,829.10)**, 72.79% of the budgetary provision of **forty nine million, six**

**hundred and sixty nine thousand two hundred naira (N49,669,200.00)** for the year. Unutilized provision for Personnel Costs was **thirteen million, five hundred and fifteen thousand, three hundred and seventy one naira (N13,515,371.00)** or 27.21% of budgeted amount.

**(b) Overhead Cost:**

Regarding Overhead, **twenty seven million, four hundred and thirty nine thousand, eight hundred and seventy five naira (N27,439,875.00)** or 61.56% of the budgeted sum of **forty four million, five hundred and seventy five thousand naira (N44,575,000.00)** was not utilized. Actual Overhead was **seventeen million, one hundred and thirty five thousand, one hundred and twenty five naira (N17,135,125.00)** or 38.44% of budgeted amount.

**(c) Annual Extract**

***i. Issuance of Unofficial Receipts for Contract Agreements Processing and Justice of Peace Application Fees***

All revenues accruing from Contract Agreement Processing Fees and Justice of Peace Application Fees since the creation of Ebonyi State to date were being covered with unofficial privately printed receipts instead of Revenue Collector's Receipt Book (I.T. Book 6A). All efforts to recover the unofficial privately printed receipts booklets and the Stores Receipts Vouchers (SRVS) proved abortive.

***ii. Revenues Spent at Source***

All revenues accruing from Contract Agreement Processing Fees and Justice of Peace Application Fees since October, 1996 are being spent at Source.

***iii. Revenues not paid into Consolidated Revenue Fund Account***

Revenues accruing from Contract Agreements Processing Fees and Justice of Peace Application Fees since 1996 were not paid into the Consolidated Revenue Fund Account.

## 5.19 BOARD OF INTERNAL REVENUE

### (a) Personnel Cost:

Actual Personnel Costs of the Board for the year was **forty eight million, four hundred and one thousand, six hundred and sixty six naira seven kobo (N48,401,666.07)** as against the budgetary provision of **one hundred and five million, three hundred and thirty six thousand, two hundred and fifty naira (N105,336,250.00)**. Actual expenditure is 45.95% of budgetary provision. Unutilized funds amounted to **fifty six million, nine hundred and thirty four thousand, five hundred and eighty three naira, ninety three kobo (N56,934,583.93)** or 54.05%.

### (b) Overhead Cost:

The Board overspent their budgetary provision for Overhead during the year. While **forty six million, four hundred and sixty one thousand, eight hundred and ten naira (N46,461,810.00)** was provided for, the Board spent **fifty three million, five hundred and thirty three thousand, nine hundred and ninety seven naira (N53,533,997.00)**, an overspending of **seven million, seventy two thousand, one hundred and eighty seven naira (N7,072,187.00)** or 15.22% of budgeted sum.

	<b>Budgeted (₦ )</b>	<b>Actual (₦ )</b>	<b>Unutilized (₦ )</b>
Personnel Cost	105,336,250	48,401,666.07	56,934,583
Overhead	46,461,810	53,533,997.00	(7,072,187.00)

### (c). Annual Extract

#### ***MOTOR LICENSING OFFICE - ISU ONICHA***

#### **Embezzlement of N828,025.00 by Mr. Aloysius Uro Akani (MLA, ISU)**

It was observed that Mr. Aloysius Uro Akani, Motor Licencing Authority (MLA) Isu in Onicha Local Government Authority, embezzled the sum of **eight hundred**

and twenty eight thousand, twenty five naira (N828,025.00) which he collected from the underlisted revenue items.

S/NO.	REVENUE ITEM	AMOUNT (N )
1.	New Registration	227,875.00
2.	Change of Ownership	68,625.00
3.	Hackney Permit (H/P)	2,500.00
4.	Learners Permit (L/P)	53,150.00
5.	Vehicle Test	26,250.00
6.	Motor Cycle Licence (Private)	117,500.00
7.	Motor Cycle Licence (Commercial)	181,250.00
8.	Commercial Motor Vehicle Licence (Buses)	28,875.00
9.	Commercial Motor Vehicle Licence (Pick-Up)	4,375.00
10.	Motor Vehicle Licence (Lorries/Tippers)	10,625.00
11.	Motor Vehicle Licence (Private)	107,000.00
		<b>828,025.00</b>

He admitted this irregularity and made a written undertaking to make good the embezzled amount. Mr Akani, however, did not enter the embezzled amount in any of the day books.

***Internally Generated Revenue of N 1,397,500.00 not Accounted for***

A total Internally Generated Revenue (IGR) Collected by both the Tax Assessment Authority and the Tax Collector Messrs Egwu Innocent and Onwe Chukwuma respectively of Ishielu Tax Office was **two million, six hundred and forty four thousand, three hundred naira (N 2,644,300.00)** while only the sum of **one million, two hundred and forty six thousand, seven naira (N 1,246,700.00)** was paid Government Treasury, leaving a balance of **one million three hundred and ninety seven thousand, five hundred naira (N1,397,500.00)** unaccounted for between January and December, 2006.

## 5.20 MINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT

	<b>Budgeted (₦)</b>	<b>Actual (₦)</b>	<b>Unutilized (₦)</b>
Personnel Cost	154,673,790	65,444,453.40	89,229,336.60
Overhead	35,182,260	28,394,969.13	6,787,290.87

### (a) Personnel Cost:

Out of one hundred fifty four million, six hundred and seventy three thousand, seven hundred and ninety naira (N154,673,790.00) provided as Personnel Costs for the Ministry of Finance, the Ministry spent sixty five million, four hundred and forty four thousand, four hundred and fifty three naira (N65,444,453.40) or 42.31% of the budgeted amount eighty nine million, two hundred and twenty nine thousand, three hundred and thirty six naira, sixty kobo (N89,229,336.60) or 57.69% of the budgeted amount was unutilized.

### (b) Overhead Cost:

Overhead expenditure by the Ministry amounted to twenty eight million, three hundred and ninety four thousand, nine hundred and sixty nine naira thirteen kobo (N28,394,969.13). This is 80.71% of the budgeted provision for the year of thirty five million, one hundred and eighty two thousand, two hundred and sixty naira (N35,182,260.00). Thus leaving unutilized funds of six million, seven hundred and eighty seven thousand, two hundred and ninety naira, eighty seven kobo (N6,787,290.87) or 19.29% of the budgeted sum.

## 5.21 MINISTRY OF INFORMATION AND STATE ORIENTATION

	<b>Budgeted ₦</b>	<b>Actual ₦</b>	<b>Unutilized ₦</b>
Personnel Cost	225,726,500	47,462,347.67	178,264,152.33
Overhead	138,557,380	18,334,954.43	120,222,434.57

(a) **Personnel Cost:**

Out of the **two hundred and twenty five million, seven hundred and twenty six thousand, five hundred naira (₦ 225,726,500.00)** budgeted for Personnel Costs in the Ministry of Information and State Orientation, **forty seven million, four hundred and sixty two thousand, three hundred and forty seven naira (₦ 47,462,347.67)** or 21.03% of the Provision was utilized. The actual expenditure is further disaggregated into **thirty six million, three hundred and thirty three thousand, four hundred and twenty nine naira, sixty seven kobo (₦ 36,333,429.67)** and **eleven million, one hundred and twenty eight thousand, nine hundred and eighteen naira (₦ 11,128,918.00)** for the Ministry and Government Printing Press respectively. Unutilized provision for Personnel Cost amounted to **one hundred and seventy eight million, two hundred and sixty four thousand, one hundred and fifty two naira, thirty three (₦ 178,264,152.33)** or 78.97% of budgeted sum.

(b) **Overhead Cost:**

Unutilized provision for overhead for the Ministry amounted to **one hundred and twenty million, two hundred and twenty two thousand, four hundred and thirty four naira, fifty seven kobo (₦ 120,222,434.57)** or 86.77% of the budgetary provision of **one hundred and thirty eight million, five hundred and fifty seven thousand, three hundred and eighty naira (₦ 138,557,380.00)** as **eighteen million, three hundred and thirty four thousand, nine hundred and forty five naira forty three kobo (₦ 18,334,945.43)** or 13.23% budgeted amount was actually spent.

(c) **Personnel Cost for Corporations supervised by Ministry of Information**

The Corporations supervised by the Ministry of Information and State Orientation Ebonyi State Newspaper Corporation, EBBS and Ebonyi Cable Television had a lump sum budgetary provision for personnel costs of **two hundred and thirteen million, five hundred and forty thousand naira (₦ 213,540,000.00)** reported for

them. A total actual expenditure of **one hundred and fourteen million, two hundred and fifty eight thousand, three hundred and ninety five naira, twenty one kobo (N114,258,395.21)** or 53.51% of lump, sum provision was made by the three organization as detailed below:

Ebonyi State Newspaper	30,981,694.00
Ebonyi Broadcasting Service	67,175,737.61
Ebonyi Cable Television	16,100,963.60
	<b>114,258,395.21</b>

## 5.22 MINISTRY OF LANDS & SURVEY

	<b>Budgeted ₦</b>	<b>Actual ₦</b>	<b>Unutilized ₦</b>
Personnel Cost	67,451,060.00	50,378,508.59	17,072,551.41
Overhead	44,575,000.00	17,135,125.00	27,439,875.00

### (a) Personnel Cost:

Actual Personnel Costs incurred by the Ministry is **fifty million, three hundred and seventy eight thousand, five hundred and eight naira, fifty nine kobo (N50,378,508.59)** or 74.64% of budgetary provision of **sixty seven million, four hundred and fifty one thousand, sixty naira (N67,451,060.00)**. Unutilized provision for Personnel Costs is **seven million, seventy two thousand, five hundred and fifty one naira, forty one kobo (N7,072,551.41)** or 25.31% of budgeted amount.

### (b) Overhead Cost:

**Twenty seven million, four hundred and thirty nine thousand, eight hundred and seventy five naira (N27,439,875.00)** or 61.56% was unutilized out of the **forty four million, five hundred and seventy five thousand naira (N44,575,000.00)** budgeted for Overhead in the Ministry. Actual Overhead expenditure for the year was **seventeen million, one hundred and thirty five**

**thousand, one hundred and twenty five naira (N17,135,125.00)** or 38.44% of Overhead budget.

The two Parastatals under the Ministry namely, Housing Corporation and Capital Development Authority had a lump sum provision of **thirty one million, three hundred thousand naira (N31,300,000.00)** out of which **thirteen million, eight six thousand, one hundred and ninety two, eighty two kobo (N13,086,192.82)** or 41.81% was utilized leaving unutilized provision of **eighteen million, two hundred and thirteen thousand, eight hundred and seven naira (N18,213,807.18)** or 58.19%

The draw backs of lump sum provision for several organizations had been noted.

The overhead performance of offices supervised by the Ministry of Lands and survey are summarized below:

	<b>Budgeted ₦</b>	<b>Actual ₦</b>	<b>Unutilized ₦</b>
Office of the Survey-General	10,104,000.00	4,631,000.00	5,473,000.00
Housing Corporation	6,000,000.00	600,000.00	5,400,000.00
Capital Development Board	140,592,660.00	1,553,160.00	139,039,500.00

### **5.23 MINISTRY OF LOCAL GOVERNMENT & CHIEFTANCY MATTERS**

	<b>Budgeted</b>	<b>Actual ₦</b>	<b>Unutilized ₦</b>
Personnel Cost	105,557,700.00	26,658,686.61	78,899,013.39
Overhead	32,833,320.00	14,906,318.75	17,927,001.25

**(a) Personnel Cost:**

As shown above, out of a personnel cost budget of **One hundred and five million, five hundred fifty seven thousand, seven hundred naira ₦105,557,700.00** the Ministry spent **Twenty six million, six hundred and fifty eight thousand, six**

**hundred and eighty six naira sixty one kobo ₦26,658,686.61** or 25.26% with an unutilized balance of **Seventy eight million, eight hundred and ninety nine thousand, thirty naira thirty nine kobo ₦78,899,013.39** or 74.74% of its budget provision.

**(b) Overhead Cost:**

Also, out of an overhead budget of **thirty two million, eight hundred and thirty three thousand, three hundred and twenty naira N32,833,320.00** the Ministry spent **Fourteen million, nine hundred and six thousand three hundred eighteen, seventy five kobo N14,906,318.75** or 45.40% with an unutilized balance of **Seventeen million, nine hundred and twenty seven thousand one naira twenty five kobo N17,927,001.25** or 54.6% its annual budget.

**5.24 MINISTRY OF PUBLIC UTILITIES:**

**(a) Personnel Cost:**

Ministry of Public Utilities spent 76.73% their Personnel cost budget of **Forty two million, four hundred seventy six thousand, seven hundred and thirty naira ₦42,476,730.00** with an unutilized balance of **Nine million, eight hundred thirty eight thousand nine hundred and thirty naira, thirty one kobo. ₦9,838,930.31** or 23.27% of the budgeted amount.

**(b) Overhead Cost:**

Regarding overheads, the Ministry spent 42.34% of the **Eighty one million, five hundred thousand naira N81,500,000** budgeted for them. Unutilized provision was **Forty six million, nine hundred and ninety two thousand, six hundred seventy seven naira nine seven kobo) ₦46,992,677.97** or 57.66%.

	<b>Budgeted ₦</b>	<b>Actual ₦</b>	<b>Unutilized ₦</b>
Personnel Cost	42,476,730.00	32,592,799.69	9,883,930.31

Overhead	81,500,000.00	34,507,322.03	46,992,677.97
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It is not possible to assess the individual personnel cost budget performance of Parastatals under the Ministry of Public Utilities as the reported budgetary Provision is a lump sum of **Sixty one million nine hundred thousand naira ₦61,900,000**. The Parastatals incurred total Personnel Costs of **sixty two million, seven hundred and ninety five thousand, six hundred and fifteen naira, thirty kobo (₦62,795,615.30)**, thus overspending their provision by **eight hundred and ninety five thousand, six hundred and fifteen naira, ninety four kobo (₦895,615.94)** or 1.45%. Details of their expenditure are shown below.

	₦
Rural Electrification Board	22,059,488.90
EBRUWASSA	7,822,684.96
Water Corporation	32,913,441.44
	<b>62,795,615.30</b>

Overhead expenditures for the parastatals are as detailed below.

Establishment	Budgeted	Actual	Unutilized	% Unutilized
Rural Electrification Board	10,700,000	100,000	10,600,000	99.07
EBRUWASSA	10,700,000	100,000	10,600,000	99.07
Water Corporation	-	-	-	-

## 5.25 MINISTRY OF WOMEN AFFAIRS

(a) **Personnel Cost:** Out of **Thirteen seven million seven hundred forty five thousand five seventy naira ₦37,745,570** budgeted for Personnel Costs in Ministry of Women Affairs, **Twenty seven million nine seventy five thousand five hundred twenty one naira ninety six kobo ₦27,975,521.96** or 74.12% was spent. Unutilized provision amounted to **Nine million, seven hundred and seventy thousand thirty one naira four kobo ₦9,770,031.04** or 25.88%

(b) **Overhead Cost:** Also out of twenty five million, three hundred and fifty six thousand, seven hundred and fifty naira (N25,356,750.00) budgeted for overhead costs in the Ministry, **Eighteen Million two hundred and ninety five thousand, forty three seventy five kobo ₦18,295,043.75** or 72.15% was spent. Unutilized overhead provision thus amounted to **Seven million, sixty one thousand seven hundred six naira twenty five kobo ₦7,061,706.25** or 27.85%.

	<b>Budgeted ₦</b>	<b>Actual ₦</b>	<b>Unutilized ₦</b>
Personnel Cost	37,745,570.00	27,975,521.96	9,770,018.04
Overhead	25,356,750.00	18,295,043.75	7,061,706.25

## 5.26 MINISTRY OF YOUTH AND SPORTS

(a) **Personnel Cost:**

During the period under review, the sum of **₦63,993,090.00 (Sixty three million, nine hundred and ninety three thousand ninety naira only)** was budget for personnel cost but the Ministry spent the sum of **₦21,430,967.52 (Twenty one million four hundred and thirty thousand, nine hundred sixty seven naira fifty two kobo only)** thus giving rise to unutilized sum of **₦42,562,122.48 (forty two million, five hundred and sixty two thousand, one hundred and twenty two naira forty eight kobo).**

	<b>Budgeted ₦</b>	<b>Actual ₦</b>	<b>Unutilized ₦</b>
Personnel Cost	63,993,090.00	21,430,967.52	42,562,122.48

(b) **Overhead Cost:**

The sum of **₦71,036,590.00 (Seventy one million, thirty six thousand five hundred and ninety naira only)** was budgeted while the sum of **₦29,388,041.65 (Twenty nine million, three hundred and eighty eight thousand forty one naira sixty five kobo only)** was actually spent. This resulted in unutilized fund of

**₦41,648,548.35 (Forty one million six hundred and forty eight thousand, five hundred and forty eight naira thirty five kobo only).**

	<b>Budgeted ₦</b>	<b>Actual ₦</b>	<b>Unutilized ₦</b>
Overhead	71,036,590.00	29,,388,041.65	7,061,706.25

## **5.27 STATE SPORTS COUNCIL**

### **(a) Personnel Cost:**

The sum of **₦38,300,000.00 (Thirty million, three hundred thousand naira only)** was budgeted for personnel cost while what was actually spent was **₦16,971,758.94 (Sixteen million, nine hundred and seventy one thousand seven hundred and fifty eight naira ninety four kobo)**. This gave rise to unutilized fund of **₦21,328,241.06 (Twenty one million, three hundred and twenty eight thousand two hundred and forty one naira six kobo)**.

b. **Overhead Cost:** The sum of **₦13,000,000.00 (Thirteen million naira only)** was also budgeted for overhead cost whereas the sum of **₦2,000,000.00 (Two million naira only)** was spent during the period under review. Thus resulting in an unutilized fund of **₦11,000,000.00 (Eleven million naira) only**.

<b>ACTUAL</b>	<b>BUDGETED</b>	<b>VARIANCE</b>
<b>₦</b>	<b>₦</b>	<b>₦</b>
16,971,758.94	38,300,000.00	21,828,241.06

## **5.28 STATE AUDIT DEPARTMENT**

### **(a) Personnel Cost:**

There was no indication of any budgetary provision for personnel cost for the State Audit during the period under review but the sum of **₦45,311,491.41 (Forty five million, three hundred and eleven thousand, four hundred and ninety one naira forty one kobo only)** was spent.

<b>ACTUAL</b>	<b>BUDGETED</b>	<b>VARIANCE</b>
<b>₦</b>	<b>₦</b>	<b>₦</b>
45,311,491.41	-	-

**b. Overhead Cost:**

The sum of **₦10,606,000.00** (Ten million, six hundred and six thousand naira only) was budgeted while the sum of **₦5,011,083.37** (Five million, eleven thousand eighty three naira thirty seven kobo only) was spent, thus giving rise to an unutilized fund of **₦5,594,916.63** (Five million, five hundred and ninety four thousand nine hundred and sixteen naira sixty three kobo only)

<b>ACTUAL</b>	<b>BUDGETED</b>	<b>VARIANCE</b>
<b>₦</b>	<b>₦</b>	<b>₦</b>
5,011,083.37	10,606,000.00	5,594,916.63

## **5.29 LOCAL GOVERNMENT AUDIT**

**(a) Personnel Cost:**

There was also no indication of any budgetary provision for personnel cost for the Local Government Audit but the sum of **₦27,294,243.57** (Twenty seven million, two hundred and ninety four thousand two hundred and forty three naira fifty seven kobo only) was spent.

<b>ACTUAL</b>	<b>BUDGETED</b>	<b>VARIANCE</b>
<b>₦</b>	<b>₦</b>	<b>₦</b>
27,294,243.57	-	-

**(b) Overhead Cost:**

A budgetary provision of **₦20,098,810.00** (Twenty million, ninety eight thousand eight hundred and ten naira only) was made for overhead cost whereas the sum of **₦4,393,861.25** (Four million, three hundred and ninety three thousand eight hundred and sixty one naira twenty five kobo) was actually spent. This gave rise to unutilized fund of **₦15,704,948.75** (Fifteen million, seven hundred and four thousand nine hundred forty eight naira seventy five kobo only) during the period under review.

<b>ACTUAL</b>	<b>BUDGETED</b>	<b>VARIANCE</b>
<b>₦</b>	<b>₦</b>	<b>₦</b>
4,393,861.25	20,098,810.00	15,704,948.75

### 5.30 CIVIL SERVICE COMMISSION

#### (a) Personnel Cost:

The sum of **₦22,271,940.00** (Twenty two million, two hundred and seventy one thousand nine hundred and forty naira only) was budgeted for personnel cost while the sum **₦17,845,129.57** (Seventeen million, eight hundred and forty five thousand one hundred twenty nine naira fifty seven kobo), was spent during the period under review. This resulted to an unutilized fund of **₦4,426,810.43** (Four million, four hundred and twenty six thousand eight hundred and ten naira forty three kobo only)

<b>ACTUAL</b>	<b>BUDGETED</b>	<b>VARIANCE</b>
<b>₦</b>	<b>₦</b>	<b>₦</b>
17,845,129.57	22,271,940.00	4,426,810.43

#### (b) Overhead Cost:

While the sum of **₦15,460,400.00** (Fifteen million, four hundred and sixty thousand, four hundred naira only) was budgeted for overhead cost the sum of **₦9,596,016.74** (Nine million, five hundred and ninety six thousand sixteen naira seven four kobo only) was spent, leaving an unutilized fund of **₦5,864,383.26** (Five million, eight hundred and sixty four thousand three hundred eighty three naira twenty six kobo only).

<b>ACTUAL</b>	<b>BUDGETED</b>	<b>VARIANCE</b>
<b>₦</b>	<b>₦</b>	<b>₦</b>
9,596,016.74	15,460,400.00	5,864,383.26

### 5.31 LOCAL GOVERNMENT SERVICE COMMISSION

#### (a) Personnel Cost:

The sum of **₦2,496,990.00** (Two million, four hundred and ninety six thousand nine hundred and ninety naira only) was budgeted for personnel cost whereas what was actually spent was **₦1,851,857.89** (One million, eight hundred and fifty one thousand eight hundred fifty seven naira eighty nine kobo only). This

resulted to unutilized fund of **₦645,132.11**(Six hundred forty five thousand one hundred and thirty two naira eleven kobo only).

<b>ACTUAL</b>	<b>BUDGETED</b>	<b>VARIANCE</b>
<b>₦</b>	<b>₦</b>	<b>₦</b>
1,851,857.89	2,496,990.00	645,132.11

**(b) Overhead Cost:**

Overhead cost budgetary provision of **₦3,350,000.00** (Three million, three hundred and fifty thousand naira only) was made while the sum of **₦1,535,422.24** (One million, five hundred and thirty five thousand four hundred and twenty two naira twenty four kobo only) was spent. This gave rise to unutilized fund of **₦1,814,577.76** (One million, eight hundred and fourteen thousand five hundred seventy seven naira seventy six kobo only).

**5.32 EBONYI STATE HOUSE OF ASSEMBLY**

**(a) Personnel Cost:**

The sum of **₦269,456,450.00** (Two hundred and sixty nine million, four hundred fifty six thousand four hundred and fifty naira only) was budgeted for personnel cost but the sum of **₦255,801,018.17** (Two hundred and fifty five million eight hundred and one thousand eighteen naira seventeen kobo only) was actually spent. This resulted to an unutilized fund of **₦13,655,431.83** (Thirteen million six hundred and fifty five thousand four hundred and thirty one naira eighty three kobo only) during the period under review.

<b>ACTUAL</b>	<b>BUDGETED</b>	<b>VARIANCE</b>
<b>₦</b>	<b>₦</b>	<b>₦</b>
255,801018.17	269,456,450.00	13,655,431.83

**(b) Overhead Cost:**

During the period under review the sum of **N349,083,220.00** was budgeted for overhead cost but what was actually spent was **N306,006,507.67**. This gave rise to an unutilized fund of **N43,076,712.33**.

<b>ACTUAL</b>	<b>BUDGETED</b>	<b>VARIANCE</b>
<b>₦</b>	<b>₦</b>	<b>₦</b>
306,006,507.67	349,083,220.00	43,076,712.33

### **5.33 JUDICIAL SERVICE COMMISSION**

#### **(a) Personnel Cost:**

Budgetary Provision of **N29,969,140.32** was made for Personnel Cost while the sum of **N16,167,081.32** was the amount actually spent, leaving an unutilized fund of **N13,802,058.68**

<b>ACTUAL</b>	<b>BUDGETED</b>	<b>VARIANCE</b>
<b>₦</b>	<b>₦</b>	<b>₦</b>
16,167,081.32	29,969,140.00	13,802,058.68

#### **(b) Overhead Cost:**

Whereas the sum of **N5,507,610.00** was budgeted for Overhead Cost the sum of **N2,661,854.25** was actually spent during the period under review. This resulted to an unutilized **N3,145,755.75**.

<b>ACTUAL</b>	<b>BUDGETED</b>	<b>VARIANCE</b>
<b>₦</b>	<b>₦</b>	<b>₦</b>
2,661,854.25	5,507,610.00	3,145,755.75

### **5.34 STATE INDEPENDENT ELECTORAL COMMISSION**

#### **(a) Personnel Cost:**

The sum of **N30,309.080.00** was budgeted for personnel cost while the sum of **N29,856,904.33** was actually spent during the period under review. This resulted to an unutilized fund of **N452,175.67**

<b>ACTUAL</b>	<b>BUDGETED</b>	<b>VARIANCE</b>
<b>₦</b>	<b>₦</b>	<b>₦</b>
29,856,904.33	30,309.080.00	452,175.67

- (b) **Overhead Cost:** While the sum of **N12,498,440.00** was budgeted for overhead cost, the sum of **N7,728,451.74** was the amount actually spent. Thus giving rise to unutilized fund of **N4,769,988.26**.

<b>ACTUAL</b>	<b>BUDGETED</b>	<b>VARIANCE</b>
<b>₦</b> 7,728,451.74	<b>₦</b> 12,498,440.00	<b>₦</b> 4,769,988.26

### **5.35 JUDICIARY – HIGH COURT:**

- (a) **Personnel Cost:**

There was no indication of budgetary provision for Personnel Cost whereas the sum of **N159,259,097.39** was spent during the period under review.

<b>ACTUAL</b>	<b>BUDGETED</b>	<b>VARIANCE</b>
<b>₦</b> 159,259,097.39	<b>₦</b> -	<b>₦</b> -

- (b) **Overhead Cost:**

The sum of **N52,649,550.00** was budgeted for Overhead Cost while the sum of **N37,676,048.75** was actually spent, thus resulting to an unutilized fund of **N14,973,501.25**

<b>ACTUAL</b>	<b>BUDGETED</b>	<b>VARIANCE</b>
<b>₦</b> 37,676,048.75	<b>₦</b> 52,649,550.00	<b>₦</b> 14,973,501.25

### **5.36 JUDICIARY - CUSTOMARY COURT**

- (a) **Personnel Cost:**

There was also no indication of budgetary provision for personnel cost for the period under review while the sum of **N123,909,684.51** was the amount spent.

<b>ACTUAL</b>	<b>BUDGETED</b>	<b>VARIANCE</b>
<b>₦</b> 123,909,684.51	<b>₦</b> -	<b>₦</b> -

(b) **Overhead Cost:**

While the sum of **N23,184,000.00** was budgeted for an Overhead Cost, the sum of **N10,626,000.00** was actually spent, thereby leaving an unutilized fund of **N12,558,000.00**.

<b>ACTUAL</b>	<b>BUDGETED</b>	<b>VARIANCE</b>
<b>₦</b> 10,626,000.00	<b>₦</b> 23,184,000.00	<b>₦</b> 12,558,000.00

**5.37 EBONYI STATE CABLE TELEVISION (ECTV)**

**Annual Abstract**

Periodic Audit checks show that the original receipts were not being handed over to the advertisers as the General Manager, Mr. Victor Iduma collects the money and merely instructs the revenue officer, Mrs.Oluchi Ogba, to write the receipts later. Example of such transactions is as shown below:

<b>S/NO.</b>	<b>DATE</b>	<b>RECEIPT NO.</b>	<b>AMOUNT (N)</b>
1.	01/03/08	1414	10,000.00
2.	28/03/08	1412	10,000.00
3.	26/03/08	1417	77,000.00
4.	No Date	1422	20,000.00
5.	06/05/08	1424	9,000.00
6.	05/05/08	1425	10,000.00
7.	15/05/08	1426	18,000.00
8.	19/05/08	1427	10,000.00
9.	26/05/08	1428	10,000.00
10.	06/05/08	1444	10,000.00
11.	25/05/08	1446	8000.00
			192,000.00

The implication of this mode of revenue collection is that not all monies collected by the General Manager would be remitted to the revenue officer and it is devoid of all manners of accountability.

### **5.38 EBONYI STATE UNIVERSITY, ABAKALIKI**

#### **Annual Extract**

##### **(a) *Non Submission of Audited Annual Financial Statement***

The University has since inception not submitted Audited Annual Financial Statement and Domestic Report to the audit for my comments as required by section 125 of the Constitution of the Federal Republic of Nigeria, 1999. Present requests by me have not yielded any results.

##### **(b) *PAYE Tax Deduction Not Remitted To Board of Internal Revenue***

Audit verification of tax remitted carried out during the year revealed that a total of **five million, two hundred and eleven thousand, seven naira, seventy three kobo (N5,211,007.73)** being PAYE tax deductions had not been remitted to the Board of Internal Revenue.

Also, taxes amounting to **one hundred and seventy three thousand, three hundred and forty nine naira, forty five (N173,349.45)** due from salary arrears to members of staff of the University were not deducted. The Vice Chancellor had been informed of these observations. No response has been received from him.

## **AUDIT CERTIFICATE**

The Accounts of Government of Ebonyi State of Nigeria for the financial year ended 31<sup>st</sup> December, 2008, have been examined by me in accordance with- section 125, sub-section 2 of the Constitution of the Federal Republic of Nigeria, 1999. I have obtained all the information and explanations that I required and I certify, subject to the comments contained in my report dated 28<sup>th</sup> October, 2009, that in my opinion and to the best of my knowledge and belief, the financial statements reflect a true and fair view of financial transactions of the Government of Ebonyi State Nigeria for the year ended 31<sup>st</sup> December, 2008.

**Chief B. O. Ezaegu**  
Auditor-General

Office of the State Auditor-General,  
P. M. B. 034,  
Abakaliki.

28<sup>th</sup> October, 2009