

PART ONE
INTRODUCTION

The Accounts of the Government of Ebonyi State of Nigeria and all the related financial statements for the year ended 31st December, 2009, 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 31st December, 2009, 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 CONSOLIDATED REVENUE FUND

i. Internally Generated Revenue:

An examination of the Internally Generated Revenue shows discrepancies between the figures as contained in the books and records of the State Board of Internal Revenue that of the Revenue Monitoring team of the Accountant-General's Office and the amount contained in the Financial Statements submitted to me by the Accountant-General. Details are as shown below:

	BIR Figure (₦)	Acct.-Gen.'s Monitoring Team Figure (₦)	Acct.-Gen.'s Financial Statement Figure (₦)
Tax (BIR)	1,573,028,948.00	1,259,443,223.36	1,099,154,240.55
Tax (Acct.-Gen.'s Office)	-	811,872,955.95	272,951,599.17
Licenses	58,402,340.00	-	26,214,565.00

The Accountant General has been advised to set up an Inter Departmental Committee to reconcile this. Audit investigation is still in progress.

ii. Excess Crude Receipts:

The sum of **₦1,523,135,610.68** (*One billion, five hundred and twenty-three million, one hundred and thirty-five thousand, six hundred and ten naira, sixty-eight kobo*) only being the state's share of proceeds of excess crude oil account for

November 2009 shared in December 2009 was omitted in the financial statement. The receipt was reflected in the bank statements, however.

iii. **Statutory Allocation:**

The following differences were observed in the statutory allocation reported in the statement and actual receipts verified by audit.

	Receipts as per financial statement (₦)	Actual Receipts (₦)	Difference (₦)
June 2009	1,347,888,924.66	1,348,068,924.66	(180,000.00)
October 2009	1,267,858,834.01	1,265,858,834.01	2,000,000.00

iv. **Consolidated Revenue Fund Charges:**

Audit observed a difference of **₦1,000,000 (One million naira)** only between the amounts claimed in the statement and records presented to it. While the sum of **₦146,737,643.37 (One million, seven hundred and thirty-seven thousand, six hundred and forty-three naira, thirty-seven kobo)** only was reported in the statement, records submitted to Audit showed a total expenditure of **₦145,737,043.37 (One hundred and forty-five million, seven hundred and thirty-seven thousand, forty-three naira, thirty-seven kobo)** only.

2.2 REDEMPTION OF CBN CERTIFICATE OF N240,000,000.00

The Audit observed that CBN Certificate of **N240,000,000.00 (two hundred and forty million)** which was sold in June, 2002 was still being carried as **Investment**

up to 2008 in the State Annual Accounts. Upon inquiry the Head of Department, Accounts Production, Mr. C. N. Nwonyi said that he was not aware of the disposal until the year 2009.

3.3 CAPITAL DEVELOPMENT FUND

Tax Deductions on Contract Payments

In my 2008 report, I had observed that some MDAs added Withholding Taxes and Education Levy to quotations by suppliers as if the State is to bear these taxes on profit. Unfortunately, this practice was observed again in 2009. Specific cases are included as annual abstracts against the MDA in the appropriation audit segment of this report.

It was also observed that some MDAs did not make the necessary tax deductions on contract payments. A case in point is the payment of the sum of **₦10,339,650.00** (*Ten million, three hundred and thirty-nine thousand, six hundred and fifty naira*) only to Fine Finishing Ltd vide PV 1 of 15th October 2009 by the Ministry of Information and State Orientation in respect of a contract for the production and supply of 2010 Calendar and Diaries.

Capital Payments Understated in the Capital Development Fund

The payment for two vehicles by the Office of the Auditor-General for Local Government vide PV 12 of 6th March, 2009 for **₦ 9,400,000.00** (**nine million, four**

hundred thousand naira) was reported in the Capital Development Fund as **₦ 8,366,000.00 (eight million, three hundred and sixty six thousand naira)** thus understating Capital Development payments by **₦ 1,034,000.00 (one million, thirty four thousand naira).**

The understatement of expenditure of this nature makes budget performance measurement difficult.

PART THREE

STATEMENT OF ASSETS AND LIABILITIES

3.1 ASSETS

BANK AND TREASURIES - ₦4,135,620,975.4 Four billion, one hundred and thirty-five million, six hundred and twenty thousand, nine hundred and seven-five naira, forty-five kobo.

The figure of ₦4,135,620,975.45 (Four billion, one hundred and thirty-five million, six hundred and twenty thousand, nine hundred and seventy-five naira, forty five kobo) represents the total cash held at all the banks maintained by the Accountant-General, Sub-Treasuries and Pay Offices in the State as at 31st December, 2009. However, the Board of Survey Certificates in respect of balances at the end of business on 31st December, 2009, were yet to be submitted to me as at the time of writing this report to enable me confirm the balances in the Accountant-General's Published Accounts.

3.2 INVESTMENTS (MOFI) – ₦298,125,369.90 (Two hundred ninety-eight million, one hundred and twenty-five thousand, three hundred and sixty-nine naira, ninety kobo)

Investments amounting to ₦298,125,369.90 (Two hundred and ninety-eight million, one hundred and twenty-five thousand, three hundred and sixty-nine naira, ninety kobo) represented the value of investments as at 31st December,

2009, held by Ebonyi State Government in form of shares in Banks and other Public Liability Companies and purchase of Central Bank of Nigeria Certificate. However, the current values of the share certificates could not be confirmed as they were yet to be presented to me as at the time of writing this report. The Accountant-General has been asked to reconcile and update the share certificate current values and present same to me for confirmation.

3.3 ADVANCES – ₦603,197,517.51 (Six hundred and three million, one hundred and ninety-seven thousand, five hundred and seventeen naira, fifty-one kobo)

The sum of *Six hundred and three million, one hundred and ninety-seven thousand, five hundred and seventeen naira, fifty-one kobo (₦603,197,517.51)* represents cash advances of *ten million, three hundred and ninety three thousand, two hundred and fifty seven naira, seventy two kobo (₦10,393,257.72)*; Car Advances of *two hundred and forty-eight million, eight hundred thousand, nine hundred and ninety five naira, eight kobo (₦248,800,995.08)*; Motor Cycle/Bicycle Loans of *six million, four hundred and sixty six thousand, six hundred and ninety seven naira, twenty six kobo (₦6,466,697,26)*; and Salary Advances of *three hundred and thirty seven million, five hundred and thirty-six thousand, five hundred and sixty-seven naira, forty-five kobo (₦337,536,567.45)*. However, details of the beneficiaries of these advances were yet to be presented to me for confirmation as at the time of this report.

3.4 LIABILITIES

Domestic Loans - Seven billion, one hundred and twenty-two million, two hundred and fourteen thousand, four hundred and ninety-five, twenty-two kobo (₦7,122,214,495.22).

This figure of *Domestic Loans - Seven billion, one hundred and twenty-two million, two hundred and fourteen thousand, four hundred and ninety-five, twenty-two kobo (₦7,122,214,495.22)* represents the difference between the total of *Eleven billion, two hundred and ninety-eight million, seven hundred and forty-nine thousand, nine hundred and thirty naira, eighty kobo (₦11,298,749,930.80)* owed by the Ebonyi State Government and a total repayment of *Four billion, one hundred and seventy-six million, five hundred and thirty-five thousand, four hundred and thirty-five naira, sixty-six kobo (₦4,176,535,435.66)*. Details of the creditors were yet to be presented to me for verification and confirmation.

3.5 FOREIGN LOANS - One billion, eight hundred and seventy-nine million, seven hundred and nineteen thousand, eight hundred and eighteen naira, twenty-four kobo (₦1,879,719,818.24)

The figure of *One billion, eight hundred and seventy-nine million, seven hundred and nineteen thousand, eight hundred and eighteen naira, twenty-four kobo*

(~~₦~~1,879,719,818.24) represents the net foreign loan of *Two billion, one hundred and thirty-six million, forty-eight thousand, one hundred and eighty-five naira, seventy-five kobo* (~~₦~~2,136,048,185.75) and a total repayment of *Two hundred and fifty-six million, three hundred and thirty thousand, three hundred and sixty-seven naira, fifty-one kobo* (~~₦~~256,330,367.51). Details of the foreign loans were yet to be presented to me for confirmation as at the time of writing this report.

PART FOUR

4.0 REPORT ON STATEMENT OF CONSOLIDATED REVENUE FUND

4.1 TAXES

The sum of *One billion, three hundred and seventy-two million, one hundred and five thousand, eight hundred and thirty-nine naira, seventy-two kobo* (₦1,372,105,839.72) was generated from taxes whereas the sum of *One billion, nine hundred and four million, nine hundred and thirty-eight thousand, eight hundred and ninety naira* (₦1,904,938,890) was budgeted for it. This gave a negative variance of *Five hundred and thirty-two million, eight hundred and thirty-three thousand, fifty naira, twenty-eight kobo* (₦532,833,050.28).

ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
1,372,105,839.72	1,904,938,890.00	(532,833,050.28)

4.2 FINES AND FEES

During the year under review, the sum of *Two hundred and seventy-two million, seven hundred and fifty-two thousand, two hundred and sixty-three naira, eleven kobo* (₦272,752,263.11) was generated from fines and fees while the sum of *Two billion, eight hundred and twenty-seven million, seven hundred and fifty-four thousand, four hundred* (₦2,827,754,400) was budgeted for it. This resulted to a

deficit of *Two billion, five hundred and fifty-five million, two thousand, one hundred and thirty-six naira, eighty-nine kobo (₦2,555,002,136.89).*

However, the sum of *One billion, eight hundred and fifty-four million, one hundred and seventy thousand, five hundred and eighty-two naira, ninety-one kobo (₦1,854,170,582.91)* was generated by thirteen parastatals of the State from fines and fees, while *One billion, one hundred and forty million, eight hundred and eighteen thousand, fifty-six naira (₦1,140,818,056.00)* was the annual estimate.

This shows a surplus of *Seven hundred and thirteen million, three hundred and fifty-two thousand, five hundred and twenty-six naira, ninety-one kobo (₦713,352,526.91)*

This brings the total actual revenue from all sources to *Two billion, one hundred and twenty-six million, nine hundred and twenty-two thousand, eight hundred and forty-six naira, two kobo (₦2,126,922,846.02)* with *Three billion, nine hundred and sixty-eight million, five hundred and seventy-two thousand, four hundred and fifty-six naira (₦3,968,572,456)* and a negative variance (deficit) of *One billion, eight hundred and forty-one million, six hundred and forty-nine thousand, six hundred and nine naira, ninety-eight kobo (₦1,841,649,609.98)*

ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
272,752,263.11	2,827,754,400.00	2,555,002,136.89

4.3 LICENCES

The sum of *Twenty-six million, two hundred and twenty-two thousand, four hundred and sixty-five naira (₦26,229,465.00)* was generated during the year while the sum of *Sixteen million, six hundred and forty-seven thousand, five hundred naira (₦16,647,500.00)* was the budget provision. This resulted to a surplus of *Nine million, five hundred and eighty-one thousand, nine hundred and sixty-five naira (₦9,581,965.00)*

ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
26,229,465.00	16,647,500.00	9,581,965.00

4.4 EARNINGS AND SALES

A surplus of *Eighty-eight million, four hundred and seventy-one thousand, four hundred and thirty naira (₦88,471,430.00)* was recorded during the year as the sum of *₦ 270,960,230.00 (Two hundred and seventy million, nine hundred and sixty thousand, two hundred and thirty naira)* was generated as against the budgeted figure of *₦ 182,488,800.00 (One hundred and eighty-two million, four hundred and eighty-eight thousand, eight hundred naira)*.

This excludes the sum of *₦68,087,142.75 (Sixty-eight million, eighty-seven thousand, one hundred and forty-two naira, seventy-five kobo)* generated from the same sub-head by five parastatals whose total budgetary provision was *₦116,853,800.00 (One hundred and sixteen million, eight hundred and fifty-*

three thousand, eight hundred naira) and a shortfall of *N48,766,657.75 (Forty-eight million, seven hundred and fifty-seven thousand, six hundred and fifty-seven naira, seventy-five kobo).*

This shows an aggregate revenue figure of *N339,047,372.25 (Three hundred and thirty-three million, forty-seven thousand, three hundred and seventy-two naira, twenty-five kobo)* and total budgetary provision of *N299,342,600 (Two hundred and ninety-nine million, three hundred and forty-two thousand, six hundred naira)* and a surplus revenue of *N39,704,772.25 (Thirty-nine million, seven hundred and four thousand, seven hundred and seventy-two naira, twenty-five kobo).*

ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
339,047,372.25	299,342,600	39,342,772.25

4.5 RENT ON GOVERNMENT PROPERTY

While the sum of *₦ 29,396,000.00 (Twenty-nine million, three hundred and ninety-six thousand)* was budgeted for rent on government property, the sum of *₦ 45,921,832.34 (Forty-five million, nine hundred and twenty-one thousand, eight hundred and thirty-two naira, thirty-four kobo)* was generated. This resulted to a surplus of *₦ 16,525,832.34 (Sixteen million, five hundred and twenty-five thousand, eight hundred and thirty-two naira, thirty-four kobo).* A parastatal,

Sports Council, generated *N200,000 (Twenty thousand naira)* out of a budgetary provision of *N396,000* and a deficit of *N196,000*. This brought to *N46,121,832.34 (Forty-six million, one hundred and twenty-one thousand, eight hundred and thirty-two naira, thirty-four kobo)* the total revenue from all sources with a surplus of *N16,329,832.34 (Sixteen million, three hundred and twenty-nine thousand, eight hundred and thirty-two naira, thirty-four kobo)* and the annual aggregate estimate of *N29,792,000.00 (Twenty-nine million, seven hundred and ninety-two thousand naira)*

ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
46,121,832.34	29,792,000.00	16,329,832.34

4.6 INTEREST REPAYMENT AND DIVIDENDS

The sum of *₦ 354,127,770.00 (Three hundred and fifty-four million, one hundred and twenty-seven thousand, seven hundred and seventy naira)* was budgeted whereas only a sum of *₦ 148,741,526.44 (One hundred and forty-eight million, seven hundred and forty-one thousand, five hundred and twenty-six naira)* was actually generated. This gave rise to a deficit of *₦ 205,386,243.56 (Two hundred and five million, three hundred and eighty-six thousand, two hundred and forty-three naira, fifty-six kobo)*.

ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
148,741,526.44	354,127,770.00	205,386,243.56

4.7 STATUTORY ALLOCATION FROM FEDERATION ACCOUNT

During the year under review, the State received from the Federation Account the net sum of **₦ 15,317,376,262.40** (*Fifteen billion, three hundred and seventeen million, three hundred and seventy-six thousand, two hundred and twenty-two naira, forty kobo*) as against the budgeted figure of **₦ 26,491,783,000** (*Twenty-six billion, four hundred and ninety-one million, seven hundred and eighty-three thousand naira*). This resulted to a deficit of **₦ 11,174,406,737.60** (*Eleven billion, one hundred and seventy-four million, four hundred and six thousand, seven hundred and thirty-seven naira, sixty kobo*).

ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
15,317,376,262.40	26,491,783,000.00	(11,174,406,737.00)

PART FIVE
APPROPRIATION AND ANNUAL ABSTRACT REPORT

5.1 INTRODUCTION

This part presents an analysis of observed budget performance by Ministries and Departments with regard to Personnel Emolument and Overheads. It also contains unresolved issues arising from recent audit inspection visits and periodic audit checks on Ministries/Departments and Parastatals respectively.

5.2 OFFICE OF THE EXECUTIVE GOVERNOR

5.2.1 GOVERNORS OFFICE:

(a) *Personnel Cost:* For the period, the office spent **₦ 450,227,778.40** (*Four hundred and fifty million, two hundred and twenty-seven thousand, seven hundred and seventy-eight naira, forty kobo*) against a budget of **₦ 373,018,770.00** (*Three hundred and seventy-three million, eighteen thousand, seven hundred and seventy naira*). This represents an excess expenditure of **₦ 77,209,008.40** (*seventy-seven million, two hundred and nine thousand, eight naira, forty kobo*).

(b) *Overhead Costs:* Total Overhead costs amounted to **₦ 2,347,451,960.60** (*Two billion, three hundred and forty-seven million, four hundred and fifty-one thousand, nine hundred and sixty naira, sixty kobo*) out of a budgeted figure of

₦ 2,154,250,900.00 (*Two billion, one hundred and fifty-four million, two hundred and fifty thousand, nine hundred naira*). Over spent funds for the period therefore amounted to **₦ 198,201,050.60** (*One hundred and ninety-eight million, two hundred and one thousand, fifty naira, sixty kobo*).

5.2.2 OFFICE OF THE DEPUTY GOVERNOR:

(a) **Personnel Cost:** Out of a budget of **₦ 45,930,400.00** (*Forty-five million, nine hundred and thirty thousand, four hundred naira*) the office spent **₦ 31,555,023.82** (*Thirty one million, five hundred and fifty-five thousand, twenty-three naira, eighty-two kobo*). Unspent funds amounted to **₦ 14,375,376.18** (*Fourteen million, three hundred and seventy-five thousand, three hundred and seventy-six naira, eighteen kobo*).

(b) **Overhead Costs:** Out of a budget of **₦81,500,600.00** (*Eighty-one million, five hundred thousand, six hundred naira*) for the period, the office spent **₦62,916,500.00** (*Sixty-two million, nine hundred and sixteen thousand, five hundred naira*) leading as unspent the sum of **₦18,584,100.00** (*Eighteen million, five hundred and eighty-four thousand, one hundred naira*).

5.2.3 STATE PLANNING COMMISSION

(a) **Personnel Cost:** The Commission overspent their Personnel Cost vote by **₦75,338,26** (*Seventy-five thousand, three hundred and thirty-eight naira, twenty-*

six kobo). The sum of **₦14,674,700.00** (*Fourteen million, six hundred and seventy-four thousand, seven hundred naira*) was provided for the Commission for its Personnel Costs but they spent **₦14,750,038,26** (*Fourteen million, seven hundred and fifty thousand, thirty-eight naira, twenty-six kobo*) during the year.

(b) **Overhead Cost:** Out of a provision of **₦13,500,600.00** (*Thirteen million, five hundred thousand, six hundred naira*) for Overhead Cost for the Commission, **₦4,817,088.95** (*Four million, eight hundred and seventeen thousand, eighty-eight naira, ninety-five kobo*) was spent, leaving the sum of **₦8,683,511.05** (*Eight million, six hundred and eighty-three thousand, five hundred and eleven naira, five kobo*) as unspent funds.

5.2.4 THE DEPARTMENT OF BORDER SECURITY AND CONFLICT RESOLUTION

(a) **Personnel Cost:** Actual expenditure on Personnel Emolument for the year was not disclosed. However, a provision of **₦ 15,566,700.00** (*Fifteen million, five hundred and sixty-six thousand, seven hundred naira*) was made for the year. Audit verification disclosed that expenditures on Personnel were merged with those of the Government House even though in the Budget for the financial year, they were separated. If actual expenditure will be merged in the Office of the Executive Governor, it is unnecessary to show individual budgetary provision for the department.

This comment applies also to such other departments under the Office of the Executive Governor such as Economic Empowerment and Poverty Alleviation, Inter Party Dialogue and Grants and Donor Agencies, where we observed similar treatment.

(b) **Overhead Cost:** The Department spent **₦10,696,938.43** (*Ten million, six hundred and ninety-six thousand, nine hundred and thirty-eight naira, forty-three kobo*) of the provision of **₦36,399,800.00** (*Thirty-six million, three hundred and ninety-nine thousand, eight hundred naira*) for the year. **₦25,702,861.57** (*Twenty-five million, seven hundred and two thousand, eight hundred and sixty-one naira, fifty-seven kobo*) was unspent.

DEPARTMENTS OF INTER-PARTY DIALOGUE AND GRANTS AND DONOR AGENCIES

(a) **Overhead Cost:** Out of a provision of **₦63,097,200.00** (*Sixty-three million, ninety-seven thousand, two hundred naira*) for the year the Department of Inter-Party Dialogue spent **₦3,401,024.94** (*Three million, four hundred and one thousand, twenty-four naira, ninety-four kobo*). This leaves unspent funds of **₦59,696,175.06** (*fifty nine million, six hundred and ninety six thousand, one hundred and seventy five naira, six kobo*). Also for the year, the Department of Grants and Donor Agencies spent **₦4,373,111.91** (*Four million, three hundred and seventy-three thousand, one hundred and eleven naira, ninety-one kobo*) of the **₦25,713,100.00** (*Twenty-five million, seven hundred and thirteen thousand,*

one hundred naira) of the budgeted sum leaving the sum of **₦21,339,988.09** (*Twenty-one million, three hundred and thirty-nine thousand, nine hundred and eighty-eight naira, nine kobo*) unutilized. This budget performance of the two departments in these regard are shown in the following table:

	ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
Inter Party Dialogue	3,401,024.94	63,097,200.00	59,696,175.06
Grant & Donor Agency	4,373,111.55	25,713,100.00	21,339,988.09

5.3 OFFICE OF THE SECRETARY TO THE STATE GOVERNMENT

(a) *Personnel Cost*: The Office spent a total of **₦125,983,881.85** (*One hundred and twenty-five million, nine hundred and eighty-three thousand, eight hundred and eighty-one naira, eighty-five kobo*) on Personnel Cost in the year. This represents an excess expenditure of **₦ 83,949,081.85** (*Eighty-three million, nine hundred and forty-nine thousand, eighty-one naira, eighty-five kobo*) over the budget provision of **₦42,034,800.00** (*Forty-two million, thirty-four thousand, eight hundred naira*)

ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
125,983,881.85	42,034,800.00	(83,949,081.85)

Explanation for this wide variance is yet to be received.

(b) **Overhead Cost:** Out of the total provision of **₦315,294,000.00** (three hundred and fifteen million, two hundred and ninety four thousand naira) for the year, **₦144,562,573.95** (one hundred and forty four million, five hundred and sixty two thousand, five hundred and seventy three naira, ninety five kobo) or 45.85% was spent leaving unutilized funds amounting to **₦170,731,426.07** (one hundred and seventy million, seven hundred and thirty one thousand, four hundred and twenty six naira, seven kobo) or 54.15%.

ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
144,562,573.95	315,294,000.00	170,731,426.07

5.3.1 **LIAISON OFFICE ABUJA:**

(a) **Personnel Cost:** The Office spent **₦4,433,834.47** (four million, four hundred and thirty three thousand, eight hundred and thirty four naira, forty seven kobo) out of the provision of **₦5,733,500.00** (five million, seven hundred and thirty three thousand, five hundred naira) leaving unspent funds amounting to **₦1,299,665.53** (one million, two hundred and ninety nine thousand, six hundred and sixty five naira, fifty three kobo).

ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
4,433,834.47	5,733,500.00	1,299,665.53

(b) **Overhead Cost:** Out of a provision of **₦19,758,700.00** (nineteen million, seven hundred and fifty eight thousand, seven hundred naira) for the year, the Liaison Office Abuja spent **₦8,707,200.00** (eight million, seven hundred and seven thousand, two hundred naira) on Overhead Cost for the period leaving a balance of **₦11,051,500.00** (eleven million, fifty one thousand, five hundred naira) or 55.93%.

ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
8,707,200.00	19,758,700.00	11,051,500.00

5.3.2 **LIAISON OFFICE LAGOS**

(a) **Personnel Cost:** Liaison Office Lagos spent **₦9,138,396.64** (nine million, one hundred and thirty eight thousand, three hundred and ninety six naira, sixty four kobo) out of a provision for Personnel Cost of **₦10,517,400.00** (ten million, five hundred and seventeen thousand, four hundred naira) for the period. This leaves a balance of **₦1,379,003.36** (one million, three hundred and seventy nine thousand, three naira, thirty six kobo) of budgeted sum.

ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
9,138,396.64	10,517,400.00	1,379,003.36

(b) **Overhead Cost:** Out of a provision of **₦11,537,800.00** (eleven million, five hundred and thirty seven thousand, eight hundred naira) for the year,

₦4,300,862.53 (four million, three hundred thousand, eight hundred and sixty two naira, fifty three kobo) was spent within the year. Unspent funds amounted to **₦7,885,024.32 (seven million, eight hundred and eight five thousand, twenty four naira, thirty two kobo)** or 68.34% of budget.

ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
4,300,862.53	11,537,800.00	7,885,024.32

5.3.3. LIAISON OFFICE ENUGU

Liaison Office Enugu, had no budgetary provision for Personnel Costs. No expenditure was attributed to the office in this regard. Also no budgetary provision for overhead costs was made for the office for the period. However an overhead expenditure of **₦ 88,000.00 (eighty eight thousand naira)** was recorded for the office.

5.4 MINISTRY OF PUBLIC UTILITIES

(a) Personnel Costs:

Personnel costs incurred by the Ministry for the year was **₦ 109,723,303.00 (one hundred and nine million, seven hundred and twenty three thousand, three hundred and three naira)**. This is **₦ 9,403,996.80 (nine million, four hundred and three thousand, nine hundred and ninety six naira, eighty kobo)** or 7.00% less than the **₦ 119,127,300.00 (one hundred and nineteen million, one hundred**

and twenty seven thousand, three hundred naira) budgeted for the Ministry for the year.

ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
109,723,303.20	119,127,300.00	9,403,996.80

(b) *Overhead Costs*

Out of ₦ 204,968,800.00 (two hundred and four million, nine hundred and sixty eight thousand, eight hundred naira) provided for Overhead costs, the Ministry spent ₦ 201,712,171.54 (two hundred and one million, seven hundred and twelve thousand, one hundred and seventy one naira, fifty four kobo). Unspent funds resulting from this is ₦ 3,256,628.00 (three million, two hundred and fifty six thousand, six hundred and twenty eight naira) or 1.58% of the budget.

ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
201,712,171.54	204,968,800.00	3,256,628.46

(c) *Annual Abstract*

i. REVENUE NOT ACCOUNTED FOR - ₦ 2,750,000.00

The sum of ₦ 2,750,000.00 (two million, seven hundred and fifty thousand naira) only being tender fees collected by the Ministry on 29th February 2008 was neither lodged into the Consolidated Revenue Fund (CRF) nor was any record of the collection kept by the Ministry. **Mr. S. Igbotu, the Assistant Chief Executive**

Officer (Accounts) then the **Head of Accounts Department of the Ministry** could not give satisfactory explanation as to the whereabouts of the amount.

The Permanent Secretary of the Ministry has been informed of these observations.

A response from him is being awaited.

ii. Non-Remittance of Tax Deduction, ₦52,842,751.00 to Relevant Authorities at Ebonyi State Water Corporation

Value Added Tax, withholding Tax and Education Levy amounting to **₦52,842,751.00 (fifty two million, eight hundred and forty two thousand, seven hundred and fifty one naira)** deducted by the Corporation from contracts of supply awarded between 2008 and 2009 were not remitted to the Revenue. The unremitted deductions are made up as follows:

	VAT (₦)	WHT (₦)	EDU LEVY (₦)	TOTAL (₦)
2008	11,984,075.00	11,984,075.00	2,396,815.00	26,364,965.00
2009	12,035,357.50	12,035,357.50	2,407,071.50	26,477,786.50
Total	24,019,432.50	24,019,432.50	4,803,886.50	52,842,751.50

The Corporation has been advised to remit these sums to the relevant tax authorities. A reply is being awaited from them.

5.5 OFFICE OF THE HEAD OF SERVICE

(a) **Personnel Cost:** A provision of **₦72,400,980.00** (seventy two million, four hundred thousand, nine hundred and eighty naira) for Personnel Cost was made for this Office, but it spent **₦37,333,228.40** (thirty seven million, three hundred and thirty three thousand, two hundred and twenty eight naira, forty kobo). This leaves the sum of **₦35,067,751.60** (thirty five million, sixty seven thousand, seven hundred and fifty one naira, sixty kobo) or 48.44% as unutilized provision for the year.

ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
37,333,228.40	72,400,980.00	35,067,751.60

(b) **Overhead Cost:** Actual expenditures on overhead cost for the year was **₦4,927,206.75** (four million, nine hundred and twenty seven thousand, two hundred and six naira, seventy five kobo). This is **₦10,646,593.25** (ten million, six hundred and forty six thousand, five hundred and ninety three naira, twenty five kobo) or 68.36% less than the budgetary provision for the year of **₦15,573,800.00** (fifteen million, five hundred and seventy three thousand eight hundred naira).

ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
4,927,206.75	15,573,800.00	10,646,593.25

Overhead Cost expenditure for other units within the Office of the Head of Service follow the same trend as above. Unutilized provisions range from 58.53% for General Administration Department to 95.10% for Public Service Manpower Development Department.

DEPARTMENT	ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)	% VARIANCE
Gen. Administration	1,780,872.11	4,295,300.00	2,514,427.89	58.53
Estab. Pension & Mgt Services	3,062,948.04	16,099,600.00	13,036,651.96	80.97
Public Service, Manpower Development.	3,570,618.66	72,948,400.00	69,377,781.34	95.10

5.6 MINISTRY OF AGRICULTURE & NATURAL RESOURCES

(a) **Personnel Cost:** The Ministry incurred Personnel Costs of **₦242,380,834.00** (two hundred and forty two million, three hundred and eighty thousand, eight hundred and thirty four naira) for the year out of a provision of **₦294,791,200.00** (two hundred and ninety four million, seven hundred and ninety one thousand, two hundred naira). Unutilized provision for the period amounted to **₦52,410,366.00** (fifty two million, four hundred and ten thousand, three hundred and sixty six naira) or 17.77%.

ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
242,380,834.00	294,791,200.00	52,410,366.00

(b) **Overhead Cost:** Out of an overhead budget of **₦56,949,600.00** (fifty six million, nine hundred and forty nine thousand, six hundred naira), **₦14,320,839.74** (fourteen million, three hundred and twenty thousand, eight hundred and thirty nine naira, seventy four kobo) was spent, leaving a balance of **₦42,628,760.26** (forty two million, six hundred and twenty eight thousand, seven hundred and sixty naira, twenty six kobo) or 74.85%.

ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
14,320,839.74	56,949,600.00	42,628,760.26

5.7 MINISTRY OF COMMERCE, INDUSTRY AND MINERAL DEVELOPMENT

(a) **Personnel Cost:** The Ministry of Commerce spent the sum of **₦72,872,024.02** (seventy two million, eight hundred and seventy two thousand, twenty four naira, two kobo) on Personnel Cost for the year. This represents 69.3% of the budgetary provision of **₦105,172,900.00** (one hundred and five million, one hundred and seventy two thousand, nine hundred naira) made for the year. Unutilized funds amounted to **₦32,300,875.98** (thirty two million, three hundred thousand, eight hundred and seventy five naira, ninety eight kobo).

ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
72,872,024.02	105,172,900.00	32,300,875.98

(b) **Overhead Cost:** The Ministry’s Overhead Cost profile showed that out of a provision of **₦48,949,600.00 (forty eight million, nine hundred and forty nine thousand, six hundred naira)** for the year, **₦20,019,745.90 twenty million, nineteen thousand, seven hundred and forty five naira, ninety kobo)** was spent, leaving a balance of **₦28,929,854.10 (twenty eight million, nine hundred and twenty nine thousand, eight hundred and fifty four naira, ten kobo)** or 40.09%.

ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
20,019,745.90	48,949,600.00	28,929,854.10

(c) **Annual Abstract**

i. **Withholding Tax and Education Levy Added on**

Withholding Tax and Education Levy amounting to **₦360,000.00 (three hundred and sixty thousand naira)** was added on to the cost of one Hilux Van procured by the Ministry bringing total cost to **₦6,000,000.00 (six million naira)**. In effect, the government paid **₦360,000.00 (three hundred and sixty thousand naira)** taxes on behalf of the supplier Charlums Global Resources Ltd.

It is instructive that among quotations received by the Ministry was one from Ilodibe Motors who quoted **₦5,450,000.00 (five million, four hundred and fifty thousand naira)** (VAT and WHT inclusive) for the same type of vehicle.

The Permanent Secretary has been advised to refund the taxes illegally added on.

A response from him is awaited.

5.8 *MINISTRY OF CULTURE AND TOURISM*

Expenditure on personnel costs amounted to **₦40,577,565.89** (forty million, five hundred and seventy seven thousand, five hundred and sixty five naira, eighty nine kobo) or 95.4% of the **₦42,534,200.00** (forty two million, five hundred and thirty four thousand, two hundred naira) provided for the year. Unutilized provision for Personnel Cost amounted to **₦1,956,634.11** (one million, nine hundred and fifty six thousand, six hundred and thirty four naira, eleven kobo).

ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
40,577,565.89	42,534,200.00	1,956,634.11

(b) *Overhead Cost:* Only (**₦26,064,585.24**) twenty six million, sixty four thousand, five hundred and eighty five naira, twenty four kobo of the Overhead Cost provision of **₦67,623,100.00** (sixty seven million, six hundred and twenty three thousand, one hundred naira) for the year was spent. Unutilized funds in this respect amounted to **₦41,558,514.76** (forty one million, five hundred and fifty eight thousand, five hundred and fourteen naira, seventy six kobo).

ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
26,064,585.24	67,623,100.00	41,558,514.76

(c) *Annual Abstract*

i. *Payment of Cash in Lieu of Annual Leave ₦306,209.48 at Ebonyi State Hotels, Abakaliki*

Between 2006 and 2009, the sum of **₦306,209.48 (three hundred and six thousand, two hundred and nine naira, forty eight kobo)** was paid to four (4) officers of the Hotel as cash in lieu of annual leave. The Public Service Rule recognizes that an officer can apply for a deferment of annual leave given the exigencies of duty or forfeits such leaves. The Rules do not allow for a payment of cash as compensation for leave not taken.

The Management of the Hotel are been advised to recover the sums paid from the beneficiaries. A reply is being awaited by audit.

5.9 MINISTRY OF EDUCATION

(a) *Personnel Cost:* Out of a provision of **₦1,721,769,600.00 (one billion, seven hundred and twenty one million, seven hundred and sixty nine thousand, six hundred naira)** for Personnel Costs for the year, the Ministry spent **₦1,602,715,008.87 (one billion, six hundred and two million, seven hundred and fifteen thousand, eight naira, eighty seven kobo)** of the provision amounting to **₦119,054,591.13 (one hundred and nineteen million, fifty four thousand, five hundred and ninety one naira, thirteen kobo)** unutilized.

(b)

ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
1,602,715,008.87	1,721,769,600.00	119,054,591.13

(b) *Overhead Cost:* Also, out of a provision of **₦2,860,938,800.00** (two billion, eight hundred and sixty million, nine hundred and thirty eight thousand, eight hundred naira) for Overhead Costs, the Ministry spent **₦2,185,506,717.38** (two billion, one hundred and eighty five million, five hundred and six thousand, seven hundred and seventeen naira, thirty eight kobo) of the provision resulting to **₦675,432,082.62** (six hundred and seventy five million, four hundred and thirty two thousand, eighty two naira, sixty two kobo) unutilized.

ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
2,185,506,717.38	2,860,938,800.00	675,432,082.62

(c) *Annual Abstract:*

Fraudulent Application of Government Examination Fee Subsidy for External Candidates

In my 2008 report, I reported the fraudulent application of **₦5,265,000.00** (five million, two hundred and sixty five thousand naira) of Government Examination Fee Subsidy on external candidates in Abakaliki Education Zone. For Onueke, Afikpo zones and Private Schools for which verification was completed recently, Government Examination Fee Subsidy for the 2009 Secondary

School Certificate Examination fraudulently applied to external candidates amount to **₦ 12,003,000.00 (twelve million, three thousand naira)**.

The final report has been sent to the Permanent Secretary with the advice that they recover the amount from respective Principals of the Schools involved. His response is awaited.

5.9.1 STATE SCHOLARSHIP BOARD

(a) *Personnel Cost:* Actual expenditure on Personnel Cost for the year was **₦8,904,441.83 (eight million, nine hundred and four thousand, four hundred and forty one naira, eighty three kobo)** or 68.3% of budgetary provisions of **₦13,040,900.00 (thirteen million, forty thousand, nine hundred naira)**. Unutilized funds in this respect amounted to **₦4,136,458.17 (four million, one hundred and thirty six thousand, four hundred and fifty eight naira, seventeen kobo)** or 31.7% of the budget.

ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
8,904,441.83	13,040,900.00	4,136,458.17

(b) *Overhead Cost:* The Board overspent its Overhead Cost budget by **₦24,825,404.06 (twenty four million, eight hundred and twenty five thousand, four hundred and four naira, six kobo)** of the **₦270,983,100.00 (two hundred**

and seventy million, nine hundred and eighty three thousand, one hundred naira) provided for the year.

ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
295,808,504.06	270,983,100.00	(24,825,404.06)

5.9.2 EXAMINATION DEVELOPMENT CENTER

(a) *Personnel Cost:* Actual Personnel Costs incurred for the year by the centre was **₦4,499,387.29** (four million, four hundred and ninety nine thousand, three hundred and eighty seven naira, twenty nine kobo) or 60.3% of **₦7,463,400.00** (seven million, four hundred and sixty three thousand, four hundred naira) provided. Unutilized funds amounted to **₦2,964,012.71**(two million, nine hundred and sixty four thousand, twelve naira, seventy one kobo)

ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
4,499,387.29	7,463,400.00	2,964,012.71

(b) *Overhead Cost:* Out of the **₦18,446,500.00** (eighteen million, four hundred and forty six thousand, five hundred naira) provided for the Centres as Overhead Costs for the year, **₦2,210,146.34** (two million, two hundred and ten thousand, one hundred and forty six naira, thirty four kobo) or 11.98% was spent, leaving a balance of **₦16,236,363.66** (sixteen million, two hundred and

thirty six thousand, three hundred and sixty three naira, sixty six kobo) or 88.02%.

ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
2,210,146.34	18,446,500.00	16,236,353.66

5.10 MINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT

(a) ***Personnel Cost:*** The Ministry overspent its personnel cost budget for the period of **₦53,830,800.00** (fifty three million, eight hundred and thirty thousand, eight hundred naira) by **₦29,990,273.08** (twenty nine million, nine hundred and ninety thousand, two hundred and seventy three naira, eight kobo). Actual expenditure amounted to **₦77,821,073.08** (seventy seven million, eight hundred and twenty one thousand, seventy three naira, eight kobo).

ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
77,821,073.08	53,830,800.00	(23,990,273.08)

(b) ***Overhead Cost:*** Overhead expenditure by the Ministry amounted to **₦18,972,642.98** (eighteen million, nine hundred and seventy two thousand, six hundred and forty two naira, ninety eight kobo) or 36.23% of the **₦52,364,900.00** (fifty two million, three hundred and sixty four thousand, nine hundred naira) budgeted. Unutilized funds amounted to **₦33,392,257.02** (thirty

three million, three hundred and ninety two thousand, two hundred and fifty seven naira, two kobo).

ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
18,972,642.98	52,364,900.00	33,392,257.02

5.10.1 OFFICE OF THE ACCOUNTANT-GENERAL

(a) ***Personnel Cost:*** The Office reported nil expenditure on personnel cost. However, a provision of **₦70,056,400.00 (seventy million, fifty six thousand, four hundred naira)** was made in the budget for Personnel Cost in the year. Investigations showed that the salaries of staff of the Office were subsumed in the Ministry of Finance. The inclusion of a separate provision for salaries of the Office of the Accountant-General when actual payment is made in the Ministry is unnecessary. Evaluation of Budget performance of this Department is made difficult with regards to an already specific provision made for it in the Budget.

(b) ***Overhead Cost:*** The Office spent the sum of **N426,537,206.18 (four hundred and twenty six million, five hundred and thirty seven thousand, two hundred and six naira, eighteen kobo)** as against its budgetary provision of **₦492,525,800.00 (four hundred and ninety two million, five hundred and twenty five thousand, eight hundred naira,)** resulting to an unutilized fund of **N65,988,592.82 (sixty five million, nine hundred and eighty eight thousand,**

five hundred and ninety two naira, eighty two kobo) during the year under review.

ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
426,537,206.18	492,525,800.00	65,988,592.82

5.10.2 BOARD OF INTERNAL REVENUE

(a) *Personnel Cost:* Out of **₦122,447,700.00** (one hundred and twenty two million, four hundred and forty seven thousand, seven hundred naira) provided for Personnel Cost for the year, the Board of Internal Revenue spent **₦70,651,155.36** (seventy million, six hundred and fifty one thousand, one hundred and fifty five naira, thirty six kobo) or 57.7% leaving a balance of **₦51,796,544.64** (fifty one million, seven hundred and ninety six thousand, five hundred and forty four naira, sixty four kobo) unspent.

ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
70,651m155,36	122,447,700.00	51,796,544.64

(b) *Overhead Cost:* A total of **₦12,606,279.03** (twelve million, six hundred and six thousand, two hundred and seventy nine naira, three kobo) was spent by the Board as overhead cost in the period. This represents 29.2% of the provision for the period of **₦43,199,300.00** (forty three million, one hundred and

ninety nine naira, three hundred naira). This resulted to an unutilized funds of **₦30,593,020.97** (thirty million, five hundred and ninety three thousand, twenty naira, ninety seven kobo).

ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
12,606,279.03	43,199,300.00	30,593,020.97

(c) Annual Abstract

Tax Office Ohaukwu Local Government

REVENUE NOT ACCOUNTED FOR - ₦3,977,876.56

The sum of **three million, nine hundred and seventy seven thousand, eight hundred and seventy six naira fifty six kobo (₦3,977,876.56)** was discovered by Audit to be revenue generated and not accounted for during the period under review. The investigation included face to face audit interview of the officers involved. The officers agreed to the amount of their unaccounted stewardship.

The analysis of the officers’ unaccounted stewardship is shown below

Analysis of revenue not accounted for:

S/NO	NAME OF OFFICER	RANK	AMOUNT NOT ACCOUNTED FOR
1.	Igwe J.U.	A.A	159,280.00
2.	Nwankwo, M..I.	A.A	632,350.73
3.	Nwonu. M.N.	T.C.	521,515.00
4.	Idenyi, P.A.	A.A	2,100.885.83
5.	Uhuo, Peter		239,585.00
6.	Osule, L.C.		41,510.00

7.	Icheku, Emmanuel		188,010.00
8.	Onwe, Eugene		33,900.00
9.	Uto, Ezekiel		13,750.00
10.	Ome, T.A.		27,500.00
11.	Esheya, J.E.		19,590.00
	TOTAL		₦3,977,876.56

The Board has been advised to recover the amount stated against each officer. A reply from the Board is awaited.

5.11 MINISTRY OF HEALTH AND ENVIRONMENT

(a) **Personnel Cost:** The budgeted Personnel Cost for the Ministry for the year under review was **four hundred and sixty eight million, nine hundred and forty eight thousand, four hundred naira (₦468,948,400.00)** while the actual amount spent was **three hundred and ninety three million, three hundred and thirteen thousand, nine hundred and sixteen naira, forty six kobo (₦393,313,916.46)**. This gave rise to an unutilized fund of **seventy five million, six hundred and thirty four thousand, four hundred and eighty three naira, fifty four kobo (₦75,634,483.54)**.

(b) **Overhead Cost:** Overhead Cost incurred for the year under review was **nine hundred and seventy four million, two hundred and thirty nine thousand, three hundred and sixty three naira, sixty kobo (₦974,239,363.60)** as against the budgeted figure of **one billion, one hundred and sixty six million, eight**

hundred and twenty four thousand, seven hundred naira (₦1,166,824,700.00).

This resulted to unutilized fund of **one hundred and ninety two million, five hundred and eighty five thousand, three hundred and thirty six naira, forty kobo (₦192,585,336.40).**

	ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
Personnel Cost	393,313,916.46	468,948,400.00	75,634,483.54
Overhead Cost	974,239,363.60	1,166,824,700.00	192,585,336.40

5.12 MINISTRY OF INFORMATION AND STATE ORIENTATION

(a) **Personnel Cost:** Actual expenditure on personnel emoluments for the period was **₦134,864,189.35 (one hundred and thirty four million, eight hundred and sixty four thousand, one hundred and eighty nine naira, thirty five kobo)** as against the sum of **₦179,690,300.00 (one hundred and seventy nine million, six hundred and ninety thousand, three hundred naira)** budgeted for the Ministry for the year. The sum of **₦44,826,110.65 (forty four million, eight hundred and twenty six thousand, one hundred and ten naira, sixty five kobo)** was unutilized.

ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
134,864,189.35	179,690,300.00	44,826,110.65

(b) **Overhead Cost:** Out of an overhead cost budget of **₦69,203,900.00** (six nine thousand, two hundred and three thousand, nine hundred naira) for the year, the Ministry spent **₦24,548,534.35** (twenty four million, five hundred and forty eight thousand, five hundred and thirty four naira, thirty five kobo). Unutilized funds of **₦44,655,365.65** (forty four million, six hundred and fifty five thousand, three hundred and sixty five naira, sixty five kobo) of budgeted sum was recorded.

ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
24,548,534.35	69,203,900.00	44,655,365.65

5.13 MINISTRY OF JUSTICE

(a) **Personnel Cost:** Personnel Cost of the Ministry for the year amounted to **₦41,380,248.88** (forty one million, three hundred and eighty thousand, two hundred and forty eight naira, eighty eight kobo) out of the **₦48,148,900.00** (forty eight million, one hundred and forty eight thousand, nine hundred naira) budgeted. This represents 85.94% budget performance. The sum of **₦6,768,651.12** (six million, seven hundred and sixty eight thousand, six hundred and fifty one naira, twelve kobo) was unutilized.

ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
41,380,248.88	48,148,900.00	6,768,651.12

(b) **Overhead Cost:** Overhead expenditure for the period was **₦43,735,174.01** (forty three million, seven hundred and thirty five thousand, one hundred and seventy four naira, one kobo) as against the sum of **₦68,601,400.00** (sixty eight million, six hundred and one thousand, four hundred naira) provided in the budget. Unutilized funds of **₦24,866,225.99** (twenty four million, eight hundred and sixty six thousand, two hundred and twenty five naira, ninety nine kobo) resulted.

ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
43,735,174.01	68,601,400.00	24,866,225.99

5.14 MINISTRY OF LANDS, SURVEY AND HOUSING

(a) **Personnel Cost:** 66.8% of budgetary provision for Personnel Emolument of the Ministry was spent. This amounts to **₦53,855,990.15** (fifty three million, eight hundred and fifty five thousand, nine hundred and ninety naira, fifteen kobo) out of the budget of **₦80,630,300.00** (eighty million, six hundred and thirty thousand, three hundred naira). The sum of **₦26,774,309.35** (twenty six million, seven hundred and seventy four thousand, three hundred and nine naira, thirty five kobo) was unutilized.

ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
53,855,990.15	80,630,300.00	26,774,309.35

(b) **Overhead Cost:** The Ministry spent a total of **₦11,799,613.30** (eleven million, seven hundred and ninety nine thousand, six hundred and thirteen naira, thirty kobo) out of the **₦46,595,500.00** (forty six million, five hundred and ninety five thousand, five hundred naira) provided for the Ministry for the period. Unutilized overhead budget amounted to **₦34,795,888.70** (thirty four million, seven hundred and ninety five thousand, eight hundred and eighty eight naira, seventy kobo).

ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
11,799,613.30	46,595,500.00	34,795,888.70

(c) **Annual Abstract:**

i. Payments totaling **₦3,075,735.00** (three million, seventy five thousand, seven hundred and thirty five naira) made by the Ministry have no supporting retirement documents. These could not be verified by Audit.

ii. **Improper Contracting Method Leading to Loss of Government Funds at Ebonyi Housing Development Corporation:**

Private individuals were mobilized with funds to carry out the construction of the housing units at Ezzamgbo Housing Estate. No written agreement was made between these individuals and the Corporation. The process of selecting these individuals did not follow any definite criteria. The General Manager, Mr. Brown Ogba claimed that these individuals were partners and not contractors.

As a result of the improper contracting method adopted, the individuals absconded with a total of **₦6,110,000.00 (six million, one hundred and ten thousand naira)** being advances paid to them in anticipation of work to be done.

The General Manager has been advised to refund the said sum to the coffers of the State. His response is awaited.

iii. ***Fixed Assets Not Accounted for at Ebonyi State Housing Development Corporation***

The following fixed assets of the Corporation have not been accounted for:

2 Generating Sets	-	₦3,900,000.00
Site Canteen/Office	-	₦2,425,100.00
2 Brick Molding Machines	-	

The value of the brick molding machines could not be ascertained as the Corporation refused to release the purchase documents to audit.

The claim by the General Manager that the assets were vandalized at the site is not acceptable as audit was reliably informed to the contrary. Besides, the General Manager, admitted that the Corporation never reported the loss of the assets to the Government or the Police.

The General Manager has been advised to return the two generating sets and the two brick molding machines to the Corporation and refund the sum of

₦2,425,100.00 (two million, four hundred and twenty five thousand, one hundred naira) to the State.

5.15 MINISTRY OF LOCAL GOVERNMENT & CHIEFTAINCY MATTERS

(a) **Personnel Cost:** Out of **₦95,451,400.00 (ninety five million, four hundred and fifty one thousand, four hundred naira)** provided for personnel cost for the year, the Ministry spent **₦28,195,990.02 (twenty eight million, one hundred and ninety five thousand, nine hundred and ninety naira, two kobo)**. The sum of **₦67,255,409.98 (sixty seven million, two hundred and fifty five thousand, four hundred and nine naira, ninety eight kobo)** was not utilized.

ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
28,195,990.02	95,451,400.00	67,255,409.98

(b) **Overhead Cost:** The Ministry spent a total of **₦9,802,515.86 (nine million, eight hundred and two thousand, five hundred and fifteen naira, eighty six kobo)** out of the **₦39,175,300.00 (thirty nine million, one hundred and seventy five thousand, three hundred naira)** provided for it for the year. Unutilized overhead budget amounted to **₦29,372,784.14 (twenty nine million, three hundred and seventy two thousand, seven hundred and eighty four naira, fourteen kobo)**.

ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
9,802,515.86	39,175,300.00	29,372,784.14

5.16 MINISTRY OF WOMEN AFFAIRS

(a) **Personnel Cost:** Out of **₦39,146,500.00** (thirty nine million, one hundred and forty six thousand, five hundred naira) for Personnel Cost in the Ministry; **₦31,662,868.38** (thirty one million, six hundred and sixty two thousand, eight hundred and sixty eight naira, thirty eight kobo) was spent. This resulted to an unutilized provision of **₦7, 483,631.62** (seven million, four hundred and eighty three thousand, six hundred and thirty one naira, sixty two kobo).

(b) **Overhead Cost:** Also, out of **₦28,779,800.00** (twenty eight million, seven hundred and seventy nine thousand, eight hundred naira) only; **₦14,140,034.66** (fourteen million, one hundred and forty thousand, thirty four naira, sixty six kobo) was actually spent. Thereby leaving the sum of **₦14,639,765.34** (fourteen million, six hundred and thirty nine thousand, seven hundred and sixty five naira, thirty four kobo) unutilized.

	ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
Personnel Cost	31,662,868.38	39,146,500.00	7, 483,631.62
Overhead Cost	14,140,034.66	28,779,800.00	14,639,765.34

5.17 MINISTRY OF WORKS & TRANSPORT

(a) **Personnel Cost:** While the sum of **₦79,621,800.00** (seventy nine million, six hundred and twenty one thousand, eight hundred naira) was budgeted in the period under review for Personnel expenditures, the sum of **₦50,525,122.34** (fifty million, five hundred and twenty five thousand, one hundred and twenty two naira, thirty four kobo) was spent. Thus, leaving the sum of **₦29,096,677.66** (twenty nine million, ninety six thousand, six hundred and seventy seven naira, sixty six kobo) provision unutilized.

(b) **Overhead Cost:** During the period under review the sum of **₦52,653,000.00** (fifty two million, six hundred and fifty three thousand, naira) was budgeted as Overhead; whereas what was actually spent was **₦6,705,367.87** (six million, seven hundred and five thousand, three hundred and sixty seven naira, eighty seven kobo), thereby leaving the sum of **₦45,947,632.12** (forty five million, nine hundred and forty seven thousand, six hundred and thirty two naira, twelve kobo) unutilized.

	ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
Personnel Cost	50,525,122.34	79,621,800.00	29,096,677.66
Overhead Cost	6,705,367.87	52,653,000.00	45,947,632.12

(c) **Annual Abstract:** The following observations arose from a review of Capital projects implemented by the Ministry:

(i) *Bills of Quantities Overcast* - **N40,355,384.00**

The Bills of Quantities for the following contracts were overcast to the tune of **N40,355,384.00 (forty million, three hundred and fifty five thousand, three hundred and eight four naira).**

S/ NO	PROJECT	CONTRACT SUM AS BOQ	CORRECT BOQ	OVER CAST
	₦	₦	₦	₦
1.	3 Span Bridge over Isuama	180,835,263.00	172,547,247.00	8,288,016.00
2.	2 – Span Bridges Across Edda River	123,856,845.00	120,730,100.00	3,126,745.00
3.	Construction of Agba- Nkumro Road	543,782,983.00	514,842,360.00	28,940,622.00
				40,355,384.00

The explanation by the Head, Civil Engineering of the Ministry that the BOQ is a “mere estimate” and does not affect implementation is not acceptable to Audit. Audit is aware that no contractor has ever claimed less than the contract value for any job.

(ii) *Values of Interim Certificates wrongly computed:*

Audit examination of Interim Certificates of work completed for contracts of works in the Ministry revealed errors in computation leading to the loss by the State Government of the sum of **one hundred and fifty eight million, two hundred and seventy three thousand, three hundred and thirty**

three naira fifty one kobo (N158,273,333.51) through payments for work not done.

Audit has directed the Ministry to recover the said sum from contractors. A reply is being awaited from the Ministry in this regard.

(iii) *Payments to Contractors above values of Interim Certificates.*

A payment of **two hundred and fifty seven million, seven hundred and four thousand, three hundred and ninety seven naira, thirty kobo (N257,704,397.30)** was made to the Managing Director, Enerco Nig. Ltd in respect of Interim Certificate No. 4 for the construction of Ezzama, Oshiri/Onicha Road. The payment is **forty million, naira (N40,000,000.00)** above the **two hundred and seventeen million, seven hundred and four thousand, three hundred and ninety seven naira, thirty kobo (N217,704,397.30)** value of the Certificate.

The explanation by the Ministry that the overpayment of the **forty million naira (N40,000,000.00)** is due to “typographical error” is not satisfactory to Audit.

(iv) *Non recovery of Plant Advance*

In my 2008 report, I had noted that plant advances were not recovered in some contracts as stipulated in the contract agreement. This practice

continued in 2009. Plant advances were not deducted in the following contract payments.

Date	PV	Payee	Amount Paid
10/09/09	14	Marlum Nigeria Ltd	653,802,686.92
10/03/09	16	Ganza Engr. Ltd	121,628,986.13
15/10/09	05	Edon Nig. Ltd	51,333,952.66

Given the time bound nature of Advance Payment Guarantee, the non recovery of Plant advances exposes the State to risks of financial loss.

The above observations on contract processes strengthen my suggestion that an independent entity provide assurances of integrity of Certificates of Work completed before such Certificates are paid.

5.18 MINISTRY OF YOUTH AND SPORTS

(a) **Personnel Cost:** The sum of ₦66,751,500.00 (sixty six million, seven hundred and fifty one thousand, five hundred naira) was budgeted for the period under review but the sum of ₦94,610,956.25 (ninety four million, six hundred and ten thousand, nine hundred and fifty six naira, twenty five kobo) was actually spent. Thus, the sum of ₦27,859,456.35 (twenty seven million, eight hundred and fifty nine thousand, four hundred and fifty six naira, thirty kobo) was over utilized.

(b) **Overhead Cost:** The Ministry had a budgeted figure of ₦60,066,700.00 (sixty million, sixty six thousand, seven hundred naira) for Overhead while it spent the sum of ₦26,759,007.45 (twenty six million, seven hundred and fifty nine thousand, seven naira, forty five kobo). This resulted to an unutilized provision of ₦33,307,692.55 (thirty three million, three hundred and seven thousand, six hundred and ninety two naira, fifty five kobo).

	Actual (₦)	Budgeted (₦)	Variance (₦)
Personnel Cost	94,610,956.25	66,751,500.00	(27,859,456.35)
Overhead Cost	26,759,007.45	60,066,700.00	33,307,692.55

5.19 STATE AUDIT DEPARTMENT

(a) **Personnel Cost:** The sum of ₦49,045,896.34 (forty nine million, forty five thousand, eight hundred and ninety six naira, thirty four kobo) was budgeted for Personnel Cost for the department while the sum of ₦52,325,300.00 (fifty two million, three hundred and twenty five thousand, three hundred naira). This gave rise to unutilized fund of ₦3,279,403.66 (three million, two hundred and seventy nine thousand, four hundred and three naira, sixty six kobo).

(b) **Overhead Cost:** While the sum of ₦10,098,300.00 (ten million, ninety eight thousand, three hundred naira) was budgeted as Overhead Cost during the period under review, the sum of ₦4,961,785.56 (four million, nine hundred and

sixty one thousand, seven hundred and eighty five naira, fifty six kobo) was released and spent. Thus, leaving the sum of ₦5,136,514.44 (five million, one hundred and thirty six thousand, five hundred and fourteen naira, forty four kobo) unutilized.

	Actual (₦)	Budgeted (₦)	Variance (₦)
Personnel Cost	49,045,896.34	52,325,300.00	3,279,403.66
Overhead Cost	4,961,785.56	10,098,300.00	5,136,514.44

5.20 LOCAL GOVERNMENT AUDIT

(a) **Personnel Cost:** A budgetary provision of ₦29,360,100.00 (twenty nine million, three hundred and sixty thousand, one hundred naira) was made for Personnel Cost whereas the sum of ₦30,261,624.05 (thirty million, two hundred and sixty one thousand, six hundred and twenty four naira, five kobo) was actually spent. This gave rise to an over-expenditure of ₦901,524.05 (nine hundred and one thousand, five hundred and twenty four naira, five kobo).

(b) **Overhead Cost:** The sum of ₦8,853,500.00 (eight million, eight hundred and fifty three thousand, five hundred naira) was budgeted for Overhead whereas what was actually released and spent was ₦2,653,240.07 (two million, six hundred and fifty three thousand, two hundred and forty naira, seven kobo). This resulted to the sum of ₦6,200,259.93 (six million, two hundred thousand, two hundred and fifty nine naira, ninety three kobo) being unutilized fund.

	Actual (N)	Budgeted (N)	Variance (N)
Personnel Cost	30,261,624.05	29,360,100.00	(901,524.05)
Overhead Cost	2,653,240.07	8,853,500.00	6,200,259.93

5.21 CIVIL SERVICE COMMISSION

(a) **Personnel Cost:** The sum of ₦14,342,200.00 (fourteen million, three hundred and forty two thousand, two hundred naira) was budgeted for personnel cost whereas what was actually spent was ₦14,860,216.07 (fourteen million, eight hundred and sixty thousand, two hundred and sixteen naira, seven kobo). This resulted to an overspending of the sum of ₦518,016.07 (five hundred and eighteen thousand, sixteen naira, seven kobo).

(b) **Overhead Cost:** During the period under review, the sum of ₦20,074,100.00 (twenty million, seventy four thousand, one hundred naira) was budgeted for Overhead but what was spent was ₦8,254,111.12 (eight million, two hundred and fifty four thousand, one hundred and eleven naira, twelve kobo). Thus, giving rise to an unutilized fund of ₦11,819,988.88 (eleven million, eight hundred and nineteen thousand, nine hundred and eighty eight naira, eighty eight kobo).

	Actual (N)	Budgeted (N)	Variance (N)
Personnel Cost	14,860,216.07	14,342,200.00	(518,016.07)
Overhead Cost	8,254,111.12	20,074,100.00	11,819,988.88

5.22 LOCAL GOVERNMENT SERVICE COMMISSION

(a) **Personnel Cost:** The Personnel Cost budgetary provision was ₦14,342,200.00 (fourteen million, three hundred and forty two thousand, two hundred naira) while the sum of ₦850,827.58 (eight hundred and fifty thousand, eight hundred and twenty seven naira, fifty eight kobo) was spent within the year. Thus, the sum of ₦13,491,372.42 (thirteen million, four hundred and ninety one thousand, three hundred and seventy two naira, forty two kobo) was unutilized.

(b) **Overhead Cost:** The Overhead budgetary provision was ₦20,074,100.00 (twenty million, seventy four thousand, one hundred naira) while the sum of ₦926,624.02 (nine hundred and twenty four thousand, six hundred and twenty four naira, two kobo) was spent. This resulted to an unutilized fund of ₦19,147,475.98. (nineteen million, one hundred and forty seven thousand, four hundred and seventy five naira, ninety eight kobo).

	Actual (N)	Budgeted (N)	Variance (N)
Personnel Cost	850,827.58	14,342,200.00	13,491,372.42
Overhead Cost	926,624.02	20,074,100.00	19,147,475.98

5.23 EBONYI STATE HOUSE OF ASSEMBLY

(a) **Personnel Cost:** The sum of ₦246.318,100.00 (two hundred and forty six million, three hundred and eighteen thousand, one hundred naira) was budgeted for personnel cost for the year under review whereas the actual amount spent was

₦293,277,928.27 (two hundred and ninety three million, two hundred and seventy seven thousand, nine hundred and twenty eight naira, twenty seven kobo) only. This gave rise to overspending of fund to the tune of ₦46,959,828.27 (forty six million, nine hundred and fifty nine thousand, eight hundred and twenty eight naira, twenty seven kobo).

(b) **Overhead Cost:** During the year under review, the sum of ₦378,240,100.00 (three hundred and seventy eight million, two hundred and forty thousand, one hundred naira) was budgeted for Overhead Cost but the sum of ₦326,070,900.00 (three hundred and twenty six million, seventy thousand, nine hundred naira) was actually spent. Thus, resulting to an unutilized fund of ₦52,169,200.00 (fifty two million, one hundred and sixty nine thousand, two hundred naira).

	Actual (N)	Budgeted (N)	Variance (N)
Personnel Cost	293,277,928.27	246,318,100.00	(46,959,828.27)
Overhead Cost	326,070,900.00	378,240,100.00	52,169,200.00

5.24 JUDICIAL SERVICE COMMISSION

(a) **Personnel Cost:** A budget provision of ₦6,902,800.00 (six million, nine hundred and two thousand, eight hundred naira) was made for Personnel Cost while the sum of ₦5,158,548.58 (five million, one hundred and fifty eight thousand, five hundred and forty eight naira, fifty eight kobo) was the amount

actually spent, leaving an unutilized fund of ₦1,744,251.42 (one million, seven hundred and forty four thousand, two hundred and fifty one naira, forty two kobo).

(b) **Overhead Cost:** The sum of ₦5,818,800.00 (five million, eight hundred and eighteen thousand, eight hundred naira) was budgeted for Overhead while what was actually spent was ₦1,351,708.89 (one million, three hundred and fifty one thousand, seven hundred and eight naira, eighty nine kobo). This resulted to unutilized fund of ₦4,467,091.11 (four million, four hundred and sixty seven thousand, ninety one naira, eleven kobo).

	Actual (₦)	Budgeted (₦)	Variance (₦)
Personnel Cost	5,158,548.58	6,902,800.00	1,744,251.42
Overhead	1,351,708.89	5,818,800.00	4,467,091.11

5.25 EBONYI STATE INDEPENDENT ELECTORAL COMMISSION (EBSIEC)

(a) **Personnel Cost:** The budgetary provision for Personnel Cost was the sum of ₦21,714,300.00 (twenty one million, seven hundred and fourteen thousand, three hundred naira) while ₦18,059,913.73 (eighteen million, fifty nine thousand, fifty nine thousand, nine hundred and thirteen naira, seventy three kobo) was spent, giving rise to unutilized fund of ₦3,654,386.27 (three million, six hundred and fifty four thousand, three hundred and eighty six naira twenty seven kobo).

(b) **Overhead Cost:** The budgetary provision for overhead during the year under review was ₦9,254,600.00 (nine million, two hundred and fifty four thousand, six hundred naira) whereas the actual amount spent was ₦6,381,411.16 (six million, three hundred and eighty one thousand, four hundred and eleven naira, sixteen kobo) leaving an unutilized amount of ₦2,873,188.84 (two million, eight hundred and seventy three thousand, one hundred and eighty eight naira, eighty four kobo).

	Actual (₦)	Budgeted (₦)	Variance (₦)
Personnel Cost	18,059,913.73	21,714,300.00	3,654,386.27
Overhead	6,381,411.16	9,254,600.00	2,873,188.84

5.26 JUDICIARY – HIGH COURT

(a) **Personnel Cost:** The sum of ₦252,292,900.00 (two hundred and fifty two million, two hundred and ninety two thousand, nine hundred naira) was budgeted for Personnel Cost while the actual amount spent was one hundred fifty two million, four hundred and ninety five thousand, nine hundred and forty naira, eighty eight kobo (N152,495,940.88). This resulted to an unutilized fund of ninety nine million, seven hundred and ninety six, nine hundred fifty nine naira twelve kobo (N99,796,959.12).

(b) **Overhead Cost:** During the period under review, the sum of fifty four million, five hundred and sixty three thousand naira (N54,563,000.00) was budgeted for overhead while what was actually spent was thirty eighty million,

eight hundred thousand naira (N38,800,000.00). This gave rise to unutilized fund of fifteen million, seven hundred and sixty three thousand naira (N15,763,000.00)

	Actual (₦)	Budgeted (₦)	Variance (₦)
Personnel Cost	152,495,940.00	252,292,900.00	99,796,959.12
Overhead Cost	38,800,000.00	54,563,000.00	15,763,000.00

5.27 JUDICIARY - CUSTOMARY COURT OF APPEAL

(a) Personnel Cost: While the budgetary provision was one hundred and ninety five million, eight hundred and sixty nine thousand seven hundred naira (N195,869,700.00), the sum of one hundred and eighteen million, two hundred and ninety thousand, three hundred and sixty six naira seventy six kobo (N118,290,366.76) was spent. Thus, giving rise to unutilized fund of seventy seven million, five hundred and seventy nine thousand, three hundred and thirty three naira twenty four kobo (N77,479,333.24)

(b) Overhead Cost: During the period under review, the sum of seven million two hundred sixteen thousand, nine hundred and seventy naira (N7,216,970.00) was spent on overhead as against the budgetary provision of twenty three million, three hundred thousand, one hundred naira (N23,300,100.00). This resulted to an unutilized fund of seven million, nine hundred and thirty two thousand, eight hundred and eighty five naira (N7,932,885.00).

	Actual (N)	Budgeted (N)	Variance (N)
Personnel Cost	118,290,366.76	195,869,700.00	77,579,333.24
Overhead Cost	7,216,970.00	23,300,100.00	16,083,130.00

5.28 EBONYI HOTELS, AFIKPO

(a) **Personnel Cost:** During the period under review the sum of eleven million, four hundred and forty-five thousand, three hundred and five kobo (N11,445,305.00) was budgeted for personnel cost for the Hotels while the sum of three million, four hundred and forty-two thousand, five hundred and eighty naira, fifty kobo was spent leaving unutilized fund of eight million, two thousand, seven hundred and twenty-four naira (N8,002,724.50).

(b) **Overhead Cost:** The Hotels spent five million naira (N5,000,000.00) on overhead as against the budget figure of two million, seven hundred thousand naira (N2,700,000.00). This resulted to excess expenditure of two million, three hundred thousand naira (N2,300,000.00).

	ACTUAL (N)	BUDGETED (N)	VARIANCE (N)
Personnel Cost	3,442,580.50	11,445,305.00	8,002,724.50
Overhead Cost	5,000,000.00	2,700,000.00	(2,300,000.00)

5.29 TOURISM BOARD

(a) **Personnel Cost:** The Board spent two million, three hundred and thirty thousand, eighty hundred and sixty two naira, seventy two kobo (N2,330,862.72)

while the sum of two million, seven hundred twenty four thousand, three hundred naira (₦2,724,300.00) was budgeted, thus leaving an unutilized fund of three hundred ninety three thousand, four hundred and thirty seven naira, twenty eight kobo (₦393,437.28).

(b) **Overhead Cost:** The sum of three million, naira (₦3,000,000.00) was budgeted for overhead for the year under review while two hundred and sixty seven thousand seven hundred and fifty naira was actually spent while unutilized funds for the year amounted to N2,732,250.00.

	ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
Personnel Cost	2,330,862.00	2,724,300.00	393,437.28
Overhead Cost	267,750.00	3,000,000.00	2,732,250.00

5.30 STATE ARTS COUNCIL

(a) **Personnel Cost:** The sum of sixteen million, six hundred sixty nine thousand, four hundred and seventy naira (₦16,669,470.00) was budgeted for personnel cost while the sum of fourteen million, one hundred ninety four thousand, three hundred and forty four naira, nineteen kobo (₦14,194,344.19) was spent, leaving unutilized fund of two million, four hundred and seventy five thousand, one hundred and twenty five naira, eighty one kobo (₦2,475,125.81).

(b) **Overhead Cost:** The Overhead expenditure which occurred spent during the year under review was six hundred sixty three thousand, eighty hundred fifty naira (₦663,850.00) while the budgeted figure was five million, one hundred eighty thousand naira (₦5,180,000.00). This resulted to an unutilized fund of **four million, five hundred and sixteen thousand, one hundred and fifty naira (₦4,516,150.00).**

	ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
Personnel Cost	14,194,344.19	16,669,470.00	2,475,125.81
Overhead Cost	663,850.00	5,180,000.00	4,516,150.00

5.31 MASS LITERACY

(a) **Overhead Cost:** While the sum of **six million naira (₦6,000,000.00)** was budgeted for Overhead Cost during the period under review, **six hundred and sixty three thousand, eighty hundred and fifty naira only (₦663,850.00)** was actually spent, leaving unutilized fund of **five million, three hundred and thirty six thousand, one hundred and fifty naira (₦5336,150.00).**

(b) **Personnel Cost:** The sum of **three million, seven hundred and ninety eight thousand, two hundred and sixty naira (₦3,798,260.00)** was budgeted while what was spent was **three million, four hundred and seventy nine thousand, two hundred and thirty six naira, twenty seven kobo**

(**₦ 3,479,236.27**). This leaves an unspent balance of **three hundred and nineteen thousand twenty three naira, seventy three kobo (₦ 319,023.73)**.

	ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
Personnel Cost	3,479,236.27	3,798,260.00	319,023.73
Overhead Cost	663,850.00	6,000,000.00	5,336,150.00

5.32 STATE LIBRARY BOARD

(a) **Personnel Cost:** The budgeted amount was **twenty million, five hundred and eighty seven thousand, three hundred thirty naira (N20,587,330.00)** while the actual amount spent was **sixteen million, seventy thousand, one hundred eighty seven naira, ninety kobo (₦16,070,187.90)**. The unutilized fund for the year amounted to **four million, five hundred seventeen thousand, one hundred and forty two naira, ten kobo (₦4,517,142.10)**.

(b) **Overhead Cost:** While there was no budgetary provision for Overhead for the State Library Board during the year under review, the sum of **one million, three hundred twenty seven thousand, six hundred naira (₦1,327,600.00)** was spent. No satisfactory reason was adduced by the budget Office for the nil provision for Overhead for the Board.

	ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
Personnel Cost	16,070,187.90	20,587,330.00	4,517,142.10
Overhead Cost	1,327,600.00	-	(1,327,600)

5.33 SECONDARY EDUCATION BOARD (SEB)

(a) *Personnel Cost:* The sum of **six hundred and eighty million, six hundred and forty-four thousand, five hundred and thirty-five naira, sixty-four kobo (₦680,644,535.64)** was spent as against the budgetary provision of **seven hundred and fifty-five million, five hundred thousand naira (₦755,500,000.00)**, resulting to an unutilized fund of **seventy-four million, eight hundred and fifty-five thousand, four hundred and sixty-four naira, sixty-six kobo (₦74,855,464.36)**.

(b) *Overhead Cost:* For the period under review, the sum of **seventy-seven million, five hundred thousand naira (₦77,500,000.00)** was budgeted while the sum of **thirty-three million, eight hundred and eight thousand naira (₦33,808,000.00)** was spent. An unutilized fund of **forty-three million, six hundred and ninety-two thousand naira (₦43,692,000.00)** was observed.

	ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
Personnel Cost	680,644,535.64	755,500,000.00	74,855,464.36
Overhead Cost	33,808,000.00	77,500,000.00	43,692,000.00

5.34 EBONYI STATE UNIVERSAL BASIC EDUCATION BOARD (EBSUBEB)

(a) *Personnel Cost:* While the sum of **one hundred thirty million naira (₦130,000,000.00)** was budgeted for Personnel Cost, the sum of **one hundred and seventeen million, nine hundred seventy nine thousand, eighty hundred and**

five naira (₦117,979,805.02) was actually spent, thus leaving an unutilized fund of **twelve million, twenty thousand, one hundred ninety four naira ninety eight kobo (₦12,020,194.98).**

(b) **Overhead Cost:** The sum of **one hundred seventy seven million (₦177,000,000.00)** was budgeted while **thirty nine million, eight hundred and fifty six thousand, three hundred and fifty naira (₦39,856,350.00)** was spent. This gave rise to an unutilized fund of **one hundred and thirty seven million, one hundred and forty three thousand, six hundred and fifty naira (₦137,143,650.00).**

	ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
Personnel Cost	117,979,805.02	130,000,000.00	12,020,194.98
Overhead Cost	39,856,350.00	177,000,000.00	137,143,650.00

5.35 STATE HOSPITAL MANAGEMENT BOARD

(a) **Personnel Cost:** During the year under review, the sum of **three hundred and twenty million, nine hundred thousand naira (₦320,900,000.00)** was budgeted for the Board's Personnel Cost but the sum of **two hundred twenty seven million, one hundred forty eight thousand, seven hundred six naira, sixty five kobo (₦227,148,706.65)** was spent, leaving unutilized fund amounting

to ninety three million, seven hundred and fifty one thousand, two hundred and ninety three naira thirty five kobo (N93,751,291,293.35)

(b) *Overhead Cost:* The sum of three hundred and twenty million, nine hundred thousand naira (N320,900,000.00) was budgeted while the sum of two million, one hundred and thirteen thousand, four hundred naira (N2,113,400.00) or 0.65% of the budgeted amount was utilized, resulting in unutilized fund of three hundred and eighteen million, seven hundred and eighty six thousand, six hundred naira (N318,786,600) or 99.35%.

	ACTUAL (N)	BUDGETED (N)	VARIANCE (N)
Personnel Cost	227,148,706.65	320,900,000.00	93,751,293.35
Overhead Cost	2,113,400.00	320,900,000.00	318,786,600.00

5.36 EBONYI STATE BROADCASTING SERVICE (EBBS)

(a) *Personnel Cost:* Six two million, six hundred and forty two thousand six hundred fifty naira (N 62,642,650.00) was budgeted while the sum of thirty eight million, nine hundred sixty nine thousand, five hundred ninety four naira, forty six kobo) was spent leaving unutilized fund of twenty three million, six hundred and seventy three thousand, fifty five naira, forty five kobo (N23,673,055.54)

(b) **Overhead Cost:** While the sum of **seventy two million, six hundred forty tow thousand, six hundred fifty naira (₦7642,650.00)** was budgeted for Overhead the sum of **one million, three hundred and twenty seven thousand, seven hundred naira (₦1327,700.00)** was actually spent, leaving an unutilized fund of **seventy one million, three hundred and fourteen thousand, naira nine hundred fifty naira (₦71,314,950.00).**

	ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
Personnel Cost	38,969,594.46	62,642,650.00	23,673,055.54
Overhead Cost	1,327,7000.00	72,642,650.00	71,314,950.00

5.37 EBONYI STATE CABLE TELEVISION

(a) **Personnel Cost:** During the year under review the sum of **seventeen million one hundred ninety two thousand, eighty and eight naira twenty nine kobo (₦17,192,808.29)** was spent as against the budgeted figure of **twelve million, three hundred and sixty four thousand naira (₦12,364,000.00)** resulting to excess utilization of fund of **four million, eighty hundred and twenty eight thousand, eighty hundred and eight naira twenty nine kobo (₦4,828,808.29).**

(b) **Overhead Cost:** While the sum of **two million, four hundred thousand (₦2,400,000.00)** was budgeted for the year, the sum of **six hundred and sixty three thousand naira (₦663,850.00)** was actually utilized, unutilized

appropriation amounted to **one million, seven hundred thirty six thousand, one hundred fifty naira (₦1,736,150.00)**.

	ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
Personnel Cost	17,192,808.29	12,364,000.00	(4,828,808.29)
Overhead Cost	663,850.00	2,400,000.00	1,736,150.00

5.38 STATE PRINTING & PUBLISHING CORPORATION

(a) **Personnel Cost:** Budgeted figure for the year under review was **thirty five million, five hundred thousand naira (₦35,500,000.00)** while the amount actually spent was **thirty one million, three hundred thirty nine thousand, five hundred and twelve naira twenty kobo (₦31,339,512.20)** resulting to unutilized fund of **four million, one hundred and sixty thousand, four hundred and eighty seven naira, eighty kobo (₦4,160,487.80)**.

(b) **Overhead Cost:** The sum of **forty two million naira (₦42,000,000.00)** was budgeted while the sum of **six hundred and sixty three thousand eight hundred fifty naira (₦663,850.00)** was spent, thus giving rise to unutilized fund of **forty one million, three hundred and thirty six thousand one hundred and fifty naira (₦41,336,150)** or 98.41 % of the budgeted amount.

	ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
Personnel Cost	31,339,512.20	35,500,000.00	4,160,487.805
Overhead Cost	663,850.00	42,000,000.00	41,336,150.00

5.39 STATE SPORTS COUNCIL

(a) **Personnel Cost:** For the year under review the sum of **forty million, two hundred thousand naira (₦40,200,000.00)** was budgeted for personnel cost while the sum of **sixteen million, eight hundred and fifteen thousand, five hundred and thirty eight naira, fifty three kobo (₦16,815,538.53)** was spent, resulting to unutilized fund of **twenty three million, three hundred and eighty four thousand, four hundred and sixty one naira, forty seven kobo (₦23,384,461.47)**.

(b) **Overhead Cost:** While the sum of **sixteen million naira (₦16,000,000.00)** was budgeted for Overhead only the sum of **one million, six hundred and fifty nine thousand, six hundred and twenty five naira (₦1,659,625.00)** or about 10% of the budgeted amount was actually spent. This resulted to an unutilized fund of **fourteen million, three hundred and forty thousand, three hundred and seventy five naira (₦14,340,375.00)**.

	ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
Personnel Cost	16,815,538.53	40,200,000.00	23,384,461.47
Overhead Cost	1,659,625.00	16,000,000.00	14,340,375.00

5.40 EB-RUWASSA

(a) **Personnel Cost:** The sum of **₦8,673,007.97 (eighty million, six hundred and seventy three thousand, seven naira, ninety seven kobo)** was spent as

against the budgeted sum of **₦19,958,300.00** (nineteen million, nine hundred fifty eight thousand three hundred naira) resulting in unutilized fund of **₦11,285,292.03** (eleven million, two hundred and eighty five thousand, two hundred ninety two naira three kobo).

(b) **Overhead Cost:** During the year under review the sum of **₦31,600,000.00** (thirty one million, six hundred thousand naira) was budgeted while the sum of **₦663,850.00** (six hundred and sixty three thousand eight hundred and fifty naira) only was actually spent resulting to an unutilized fund of **₦30,936,150.00** (thirty million, nine hundred thirty six thousand, one hundred and fifty naira).

	ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
Personnel Cost	8,873,007.97	19,958,300.00	11,285,292.03
Overhead Cost	663,850.00	30,158,390.00	29,494,540.00

5.41 EBONYI STATE RURAL ELECTRIFICATION BOARD (EBREB)

(a) **Personnel Cost:** For the year under review, the sum of **₦21,400,000.00** (twenty one, four hundred thousand naira) was budgeted while **₦24,052,674.44** (twenty four million, fifty two thousand, six hundred and seventy four naira forty four kobo) was spent, giving rise to excess expenditure of **₦2,652,674.44**

(two million, six hundred fifty two thousand, six hundred and seventy four naira forty four kobo).

(b) *Overhead Cost:* While the sum of **₦31,600,000.00** (thirty one million, six hundred thousand naira) was budgeted for Overhead, the sum of **₦663,850.00** (six hundred and sixty three thousand, eighty hundred and fifty naira) was actually spent. This resulted to unutilized fund to the tune of **₦30,936,150.00** (thirty million, nine hundred thirty six thousand, one hundred and fifty naira).

	ACTUAL (₦)	BUDGETED (₦)	VARIANCE (₦)
Personnel Cost	24,052,674.44	21,400,000.00	(2,652,674.44)
Overhead Cost	663,850.00	31,600,000.00	30,936,150.00

The variances observed in Personnel Cost (at times up to 90%) point to a deficient budgeting system. The implication of such wide variances is that funds which would have been usefully employed for other government activities lie idle until the strenuous process of virement can be applied. Moreover, this option of virement is not even utilized until the financial year lapses.

AUDIT CERTIFICATE

The Accounts of Government of Ebonyi State of Nigeria for the financial year ended 31st December, 2009 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, that in my opinion and to the best of my knowledge and belief, the Financial Statements reflect a true and fair view of the financial transactions of the Government of Ebonyi State of Nigeria for the year ended 31st December, 2009.

Chief B. O. Ezaegu
Auditor-General
Ebonyi State

Office of the State Auditor-General,
P. M. B. 034,
Abakaliki
28th June, 2010