

1.1 INTRODUCTION

In compliance with the provision of section 125(2) of the constitution of the Federal Republic of Nigeria 1999; the annual report and accounts including Financial Statements of the Accountant General on the accounts of the Government of Niger State for the year ended 31st December, 2018 had been audited under my direction. I have therefore certified the individual accounts as correct subject to various observations raised and contained in this report while irregularities discovered thereon had been forwarded through Audit reports to the affected Accounting Officers for their comments and necessary actions.

1.2. SUBMISSION OF ACCOUNTS

The Financial Statement of Accounts for the year under review were first received in my Office from the Office of the Accountant General on the 30th of May, 2019. However, due to numerous observations and comments on some aspects contained in the financial statements, they were subsequently returned back on 21st June, 2019 for necessary corrections and response to the matters that were raised. After all the issues raised were first addressed, the reconciled Financial Statements together with their Accounts were resubmitted to me on the 5th July, 2019.

However, in the course of detail scrutinizing of the accounts, fundamental errors were discovered which made the Financial Statement earlier submitted to be returned on 10th July, 2019. After the issues raised were addressed, the reconciled Financial Statements together with their accounts were re-submitted to me on 15th July, 2019.

Again, the re-submitted Financial Statement with their accounts were examined and further errors were discovered which made the Financial Statements submitted to be returned on 20th August, 2019. The corrections were made and finally returned back to me on 22nd August, 2019.

1.3 FINANCIAL HIGHLIGHT FIVE YEAR FINANCIAL SUMMARY REVENUE

Revenue Description	2018	2017	2016	2015	2014
Statutory Allocation	85,139,228,78 4.59	62,408,999,1 78.19	24,146,736,93 5.94	33,340,132,1 42.52	43,905,565,35 7.62
Inter.Generated Revenue	16,913,330,60 5.17	6,064,105,88 2.04	4,812,844,568 .78	5,265,076,76 4.09	5,150,560,614. 98
Capital Receipt	40,886,719,37 3.05	29,284,192,2 57.15	24,819,063,,3 30.64	16,304,074,6 34.85	32,902,400,27 9.11

TOTAL	142,939,278,762.81	97,757,297,317.38	58,778,644,835.36	55,109,287,541.46	81,958,530,251.71
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EXPENDITURE

Expenditure Description	2018	2017	2016	2015	2014
Personnel Cost	7,822,781,383.04	8,247,572,,173.47	8,565,709,463.69	8,269,885,386.40	11,425,170,319.28
Overhead Cost	12,719,004,481.76	17,438,711,617.85	14,244,767,217.15	11,850,899,737.29	10,248,999,447.71
Public Debt	5,252,957,390.25	3,571,831,807.31	701,858,485.30	1,586,299,862.62	3,321,290,627.40
Capital Expenditure	33,983,514,882.09	24,227,537,483.45	22,230,947,018.51	6,899,738,845.46	27,328,735,216.46
TOTAL	59,778,258.137.14	53,485,653,082.08	45,743,284,184.65	28,606,823,831.77	52,324,175,6123.85

1.4. PATTERN AND MANNER IN WHICH THE ACCOUNTS HAVE BEEN KEPT AND RENDERED

The pattern and manner of keeping and rendering accounting books and records as observed in most MDAs was inadequate as highlighted in this report and are stated below:

- (i) Some of the payment vouchers raised were not having documentary evidences to justify the payment made.
- (ii) Some of the purchases made lacked essential documentary evidences such as receipts, store records which implied that they were not supplied or supplied but not taken on charge. In some cases due diligence was not given.
- (iii) In some cases approvals for expenditure incurred were not followed.
- (iv) Deductions made in respect of WHT, VAT and 1% Stamp Duty in some cases were not remitted to the appropriate tax authorities.
- (v) Imprests were not retired.
- (vi) Some payment vouchers were not checked by the Internal Audit Units and
- (vii) Absence of signatures of relevant parties to payment vouchers.

2.0 GENERAL OBSERVATIONS

2.1 REVENUE PROJECTION

The State Government was able to achieve its revenue target by 118% of the projected figure. Thus while a total sum of N86,327,935,629.00 was the revenue projection for

the year, the sum of N102,052,559,353,76 was realized showing a surplus of N15,724,623,724.76 or about 18% increase over the budgeted figure. However, the actual revenue recorded in current year is higher than the immediate previous year.

2.2 INDIVIDUAL REVENUE PERFORMANCE

STATUTORY ALLOCATION

The statutory allocation from the Federation Account formed 72% of the total revenue earned during the year. It accounted for a total of N73,107,008,024.72 as against the budgeted figure of N63,486,813,715.00 showing a surplus of N9,620,194,309.72 which indicates a percentage surplus of 15%.

2.3 VALUE ADDED TAX

The share of the state Value Added Tax actualize was a sum of N12,032,220,723.87 as against the budgeted figure of N9,890,656,457.00 signifying an increase of N2,141,564,266.87 or 22% above the budgeted figure for the year.

2.4 INTERNALLY GENERATED REVENUE

The State Government was unable to achieve its revenue target of N12,050,465,457.00 projected for the year as only the sum of N11,542,906,022.45 was realized representing 96% of the projection, thereby showing a deficit of just N504,559,434.55 or 4% and although when compared with the immediate previous year figure realized, it shows an increase of N5,478,800,140.46.

2.5 EXPENDITURE PERFORMANCE

RECURRENT EXPENDITURE

The sum of N49,246,018,688.86 was recurrent expenditure which includes Personnel cost, Overhead cost, Subvention to Parastatals and consolidated fund charges. This represent 48% of total revenue for the year.

2.6 CAPITAL EXPENDITURE

The sum of N81,042,208,585.00 was budgeted as capital expenditure based on the revised budget for the year under review, while the sum of N33,983,514,882.09 was expended representing 42% of the budgeted figure. The worst hit with poor performance Law and Justice Sector with 2%, Social Sector 7%, Administrative Sector

28% and Economic Sector 62% high. Capital expenditure is critical to the socio-economic and infrastructural development of the state and therefore more funding and focus should be committed to this area for capital development.

2.7 CONSOLIDATED REVENUE FUND

REVENUE (INCOME)

The statement of consolidated revenue fund as produced in the Financial Statement No. 3 revealed that N86,327,935,629.00 was budgeted while the sum of N103,417,301,206.50 was earned during the year under review. It therefore means that the earnings for the year exceeded the budgeted figure by N17,089,365,577.50 or 20% on the budget figure.

2.8 CONSOLIDATED REVENUE FUND (CRF)

EXPENDITURE

The total actual expenditure from consolidated revenue fund as stated in the Financial Statement No.3 was N58,108,219,751.71 for the current year 2018 while the sum of N53,942,618,622.92 was expended in the previous year indicating an increase of N4,165,601,128.79 or 8% over the previous year. Also the total budget under this item for the current year was N53,244,216,434.47 but the sum of N58,108,219,751.71 was expended by the Government representing an increase of N4,864,003,317.24 or 9% higher than budgeted figure.

2.9 STATEMENT OF ASSET AND LIABILITY

Cashbook balances as presented in Note eleven (11) of the Accountant General's Report and Account reflect liquid cash balance as at 31st December, 2018 of a total of N14,943,849,094.47. However, the bank statements and certificates authenticating this amount were forwarded to this Office. Therefore, the said figure is confirmed to be correct based on the documents tendered by the Accountant General.

2.10. GOVERNMENT INVESTMENT

As listed in note 12 of the report, the State Government as at 31st December, 2018 held a total number of 32,381,760 shares in five (5) companies with a current market value of N21,141,166.76. However, there was no return on investment for year under review. This Office did not receive confirmation/certificate of various shares being procured/held as reflected in the accounts.

2.11 EXTERNAL LOAN

In Note 13, the outstanding principal foreign loan as 31st December, 2018 stood at \$61,345,344.97 which exchanged for N18,833,020,905.79 when converted using N307.00 per dollar.

2.12 INTERNAL LOAN

The table below shows the list of internal loans taken by the State Government with its repayment made at source and the outstanding balances as at 31st December, 2018.

DETAILS	OPENING BALANCE N	ADDITIONAL LOAN N	REPAYMENT FOR THE YEAR N	OUTSTANDING BALANCE N
N9.0 Billion Bond	2,719,271,165 .60	-	625,758,207.84	2,093,512,957.7 6
N12 Billion Bond	5,464,848,988 .59	-	1,257,570,099.10	4,207,278,889.4 9
Bailout Skye Bank	4,192,545,998 .00	-	101,500,887.10	4,091,045,110.9 0
Bailout FCMB	2,229,166,666 .67	-	125,000,000.04	2,104,166,666.6 3
Excess Crude Loan	9,083,333,333 .26	-	500,000,000.04	8,583,333,333.2 2
Budget Support	16,169,000,00 0.00	700,000,000. 00	-	16,869,000,000. 00
SME Loan	-	2,021,286,47 5.46	-	2,021,286,475.4 6
Agric Credit Scheme	2,308,360,324 .69	-	1,211,974,259.27	1,096,385,795.4 2
Zenith Bank 2 (N2.5 Billion)	1,749,824,568 .84	-	1,348,590,948.91	401,233,619.93
Zenith Bank 3 (N1.9 Billion)	-	1,198,783,78 3.78	321,841,038.84	1,596,942,744.9 4
Zenith Bank 4 (N568 Million)	-	568,000,000. 00	96,071,616.18	471,928,383.82
Zenith Bank 5 (N720 Million)	-	720,000,000. 00	120,770,643.24	599,229,356.76
Zenith Bank 6	-	675,000,000. 00	129,206,708.07	545,793,291.93
TOTAL	43,916,351,04 5.65	6,603,070,25 9.24	5,838,284,678.63	44,681,136,626. 26

2.13 STATEMENT OF CAPITAL DEVELOPMENT FUND

The Statement of Capital Development Fund revealed that the sum of N40,886,719,373.05 was received, the total capital expenditure stood at N33,983,514,882.09 i.e. 83% of what was received leaving a balance of N6,903,204,490.96.

2.14 10% STATUTORY ALLOCATION TO LOCAL GOVERNMENT AREAS

The sum of N11,542,906,022.45 was collected as Internally Generated Revenue as contained in the Financial Statement for the year 2018. By Law, 10% of this amount is expected to be disbursed to the Local Government Areas of the state. However, as contained in the Financial Statement for this purpose, the amount released was less than the actual amount due to them. Thus, the sum of N1,154,290,602.25 (i.e. 10% of N11,542,906,022.45) will appear correct amount due to Local Government Areas, but only N628,700,852.98 was disbursed to them representing 54% of their entitlement leaving a balance of N525,589,749.27 (46%) outstanding. The Accountant General is hereby advised to revisit this issue with a view to ensuring that the provision of Law is strictly adhered to and pay the outstanding balance of 525,589,749.27 i.e. 46% to the Local Government Areas.

2.15 CASH FLOW STATEMENT

Cash flow from Operating activities	102,052,559,353.76
Proceeds from Aids and Grants	127,653,146.70
Proceeds from External Loans	1,794,045,598.09
Proceeds from Development Loan Stock	2,721,286,475.46
Proceeds of Loans from other funds	3,881,783,783.78
	110,577,328,357.79
CASH OUTFLOW	
Operating expenses	92,091,734,633.80
Repayment of External Loan (including servicing)	412,799,751.51
Repayment of Treasury Bond	3,307,583,908.56
Repayment of Loans from Development Loan Stock	3,975,856,197.33
Repayment of Loans from other Funds	2,266,901,398.56
	102,054,875,889.76
Net cash flow from financial activities	8,522,452,468.03
(Increase)/Decrease in investment	1,425,456.76
Net Cash for the year	8,523,877,924.79
Cash & its equivalent as at 1 st January, 2018	6,419,971,169.68
Cash & its equivalent as at 31 st December, 2018	14,943,849,094.47

2.16 SHORTFALLS IN INTERNALLY GENERATED REVENUE

In the year 2018, shortfall in internally generated revenue were observed in some revenue heads as shown in the table below:

SHORTFALL IN INTERNALLY GENERATED REVENUE

S. NO	HEAD	TITLE	ACTUAL N	BUDGET N	SHORTFALL N
1.	401	Taxes (Direct & Indirect)	10,722,265,352.76	8,048,302,644.00	2,673,762,708.76
2	402	Fines & Fees	20,035,055.00	2,035,685,163.00	(2,015,650,108.00)
3.	403	Licenses	136,851,074.01	432,800,000.00	(295,948,925.99)
4.	404	Earning & Sales	663,754,540.68	1,014,671,650.00	(350,917,109.32)
5.	405	Rent on Govt. Properties	-	2,709,000.00	(2,709,000.00)
6.	406	Rent on Land & Others	-	400,000,000.00	(400,000,000.00)
7.	408	Miscellaneous	-	116,297,000.00	(116,297,000.00)
			11,542,906,022.45	12,050,463,457.00	(507,559,434.55)

2.17 EXCESS PERSONNEL EMOLUMENTTS

During the year under review, excesses were observed in the personnel cost of some Ministries in spite of similar issues raised in the past years report. However, when the total personnel cost of the various MDAs were summed up, the excesses were consumed in the balances of other MDAs that recorded surplus. The comments of the Accountant General in respect of this observation is being awaited. See Annexure I of the report for details.

2.18 EXCESS RECURRENT EXPENDITURE

Despite my comment on the case of over expenditure in the previous report, some ministries and departments are still indulging in spending in excess of their budgetary provision for the year. Annexure II to this report contains the details of the excesses. The comment of the Accountant General on these excesses is being awaited. However, his comment on the same issues in the previous years reports are yet to be received in my office.

2.19 EXCESS SUBVENTION TO PARASTATALS

During the year under review, excesses were observed in personnel and overhead disbursed to (48) Parastatals. While the actual disbursement the actual disbursement to these Parastatals stood at N14,354,750,651.09. The approved revised budgeted amount for the year under review was N11,543,982,407.64 resulting to an excess disbursement of N2,810,768,243.45 as contained in Annexure III of this report. The comment of the Accountant General on this observation is being awaited

2.20 THE INTERNAL CONTROL SYSTEM

During the year under review, it was observed that in spite of my previous report on payment vouchers not being subjected to proper internal audit checks, the trend continued unabated. The non-compliance is evidenced by payment vouchers being raised and paid out but were not endorsed by the internal audit units. In order to show transparency, the affected accounting officers are advised to comply and ensure that henceforth all payment vouchers raised are passed through internal audit unit for certification before such payments are effected.

3.0 APPROPRIATION AUDIT

ADMINISTRATIVE SECTOR

3.1. NIGER STATE HOUSE OF ASSEMBLY

3.1.1 PAYMENTS MADE WITHOUT RELEVANT SUPPORTING DOCUMENTS ATTACHED TO THE PAYMENT VOUCHERS

The sum of N10,000,000.00 paid to the Clerk of the House in respect of public hearing, exercise but approval was not made available to the Audit team for confirmation and authentication.

The total sum of N6,840,000.00 on nine (9) payment vouchers was paid to various officers as miscellaneous expenses, without cash receipts and invoice attached to the payment vouchers.

3.1.2. NON DEDUCTION OF TAX

The total sum of N810,000,000.00 was paid to various contractors in respect of community social services (CSS) projects in various constituencies between January 2018 to 31st August 2018, but the sums of N40,500,000.00; N40,500,000.00 and N8,100,000.00 in respect of 5% value added tax, 5% withholding tax and 1% stamp duty respectively were not deducted for onward remittance to various tax authorities.

The total sum of N935,000,000.00 was paid to various contractors in respect of community and social services projects in various constituencies between 1st September 2018 to 31st December 2018 but the sums of N46,750,000.00, N76,750,000.00 and N9,350,000.00 in respect of 5% value added tax, 5% withholding tax and 1% stamp duty respectively were not deducted for remittance to various Tax authorities.

In the same vein, vital records involving the details on the award, type and location of the projects executed in various constituencies amounting to a total sum of N1,745,000,000.00 in the year under review, were not made available for Audit verification.

The attention of the Accounting Officer that is the Clerk of the House is hereby drawn for his comment and necessary action.

3.1.3 PURCHASES MADE BUT NOT TAKEN ON CHARGE BY THE STORE UNIT

Store items and consumables amounting to the sum of N1,039,000.00 were purchased but not taken on charge by the store unit to prove that such items were actually purchased and received in accordance with the specification of order.

These observations were forwarded to the Clerk of the House whose response is being awaited.

3.2. SPECIAL DUTIES: (S.S.G.'S OFFICE)

3.2.1. INADEQUATE SUPPORTING DOCUMENTS

The sum of N1,098,710.10 was paid to some staff for various expenses, but documents such as store records, purchasing receipt, cash/invoice receipt were not attached to the payment vouchers.

3.2.2 SEMINARS/MEETING

The sum of N761,799.00 was expended for seminars and meetings attended by staff of the department. Invitation letters for the seminars and meetings were not attached to the payment vouchers to prove the authenticity of such functions.

3.2.3 UN RETIRED IMPREST

Contrary to Financial Instruction No. 1007 the sum of N1,622,200.00 Was paid to sectional heads in respect of monthly imprest but were not retired.

3.2.4 STORE UNITS

Purchases of stock in nature appeared not to have been passed through the store unit before being put into use; procurement Act was not adhered to.

These observations have been forwarded to the Permanent Secretary whose response is being awaited.

3.3. NIGER STATE HOUSE OF ASSEMBLY SERVICE COMMISSION

3.3.1 PAYMENT VOUCHERS WITHOUT ADEQUATE SUPPORTING DOCUMENTS

The sum of **#261, 500.00** was paid on three (3) number payment vouchers without adequate supporting documents to authenticate the genuineness of the payment made.

3.4 NIGER STATE FIRE SERVICE

3.4.1 PAYMENT TO GREEN WICH INTERNATIONAL VENTURE LTD

The 10% deduction of WHT and VAT amounting to **#2,500,000.00** out of **#25,000,000.00** mobilization fees for supply of 2number Quick Interventions vehicles was not deducted for onward remittance to the various tax authorities.

3.5 NIGER STATE PENSION BOARD

3.5.1 DEDUCTION OF OVERPAYMENT OF SALARY

The total sum of 162,224,202.00 was deducted from the Gratuity of some retirees as a result of their overstay in the service and none stoppage of their salary as at the date of their retirement.

This serves as a savings to the State Government.

ECONOMIC SECTOR

3.5 MINISTRY OF INVESTMENT, COMMERCE AND INDUSTRY

3.5.1 PAYMENT MADE WITHOUT SUPPORTING DOCUMENTS ATTACHED TO THE PAYMENT VOUCHERS

Eight (8) number payment vouchers amounting to the sum of N15,592,000.00 were paid to some officers of the Ministry without any document to validate the payment made on them. This implied that the amount was not accounted for.

3.5.2 INTERNATIONAL TRIP

Two (2) payment vouchers summed up to N15,907,000.00 in respect of foreign trip were not backed up with air tickets and other relevant documents to confirm that the trip was actually made.

3.5.3 JOS TRADE FAIR 2018

One (1) payment voucher was raised and paid to Director Commerce amounting to the sum of N6,000,000.00 without supporting the payment with necessary documents to prove the genuineness of the expenditure incurred.

3.5.4 PAYMENT VOUCHERS WITHOUT RELEVANT SUPPORTING DOCUMENTS

Nine (9) number payment vouchers amounting to the sum of N6,759,715.72 was raised and paid to some officers of your organization without necessary supporting documents that would validate the expenditure incurred.

3.6 NIGER STATE INVESTMENT AND PROMOTION AGENCY.

3.6.1 EXPENDITURE INCURRED WITHOUT ANY DOCUMENTS.

The sum of **#998,745.12** was expended between 1st January, 2018 to 31st August 2018 without single payment voucher to back-up the expenditures incurred.

Also the sum of **#1,500,000.00** was equally expended between 1st September, 2018 to 31st December 2018 without expenditure documents to back-up the expenditure incurred which is contrary to financial instruction **No. 0704**.

3.7 NIGER STATE TRANSPORT AUTHORITY (NSTA)

3.7.1 PAYMENT VOUCHERS WITHOUT SUPPORTING DOCUMENTS.

Seventeen (17) number payment vouchers totaling **#84,800.00** were raised and paid without the necessary supporting documents such as store receive vouchers, store issue voucher.

The sum of **#2,976,000.00** was paid to one contractor Mr. Okoli B. 13venture of which evidence of payment receipts was not issued and VAT was not deducted.

The total sum of **#1,350,386.00** was expended on supply of ten (10) number vehicles and overhaul between the period of 1st July, 2018 to 31st October 2018 and items were not taken on charge by the store.

3.7.2 UN-AUTHORIZED EXPENDITURE

Fifty eight (58) number payment vouchers totaling **#2,516,000.00** were raised and paid without the Accounting officer's approval which is contrary to financial instruction.

The sum of **#57,677,738.00** was generated as revenue between 1st July, 2018 to 30th November, 2018, but records, such as general revenue ledgers and counter foils in respect of the revenue were not presented to the visiting Auditors for reconciliation and certification.

3.8 RURAL ELECTRIFICATION BOARD (REB)

3.8.1 AUDIT INSPECTION REPORT ON CAPITAL PROJECT FOR THE YEAR 2015 TO 2018

Five (5) nos. projects amounting to N41,889,905.50 were executed as direct labour but neither the items purchased were taken to the store, nor SRV/SIV made available for certification.

Deductions of 5% VAT, 5% WHT and 1% stamp duty totaling N58,099,735.95 were not accompanied with receipts.

3.8.2 RECURRENT EXPENDITURE

3.8.3 PAYMENT WITHOUT PROPER DOCUMENTATIONS

Twenty two (22) nos. payment vouchers totaling N7,557,525.04 were raised and paid to individuals without proper documentation such as receipts, invoices, approval and evidence of collection of money during the period 1st July, 2018 to 31st December, 2018.

3.9 MINISTRY OF ENVIRONMENT & SOLID MINERALS

3.9.1 UNREMITTED REVENUE: OCTOBER 2016 – DECEMBER 2018

The consulting firm handling the revenue generation from enforcement of forestry laws in Niger State named MULAK SOLIS PROJECT LTD ought to have remitted the sum of N19,000,000.00 as revenue to the coffer of Niger State Government based on the agreement signed and sealed with the Niger State Government dated 13th October, 2016 but only the sum of N5,350,000.00 appeared to have been remitted to the State

Government account leaving an outstanding balance of N13,650,000.00 yet to be accounted for by the consultant.

This has been forwarded to the accounting officer of the Ministry whose response is being awaited.

LAW AND JUSTICE SECTOR

3.10 JUDICIARY HEADQUATERS, HIGH COURT OF JUSTICE

3.10.1 UNRETIRED IMPREST

The total sum of **#24,400,000.00** given to sixty five (65) Judges of Magistrate Courts as imprest for the period under review was not retired. The amount ought to have been accounted for to ensure accountability and transparency.

This has been communicated to the accounting officer of the court whose response is being awaited.

3.11 SHARIA COURT OF APPEAL

3.11.1 UNRETIRED IMPREST

Audit verification revealed that the sum of **#15,400,000.00** given to seventy (70) Judges of sharia courts as imprest for the period under review was not retired. This implied that the said amount was not accounted for.

3.12 UPPER SHARIA COURT LAPAI

3.12.1 REVENUE GENERATED BY UPPER SHARIA COURT LAPAI

The total sum of **#45,750.00** was generated as revenue by upper sharia court Lapai for the period under review. However, no Bank statement was tendered to authenticate the lodgment into Government coffer to ascertain that the lodgment was actually made.

3.12.2 IMPREST TO UPPER SHARIA COURT JUDGE LAPAI

The sum of **#240,000.00** was given to upper sharia court judge Lapai for the period under consideration, but no evidence to confirm that the imprest was retired.

3.13 CHIEF MAGISTRATE COURT BIDA

3.13.1 REVENUE GENERATED BY CHIEF MAGISTRATE COURT BIDA

The total sum of **#418,495.00** was generated as revenue by chief magistrate court Bida for the period under consideration. Bank statement was not produced to confirm the authenticity of lodgment into Government coffer.

3.13.2 IMPREST TO CHIEF MAGISTRATE COURT JUDGE BIDA

The sum of **#360,000.00** was given to chief magistrate court Bida for the period under consideration without any supporting document to prove the genuineness of the expenditure.

3.14 CHIEF MAGISTRATE COURT AGAIE

3.14.1 REVENUE GENERATED BY CHIEF MAGISTRATE COURT AGAIE

The sum of **#109,600.00** was generated as revenue by chief magistrate court Agaie for the period under review but Bank statement to confirm the lodgment into the Government coffer that the said amount was actually lodged was not made available.

3.14.2 IMPREST TO CHIEF MAGISTRATE COURT JUDGE AGAIE

The sum of **#360,000.00** was given to chief magistrate court Agaie for the period under review as imprest but no evidence to show that the imprest was retired.

3.15 NIGER STATE SHARIA COMMISSION, MINNA

3.15.1 OUTSTANDING RECORDS

The under listed records were not presented for Audit examination;

- i. Bank statement from 1st January –30th June 2018.
- ii. Cash book expenditures for June 2018.
- iii. Payment vouchers for June 2018.

3.15.2 ALLOWANCE PAID WITHOUT APPROVAL

The sum of **#5,681,000.00** was paid on 19 number MDAs payment vouchers as monthly allowances for the period 1st January, 2018 – 30th June, 2018 without approval, attached.

SOCIAL SECTOR

3.16 MINISTRY OF EDUCATION

3.16.1 PAYMENT VOUCHERS WITHOUT ACKNOWLEDGEMENT RECEIPT ATTACHED

Two (2) number payment vouchers amounting to N10,000,000.00 for payment of NABTEB examination fees were without acknowledgment receipts attached to the payment vouchers, to ensure that the amount in question was actually paid

3.16.2 EXPENDITURE NOT PROPERLY ACCOUNTED FOR

The sum of **#72,899,302.00** disbursed to the Boarding schools for purchase of ingredient and chemicals were not properly accounted a result of non-submission of expenditure receipts and store receipt vouchers for audit scrutiny.

3.16.3 PAYMENT TO HANNATU SALIHU

The sum of **#29,840,535.00** was paid to HannatuSalihu (food vendor) of which the food items were neither supplied nor the amount refunded back to Government coffer through the Ministry of Education.

3.16.4BULKY RELEASE OF FUND AS INGREDIENT MONEY

The sum of **#20,589,382.00** was transferred in bulk to sundry Boarding Schools without sighting the schedule that contains the breakdown and analysis of beneficiary Boarding Schools, for proper accountability and prudence.

3.16.5BAD QUALITY OF FOOD SUPPLIED

The quality of food supplied by the Niger State Supply Company to Boarding schools is poor and we strongly advised the supplier to improve on the quality of food supplied to the various schools to justify the amount expended on food.

3.16.6DILAPIDATED STRUCTURES

Inspection of Boarding school revealed the presence of abandoned and dilapidated structures which needs urgent attention for the purpose of providing conducive learning environment to the boarding schools.

3.16.7STORE UNIT

No maintenance of fixed asset registers in all the Boarding schools despite possession of assets in the schools.

3.16.8INTERNAL AUDIT

The internal audit unit put in place is weak which makes the internal control system to be in effective.

These observations have been communicated to the accounting officer of the ministry whose respond is being waited.

3.17 SECONDARY EDUCATION BOARD.

3.17.1 PAYMENT WITHOUT ADEQUATE SUPPORTING DOCUMENT .

Five (5) number payment vouchers totaling **#169,700.00** were raised and paid without necessary supporting documents attached to the payment voucher to justify the payment made.

3.18 HOSPITAL MANAGEMENT BOARD

3.18.1 OUTSTANDING PAYMENT VOUCHERS

Twenty six (26) number payment vouchers amounting to **#1,496, 409.88** for the period 1st July, 2018 to 31st December, 2018 were outstanding and not tendered for audit.

3.19 GENERAL HOSPITAL KAGARA

3.19.1 NON ATTACHMENT OF VITAL DOCUMENTS TO THE PAYMENT VOUCHERS

Sixteen (16) number payment vouchers involving the sum of **#399,492.00** were without necessary supporting documents attached to the payment voucher to substantiate the payment effected on them.

3.19.2 UNVOUCHED EXPENDITURE

Expenditure records in respect of proceeds received from National health insurance scheme involving the sum of **#1,772,381.70** and appropriation fund received from hospital management Board involving the sum of **#152,091.19**, were not tendered for examination thus rendering such funds unaccounted for.

3.19.3 PAYMENT OF 31%NHIS PROCEED TO HOSPITAL MANAGEMENT BOARD (SUNDRY PAYMENT)

The sum of **#1,730,081.28** being 31% National Health Insurance Scheme which constitutes six (6) appropriation unit was collectively paid into hospital Management's Board account without sighting the evidence of how the amount was shared to individual beneficiaries.

3.19.4 INTERNAL CONTROL UNIT

The internal control unit put in place is weak which makes the internal control system to be ineffective.

This report has been communicated to the accounting officer of the hospital management board whose response is being waited.

3.20GENERAL HOSPITAL KUTA

3.20.1 UNTENDERED RECORDS

The sum of **#271,207.23** was received from Hospital Management Board, but the payment vouchers raised and other relevant supporting document were not tendered for audit examination.

3.20.2 TRANSFER OF NHIS PROCEED TO HOSPITAL MANAGEMENT BOARD

The sum of **#381,532.10** being percentage (%) from National Health Insurance Scheme shared to five (5) units as sundry payment to hospital Management Board without any evidence on how the sum was shared to individual beneficiaries.

3.20.3INTERNAL AUDIT

The Internal Audit unit of the Board is weak in discharging its responsibility which makes the internal control system to be in effective.

These observations have been communicated to the accounting officer of the Board whose response is being awaited.

3.21YESSO

3.21.1 PAYMENT WITHOUT ADEQUATE SUPPORTING DOCUMENTS

The sum of **#210,000.00** was paid for various expenditure without the necessary documents attached to the payment voucher in order to justify the payment effected on them.

4.0 ACKNOWLEDGEMENT

With a heart-full of gratitude, I continued to express my deep appreciation to all members of staff who have contributed in no small measure to the successful completion and production of this report.

My profound gratitude goes to His Excellency, Alhaji Abubakar Sani Bello, the Executive Governor of Niger State for his immeasurable support towards the auditing of the accounts of the State Government.

Also, my sincere thanks go to those functionaries outside my office who co-operated with me in the course of discharging my statutory responsibilities for the year reviewed. At this point, I would like to draw the attention of all Accounting Officers to have a careful look into the various observations highlighted in this report as it

concerns their offices with a view to improving and safe-guarding against future occurrence.

I received the full co-operation of the Accountant General and members of his staff during the process of producing the report for which I wish to thank them.

May I therefore, assure the administration of my continued preparedness to promptly discharge the statutory responsibilities of this Office as enshrined in the 1999 constitution so long as Ministry of Finance performs her expected role promptly.

Office of the State Auditor General,
P.M.B. 47,
Minna

MUHAMMADU N. NDAWUYA
State Auditor General
Niger State of Nigeria

5.0. AUDIT CERTIFICATE

In compliance with section 125 of the Constitution of the Federal Republic of Nigeria 1999, I have examined the Accounts and Financial Statements of Niger State Government of Nigeria for the year ended 31st December, 2018. Proper returns were rendered by Accounting Officers' in conformity with the Public Finances (Control and Management Law of 2015. I have obtained all information and explanation necessary in the discharge of my responsibility.

The Audit was conducted in accordance with auditing requirement as specified in Audit Law. In addition, Projects and Programmes were verified in line with the concept of performance audit. In the discharge of my responsibility as required by

section 125 (5) of the same Constitution, the Financial Statements have been certified subject to comments contained in my report.

In my opinion, projects and programmes executed were satisfactory in consideration of funds employed. Furthermore, the Financial Statement (1-3) and related schedules give a true and fair view of the state of affairs of Niger State Government as at 31st December, 2018.

Office of the State Auditor General,
P.M.B. 47,
Minna

MUHAMMADU N. NDAWUYA
State Auditor General
Niger State of Nigeria