



HOUSE OF REPRESENTATIVES  
FEDERAL REPUBLIC OF NIGERIA  
ORDER PAPER

Wednesday, 16 August, 2006

1. Prayers
2. Approval of **the** Votes and Proceedings
3. Announcements (*if any*)
4. Petitions (*if any*)

PRESENTATION OF BILLS

1. .Employees Right (Protection) Bill, 2006 (HB. 253) (*Hon. Femi Gbajabiamila*) — *First Reading*.
2. National Assembly Budget and Research Office Bill, 2006 (HB. 254) (*Hon. Alaba Lad-Ojomo and 11 others*) — *First Reading*.
3. National Centre for Elderly Persons (Establishment) Bill, 2006 (HB. 255) (*Hon Ganiyu O. Solomon*) — *First Reading*.
4. Nigerian Urban and Regional Planning (Amendment) Bill, 2005 (HB. 211) (*Hon. Halims Agoda*) — *First Reading*.
5. Computer Security and Critical Information Infrastructure Protection Bill, 2005 (HB. 214) (*Executive*) — *First Reading*.
6. National Agency for the Development of Rural Roads and Waterways (Establishment, Special Provisions) Bill, 2005 (HB. 217) (*Hon. Wale Ogunbanjo*) — *First Reading*.
7. National Mass Transportation Development and Management Corporation (Establishment, etc.) Bill, 2005 (HB. 220) (*Hon. Mba Ajah*) — *First Reading*.
8. Fairly Used Tyres (Prohibition of Display for Sale, Purchase, etc.) Bill, 2005 (*Hon, Mba Ajah*) — *First Reading*.
9. Value Added Tax (Amendment) Bill, 2005 (HB. 222) (*Hon. Mba Ajah*) — *First Reading*.

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PRESENTATION OF REPORTS

1. **Committee on Public** Petitions:  
*Report on the Petition by Mr Oguntinyinbo Charles Made:*  
Hon. Chidi **Dura:**  
"That this House do receive the Report of the House Committee on Public Petitions on the Petition by Mr Oguntinyinbo Charles Made against the Nigerian Immigration Service".

2. **Committee on Public Petitions:**  
**Report on the Petition by Mr George K. Konfaa: Hon. Chidi Duru:**  
"That this House do receive the Report of the House Committee on Public Petitions on the Petition by Mr George K. Konfaa against the Nigerian National Petroleum Corporation (NNPC)".
3. **Committee on Public Petitions:**  
**Report on the Petition by Mr Sunday Salawu: Hon. Chidi Duru:**  
"That this House do receive the Report of the House Committee on Public Petitions on the Petition by Mr Sunday Salawu against the Ajaokuta Steel Company".
4. **Committee on Public Petitions:**  
**Report on the Petition by Mr L. O. Opiti: Hon. Chidi Duru:**  
"That this House do receive the Report of the House Committee on Public Petitions on the Petition by Mr L. O. Opiti against the Nigerian National Petroleum Corporation".
5. **Committee on Public Petitions:**  
**Report on the Petition by Mr Ugwu Peter: Hon. Chidi Duru:**  
"That this House do receive the Report of the House Committee on Public Petitions on the Petition by Mr Ugwu Peter against the Power Holding Company of Nigeria Pic (PHCN)".

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## ORDERS OF THE DAY

### MOTION

1. **Adoption of the Conference Committee Report on a Bill for an Act to Establish the National Oil Spill Detection and Response Agency and for Matters Connected Therewith, 2006:**  
**Hon. Emeka Atuma:**  
The House on 23 August, 2005 passed the National Oil Spill Detection and Response Agency Bill, 2006;  
  
The Conference Committee met on 5 June, 2006, resolved the differences arising therefrom and approved a harmonized version of the Bill;  
  
A clean copy of the Conference Report is ready for presentation and adoption;  
  
Resolves, to adopt the Conference Report on the National Oil Spill Detection and Response Agency Bill, -2006.

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### BILLS

2. A Bill for an Act to Amend the Central Bank of Nigeria (Amendment) Decree No. 41 of 1999, 2004 (SB. 113) — *Second Reading*.
3. A Bill for an Act to Repeal the Statistics Act, 1957, Establish the National Statistics System, The National Bureau of Statistics and for Other Matters Connected Therewith, 2006 (HB. 224) — *Second Reading*.
4. A **Bill** for an Act to Authorise the Creation and Application of a National Branding Strategy for the Purposes of Promoting the Development of a Practical Governmental System that would Reflect an Image of Quality and Efficiency of its Products, Character and Services in the Global Market Place, Continuous Reform of its Institutions and Administrative Process of Steadfastness and Reliability of its Leadership Role in the International Community, and Provide for Other Matters Connected Therewith, 2005 (HB. 210) — *Second Reading*.

**CONSIDERATION OF REPORT****5. Consideration of Report:  
committee on Public Accounts:****Hon. Oluwole Adeyemi:**

"That this House do consider the Report of the House Committee on Public Accounts on the Findings and Recommendations on the Auditor-Generals's Report on the Accounts of Federal Agencies, and Status Reports on some Parastatals for 2000, 2001 and 2002 and approve the Recommendations therein" (*Laid 20/10/2005*).

**General Recommendations:**

- (0) In order to compel them to implement decisions, this House should approve that Chief Executives/ Accounting Officers of organizations and their officials who fail to answer Audit Queries or are supposed to implement PAC decisions and refuse to do so, should be recommended to the President for sanction. Furthermore, some percentage of the total allocation to such Ministries or Organizations, for the following year should be withheld, until such recommendations are implemented;
- (ii) Auditor-General should submit Part II of his reports from 2001 to 2004 and all other outstanding reports to the National Assembly within one month;
- (iii) The Nigerian Finance (Control and Management) Act should be reviewed to similarly accommodate these provisions as in the South African Public Finance Management Act;
- (iv) In order to guarantee the independence of the Auditor-General's office, an Audit Commission similar to the South African model, which should regulate the appointment of the Auditor-General and other issues relating to the Auditor-General's office, should form part of an amendment to the 1999 Constitution being undertaken;
- (v) The Auditor-General or an Audit Commission should be given the responsibility of appointing external auditors for Parastatals and Corporations.

**National Electric Power Authority (NEPA):****Recommendations:**

- (i) The proposed rescheduled payment which will enable Federal Inland Revenue Service (FIRS) reduce or waive part of the unpaid VAT by National Electric Power Authority, is not acceptable to the Committee since Federal Inland Revenue Service (FIRS) has no such power to cancel or prevent anybody or organization from remitting appropriate taxes collected on behalf of government. In the view of the Committee, diversion or failure to remit tax payer's money to the appropriate authority is the height of fiscal indiscipline and financial crime;
- (ii) that by National Electric Power Authority should pay fully, the indebtedness of un-remitted taxes and VAT amounting to N8.7 billion, to Federal Inland Revenue Service (FIRS) and furnish it with details of such payments. National Electric Power Authority is also to furnish the Committee with particulars of the government officials who are responsible for failure to remit the collected revenue;
- (iii) This huge expenditure is mind bugging and totally unacceptable to the Committee, as National Electric Power Authority could not provide details of the expenditure to enable the Committee assess its transparency and accountability in this regard;
- (iv) The Committee welcomes government's effort towards restructuring of National Electric Power Authority to enable it shed part of its powers and responsibilities for the purpose of effective management and maximum output,
- (v) National Electric Power Authority is to provide the total amount of the loan, position of the negotiation with Shell for signing the agreement and to indicate whether Shell has finally signed the agreement or paid the loan;
- (vi) National Electric Power Authority should identify the officials who committed government into obtaining such questionable loan for further investigation and proper sanction;

- (vii) National Electric Power Authority spends so much of its resources on overheads and maintenance of equipment without any significant improvement in its services to justify the huge amount of **money** government invests for running the Corporation,

**National Centre for Economic Management and Administration (NCEMA):**

*Recommendations:*

- (i) National Planning Commission to submit to the Committee, details of the amount of virement from National Centre for Economic Management and Administration and other agencies under its supervision whose funds were "mopped up" during the Period in question;
- (ii) National Planning Commission to provide details of specific projects that the funds "mopped up" were committed to;
- (iii) National Centre for Economic Management and Administration to provide information on how much it received/outstanding out of \$90, 000 grant from African Capacity Building Fund (ACBF I) since inception of the programme;
- (iv) Noting that National Centre for Economic Management and Administration present Act does not allow it to solicit for jobs from the private sector and considering the economic benefit of a wider scope of operation for the Centre, the Committee resolved to take it up the need for an amendment to the Act with the relevant Committee of the House, to enable the Centre solicit for jobs from both the public and private sectors. While the issue of unauthorized Virement is still being examined, this Committee is generally satisfied with the operations of the Centre with evidence of judicious use of funds available to it.

**Niger Delta Development Commission:**

*Recommendations:*

- (i) Government should release funds to the Commission at the same time with the State Governments, to enable it plan and execute its programmes;
- (ii) Niger Delta Development Commission should bring its audited accounts up-to-date and submit same to the Auditor-General for vetting;
- (iii) Niger Delta Development Commission is directed to reconcile its accounts with the oil companies and submit accurate and up to date information on its revenue profile from the oil companies;
- (iv) Although, the Committee recognizes that Niger Delta Development Commission has created appreciable impact in the lives of the people of the Niger Delta, until details of its income and expenditure is known and examined, Committee will be unable to give final verdict on the position of the accounts of Niger Delta Development Commission .

**Nigeria Ports Authority:**

*Recommendations:*

- (i) Although, the Committee is aware of the grumbling of several Agencies including Nigeria Ports Authority over Ports surcharges, it does not support Nigeria Ports Authority's request to be allowed to collect the levies directly, as it is not convinced that transparency and accountability would be better guaranteed if allowed to do so;
- (ii) Nigeria Ports Authority is to explain details of the N 198 billion operating expenditure and account for excess revenue of N19.8billion;
- (iii) The Committee welcomes Government action to unravel the "Sleaze" in Nigeria Ports Authority and urge that the report of Mr. President's panel be released without delay. Judging from the huge funds mismanagement mess that the Authority is involved in, this Committee strongly urges government to, as a matter of urgency, set up a Committee of revenue and tax experts to study and advise on the best trackable and transparent ways to fully harness and manage revenue from the ports;
- (iv) The excess revenue, which was expended by Nigeria Ports Authority without approval or authorization by any competent authority, is a gross violation of the Financial Regulations;
- (v) Nigeria Ports Authority to supply list of its debtors;

- (iv) Nigeria Ports Authority to recover the N11 billion owed it within six (6) months of this report and supply particulars of recovery to the Committee;
- (v) Nigeria Ports Authority should pay its indebtedness of taxes amounting to N10 billion to FIRS and furnish this Committee with particulars of payment;
- (vi) Knowing that failure, to remit or diversion of withholding tax or VAT is a serious act of physical indiscipline, Nigeria Ports Authority should identify and sanction its officials who were responsible for the embezzlement or diversion of the funds;
- (vii) Nigeria Ports Authority as well as other Parastatals of government should remit its generated income to the Treasury and ask for its needs through a proposal in the Annual Budget for the approval of the National Assembly;
- (vii) The Law that empowers Nigeria Ports Authority to generate and spend its income without recourse to the National budget should be reviewed to transfer power to approve its expenditure to the National Assembly through the Annual Budget.

Nigeria Shippers Council:

*Recommendations:*

- (i) Due to the absence of the Accounting Officer, and the poor state of its records, Committee decided to adjourn the session to another date with the following resolutions:
  - NSC Chief Executive/Accounting Officer to personally appear before the Committee on a date to be given by the Committee;
  - NSC to furnish detailed information on:
    - Statement of account from inception till date;
    - How much of it was spent and on what;
    - Income and Expenditure over the period;
    - Approved yearly budget and how much was spent outside the approved budget during the period;
    - Releases on capital/recurrent expenditure on quarterly/yearly basis incorporating any outstanding thereof from 1999 to 2004; and Statements of audited accounts on annual basis from inception.
- (ii) The Nigerian Shippers Council is one of the agencies that have not been serious over the issue of accountability and therefore, it is the decision of the Committee to carry out a special enquiry on the Council during the next session of the House;

National Sugar Development Council (NSC) :

*Recommendations:*

- (0) It is the view of the Committee that the failure of the then Minister Chief Kola Jamodu to constitute the governing Board of the Council as in the case of the National Automotive Council, two Parastatals in the Ministry of Industries, was a deliberate act to enable him have unfettered control and management of the levy accounts. Furthermore, the Minister misadvised the President to give approval for release of funds from the Council levy Account against the provisions of Council's enabling law and without appropriation by the National Assembly;
- (ii) Government should avoid delay in the Constitution of Governing Councils of government Corporations and Parastatals, which create opportunity for the mismanagement of such bodies. Furthermore, these corporations and parastatals should be allowed to operate according to the spirit of their enabling laws, including, the management of funds, subject to approval of the National Assembly;
- (Hi) Committee is to conduct special enquiry on the activities and management of Nigeria Sugar Development Council funds, during the 3rd session of the House.

**Raw Materials Research & Development Council:***Recommendations:*

- (i) Since this has been a source of conflict between the agencies that the funds accrue to and the Customs, for transparency, a better arrangement should be fashioned out in such a way that all the agencies are represented in the collection and payment of the levies, even as Customs still do the collection on behalf of the agencies;
- (ii) Committee commends the Raw Materials Research and Development Council for its research effort and other services rendered during the period, even in the face of poor funding.

**Federal Capital Water Board:***Recommendations:*

- (i) Failure on the part of the Board to vigorously articulate and harness its revenue through proper and dedicated revenue drive, coupled with management problems, has militated against its performance. The Board is therefore charged to step up its revenue drive by improving collection strategy;
- (ii) Federal Capital Territory administration should look into the management problem in the Board and inject competent and experienced professionals for efficient service.

**Joint Admission and Matriculation Board (JAMB):***Recommendations:*

- (i) Auditor-General to vet the accounts and present to Public Account Committee for final verdict;
- (ii) Committee is satisfied with the way JAMB kept its accounts and barring what the Auditor-General may observe in the accounts referred to it for vetting; JAMB is listed as one of the parastatals that have made judicious use of the funds available to it;
- (iii) JAMB should however, pay its revenue to the Treasury and articulate all its needs through the budget;

**Federal Urban Mass Transport Agency (FUMTA):***Recommendations:*

- (i) Noting that several Federal Urban Mass Transport Agency officials acted outside their professional competence and violated the Civil Service Rules and Federal Urban Mass Transport Agency's enabling Law, by acting as front or guarantors for the purchase of several Federal Urban Mass Transport Agency buses running to millions of Naira, the Committee recommends that all such officials should be made to pay for the buses or face prosecution;
- (ii) All outstanding indebtedness to Federal Urban Mass Transport Agency by States and other government Agencies should be deducted from their statutory allocations. States on their own should probe why the vehicles collected by their officials were not paid for, the condition of the vehicles and sanction officials where necessary;
- (iii) Individual and private operators who still owe Federal Urban Mass Transport Agency should be made to pay or face prosecution;
- (iv) Considering that Government Transport Corporations like Nigeria Airways, Nigeria Railways and Federal Urban Mass Transport Agency have always witnessed failure, the Committee does not support the establishment of another Agency solely owned by government as that would open up fresh avenue to siphon taxpayers money into private pockets;
- (v) Committee recommends that the 58 Vehicles should be boarded for them not to lose their complete values, since they are fast deteriorating;
- (vi) Banks and Insurance Companies which stood as guarantors for the various beneficiaries, should be prosecuted if they fail to honour their obligations as contained in the agreement;

- (yii) Since the Federal Ministry of Transport has not demonstrated enough commitment to unearthing the forces behind Federal Urban Mass Transport Agency's gory tales, an independent investigation body outside the Ministry of Transport should be instituted to find out why Federal Urban Mass Transport Agency was mismanaged, actual amount committed to the programme and the way forward. The Committee should also have the mandate to uncover the role played by Bimbo Lasebikan & Co., engaged to recover the outstanding debts and whether there was any connivance with the Ministry officials to further defraud the Agency.

National Automotive Council:

*Recommendations:*

- (i) The Committee commends Accountant-General for advising against diversion of fund and urged that the office should keep up the good work;
- (ii) Government should probe the management and officials of National Fertilizer Company of Nigeria (NAFCON) who ran the Company aground such that while the Company was supposed to produce fertilizers and promote the agricultural sector for an enhanced food production in the country, the huge investment in the company was squandered on bogus contracts, even while not paying its workers, thereby sabotaging government intention to make food available and affordable to its citizens;
- (iii) In the view of the Committee, this is not a sincere way of fast-tracking the production of tractors. Furthermore, the Committee frowns at this serious flaw on the part of the Minister, which negated his earlier advice to the President with regard to the role MOFI was to play in the loan recovery plan. The Committee further holds that, viewed from the perspective of ignoring the advice of Accountant-General with regard to diversion of fund, the deliberate sidetracking of MOFI in the management agreement between National Automotive Council and BOI, and the failure to constitute the Board of Council, it appears crystal clear, was deliberate effort to have unfettered access to the account of National Automotive Council by the Minister;
- (iv) Committee directs that all the money wrongfully diverted from National Automotive Council account should be refunded;
- (v) Committee is of the view that, it was wrong for the Hon. Minister to have been more interested in diverting National Automotive Council funds to service moribund Companies like National Fertilizer Company of Nigeria (NAFCON) which in itself, not an automobile company, instead of committing the money to the development of small and medium scale automobile industries as intended by the enabling Law;
- (vi) Henceforth, Government should address the issue of diversion of fund as a serious offence. The Committee therefore, advocates that there should be a new legislation to empower National Automotive Council to run its account independent of any external bodies
- (yii) Furthermore, Committee notes that the purpose of establishing Boards of Corporations and Parastatals is to regulate, safeguard and provide direction for proper management of those organizations, Therefore, government should not leave its parastatals and corporations for too long without governing councils.

Defense Industries Corporation of Nigeria:

*Recommendations:*

- (i) Committee feels that though N560 million is an appreciable figure, it directs that Defense Industries Corporation of Nigeria (DICON) should enhance its performance and strengthen its revenue drive effort for improved target earnings to run the Corporation apart from government subvention to it;
- (ii) Defense Industries Corporation of Nigeria (DICON) is for to make available details of the transaction to the Committee for the purpose of recovering the money from the Police;
- (iii) Committee appreciates the Corporation's effort in exploiting other sources of income but recommends that Defense Industries Corporation of Nigeria (DICON) should not succumb to the temptation of replacing its primary objective of manufacturing arms, and ammunition with several subordinate activities.

### **National Economic Reconstruction Fund (NERFUND):**

#### *Recommendations:*

- (i) National Economic Reconstruction Fund (NERFUND) to Provide the Committee with information to enable it take up the issue of merger with the Permanent Secretary of the Ministry of Finance who also is the Chairman of the FUND, in order to smoothen the rough edges of its operations. Also, National Economic Reconstruction Fund (NERFUND) is to submit the list of projects it alleged to have funded across the Country;
- (if) Excepting any adverse report on its accounts by Auditor-General Committee considers National Economic Reconstruction Fund (NERFUND) to be one of the agencies that **witnessed** steady growth with positive impact on money invested in it by government through prudent management of public funds entrusted under its care. The leap from N6 billion asset base on inception in 1990 to over N600 billion in 2004, symbolizes a good record of satisfactory performance.

### **Federal Mortgage Bank of Nigeria (FMBN):**

#### *Recommendations:*

- (i) Federal Montage Bank Nigeria (FMBM) should provide cost of each Housing unit, time of construction and their location to enable PAC assess them on the benchmark of value for money;
- (ii) Federal Montage Bank Nigeria (FMBM) should also refund the National Housing Fund (NHF), the N1, 141, 177, 092.00 Civil Servants Contribution to the its Headquarters building project;
- (iii) Federal Montage Bank Nigeria (FMBN) should also refund the N3.1 billion liability to the National Housing Fund (NHF) and all other monies owed the Fund. Particulars of the above refunds should be furnished to the Committee;
- (iv) Committee holds that the N1.1 billion committed to the building of Federal Montage Bank Nigeria (FMBN) is a colossal waste, as value was not achieved for the huge expenditure on the project. Committee further holds that it is outright injustice to deny Civil Servants assistance through the National Housing Fund,(NHF), while diverting their contribution to Fund to other uses. Any further diversion of funds should be met with severe sanction;
- (v) Although, the establishment of National Housing Fund (NHF), and Federal Montage Bank Nigeria (FMBN) are good government policies to help in the provisions of houses and rendering primary and secondary mortgage service to its citizens, over the years, these institutions have been used as conduit pipes to siphon tax payers money. Even with the huge financial outlay to them, the story is not palatable, when compared to other agencies of government applauded for transparency and accountability such that at the end of the day, there is nothing to show for the existence of their operation.

### **Nigerian Communications Commission:**

#### *Recommendations:*

- (i) Resulting from these inadequacies, Committee requested that Nigeria Communication Commission should furnish it with the under-mentioned information; to enable it examine its operation further:
  - provide a comprehensive status brief, adopting the format designed by the Committee.
  - Supply six copies each of audited accounts from 1999-2004.
  - List of Capital Projects executed or ongoing between 1999-2004
  - Approved budget for Capital/Recurrent Expenditure
  - Total income generated on quarterly and yearly basis form 1999-2004
  - How much percentage of the \$1.055b (N143b) income of 2000 was retained by the Nigeria Communication Commission and how the retained percentage was worked out
  - How was the retained money utilized
  - Give evidence of the payment of the N143 billion to Central Bank Nigeria
  - Give amount paid by Nigeria Communication Commission into the National Consolidated Revenue Fund yearly from the year of inception to date.
  - How much has been generated form " Sold Spectrum" service since the scheme commences, indicating yearly proceeds.

- How much has been generated from the retained Annual Operating Levy into the pool of Universal Service Funds.
- How much the funds generated into the Funds was expended (giving yearly breakdown)
- How much was paid to the World Bank consultants for their services to the Nigeria Communication Commission ?
- Give a breakdown of what Telephony operators pay to Federal Government or any other tier or arm of government in form of VAT, Tax, etc. yearly
- Give a breakdown of direct investments in the telephony sub-sector of the country, including total amount involved in such investments.
- Give total amount of funds repatriated from the country by operators (whether local or foreign) up to date, giving breakdown of every operator.

(I) It is of note that Nigeria Communication Commission is yet to furnish these pieces of information to enable the Committee examine the accounts as to whether or not value has been achieved for the money expended during the period.

{iii) Notes the monumental achievements recorded by the Nigeria Communication Commission in revolutionizing the Telecommunication's Industry, which witnessed the introduction of GSM and sharp growth of telephone line from 450,000 in 1999 to about 10 million lines at the end of 2004 and thus, facilitating the generation of both direct and indirect employment in the country

## MINISTRIES

### **Ministry of Sports and Social Development:**

#### ***Recommendations:***

- (/) Ministry should complete Treasury form 146 and initiate action for the losses Committee to write-off the vehicle;
- (ii) Ministry should intensify efforts towards recovery of unretired advances from staff. Henceforth, any advances not retired within the stipulated time of retirement of such advance should be recovered from the officer concerned. Furthermore, any accounts official who processes another advance to an officer who has not retired previous ones granted should be sanctioned;
- (iii) Ministry is cautioned against the use of anticipatory approval for contract award. Henceforth, any case of anticipatory approval should be reported to the Independent Corruption Practices Commission;
- (iv) Ministry is advised to ensure that extant Rules were followed in future for the procurement of properties for Government;
- (v) Ministry is directed to promptly remit VAT and withholding tax to the Federal Inland Revenue Service within 30 days as stipulated by the Financial Regulations. Meanwhile, Ministry should remit without delay all VAT and withholding taxes deducted to the Federal Inland Revenue Service, and furnish the Committee with particulars of payment;
- (vi) Ministry is directed to ensure that relevant supporting documents were presented and shown to auditors during audit investigation. Henceforth, any payment not accompanied with the relevant documents will not be accepted as genuine payment and accounts staff who processed and allowed such payment will be sanctioned.

### **Ministry of Agriculture and Rural Development:**

#### ***Recommendations:***

- (i) The ministry officials are to painstakingly study Treasury Circulars in order to give proper interpretations to them and guard against avoidable consequences and losses to Government. Revenue should be properly harnessed and paid to Government Treasury as required by the Financial Regulations;
- (ii) The ministry is to ensure that all the vehicles involved are recovered. In addition to this, a list of the outstanding vehicles yet to be paid for, names of the officers holding them and amount of purchase should be forwarded to the Committee;

- (ii) The Minister of Finance and the Accountant-General of the Federation should recover the funds at source from the statutory allocations of the affected States. In addition to this, ministry is to introduce a policy that would prevent this type of debts;
- (iv) Ministry should pay all such arrears of entitlements without delay. Meanwhile, Ministry should submit a list of the former staff involved and the total amount of arrears owed them.
- (v) Ministry should endeavor to keep and maintain proper and accurate accounting records. Accounting officers on their part, should adhere strictly to the letters of Financial Regulations since compliance will eliminate lapses to the barest minimum.

Federal Ministry of Education:

*Recommendations:*

- (i) Ministry should observe the stipulations of Financial Regulations and Treasury circulars in future else, appropriate sanctions will be visited on defaulting Officials;
- (ii) Ministry is to investigate the matter further and report back to this Committee;
- (Hi) Henceforth, no officer should be granted fresh advance without retiring the previous one collected. Accounting officials who approve fresh advances to staff who have outstanding ones against them, will be surcharged of such unretired advances;
- (iv) Any payment made henceforth, without payment voucher and the relevant attachments will not be considered as genuine payment and in such case, the paying finance officials will be held responsible for such payments;
- (v) Ministry to recover the sum of N8.8 million which was an overpayment made to a company for the supply of 88 units of Suzuki model 100 motorcycles for a total sum of N17,160,000.00 at an inflated unit cost of N195,000.00, as against market price of N94,250.00 for a unit;
- (vi) Ministry is to recover an overpayment of N154,250.00 paid for the supply of 1 Yamaha YB 100 motorcycle at a unit cost of N435,650.00 (VAT inclusive) which was inflated by N281,400.00 when compared with the open market price;
- (vii) Ministry also to recover the sum of N8,340,000.00 paid to Chief B. A. Omole Agboworin and Company, an estate agent as two years rent, which was considered by the Committee, on the advice of Auditors, as an overpayment for a property that was not valued by Ministry of Works' and not actually rented;
- (viii) Ministry is to recover the cost of 4 library items amounting to N79,500 that was not supplied to Federal Inspectorate of Education Makurdi, Benue State, for which payment was made.

Ministry of Defence:

*Recommendations:*

- (i) Although, this Committee has inspected facilities in place at the DMP headquarter, it holds that separate Funds should have been made available to the Committee, instead of committing funds meant for payment of pensions to the assignment;
- (ii) Military Pension Board is to furnish the auditors for scrutiny, documents relating to payment amounting to N25.8 billion, to pensioners over the 36 States, which auditors did not have opportunity to monitor. Furthermore, the DMP is to provide details of the disbursements, accompanied with relevant documents, to the PAC, while the Auditor-General will separately submit a report to Public Account Committee after scrutinizing the payments;
- (iii) DMP should wear an eagle eye to discover all unscrupulous charges and recover them to the last kobo;
- (iv) Committee commends this effort and urge Military Pension Board to maintain regular payment of Pensioners entitlements as well as guard against further recurrence of ghost pensioners;

- (v) Military Pension Board to sort out the actual amount owed it by each State, to enable the Public Account Committee direct recovery at source, from their statutory allocations;
- (vi) Although these vouchers have now been dug out, Auditor General is to examine them and report to the Committee;
- (vii) Committee commends this feat and recommends more of such measures, which ensures value for money and cost reduction;
- (viii) Recognizing the need to safeguard the Nation's Security, Committee recommends that a procedure of auditing such security related matters should be put in place;
- (ix) Barring the peculiar problem's with the military pension's account and the observations raised thereto, the Committee is generally satisfied with the sanity the new chairman and his team is bringing to bear in the military;

Pensions Board:

Committee is also satisfied with the way the Nigerian Army, the Nigerian Airforce and the Nigerian Navy kept their 2002 accounts.

Federal Ministry of Transport:

*Recommendations:*

A Special Session to be held on the Ministry during Committee's third Session's work

National Population Commission:

*Recommendations:*

- (i) In view of all the observed anomalies, Committee resolved that a special session is to be held on National Population Commission during its third session work. Commission to ensure that a functional Audit Query or Public Account Committee unit is established. Furthermore, there should be proper handing over by official; when posted before leaving the schedule.

Ministry of Co Operation And Integration in Africa:

*Recommendations:*

- (i) FIRS should issue receipt immediately for every payment made to it. Ministry to remit all unpaid Taxes and VATs to the FIRS and submit payment particulars to the Committee;
- (ii) Following inability of the Committee to comprehend properly, the poor presentations of the ministry's accounts and gross abuse of the Financial Regulations, the Committee directed the ministry to recover all monies irregularly expended from Staff or contractors as the case may be and forward recovery particulars to it. Secondly, ail officers responsible for the various lapses should be disciplined. Actions taken as above are to be communicated to the PAC accordingly.

Ministry of Foreign Affairs:

*Recommendations:*

- (i) Ministry should recover the difference of N8,252,360.85 with particulars of the recovery sent to the Committee;
- (ii) Ministry to sort out and reconcile the mess up and inform the Committee of action taken;
- (iii) Committee recommends that schedule officers should strictly comply with Financial Regulations henceforth; as noncompliance in future will attract sanction;

Ministry's accounts for 2002 were not properly kept. Ministry is therefore advised to put its house in order with regard to proper keeping of accounting records and response to audit queries.

Gwagwalada Area Council:

*' Recommendations:*

- (i) Council ought to have used different cash books for different bank accounts instead of lumping entries together in one. The Committee recommends that Council should maintain one cash book for each bank with a maximum of two bank accounts, to facilitate proper record keeping and monthly reconciliation of accounts;
- (ii) All the cash advances should be retired or the money recovered from the beneficiaries with details of recovery sent to the Committee;
- (iii) Committee cautions that all relevant documents must be produced for audit inspection on request during audit exercise. Furthermore, any payment without the attachment of appropriate receipts and documents will henceforth attract a surcharge on the Accounts Officers who processed and made such payments.

Abaji Area Council:

*Recommendations:*

- (i) For inability to properly defend the queries raised on the accounts, Council Chairman is to reappear with the former Chairman and Treasurer, during whose tenure the transaction took place, on a fresh date to be given by the Committee, to personally defend the queries;
- (i) Noting that lack of professionalism and training on the part of accounting staff has accounted to a very great extent, for the losses and wastes incurred by the Council, the Committee recommends that the FCT administration should look into the qualification and proficiency of the Treasurer in order to determine the type of training he needs to enable him perform the functions of a Council Treasurer;

Abuja Municipal:

*Recommendations:*

- (i) Council is advised to observe Financial Regulations as they affect retirement of personal advances to officers. In future, any advance not retired at the appropriate time will be deemed to have been misappropriated and those concerned will be surcharged of the sums involved;
- (ii) Council should stop lumping together in future, payment meant for different transactions in one voucher. Meanwhile, acknowledgment of the receipts of the donations should be provided to the Committee within two weeks or the money recovered from the officer concerned;
- (iii) Committee resolved to look into the legal issues regarding the functions of the offices of the two Auditors-General;
- (iv) Committee directs Abuja Municipal Area Council to put its records in order by observing the Financial Regulations, especially as they relate to retirement of advances and to always produce on demand to Auditors during their inspections, appropriate documentary evidence to support every transaction;

Kwali Area Council:

*Recommendations:*

- (i) Council should henceforth ensure that all final payments for contracts exceeding N5 million are co-signed by the Auditor-General or his representative;
- (ii) The Committee directs that the N1,828,321.63 should be recovered and recovery particulars forwarded to it;
- (iii) Committee recommends that, in accordance with the accounting practice, Council Officials should cancel and initial errors henceforth;

- (iv) Since payment on a voucher can only be valid after accompanying documents have duly been seen and attested to by auditors, the Committee recommends that in future, any such disregard to Financial Regulations will be unacceptable, and the erring officials, surcharged.

National Assembly:

*Recommendations:*

- (i) The National Assembly Bureaucracy should provide financial advice to the National Assembly Leadership at all times and boldly put such advice in writing. Furthermore, while acknowledging that the situation has substantially improved from what it was in 2002, the leadership should learn to operate within the ambit of the Financial Regulations as well as respect any good advice provided by the Bureaucracy;
- (ii) The National Assembly is to provide the names of the Hon. Members concerned to enable Public Accounts Committee direct recovery of the funds involved;
- (iii) Arising from the foregoing observed lapses, the National Assembly is to, henceforth ensure that all payment vouchers are accompanied with the relevant receipts and documents, otherwise, such payments would not be accepted and culprits would be surcharged;

National Assembly Service Commission:

*Recommendations :*

- (i) Committee directed National Assembly Service Commission to replace the incumbent with a Senior Officer of not less than grade level 08, which has since been complied with;
- (ii) Although the Committee noted that the virement was approved by appropriate authority, it advised on the discontinuation of the practice. Henceforth, any unspent funds in the Recurrent account by the end of the year, should be returned to the Treasury;
- (iii) National Assembly Service Commission is to ensure that Cash Books are signed with Bank reconciliation religiously carried out at the end of every month;
- (iv) These records should be maintained for the auditors to examine and report the state of the accounts to the Committee,

Federal **Inland** Revenue Service:

*Recommendations:*

- (i) The efforts that has yielded the recovery of N4.8 billion out of debts owed for 2000 to 2002 is commendable. Federal Inland Revenue Service should intensify more efforts towards further recovery, as what has been recovered is insignificant compared to the huge sums still out standing;
- (ii) Government should set-up special tax Courts or Tribunals to dispose of these cases and recover all monies owed the government;
- (iii) Noting that Tax evasion is a civil offence in Nigeria, Committee recommends that tax evasion should be made a criminal offence as in other countries. Law should also be extended to diversion or failure to remit taxes collected to the Federal Inland Revenue Service;
- (iv) The sums owed should be deducted at source from allocations of the respective Ministries or Parastatals in a graded installment as shall be considered reasonable by the Minister of Finance and Accountant-General of the Federation. Particulars to the deductions should be forwarded to this Committee;
- (v) Ministries/Agencies and Parastatals should identify those responsible for the non-remittance of the taxes, whether by omission or commission and whether still in the establishment or not, for sanction;
- (vi) Committee notes that many countries depend on taxes as a major source of revenue and therefore, affirms that with an efficient tax administration and strict application of the Nation's tax laws, earning from this sector can substantially supplement earnings from the oil sector;

(vii) Committee is satisfied with the efforts of present Leadership of the Service, to reform the Nation's tax administration and reposition the Service for an aggressive revenue harnessing drive. **PAC** pledges support to Federal Inland Revenue Service in this regard.

### COMMITTEE MEETING

|    | <i>Committee Rules</i>                  | <i>Date</i>                | <i>Time</i> | <i>Venue</i>                          |
|----|-----------------------------------------|----------------------------|-------------|---------------------------------------|
| 1. | and Business                            | Wednesday, 16 August, 2004 | 10.00 a.m.  | Committee Room 06<br>Assembly Complex |
| 2. | Internal Affairs                        | Wednesday, 16 August, 2004 | 11.00 a.m.  | Committee Room 14                     |
| 3. | Information and National<br>Orientation |                            |             | Assembly Complex                      |
|    |                                         | Wednesday, 16 August, 2004 | 12.00 p.m.  | Committee Room 21                     |
| 4. | Culture and Tourism                     |                            |             | Assembly Complex                      |
|    |                                         | Wednesday, 16 August, 2004 | 11.00 a.m.  | Committee Room 09<br>Assembly Complex |
| 5. | Public Petition                         | Wednesday, 16 August, 2004 | 11.00 a.m.  | Committee Room 02<br>Assembly Complex |
| 6. | States and Local Government             | Wednesday, 16 August, 2004 | 12.00 p.m.  | Committee Room 20<br>Assembly Complex |
| 7. | Air force                               | Wednesday, 16 August, 2004 | 12.00 p.m.  | Committee Room 17                     |
| 8. | Communication                           |                            |             | Assembly Complex                      |
|    |                                         | Wednesday, 16 August, 2004 | 11.00 a.m.  | Committee Room 24<br>Assembly Complex |