

N O C L E Y



NORTHERN NIGERIA LEGISLATURE

Public Accounts Joint
Committee

Session 1965-66

Minutes of Evidence

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PUBLIC ACCOUNTS JOINT COMMITTEE
SESSION 1965-66

MINUTES OF PROCEEDINGS
Thursday, 27th May, 1965

MEMBERS PRESENT

Alhaji Umar Sulaiman, O.B.E., Emir of Bedde (*in the Chair*)

Alhaji Umaru, Emir of Pategi

Dr Iya Abubakar

Alhaji Muhamman, Emir of Gumel

Mr Olarewaju Afolayan

Alhaji Hassan, Dallatun Abuja

Mr S. A. Atum.

Alhaji Muhammadu Sada Nadada Kankia

The Director of Audit, Mr M. Skilleter, C.B.E., accompanied by the Deputy Director of Audit, Mr E. S. H. Clode in attendance.

Chairman's Introductory Remarks

There seems to be enough members present for a quorum and I think we should start. First, let me welcome you all here and, secondly, a particular welcome to Mr S. A. Atum who is joining the Committee as a new member.

We held our Meeting in May last year, so this one is on time and we expect to clear up all the accounts we have to examine, in other words all the accounts which have been tabled in the Legislature since our last Meeting. We found during our last Meeting that the business to be got through each day not only made us sit late but made us tend to rush things in order to get it completed. It is for this reason that we have extended the length of this meeting and it is my hope that we will find adequate time each day to get through the allotted business. In the light of our experience as regards our Timetable we will decide whether any adjustment is required for the next Meeting of this Committee.

In his letter dated the 15th April, 1965, which he sent to all of you, the Secretary listed all the accounts we are due to deal with at this Meeting. As it is a long list I will not read it out, but you will particularly note that the main item of business will be the Director of Audit's 1963-64 Annual Report. The Director sent out copies of his Report as long ago as February last, and at the same time he told all Accounting Officers that the next Meeting of this Committee was likely to be in May or June, so the letter of the 15th April from the Secretary asking them to attend at the Meeting was not the first notice they had had. I hope all of you have been given copies of the accounts which we have to consider and that you have had time to study them. If not I am sure the Secretary will do his best to assist you to obtain your copies. The other official document which you should have is the Accountant-General's 1963-64 Financial Report which contains all the Northern Nigeria 1963-64 Annual Accounts. If you have not got a copy of this here again I am sure the Secretary will see what he can do.

As at previous Meetings we will have a preliminary discussion until the Accountant-General appears before us at 11 a.m., and during the discussion period I hope you will raise any point you wish or seek information on anything which is not clear. For the

remaining days we have one hour for preliminary discussion: previous experience indicates that sometimes this is too long and at other times too short. Similarly with the time allotted to each Accounting Officer, we may find that it is insufficient so we shall have to adjust the programme as we go along but of course we shall do our utmost to try to observe the times given in the programme so as not to keep these busy officers waiting.

Business will start each morning at half-past nine, except on Fridays when it will be nine o'clock a.m. This year we have only one public corporation to deal with on the last day, so it will probably be possible to consider our Report immediately after we see the Secretary of that Corporation on the Monday morning, so for this reason it should prove possible to finish our business by Monday week. You will remember that normally we meet on Tuesday morning to consider our Report, and that is why I am mentioning the fact now that we are likely to finish on the Monday. You may be surprised to note that we have only one set of public corporation accounts to deal with. The Director of Audit informs me that this is because the other public corporations which were supposed to table their accounts have not done so, and he has written to them reminding them of the need to do so at the next Meeting of the House. But as far as this Committee is concerned we can only consider the one corporation at this Meeting.

In regard to the Director of Audit's Report we shall have appearing before us all the Permanent Secretaries of the Ministries concerned except in the case of those Offices which are not responsible to a Minister, in which case the Executive Head of the Office will appear. As before, the Accountant-General will appear on behalf of the Permanent Secretary, Ministry of Finance, to answer questions on purely accounting matters. In the majority of cases Permanent Secretaries have submitted written replies, copies of which have been or will be circulated to members of this Committee. Generally, these replies show the action being taken to correct any shortcomings referred to in the Audit Report, and the fact that Accounting Officers have to appear before us has had the effect of making them take early action to put matters right. However, I should be pleased if Members will ask any questions which occur to them, because very often the written replies do not give complete answers and should not be accepted too readily.

As regards the procedure we will follow when dealing with the Audit Report we will follow the practice of previous years. When the officer appearing before us has taken his seat we will deal with the paragraphs which concern him one by one. The Hausa translation of the paragraphs in the Audit Report is read out, and in order to save time we will not have the English version read out since Members have copies of the Report before them. Where a written reply has been submitted that will be read out in Hausa, and after that I will ask for the questions and observations of Members on the paragraph and on the written replies. All discussion is translated into Hausa or English as required, and in order to help the Interpreters it will be most helpful if suitable pauses are made so that the translation may be as accurate as possible. After all observations have been made, and before we pass on to the next paragraph, I will generally ask the Director of Audit whether he also is satisfied, but may I advise members, once again, that it is for the Committee to accept or not to accept the explanation given and that the Director is here only as an adviser. Having cleared one paragraph we will then go on to deal with the next, and so on until all the paragraphs for that Accounting Officer have been disposed of. Our Secretary will record the decisions of the Committee on each paragraph as we progress and at the same time will draft his own paragraph for inclusion in our Report.

As you know the last business of this Meeting will be to consider and as necessary amend, and approve his draft paragraphs.

In addition to the Director of Audit's Report there are also a number of other accounts on the Agenda. These are mainly Fund accounts, and as the Accountant-General keeps the main accounts of all of them they will come up for consideration when he is before us. Since the day-to-day working of each Fund account comes under the appropriate Permanent Secretary, it will again be dealt with when that particular Permanent Secretary is before us in connection with his part of the Audit Report. The list of Fund accounts is given in our Secretary's letter dated 25th April, 1965. I hope Members have their copies, which should include the Director of Audit's certificate on each. As I mentioned earlier we have only one set of public corporation accounts to consider, those of the Gaskiya Corporation for 1962-63 and 1963-64, and I suggest Members could have a look at them between now and Monday week when we will consider possible questions during the general discussion on that morning.

I think that is all I have to say. Have Members any questions to ask? If not, we can start our preliminary discussion.

MINISTRY OF FINANCE, TREASURY DIVISION

The Acting Accountant-General, Mr B. B. Campos, O.O.N., called in and examined.

Written evidence submitted by the Acting Accountant-General on paragraphs 3, 4, 6, 7, 8, 9, 10, 12, 17, 18; 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 68, 69, 70, 71 and 103 of the Report of the Director of Audit on the Accounts for the financial year, 1963-64 considered and members' observations follow the written evidence.

Paragraph 3.—The Report of the Accountant-General together with Financial Statements for the Financial year, 1963-64 was printed and copies were supplied to Members of the House prior to the Budget Session earlier this year.

Paragraph 4.—It is agreed that there has been an increase in the number of cases of loss of funds even though the increase is not so great as the increase in the loss of stores cases. The whole question of the security of Government Funds is under the continual supervision of a special branch of the Treasury Division. Every case is examined in detail and in particular the relevant regulations are kept under constant review, and, if any weakness in those regulations has facilitated a loss, amendment of the regulations is made as soon as possible.

So far as the Treasury Division is concerned, the staff position has improved sufficiently to permit the regular inspection of all Sub and Local Treasuries and Motor Licensing Offices by touring Accountants. Their inspections undoubtedly are of advantage in preventing fraud not only in the offices inspected but also in the offices of other Ministries accounting to those Sub/Local Treasuries.

Paragraph 6.—The position of the misclassifications shown in Annexure 1 is as shown below and on the attachments to this sheet. Where adjustment is necessary and possible, this has been done and the remaining misclassifications are now too late for adjustment.

Item	Head	Amount			Voucher No., Station and Date	Audit Query No.	Remarks		
		£	s	d					
1	232	119	14	6	Kano P.V. 10530 of Oct., 1963	905/63-64	Adjusted A.V. Nos. 706 of Feb., 1964.		
2.	253	108	0	0	Sokoto P.V. 2214 of Jan., 1964	1399/63-64			
3.	205	84	11	0	Zaria R.V. 99 of Oct., 1963	1006/63-64			
4.	205	50	0	0	Jos R.V. 210 of Jan. 1964	1238/63-64			
5.	201	581	12	0	Ilorin R.V. 99 of Feb., 1964	1458/63-64			
6.	205	50	0	0	Jos R.V. 281 of Feb., 1964	1458/63-64			
7.	205	62	10	0	Maiduguri R.V. 2 of Feb., 1964	1458/63-64			
8.	245	82	17	6	Wukari P.V. 10029 of July, 1963	860/63-64			
9.	235	169	1	0	Kaduna P.V. 5044 of September, 1963				
10.	235	380	0	8	Jos P.V. 10103 of Oct., 1963	860/63-64			
11.	248	75	10	0	Jos P.V. 10189 of Oct., 1963	860/63-64			
12.	232	60	0	0	Maiduguri P.V. 2459 of October, 1963	860/63-64			
13.	206	284	6	4	Kaduna R.V. 645 of Oct., 1963	965/63-64			
14.	202	109	18	9	Minna R.V. 35 of June, 1963	585/63-64			
15.	205	50	0	0	Keffi R.V. 44 of June, 1963	585/63-64			
16.	202	64	0	0	Maiduguri R.V. 41 of July, 1963	725/63-64		Too late for Adjustment	
17.	207	58	6	8	Maiduguri R.V. 12 of August, 1963	787/63-64			
18.	210	50	0	0	Kano R.V. 65 of April, 1963	211/63-64			
19.	210	74	8	0	Bida R.V. 26 of March, 1964	1543/63-64			
20.	234	564	17	6	Kafanchan P.V. 10006 of April, 1963	441/63-64			
21.	244	51	18	8	Kaduna P.V. 10773 of April, 1963	441/63-64			
22.	232	53	3	9	Kaduna P.V. 14292 of May, 1963	441/63-64			
23.	243	50	8	0	J.V. NRT. 184 of Dec., 1963	1412/63-64			
24.	224	265	0	0	Sokoto P.V. 2207 of July, 1963	908/63-64			
25.	234	62	7	4	Sokoto P.V. 2513 of Aug., 1963	908/63-64			
26.	232	125	9	4	Zaria P.V. 10418 of Nov., 1963	908/63-64			
27.	235	120	0	0	Kano P.V. 2815 of March, 1964	1616/63-64			
28.	226	64	10	3	Kaduna P.V. 14286 of May, 1963	441/63-64			
29.	205	72	13	8	Kaduna P.V. 336 of Aug., 1963	787/63-64		Adjusted A.V. NRT. 624 of October, 1964.	
30.	CLEARANCE FUND	442	4	8	Okene R.V. 52 of March, 1964	1544/63-64			Adjusted A.V. NRT. 946 of March, 1965.
31.	210	67	12	0	Biu R.V. 2 of Jan., 1964	1239/63-64			
32.	CAP. DEV. FUND	110	0	0	Kaduna P.V. 2033 of Dec., 1963	1411/63-64	Adjusted A.V. NRT. 1871 of March, 1965. Adjusted A.V. NRT. 61 of March, 1965.		

Item	Head	Amount			Voucher No., Station and Date	Audit Query No.	Remarks
		£	s	d			
33.	CLEARANCE FUND	148	15	0	Lagos R.V. 6208 of April, 1963	1411/63-64	Adjusted A.V. NRT. 211 of January, 1964.
34.	CLEARANCE FUND	75	13	2	Lagos R.V. 2165 of April, 1963	1411/63-64	Adjusted A.V. NRT. 211 of January, 1964.
35.	CLEARANCE FUND	139	15	0	Lagos R.V. 619 of April, 1963	1411/63-64	Adjusted A.V. NRT. 211 of January, 1964.
36.	CLEARANCE FUND	883	6	0	Lagos R.V. 2223 of April, 1963	1411/63-64	Adjusted A.V. NRT. 211 of January, 1964.
37.	SPECIAL FUND	268	19	6	JV. NRT. 48 of March, 1963	443/63-64	Adjusted A.V. NRT. 195 of February, 1965.
38.	207	90	2	10	Kaduna R.V. 51 of Aug., 1963	788/63-64	Adjusted A.V. NRT. 292 of January, 1965.
39.	CLEARANCE FUND	68	18	0	Maiduguri R.V. 10 Sept., 1963	849/63-64	Adjusted A.V. NRV. 1,239 of March, 1965.
40.	250	162	10	3	Kano P.V. 3215 Sept., 1963	906/63-64	Adjusted A.V. NRT. 3,573 of March, 1964.
41.	251	67	6	5	Zaria R.V. 107 of Dec., 1963	1028/63-64	Adjusted A.V. NRT. 1,217 of March, 1965.
42.	203	50	0	0	B/K R.V. 17 of Feb., 1964	1459/63-64	Adjusted A.V. NRT. 746 of February, 1965.
43.	CAPITAL DEV. FUND	452	0	0	MJV. 2 of April, 1963	Audit letter TRS. 3/48	Adjusted A.V. NRT. 1,069 of March, 1965.

Paragraph 7.—The number of misclassifications appearing in the accounts depends largely on the calibre of the junior accounting staff and as more and more clerks and Accounting Assistants are produced by the various training schemes it is hoped that the number of misclassifications will be reduced even further.

With regard to the four queries upon which action was delayed, at the time they were received there was a shortage of photostat film for making the necessary copies to distribute to Ministries. The officer in charge, ill-advisedly, instructed that queries requiring photostat copies of vouchers should be put aside until fresh supplies of photostat film were received. Unfortunately by the time the supplies arrived, the accounts for the year had been closed and it was too late to adjust. Instructions have been issued to prevent a recurrence.

Paragraph 8: Outstanding Vouchers.—The present position regarding outstanding Payment Vouchers, debit Adjustment Vouchers and Railway Warrants, for the 1963-64 Accounts is as follows:—

	Nos.	Amount		
		£	s	d
(a) Payment Vouchers outstanding with Northern Sub-Accountants	166	4,467,094	6	8
(b) Payment Vouchers outstanding with Treasury Headquarters	97	11,432	4	9

(c) Payment Vouchers, Debit Adjustment Vouchers and Railway Warrants outstanding in Inwards Accounts	222	26,666	7	9
		<hr/>		
		£ 4,505,192	19	2
		<hr/> <hr/>		

The payment vouchers at (b) are vouchers which have been received at Treasury Headquarters and have been withdrawn from their batches for examination by Treasury Officers and have either not been returned to store or have been misplaced. The figures at (c) are the same as in the Audit Report. A registered letter No. 1745/Vol. 1/26/SAX of 18th November, 1964 was sent to Federal Accountant-General requesting the original vouchers in accordance with the list attached. No reply was received, and a reminder was sent on 13th January, 1965. A second reminder was sent on 27th April, 1965.

Missing Vouchers.—(a) The 42 vouchers paid by the Central Treasury which were outstanding at the time of the Director of Audit's Report have all been produced to the Audit Department for examination.

(b) Of the 342 unclassified vouchers outstanding only 153 totalling £10,521-2s-0d remain outstanding. The position regarding the remaining years is as follows:—

Year	Audit Report	Present	Value		
			£	s	d
1959/60	186	81	73,717	15	1
1960/61	565	457	51,661	0	4
1961/62	509	456	564,435	0	9
1962/63	406	381	843,336	10	8
			<hr/>		
			£ 1,533,150	6	10
			<hr/> <hr/>		

Of the 277 railway warrants reported as outstanding, 110 have been examined by Audit. The value of the 167 warrants remaining in respect of 1960-61 is now reduced to £618-8s-3d. Of the 3 warrants in respect of 1962-63, one has been found, value 4s.

The 375 vouchers for 1961-62 and 267 for 1962-63 in respect of Sub-Accounts have now been reduced to 345 and 248 and efforts are still being made to supply those which remain outstanding.

After the survey of the Voucher Section and its work the Internal Audit Branch recommended certain action to obtain from Paying Treasuries Departmental references of the outstanding vouchers which would enable Ministries to provide reconstructed vouchers with "no fraud" certificates attached. These recommendations were adopted and lists have been sent to Ministries and are being followed up. It is hoped that the situation will then improve. With regard to 1964/65 the Internal Audit Branch recommended alterations to the column headings of the Control Register in order to record fuller information so as to ensure more easy identification of a voucher with Ministry records. This recommendation has been initiated.

Paragraph 9: Audit Queries.—In July, 1964, Finance and Accounting Officers of all Ministries were asked to improve the co-operation of their staff with mine when dealing with Audit Queries by personal contact and to ensure a greater degree of urgency when dealing with the queries in writing. In February 1965 the attention of Ministries was drawn to the necessity of avoiding delay in attending to Audit Queries and to the need

for a tighter control. Lists of Audit Queries still outstanding were forwarded to Ministries in respect of the years up to and including 1961-62.

The position of Audit Queries as at 30th April, 1965 is as follows:—

<i>Up to and including</i> 1960-61	<i>As per Audit Report</i>	<i>As at</i>
1960-61	336	239 (71)
1961-62	203	149 (42)
1962-63	1,315	958 (196)
1963-64	1,334	817 (251)
	3,189	2,163 (560)

The figures in brackets are the numbers of queries awaiting closure by the Director of Audit.

Paragraph 10.—The number of queries raised upon the accounts is directly related to the standards of efficiency of the accounting staff, particularly at the lower levels. Courses for the training of Treasury Clerks and Accounting Assistants have been in existence for some years and now that they have been incorporated in the Staff Training Centre the output of the various courses is being increased. It is only by improving the quality of the accounting Staff both in the Ministry of Finance and in outside Ministries that the standard of accounting can be raised and every effort is being made in this direction.

Paragraph 12: Reimbursement.—Of the 12 Subheads pertaining to 1962-63 one had no expenditure on it and another was disallowed for reimbursement by the U.S.A.I.D. auditors. In the case of 6 others, all in connection with the Provincial Local Government Training Scheme, Final reimbursement of £9,355-1s-5d was received in January 1965, a sum of £30,095 having been received as an advance against reimbursement in 1962. In the case of another, purchase of Law Books, the amount expended exceeded the grant made by Ford Foundation. The remaining three subheads have all been fully reimbursed and the Director of Audit informed. They are Farm Training Centres, Rinderpest Eradication, and Bornu Railway Extension. It is a matter for regret that correspondence from the Director of Audit was unanswered. This position arose as a result of resignation of Senior officers mainly from Accounting Branch. The position has now improved and efforts are being made to bring all correspondence on this subject up to date.

Of the 17 subheads referred to, 15 were fully reimbursed but relatively small amounts for Inspection Fees and rebagging fees which accrued to Revenue had been deducted from the claims, thus reducing the sum reimbursable. In the case of one other subhead, "Roads Feasibility Survey" reimbursement was received in October, 1963. It is possible that the Director of Audit was not informed. In the last case, that of the "Industrial Development Centre" there is some doubt as to whether the expenditure is, in fact, reimbursable, and the matter is still under investigation.

Regarding the 64 subheads of 1963-64 36 refer to Northern Nigeria Marketing Board and all claims have been paid although some adjustments in the final March 1964 account are under query. A further 14 concern U.S.A.I.D. of which 6 have been reimbursed, 7 are stated by U.S.A.I.D. not to be reimbursable and one is under investigation. In the case of a further 8, reimbursement has been received from Ford

Foundation. Of the remaining 6 cases, two are in connection with seconded staff, on one subhead of which there is no expenditure. The other is under investigation. One subhead in connection with Bornu Railway, has been fully claimed, and another is in abeyance pending a decision regarding the financing of Ahmadu Bello University. One subhead in regard to water: Public building has been overlooked until recently, and finally, one regarding compensation is being examined.

Of the five possible over-reimbursements, one concerns the Marketing Board and is connected with the adjustments in the March 1964 account referred to earlier and which are still being examined. In another case expenditure so far has fallen short of the £50,000 Federal Government Grant, and it is not yet known whether there will be further expenditure on whether the excess of £3,281-13s-3d is to be returned to the Federal Government. In one other case, of secondment of Staff to a Native Authority, over reimbursement did occur but the overpayment has been refunded by Government through the Native Authority General Ledger Account. In the case of the subhead dealing with "Provincial Experiments" it is understood from the Ministry of Agriculture that reimbursement by the Institute of Agricultural Research has been made in advance and exceeds expenditure and finally, in the case of "Seed Multiplication" reimbursement was claimed by the Ministry of Agriculture to whom an enquiry has been addressed regarding the apparent over-reimbursement.

Works continues on all aspects of reimbursable expenditure and the Director of Audit will be kept informed of progress.

Paragraph 17: Reimbursable Expenditure, USAID.—After submission of claims on the United States Agency for International Development for 1961-62, further claims were submitted by Ministries to the Economic Planning Division of the Ministry of Finance, later becoming the Ministry of Economic Planning. No further Statements were prepared by this office, and this appears to be linked to the change of procedure mentioned by the Director of Audit in paragraph 56 of this Report.

In 1964-65 Estimates the Ministry of Economic Planning was shown as the responsible Ministry for the collection of this Revenue and indeed that Ministry issued certain instructions to Ministries on the subject. However in May, 1964, the possibility of reimbursement being lost became evident, as envisaged by the Director of Audit, and a claim was therefore prepared in this office covering all expenditure reimbursable by USAID in respect of 1961-62 and 1962-63. The Director of Audit received copies of this claim.

There then followed a series of visits to Kaduna by the USAID. Auditors who examined tabulations of expenditure and voucher for the years 1961-62, 1962-63, 1963-64, and up to 30th June, 1964, that date being the end of the United States Financial year. As a result of that examination Reports were issued by the U.S.A.I.D. authorities and reimbursement made. A detailed analysis of this reimbursement is being made and the Director of Audit will be given a copy.

Meanwhile Tabulations and photocopy vouchers are being passed monthly to the USAID. authorities to enable a continuous audit to be carried out and those authorities have confirmed that the funds set aside for reimbursement will not be "de-obligated".

Paragraph 18: Overpayment of Contract Gratuity.—The loss originally arose due to the opening of two files in the case resulting in double payment of gratuity. In spite of instructions to merge the two files concerned, the officer responsible did not do so. The Nigerian officer concerned was warned for inefficiency and he decided to retire

and subsequently died shortly after his retirement. The expatriate officer who was also concerned decided not to renew his Contract due to ill health and subsequently no disciplinary action could be taken when the overpayment was actually determined.

Crown Agents have now been instructed to institute legal proceedings against the officer to whom the overpayment was made and the result of this action is awaited.

Paragraph 19: Pension Records.—The Director of Audit has been informed of the difficulties being encountered in the problem of Pension Records. It was pointed out that no satisfactory system had been evolved to cope with the work. The machine-posted records are falling into the same chaotic state as their hand-written predecessors and with exodus of experienced Staff on transfers to the Federal and other regional Governments, coupled with the training schemes and the general low standard of staff available, there seemed very little chance of any immediate improvement on the basis of the present system in operation.

The whole question of Pension Records has, however, been re-examined and it is intended as soon as possible to commence the production of a mechanised centralised pension payroll, whereby the pension vouchers of all Northern Pensioners will be prepared centrally in Kaduna. This operation will be carried out on our new Data Processor equipment. This will result in all pension payment information for record purposes being available in this office instead of the present procedure whereby such information has to be provided by individual Sub/Local Treasurers.

The Director of Audit has agreed in principle to the Scheme and all that is now required is agreement on certain points of detail. It may be a few months before the scheme can be put into effect as a considerable amount of data will require compilation before the pension roll and related tabulations can be processed by the new accounting equipment.

In the meantime every effort is being made to bring the present records up-to-date.

Paragraph 20.—The main reason for inaccuracies is the continual turnover of Staff due to their undergoing training or proceeding on scholarship awards. There have been four unavoidable changes of Senior Staff during the past year including the retirement of two expatriate officers who were conversant with the work. It has been difficult to obtain sufficient continuity to enable officers to gain sufficient knowledge of the intricacies of the Pensions Laws and other regulations. The matter is constantly under review however and it is hoped that it may be possible to post a reliable officer permanently to that Branch of the Division.

Paragraph 21.—It is regretted that the Government Liaison Officer, Zaria was overlooked at the 31st March, 1964 and no Board of Survey was held on his cash and Bank holdings. The cash and bank holdings were, however, the subject of surprise checks by Touring Accountants from the Treasury Division twice in the past year. The Provincial Secretary was reminded of his responsibility to convene Board of Survey on the Government Liaison Officer's cash and bank holdings and a Board was held on 31st March, 1965.

Paragraph 22.—This account has now been analysed by a Senior officer up to the latest date of posting, i.e., January 1965. As a result of his examination many classifications between Sub-heads, i.e., Stations, have been adjusted and the Head Total agreed with the General Ledger Balance. The three non-existent subheads referred to by the Director of Audit have been cleared. Steps are being taken to improve the Standard of voucher classification in originating stations and a check is being more closely applied

in Headquarters. The Director of Audit's suggestion towards better control of the account is incorporated in the changed procedure due to the installation of new accounting machines. The account will remain under the personal attention of the Senior Officer until the adjustments raised have been reflected in the account and the effect of tighter measures of control have been seen. The Director of Audit has been advised.

Paragraph 23: Clearance Funds: Other Governments.—Reconciliations with the other Nigerian Governments have now been carried out as follows:—

- Eastern Nigeria to 31st August, 1964
- Western Nigeria to 31st March, 1964
- Midwestern Nigeria to 31st March, 1964.

In the case of the Federal Government account a meeting has taken place between officials of the two governments in Kaduna in late April, 1965 and several contentious items have been settled. Final reconciliation has still not yet progressed beyond 31st March, 1962, however. The Federal Accountant-General has been informed of this Government's concern at the delay and it is hoped that now the Federal officer has returned to Lagos further progress will be made. As stated by the Director of Audit the incompleteness of documents relating to the inwards Accounts is a very large factor in the failure to reconcile and a solution to this problem has not yet been found.

In regard to the other Commonwealth Governments, the accounts have been examined up to posting at 31st October, 1964 and are currently being examined to date. With the exception of an amount of £86-4s-2d which is under query, the £10,144-8s-10d has been paid by the Ghana Government. Much of the remaining balance of £3,039-6s-8d has also been cleared, and a statement of the account is being prepared for the Director of Audit.

Paragraph 24.—It has been confirmed to the Director of Audit that the amount of Sinking Fund assets was overstated in the footnote to the Statement of Assets and liabilities as at 31st March, 1964, and that the correct figure was £1,806,837-15s-5d. The sinking Fund is maintained by the Central Bank of Nigeria and the initial error arose as a result of incorrect information received from the Central Bank. The error has been corrected in subsequent Statements of Assets and Liabilities.

Paragraph 25.—The Statement was laid on the table of the House at the Budget Session and was also published in the Northern Nigeria Gazette No. 62 of 26th November, 1964.

Paragraph 26.—The Loans Statement for 1962-63 was forwarded to the Director of Audit in January, 1965. Unfortunately the draft detailed Statement of Fund for 1962-63 which was in process of Audit was mislaid in the Audit Department and the Director has asked that a fresh draft be prepared. This is being done. The detailed Statement for 1963-64 has also been prepared except for the figures to be brought forward from the 1962-63 Statement. This cannot be done until the new draft for 1962-63 has been completed and audited.

Paragraph 27: Renewal Funds.—(a) The Statement of the Accounting Division Renewals Funds was gazetted in Northern Nigeria Gazette No. 8 of 11th February, 1965, and was laid before the House of Chiefs at the March 1965 Session. It will be laid before the House of Assembly at the next Session.

(b) The Statements of the Marine Renewals Fund and the Printing and Stationery Renewals Fund were gazetted in Northern Nigeria Gazette No. 12 of 18th February, 1965.

(c) The Statements of the Ministry of Works Machinery and Water Supply Renewals Funds were gazetted in Northern Nigeria Gazette No. 25 of 29th April, 1965.

(d) The Ministries concerned have been asked to ensure that their respective Statements are laid before the House at the next Session.

(e) All five Funds were abolished at the last session of the House and the assets will be transferred to the Capital Development Fund.

Paragraph 28: Special Funds.—(a) The Statement of the Native Authorities Motor Vehicles Insurance Fund has been gazetted in Northern Nigeria Gazette No. 25 of 29th April, 1965 and has also been sent to the Ministry for Local Government for laying before the House.

(b) The Statement of the Voluntary Agencies Education Building Fund has been gazetted in Northern Nigeria Gazette No. 6 of 4th February, 1965 and has also been sent to the Ministry of Education for laying before the House.

(c) The Statement of the Northern Nigeria Staff Housing Loan Fund is still under examination by the Director of Audit.

Paragraph 29: Special Funds: Personal Advances.—At 28th February, 1965 the balance of personal advances outstanding was £620,631-9s-8d and the balance of the amount appropriated above this figure was £629,368-10s-4d. The amount appropriated to the Fund will be reduced in 1965-66 to £750,000-0s-0d by a transfer of £500,000 to the Capital Development Fund.

(a) *Motor Vehicle Advances.*—At 28th February, 1965, the balance on this account was reduced to £156,498-11s-6d. The 391 dormant debit balances referred to by the Director of Audit have been reduced by 165 to 226 balances totalling £31,316-18s-2d and the 232 credit balances have been reduced by 103 to 129 balances totalling £3,691-1s-4d. Examination and adjustment of these accounts continues.

(b) *Bicycle Advances.*—The issue of loans for Bicycles, Horses, Spectacles, and Dentures is now controlled by individual Ministries. In addition, with the introduction of a new system of payment of salaries in the near future, Ministries should be able to control these loans much more accurately than was possible under the old system. The old account is in process of being wound up and all balances will be cleared before the final closure of the 1964-65 accounts.

(c) *Salary Advances.*—At 28th February, 1965, the balance on this account was reduced to £21,729-13s-6d. The 464 dormant debit balances referred to by the Director of Audit have been reduced by 92 to 372 balances amounting to £7,020-3s-2d. Similarly, the 185 credit balances have been reduced by 19 to 166 balances totalling £2,755-16s-10d. Examination and adjustment of these accounts continues also.

(d) *Touring Advances.*—At 28th February, 1965, the balance on this account was £20,229-0s-10d. The 203 dormant debit balances referred to by the Director of Audit have been reduced by 37 to 166 balances amounting to £5,443-7s-0d and the 53 credit balances have been reduced by 29 to 24 balances totalling £478-8s-8d. All dormant accounts are now under active examination and it is hoped to reduce the balances still further. The accounts are posted up to date.

(e) *Correspondence Courses.*—At 28th February, 1965, the balance on this account was reduced to £384-7s-7d. The 135 dormant debit balances referred to by the Director of Audit have been reduced by 5 to 130 amounting to £538-12s-11d and the 87 credit balances have been reduced by 17 to 70 balances totalling £221-15s-5d. These accounts, too, are under active examination and are now posted up to date.

(f) *Dishonoured Cheques*.—Examination of this account has now been made up to 31st January, 1965 and the control Register has been entered up to date. The Director of Audit has been informed. In the case of some of the long outstanding cases repayment has actually been made but credit was given to the Federal Mines Department in error, and the appropriate adjustment vouchers have been raised. In the case of some of the other older cases it is feared that recovery is not possible and write-off will have to be sought. Since October, 1964, the "Black List" has been circulated monthly up to and including April, 1965. This account is now under the personal control of a Senior officer and it is hoped that such control will be effective.

(g) *Retired Officers' Accounts: Dr. £8,875-0s-5d*.—The system of checking the outstanding balances of Retired officers has been reviewed and a Senior Officer has been entrusted with the responsibility of checking the dormant balances on these accounts more regularly than hitherto and the accounts will in future be kept up to date.

The present position is as follows:—

	Total No. of Accounts		Amount			Total					
	Dr	Cr	Dr	Cr							
	£	£	£	s	d	£	s	d			
(a) Position as reported by Audit ...	65	35	5,606	1	11	4,313	19	4	9,920	1	3
(b) Cleared ...	33	21	3,976	8	4	3,172	14	7	7,149	2	11
(c) In action ...	19	10	796	0	2	839	6	6	1,635	6	8
Remaining to be Cleared ...	13	3	833	13	5	301	18	3	1,135	11	8

(h) *Republic Day Advances: Daily Paid Staff*.—18 Heads of account for 18 Ministries were opened for this purpose and each account had 14 Sub-Heads for the 13 Provinces plus Kaduna Capital Territory. There were thus 252 accounts amongst which misclassifications have given rise to a number of credit balances. The net total on this group of advances had been, at 28th February, 1965 reduced to £4,446-2s-6d, of which £3,242-17s-8d is applicable to the Ministry of Works. Numerous adjustments have also been initiated but not yet brought to account which will reduce the balance further. Where the existence of debit balances is due to the failure of Ministries to recover the advances from the Staff concerned this has been brought to their attention, and correspondence continues. The accounts have been posted up to date and examination of them also continues.

Paragraph 30: Clearance Funds: Treasury: (a) Ahmadu Bello University.—(i) The Federal Government's allocations to the Ahmadu Bello University have been made direct and have therefore not affected this Advance Account. Further advances have been made by the Northern Government but £740,000 of the total advances has been transferred to Expenditure. The sum of £8,564-6s-0d together with similar charges accumulated later has been recovered from the University. The balance on the advance account at the end of March, 1965 is £630,000.

(ii) The final settlement procedure for the financing of the University is still under discussion with the Federal Government and Members may wish to raise the matter again when my Permanent Secretary attends later in the week if they require further information.

(b) *Gaskiya Corporation*.—The debit balance representing advances made to Gaskiya Corporation rose by 28th February 1965 to £75,700. The financing of the Corporation will be decided after the reorganisation which must follow upon the establishment of the new Newspaper Company. Members may similarly wish to refer this matter to my Permanent Secretary.

(c) (i) *Visitors to Northern Nigeria*.—The account has been reconciled to date and all balances cleared. The Director of Audit has been advised.

(ii) *U.D.C. Defaulting Officers*.—The credits arose as misallocations to this account. All misallocations have now been cleared and the Director of Audit informed.

(d) *Independence Celebrations, 1961: Cr. £60-4s-5d*.—Of the £1,000 allocated by the Federal Government to the Northern Government for celebrations of the 1st Anniversary of Independence the various amounts remaining unspent in the Provinces amounted to £163-17s-9d which should have reflected as a credit balance on this account. A sum of £25-1s-4d debit was however misallocated to the account and is now under correspondence with the Premier's Office with a view to adjustment. A further sum of £78-12s-0d debit in respect of reimbursement to Bornu Native Authority was also charged to this account although the expenses concerned were in connection with Celebrations of Independence 1960. These two debits reduced the balance on the account to £60-4s-5d which amount has been transferred to the Northern Government's Revenue. This was done because the £1,000 from the Federal Government was a Grant, not an Advance. The Director of Audit has been advised.

(e) *18 Advances Accounts*.—It is true that insufficient attention has been given to these accounts until recently. However, officers controlling the accounts have now been asked to reconcile and clear these balances. Three accounts have, in fact, been completely cleared. Follow-up-action on the remainder will be carried out in due course.

(f) *United Kingdom National Insurance Pensions*.—Reimbursement by the United Kingdom Government of the sum of £828-8s-0d was actually made in November 1962. The credit was, unfortunately, misallocated to the Pensions Vote but has now been adjusted. The Director of Audit has been informed.

(g) *Advances: Non-personal: Dr £50,391-9s-0d*.—Of the four non-existent subheads, two have been completely cleared. A third has been reduced to £139-13s-0d which sum has been claimed from the Secretary, Northern Nigeria Development Corporation. The last, amounting to £45-11s-2d dates back to 1950 for which year documents have been destroyed. A request for write-off of this sum is therefore being prepared.

The remaining items on this account have also been fully analysed by a Senior Officer and one of the Subheads has been completely cleared. Action has been initiated to clear the remaining seven items amounting to £3,188-4s-2d of which one item alone accounts for £2,312-5s-0d. Of the two credit balances, one has been cleared and the other as at 31st March, 1965 has resolved itself into a debit of £201-9s-11d, a claim for which has been made on the Native Authorities Housing Corporation. Follow-up action is being taken where necessary, and the Director of Audit has been advised of the position.

(h) *Committee of Enquiry into the Retail Trade*.—One of the two members of the Committee has refunded his £100. Several letters to the other gentleman have failed to convince him that he owes the money. The most recent letter, dated 20th April, 1965, gave full details of the circumstances and attached to it were photostat copies of correspondences between this office and the Sub-Treasury Kano in connection with the matter. It is hoped that this latest letter will be successful.

(i) The debit balances on the following accounts have all been cleared:—

- Item:* (i) Colonial Superannuation Scheme;
 (ii) West African Examinations Council;
 (v) Non-Government Works;
 (vii) Contract Retention Money.

Item (iii): N.E.W.A. allowances should not normally be in debit as funds should only be paid over to the Secretary when they have been received from the Association before hand. Normally no further payments would be made from such an account as this until it was placed in credit, but if this were done in this instance such payments as those made to disabled ex-Servicemen would cease. The matter is being actively pursued with N.E.W.A. and with the Ministry of Social Welfare and Co-operatives.

Item (iv): Civil Service Insurance Scheme.—The debit balance on this account has been reduced from £1,351-0s-8d to £384-19s-0d. A number of subsidiary accounts are still to be examined and work is actively proceeding on this. There are now nine officers only contributing to the scheme.

Item (vi): Ford Foundation, Institute of Administration.—The reimbursement of this expenditure made on behalf of the Ford Foundation to Ahmadu Bello University in Zaria has been the subject of lengthy correspondence over the past year with the Director of the Institute of Administration. A final reply is now awaited from the Director and it should then be possible to clear the account.

The Director of Audit has been informed of action taken on all the above cases.

(j) *Cash Balances on Four Combined Hospitals.*—The credits have now been transferred to Revenue as proposed by the Director of Audit and he has been informed.

(k) *Credits on 4 Court Deposit Accounts.*—It is regrettably true that the officer responsible for these accounts did not properly understand his duties. The accounts have now been examined by a Senior officer and Registrars have been asked to confirm balances. Several adjustments have also been raised on these accounts. There are some 22 Sub-heads spread over the 4 Heads and the majority of them have now been reconciled to 31st March, 1964 while some have been agreed at 30th September, 1964. Two Sub-heads cannot be agreed with the respective Registrars and are still under investigation. In three other cases confirmation from the Registrar concerned is still awaited. The Director of Audit has been informed where appropriate.

Paragraph 68.—Of the 19 outstanding schedules reported, 4 have now been returned duly receipted. It is presumed that the remaining 15 have gone astray but a check on the triplicate copy thereof showed that in 13 cases the vouchers forwarded have been duly received and paid by the Sub-Accountant concerned and that in the remaining 2 cases the vouchers forwarded were returned for cancellation due to their having become stale.

An accounting circular No. B4/1965 laying down definite instructions regarding the return of duplicate schedules has been issued. Where the Sub/Local Treasurers failed to recover the duplicates a report will be made to the Headquarters and necessary action will be taken by the Internal Audit Branch.

Paragraph 69.—It is regretted that no action was taken on the Director of Audit's original letter until August 1964 when a control register was introduced in the Passages Office. In 1961 the Passages Office was not a part of the Accounting Division but of the Establishment Division of the Ministry of Finance over which the Accountant-General had no control". It is now however under the supervision of a Principal Accountant and it is hoped that the control now introduced will have the desired effect.

It is not strictly correct to state that 15 cases needed to be brought to my notice before action was taken of the 15 cases reported:—

- (a) One ticket was used as the holder returned to Nigeria as the wife of a Government officer.
- (b) Two officers exchanged their return tickets for single ones prior to leaving Nigeria.
- (c) Eleven return portions of tickets were recovered through the Crown Agents or the officer's Ministry.

It is only in one case that the Passages Officer was not aware of the officers termination and recovery was immediately effected.

In each case refund of the unused portion of the tickets has been effected. There is therefore no loss to Government.

Paragraph 70.—Steps have been taken by the issue of Accounting Circular A4/1965 to remind Sub-Accountants of their duties in connection with Revenue collection. They have been instructed to insist on Revenue Collectors paying cash into the Sub/Local Treasury or Bank at intervals of not more than one week and submitting their cash books for verification at intervals of not more than one month. Should this procedure not be followed then a written report is to be made to the Revenue Collector's Senior Officer and should this not produce results within three days then the Sub-Accountant is to carry out a surprise check at the Collector's office. Sub-Accountants have also been informed that they may be held pecuniarily liable, if a loss of funds occurs due to their negligence.

Checking of Sub-Accountants' monthly returns has now been transferred to the Internal Audit Branch of this Division under the direct supervision of a Principal Accountant.

The present position on the individual cases reported by the Director of Audit is as follows:—

Sharia Court of Appeal.—The amount of the loss (£21-15s-0d) has been recovered. The person involved was convicted and fined £25 and the case has been closed.

Administrator's Office, Kaduna Capital Territory.—The amount of the loss has now been determined as £1,593-16s-0d and a suspect has been charged and remanded on bail. The Police are investigating a parallel loss of Kaduna Capital Territory Funds.

Urban Area Court, Kano.—A suspect has been charged with the loss (£612-6s-8d) and is to appear before the Court in July, 1965.

Nigeria Police, Ilorin.—The Sub-Inspector of Police involved was convicted and sentenced to fifteen years' imprisonment with hard labour.

Nigeria Police, Kafanchan.—No details of this case have yet been received and investigations are still proceeding.

Paragraph 71.—Whilst it is agreed that Sub-Accountants must follow up the return of payment vouchers released under Cash/Cheque Order Form, this is not the cause of frauds, as in most cases the non-return of the voucher is the result of the fraud having been perpetrated. Notwithstanding, an accounting circular No. 7/1965 has been issued to all Accounting Officers and Sub-Accountants drawing their attention to the possibility of fraud where vouchers are not returned promptly and reminding them that they may be held pecuniarily liable for any loss which may be involved. It was also reiterated that Sub-Accountants were empowered to refuse further vouchers from Ministries who repeatedly defaulted in returning payment vouchers.

2. As a visual reminder, Sub-Accountants have been instructed to file Cash/Cheque Order Forms securely in a file jacket in date order.

Paragraph 103: Delegation to Ministries of Below-the-Line Accounts.—It is agreed that several Below-the-Line Accounts could be conveniently transferred to Ministries and in fact some have already been transferred to the Ministry of Works. A list of other accounts scheduled for possible transfer is now under consideration.

No replies are required by the Director of Audit for the following paragraphs:—
5, 11, 34, 35, 36, 38, 43, 47, 54, 64, 65, 67, 74, 95 and 96.

Mr Chairman:

I think we can start now. You will notice that the Accountant-General is not here; we have the Acting Accountant-General. But he too, is aware of our customs, and I hope we can get necessary co-operation from him. The first paragraph of the Director's Report that concerns the Accountant-General is paragraph 3, and I believe he has a written reply to this. Any Observations?

Paragraph 4. Any observations?

Alhaji Hassan, Dallatun Abuja:

Mr Chairman, paragraph 4, Sir. If you look at the number of Payment Vouchers in this regard; as well as funds and stores, there are still a lot of increased losses of funds as the year goes on. May I know, Sir, the causes of such losses of funds?

Acting Accountant-General:

Mr Chairman, in answer to the question, I would say that I agree with the Director of Audit that the majority of the cases are deliberate attempts to circumvent standing instructions and some of them have been rectified.

Mr Chairman:

The fear of the Committee is that it seems to us that the losses are increasing. Unless something is drastically done, perhaps, it will continue to increase every year.

Acting Accountant-General:

I am sorry, Sir, the sooner we give out instructions, the sooner they are applicable, the earlier things will return to order.

Dr Iya Abubakar:

Mr Chairman, what can we do to control this and also what can the Accountant-General do?

Acting Accountant-General:

I stated in reply to paragraph 4 that the number of touring Accountants have been increased so that they will be able to visit all the Local and Sub-Treasuries at least twice or thrice a year.

Dr Iya Abubakar:

Mr Chairman, surely there are more Accounting officers than in 1960, there were more in 1963-64 than now, and yet there are more losses this year than during the 1959-60. So, that means that the increase in the number of staff is not the actual factor which will decide on the reduction of these losses.

Acting Accountant-General:

I would say in short in answer to that last question that it is the result of clerks irresponsibilities.

Mr Chairman:

We understand that you have set up a special branch in your Division, would you tell us a bit more about it; its importance and the composition of this branch?

Acting Accountant-General:

The head of the Division is a Principal Accountant. Next to him is a Senior Accountant. Next we have four Accountants, three of them are touring the Sub and Local Treasuries and one of them concentrates on the Native Authorities. The touring Accountants have a programme of their touring. On return from the tour, they submit their reports to the Senior Accountant. The report is checked and any observations taken up with the local treasury. The Sub-Treasuries are in Kaduna, Zaria, Kano and Jos and the inspection of them is carried out by the Principal Accountant himself.

Any observations of a particular sub or local treasury is sent to that sub or local treasury. If there is anything of particular notice they are checked at the Headquarters in Kaduna. On return, instructions are issued for guidance not only to the sub or local treasuries visited, but also for the guidance of other sub and local treasuries.

Mr Chairman:

Is there any duty other than the listing of investigation of Ministry work?

Acting Accountant-General:

Every branch is further responsible for the inspection of the various books of the Branch in headquarters, especially on those where shortcomings are found.

Mr Chairman:

I am not quite clear. I thought it is the duty of that special branch to investigate losses?

Acting Accountant-General:

It is the duty of the Principal Accountant to check this branch.

Mr Chairman:

Is that its main duty or is there anything it can do more than that?

Acting Accountant-General:

It is responsible for the overall administration of the office.

Mr Chairman:

Is that its main duty? In this sort of work he will be involved with other Ministries. Do you get all the necessary co-operation from other Ministries?

Acting Accountant-General:

Not always so.

Mr Chairman:

And then, when you fail to get the co-operation from other Ministries what do you do?

Acting Accountant-General:

In fact in some cases we try to get co-operation by going personally to where co-operation is sought and if this fails we take it up at the highest level, i.e., at the Permanent Secretary level.

Mr Chairman:

When was this branch established?
How long ago?

Acting Accountant-General:

The branch was proposed as early as 1963 but did not actually start until 1964.

Mr Chairman:

So the branch is about a year old now. Still have an increase of losses in spite of its existence for a year.

Acting Accountant-General:

The Branch was started in March 1964 but did not actually go into operation until the early part of the Financial Year 1964-65.

Mr Chairman:

Any further observations? Paragraph 6. Any observations? No observations?
Paragraph 7. Any observations?

Dr Iya Abubakar:

Mr Chairman, the Accountants in the Accountant-General's office need congratulation for this welcome improvement and we hope they will keep it up.

Mr Chairman:

I think before I congratulate the Accountant-General, I would like to ask a few questions. The first is: How do you know that Audit Queries are always kept in view? Is there any means of reminding all the time that some queries are not lost sight of?

Acting Accountant-General:

A register of Audit Queries is kept and if action is not taken on the queries in a reasonable time, reminders are sent and in most cases personal contacts are made.

Mr Chairman:

Again in the question of misallocations, it seems to me that you have to refer it to the Ministries concerned before you make adjustments. I am wondering whether there is any reason that will stop you from making your adjustments without making references to the Ministries?

Acting Accountant-General:

The rule is that you cannot make any debit without notifying the Ministry concerned otherwise there might be over-expenditure.

Mr Chairman:

Any observations.

Director of Audit:

Mr Chairman, I am not sure. I entirely agree with the Accountant-General on this. The majority of these errors are mainly posting errors by the Accountant-General. If they are corrected as book-keeping errors and the Ministry informed, one could see no objection to that.

Acting Accountant-General:

Mr Chairman, in such cases misclassifications involved on Machine Schedule, action has been taken within the Ministry on my Ministry's advice.

Mr Chairman:

Any further observations? I now agree that the Accountant-General deserves congratulation.

Paragraph 8: Any observations?

Dr Iya Abubakar:

Mr Chairman, I would like to have some explanations on paragraph 8. It is stated that we delete 166, the number of vouchers, and then replace it by 167.

Acting Accountant-General:

When the financial value of the outstanding vouchers were calculated, it was wrongly taken as instead of 167 and the amount in respect of the 42 vouchers already returned to the Director of Audit was wrongly included.

Dr Iya Abubakar:

What I want to find out is the number 167—that represents the number of vouchers, or is it a kind of classification?

Acting Accountant-General:

It is the number of vouchers taken out of £18,567:

Dr Iya Abubakar:

If that is the case the number will not include the 166 vouchers you are asking us to delete.

Acting Accountant-General:

Instead of 166 the number should be 167.

Dr Iya Abubakar:

What I am trying to find out is that if the 166 vouchers are reduced to £4,467,000 then the number of vouchers should come down.

Acting Accountant-General:

With due respect I have to state that it is two separate items.

Dr Iya Abubakar:

May I know how you come about this?

Acting Accountant-General:

The error in the number of vouchers should be 166 and the total of those vouchers which should be £18,567.

Director of Audit:

Mr Chairman, if I may assist, I think the original figure of £4,467,000 is just wrong.

Mr O. Afolayan:

In accordance with the written reply to the Public Accounts Committee in May, 1964 it has been stated that the Internal Audit Branch of this Division should survey the vouchers and the system of voucher control. May I know what result this survey has achieved?

Acting Accountant-General:

As stated in the last paragraph the reply to paragraph 8, one of the main recommendations is that the Control Register should be amended to record full information of vouchers in order to ensure more easy identification of vouchers. That recommendation has been initiated.

Mr O. Afolayan:

I am afraid, that is not the information I am asking for. I know actually that you have initiated action but what I am asking is whether you have achieved any purpose or whether it has reduced these misclassifications or otherwise.

Acting Accountant-General:

These are outstanding missing vouchers. The system has greatly helped to recover some of these outstanding vouchers and has also helped to initiate the system by which Ministries are being asked to submit duplicate copies of their vouchers and action has been intensified in this direction.

Mr Chairman:

I think you have achieved something since the issue of the Audit Report. In the report there were 248 outstanding vouchers and since then you have managed to reduce that to 167; this seems to be an achievement but I do not seem to be quite satisfied. Is there any hope of achieving a hundred per cent success? If not, why?

Acting Accountant-General:

Mr Chairman, this recommendation is effective as from last year and we are still working very hard by personal contact to obtain duplicate vouchers from Ministries.

Mr Chairman:

So are you satisfied that there is a good hope of recovering all the outstanding 167 vouchers?

Acting Accountant-General:

There is hope that the number will be greatly reduced by means of obtaining the duplicate copies of these vouchers with no fraud certificates which may be acceptable by the Director of Audit. Instructions are now being co-ordinated that after a year, if the outstanding vouchers could not be traced efforts should be made to reconstruct the vouchers without any further instructions.

Mr Chairman:

But in your paragraph 'B' I think there you have achieved even better success out of the 477 there remains only 97 outstanding. Why did you not use the same system that gave you this success in 'A'?

Acting Accountant-General:

The position is that in the case of 'B' it is in respect of vouchers under our control and paragraph 'A' relates to Ministries and we have been able to achieve this by issuing instructions to all Heads of Sections to return all vouchers with them that are not under action immediately. By this drive, many of the outstanding vouchers were returned and we are thus able to reduce the number by 67 and further instructions have been issued to branches that the balance must be obtained, it is fair to state that we may not achieve 100 per cent. Probably some might have been misplaced or misplaced due to shortage of space.

Mr Chairman:

What about 'C'? You do not seem to have done anything. You have not succeeded in getting even a single voucher.

Acting Accountant-General:

'C' is in respect of Federal vouchers. We are taking action with the Federal Government and I will add here that during my visit to Lagos on the 12th of this month, I took up the point with the Accountant-General in Lagos together with his Principal Accountant who is in charge. He promised that they will see to it that the number is considerably reduced.

Mr Chairman:

Any further observations? About the Central Treasury outstanding vouchers, is there no means of avoiding these heavy outstanding vouchers by the Central Treasury?

Acting Accountant-General:

The vouchers outstanding in Headquarters is mainly due to inexperienced clerks not returning the vouchers to the voucher section immediately they have finished with them. In respect of the Kaduna Central, steps have been taken that all vouchers must be checked at the close of the month and returned under the supervision of Accountant himself.

Mr Chairman:

This seems to satisfy you that it will produce the desired effect? This Committee is worried because of the large sums involved.

Accountant-General:

The position, it must be admitted, is that these vouchers are those which the clerks responsible, failed to put up their classifications at the time the transaction took place, and they were all bank payments. That is why it became essential that an Accountant be made responsible to see that all vouchers are forwarded under his supervision, and it is therefore anticipated that with this instruction, there will be no outstanding voucher in any month in the Kaduna Sub-Treasury.

Mr Chairman:

Any further observations?

Dr Iya Abubakar:

In his written reply under missing vouchers, it shows a considerable reduction in the number of vouchers in respect of the year 1959/60, that is from the time the Audit Report was issued and now. This has been reduced from 186 to 81; may I ask whether or not it is possible to apply this same system for the years following that, so as to achieve this reduction.

Acting Accountant-General:

The reduction was achieved by the Director of Audit in accepting duplicate vouchers in the accounts in respect of the previous vouchers for 1959-60 and we are still carrying out the same exercise in respect of the remaining years.

Mr Chairman:

Under missing vouchers, Paragraph 'B' on the face of it, it seems to be quite an acceptable answer, but what worries me is, why should unclassified vouchers be paid right from the beginning although the man sitting in the sub-treasury, whose duty it is to check and classify all vouchers that are forwarded to him before making payments, should he not refuse payment right from the beginning when he finds that the vouchers are not classified?

Acting Accountant-General:

Of the 44 unclassified vouchers, I would say that they were classified to a vote but they were not classified to any portion in paragraph 'A'.

Mr Chairman:

In what way? Are they some sort of special vouchers?

Acting Accountant-General:

The position is this, that no vouchers should be paid except they are classified. What it all means is that all these vouchers were outstanding in the accounts at the time they were scheduled, they were not received and there were no specific details that can be given about their classification.

Director of Audit:

What I want to get clear in my mind is that what the Accountant-General is saying is that the original vouchers were classified before they were paid, but due to the vouchers being outstanding the classifications were not known in the Treasury headquarters. What I do not understand is that the cash book also shows the classification. Why was it not picked up from that? Possible answer may be that the classification as shown in the cash book was clearly wrong.

Acting Accountant-General:

The position is that in both cases during the time that these vouchers are scheduled in the machine account section, the writing in the cash books is not legible and as such the correct classification could not be picked up. Sub and local treasurers have therefore been warned that their cash books must be written out in a very legible way.

Mr Chairman:

More than 50 per cent of these so called unclassified vouchers are discovered and the question which naturally now follows, is that, is there any hope of recovering the balance?

Acting Accountant-General:

There is still hope of recovery.

Mr Chairman:

Any further observations?

Dr Iya Abubakar:

With regard to railway warrant—it is most interesting to note a railway warrant for four shillings outstanding in 1962-63.

Mr Chairman:

It is probably a balance of rail fare of the Accountant-General from Kaduna to Lagos.

Acting Accountant-General:

It is a railway warrant for a small parcel!

Mr Chairman:

Is it possible to recover the remainder or have you given up hope?

Acting Accountant-General:

Mr Chairman, we are still making a further search,

Mr Chairman:

With some hope, I hope!

Any further observations?

We had an interesting discussion before you came in about a certain procedure that appeared to us to be of some suspicion and we intend to discuss the matter with your Permanent Secretary. But before we do that, perhaps it would not be out of the way to start discussing it with you. We are made to understand that unclassified vouchers outstanding for say five years should not be pursued any longer, or, more or less that the search should automatically cease. We suspect that if this is regarded as a general rule, it would affect your efforts in trying to produce missing vouchers.

Acting Accountant-General:

Mr Chairman, that has never been the spirit with which the division has been working. It has always been working towards the recovery of all those outstanding vouchers. Before all outstanding vouchers are done away with, although in the past it might appear that these vouchers are accepted ordinarily, yet before this is done the Director of Audit might have been asked to accept the vouchers in the accounts and more efforts are now being made to see that the number of outstanding vouchers are greatly reduced or take early steps to ask that they are accepted in the accounts in his section. As I have said previously all instructions about outstanding vouchers are now being correlated to the effect that vouchers outstanding for up to 12 months. Efforts must be made to get the reconstructed copy and the search would continue for the original voucher, because experience has shown that if there is any delay of more than a year there is a possibility of losing both the reconstructed copy and the original copy.

Mr Chairman:

Any further observations on paragraph 8? Then paragraph 9. Any observations?

I think we quite realise the difficulties of the Ministries and I appreciate the Accountant-General's difficulties. We wonder whether he has been receiving the necessary co-operation from Ministries, and if not what steps can he take in such circumstances?

Acting Accountant-General:

As indicated in the reply to paragraph 9, a circular was issued calling on the Permanent Secretaries to co-operate with our Ministry, because during personal contact by the staff, they have not received necessary co-operation from the Ministries and it has therefore led to issuing these instructions to the Permanent Secretaries asking for their co-operation.

Mr Chairman:

What was the response to your circular?

Acting Accountant-General:

The response was not that very encouraging and it has again been necessary to compile a list of queries outstanding in respect of 1957-58, 59-60, 1960-61 and 1961-62. That was in February this year and it was sent out to all Ministries for queries to be effected. Although, there is some response but is not as it was expected, and the case is still being pursued.

Mr Chairman:

Any other comments?

Mr S. A. Atum:

Mr Chairman, may I know the steps that the Accountant-General will take if Ministries' response are not satisfactory.

Acting Accountant-General:

Well, steps that can be taken is to continuously appeal to those to whom queries were sent. And it would be of assistance if the Committee could speak to various Permanent Secretaries whenever they appear before them. In this connection, I think it would be interesting for me to read to the Committee from paragraph 2 of my Circular to all Permanent Secretaries.

"The last meeting of the Public Accounts Committee has strongly criticised the delays in furnishing replies to queries and has pointed out that such delays can at the worst be a direct cause of fraud and prevent early investigation and possible recovery by legal proceedings and the best delay adjustment of misclassifications and recovery of overpayments.

Delays in replying have increased to an alarming extent and it is evident from the contents of the explanations, when received, that invariably only the most cursory attention is being given to this aspect of financial control.

A list of Audit queries for periods 1957-58, 1958-59, 1959-60, 1960-61 and 1961-62 is attached hereto. You are reminded that the Public Accounts Committee will be meeting shortly, and it is therefore requested that efforts should be made to settle as many of these outstanding queries as possible and your co-operation in this regard will be greatly appreciated."

Mr Chairman:

Any further observations?

Paragraph 10. Any observations?

Paragraph 12: Any observations? In your reply you said another expenditure was disallowed for reimbursement by U.S.A.I.D. Auditors, what was the reason for the disallowance?

Acting Accountant-General:

The amount is quite small £5-8s-0d. It was in respect of messengers' uniforms which they said they would not pay.

Mr Chairman:

I entirely agree with you that the amount is insignificant. I am not asking you about the amount but about the principle. I think there are rules which you have agreed between yourselves and so long as you make these rules then there will be no question of their refused to reimburse you. You said that there are other savings subheads in 1963-64 and also refused to be reimbursed by the U.S.A.I.D. I think there must be something wrong somewhere.

Acting Accountant-General:

I think the answer with regard to this requires further explanation. U.S.A.I.D. just notified us that they are responsible for the reimbursement in respect of up to March, 1963, in respect of this subhead and that 1963-64 should be for Ford Foundation. We are now in correspondence with Ford Foundation.

Mr Chairman:

It seems to me that there is no accepted method in your own division for channelling these reimbursements otherwise this sort of thing would not have occurred.

Acting Accountant-General:

The position is this, that the Ministry is concerned with the expenditure and we are only concerned in asking for reimbursement for what appears in the accounts.

Mr Chairman:

Are the Ministries responsible for putting up the claims?

Acting Accountant-General:

No, they are responsible for making the expenditure and we are only responsible for putting up the claim.

Mr Chairman:

The reason why I make this observation is that you said that there is every hope of getting this money. U.S.A.I.D. promised to reimburse this money for a certain period and this period has expired and from that period onwards the Ford Foundation would take over, is that what it amounts to?

Acting Accountant-General:

Yes, that is what it amounts to.

Mr Chairman:

Then instead of sending your application to the Ford Foundation, you sent it to U.S.A.I.D. and they turned it down. Is that so?

Acting Accountant-General:

It has been paid up to March, 1963. And in respect of 1963-64 is the responsibility of Ford Foundation.

Mr Chairman:

I think you should have known that from the beginning and then sent your application to the right place?

Acting Accountant-General:

That should have been the case if the Division had made the claim for first Project Scheme then we would have known where to direct. We could not find the original agreement.

Mr Chairman:

Any further observations?

Paragraph 17. Any observations? You said that detailed analysis of this reimbursement is being made and the Director of Audit will be given a copy. I think it will be interesting to have them. But when will the Director of Audit receive a copy of the 1961-62, 1962-63 and 1963-64 claims? We suspect that he is being kept out of the show.

Acting Accountant-General:

The position is that when the claims were submitted for 1961-62 and 1962-63 the Director of Audit was not advised. This may be regarded as an oversight.

Mr Chairman:

Do you know really it is an oversight? You said it may be an o

Acting Accountant-General:

Yes, it is definitely an oversight.

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Mr Chairman:

All right, thank you. (*Laughter*).

Acting Accountant-General:

Later on the Director of Audit will have an insight into our files.

Mr Chairman:

I hope in future he will be brought into your show at an earlier stage.

Acting Accountant-General:

It has been arranged that all future correspondence will be sent to the Director of Audit. We therefore apologise for the oversight.

Mr Chairman:

By the way, have they been paid now?

Acting Accountant-General:

Since the claim was submitted they have received an amount of £223,000.

Mr Chairman:

What percentage of the total sum of the reimbursement does this amount represent?

Acting Accountant-General:

I cannot say exactly what is the percentage.

Mr Chairman:

Any further observations? Would you make this point clear to the Committee? Expenditure is being made by various Ministries, if I am not being misunderstood, but the claim for the whole expenditure is made by your Ministry. Is that so?

Acting Accountant-General:

We are trying to cover the procedures with Ministries.

Mr Chairman:

This means that you are now in the process of evolving a procedure whereby you can put this matter to some proper sort of basis.

Acting Accountant-General:

Quite recently you have written to all Ministries in order to co-ordinate the whole activities and the Director of Audit was informed.

Mr Chairman:

What I am trying to make clear is that we want to know right from the beginning all you have lost, and whom to blame. Unless something is organised, if things are left in such a confused situation, we cannot put the blame on any body. Since you have not given us a clear answer we will take it that the responsibility still lies with you.

Acting Accountant-General:

In fact the position is that the various Ministries have been advised about the U.S.A.I.D. project and it has been agreed that the collection and submission of claims for re-imbusement can be more conveniently controlled by our own Ministry, but at the same time this agreement does not absolve the operating Ministries from the responsibility of preparing and submitting these in the first instance.

Mr Chairman:

Any further comments?

Director of Audit:

I should just like to say that I am very pleased to learn that the Accountant-General is going to co-ordinate the efforts of claiming this expenditure. Certainly in the past few years the situation has been extremely confused. It needs one person to watch over the whole lot to make sure that proper claims are being made.

Mr Chairman:

Paragraph 18:
Any comments?

Mr S. A. Atum:

Mr. Chairman, this explanation is not quite clear to me. May I put it in this way—how can the Crown Agents know the people concerned, because in the last line of the first paragraph it was stated that the two persons concerned are not in the office.

Acting Accountant-General:

The person to whom the overpayment was made is still alive.

Mr Chairman:

This institution of legal action seems to me that the man concerned might have been asked but he may have declined or refused to reimburse the money. Is that so?

Acting Accountant-General:

We attempted to get the money but he did not respond to our letter.

Mr Chairman:

Paragraph 19:

Any questions? None—well, thank you very much. I think we have now finished our business for today.

MINUTES OF PROCEEDINGS

Friday, 28th May, 1965

MEMBERS PRESENT

Alhaji Umar Sulaiman, O.B.E., Emir of Bedde (*in the Chair*)

Emir of Pategi

Dr Iya Abubakar

Emir of Gumel

Mr O. Afolayan

Alhaji Hassan, Dallatun Abuja

Alhaji Muh. Mustafa Maude Gyani

M. Umaru Yola

Mr S. A. Atum.

Alhaji Muh. Sada Nadada, Kankia

The Director of Audit, Mr M. Skilleter, C.B.E., accompanied by the Deputy Director, Mr E. S. H. Clode, in attendance.

Mr Chairman:

I think we can start now Gentlemen. If you remember, we finished paragraph 19 yesterday and the first paragraph today is paragraph 20.

Paragraph 20:

Any observations? In your written reply the reason given was that the persons concerned were replaced—this is quite understandable. It is suggested that the whole thing is not a question of experience but a question of carelessness.

Acting Accountant-General:

This aspect of the Director of Audit's observations has been examined and it was noted that the root cause is in the preparation of S.A.P.E. (Statement of Aggregate Personal Emoluments) made in the personal emoluments section. When this was noted, arrangement was immediately made to have two indigenous officers trained to be more observant in the job and it is reasonable to say at the moment that one of the two is becoming more conversant with the work but will be leaving shortly for the Federal Government on a higher appointment. Furthermore, we have been experiencing difficulties in that the job has been left to Ungraded Clerks and it invariably happens that when we selected one of the more intelligent officers to do this job we soon find out that he is offered a scholarship or he has to go on a training course.

Mr Chairman:

I fully sympathise with you in this aspect of the matter, but what I am driving at is that the Director of Audit seems to accuse some of these people of carelessness. This is not a question of sending them for training. I am wondering whether you have investigated this aspect of the Director of Audit's suggestion?

Acting Accountant-General:

This aspect, Sir, has also been investigated and a Senior Accountant has been delegated to check all the work before it is sent to the Director of Audit.

Mr Chairman:

What has your investigation revealed. Has the carelessness been improved, if so what happened to the careless officials?

Acting Accountant-General:

In one or two cases, Sir, the officers concerned have been issued with a warning.

Alhaji Mustafa Maude Gyani:

Mr Chairman, in view of the reply given by the Accountant-General, may I know in the first instance for how many years this carelessness and lack of checking in this section has been happening. Secondly, we are given to understand that two candidates have been sent on a course of training. May I know whether the mistakes are due to lack of basic education or laziness? And thirdly, may I know what is the basic qualification required for this type of work?

Acting Accountant-General:

The first part of the question, I should say it is due to lack of basic education and experience.

Alhaji Mustapha Maude Gyani:

Mr Chairman, my first question was how many years has this carelessness been happening?

Acting Accountant-General:

This is the first time that the matter has been brought before the Public Accounts Committee and as I have said, when it was brought to the knowledge of the Division, efforts were made to raise the standard of the clerks performing the duties. Previously, Sir, I should say that when the section was inaugurated, a large percentage of the clerks in the section were of the Southern origin but most of them have either gone on transfer or on contract and their contract has terminated; or they have been transferred to other Regions.

Mr Olarewaju Afolayan:

I have a question, Mr Chairman. Complaints are always being brought to us about this Ministry's interpretation of the Laws of this award. There is no improvement at all. May I put it to the Accountant-General that the staff in that branch is inefficient and even negligent. There is no reason why you should fail to interpret the Laws of the awards.

Acting Accountant-General:

This brings us back again to the changes in staff. As observed in the reply it was stated that two experienced officers who are conversant with the work have gone on retirement. We have been faced with constant changes in staff by transfer to the Federal Public Service and to other places, and this is not peculiar to the Pension's Branch only. At the moment I may venture to say that we are still faced with the headache of having some of our efficient officers being transferred to the Federal Government.

Mr O. Afolayan:

Actually, Mr Chairman, some officers leave at intervals if they are not interested in a section or not capable of doing a particular job. Why is it not possible to post another person immediately when one has left?

Acting Accountant-General:

Sir, the position is not as easy as the question puts it. The Pensions Ordinance and Regulations are subject to changes and amendments at any time and it requires that an officer should be of long experience in that Section rather than having officers to come intermittently into the Section.

Mr Afolayan:

In that case you are now saying to us that throughout this Region there is no experienced officer to take up the job when another goes away?

Acting Accountant-General:

I have not said that. What I said is that it takes time for an officer to familiarize himself with that Section.

Mr Afolayan:

Well, Mr Chairman, may I know whether the Accountant-General will give an assurance to this Committee as to when he will have experienced officers to do this job. Because he used the words "may be possible", which means that the position may, or may not, have any effect and we shall again find ourselves in the same position as we are now.

Acting Accountant-General:

It is very hard to give an assurance such as this to the Committee that permanent officers will be obtained. It is not easy to restrict an officer from transferring to any other Region or a contract officer who is experienced to terminate his contract.

Mr Afolayan:

With your permission, Mr Chairman, I would like to say that since nature is not permanent, may I suggest that this Ministry undertakes training courses for the Pensions and Gratuities Branch so that if one officer or officers leave we can easily get someone to replace them.

Acting Accountant-General:

I would say that the observation is noted but as I said before we have already started training officers so that if one goes away, another can easily move in but in dealing with Pensions and Gratuities, the Laws are difficult to interpret.

Dr Iya Abubakar:

May I know from the Accountant-General how often they change the Pension Laws, because he gave the impression this is something that occurs very often and that it is impossible to get qualified staff to take up the job.

Acting Accountant-General:

While thanking the questioner for his question, the Standing instructions are that officers in the Pensions Section should not be moved, and as I have observed previously, it requires officers of the grade higher than ungraded clerk to begin that Section. I would also say that it has often happened that these officers are those that qualify for scholarships.

Dr Iya Abubakar:

May I know whether it is possible for you to get these people who go on scholarships to sign some sort of bond so that on their return they will be bound to work in your Ministry rather than going elsewhere.

Acting Accountant-General:

My Ministry would be grateful if this Committee would recommend that to the Government.

Mr Chairman:

I think you are permitted to go to the Government for Legislation. Any further observations?

Dr Iya Abubakar:

Mr Chairman, we do appreciate the difficulties of the Accountant-General's problems about inefficient staff and also staff changes and so on. I think the Committee appreciates also the difficulties of the Director of Audit. It also appreciates, the high expense of audit queries, also expenditure on this item. Twenty-five per cent is not a small proportion and we want him to get a reliable officer and not just a promise.

Acting Accountant-General:

I thank the last speaker. I have to observe that we in our Ministry are much concerned about the misclassification which led to an error, and we shall do everything possible to see that the situation is improved.

Mr Chairman:

If we go back to the Director of Audit, I think he feels we can do a lot even before we get the experienced officers. I will just quote the last line which says that there appears to be more checking needed. I hope this will be looked into. It is not good for the same errors to recur. I hope this will be noted.

Acting Accountant-General:

The observation is noted.

Mr Chairman:

Any further observations?

Paragraph 21. Any questions?

Dr Iya Abubakar:

Mr Chairman, I want to find out how often they call this Board of Survey, because I remember last year, also it was a subject for discussion in this Committee. It did not concern Zaria Province but it concerned other provinces. We are made to understand that there will be at least two in a year. May I know what the situation is?

Acting Accountant-General:

It is laid down in the Financial Instructions that there will be an Annual Board of Survey at the end of the year, and in this particular connection, I would say that the relevant officer is regarded as the Sub-Treasurer, but it was an omission that the Board was not convened by the Provincial Secretary. Furthermore, in order to avoid this sort of thing happening in the future, a follow-up system has now been initiated where all Provincial Secretaries are notified a month before the close of the financial year of the boards on the various sub and local treasuries that they are to convene. This was done on the 1st of February this year.

Mr Chairman:

Any observations?

Paragraph 22.

Mr Olarewaju Afolayan:

Mr Chairman, Sir, the Accountant-General shows a continuous and obvious lack of control of remittances in transit, whereas when this Committee met last May, he assured the members that such would stop. May I know how long this deteriorating situation will continue?

Acting Accountant-General:

In the first instance, I have to apologise to the Committee that this situation has arisen yet again, and the same apology is extended to the Director of Audit. The account has now been brought directly under the control of a Senior officer, who is responsible personally for reconciliation of the account. We have accepted the suggestion of the Director of Audit to start manual postings of the accounts as from the close of every account and this is being put into effect from the accounts for February, 1965. With this system, I am sure it will be possible that the accounts will be maintained up to date, and there will be no misclassification noted. Furthermore, a Circular is now being issued to recapitulate all instructions about the classification of remittances to Sub. and Local treasuries.

Alhaji Maude Gyani:

It is not the intention of the Committee to worry the Accountant-General unduly, but we wish to give some observations. The Member behind me and I also want to know why the conditions have not been cleared up. Although the Accountant-General has apologised to the Committee and also to the Director of Audit my fear is that the condition may still continue even with the apology. I would like to see the Accountant-General redouble his efforts so that the condition may improve otherwise we will not accept this apology again and we shall continue to worry him.

Acting Accountant-General:

The main factor in this misclassification between subheads is a remitting station has its own subhead and when he remits to the receiving officer, he classifies the account to his own subhead, but invariably, instead of classifying the receipt to the subhead of the remitting station, he classifies it to his own station and this cannot be detected by machine posting and as the Director of Audit has suggested this can easily be detected by manual postings. Where manual posting is used, all these errors can immediately be detected and corrected at once.

Alhaji Maude Gyani:

Mr Chairman, Sir, there is only one point I would like to add. I would like to assure the Accountant-General that it is the duty of the controlling Board to check up many times, otherwise, the Committee is offended, and I do not want this to happen.

Acting Accountant-General:

The observation is noted.

Alhaji Maude Gyani:

Thank you.

Mr Chairman:

I think there is at present a move to rectify the position but my fear is that this Senior Officer who is posted to this section to sort out these difficulties, is he there only to do this job and then vanish or is he to stay there and continue his good work?

Acting Accountant-General:

It is the Senior Accountant in charge of the section to control all the accounts and see personally himself that the account is reconciled. It is important to effect improvement in the position and that is why responsibility has been attached to it.

Mr Chairman:

He will be there all the time?

Acting Accountant-General:

Yes, he will be there all the time.

Mr Chairman:

Thank you. Any further observations?

Paragraph 23: Any observations?

Dr Iya Abubakar:

Mr Chairman, Sir, it does seem that the Accountant-General is having part of his trouble with the Federal Government? Because in his written reply he states that the final reconciliation was just up to March, 1962. Can he tell us why this delay is so long? Also in his written reply, it shows that in the case of other accounts involving other regions reconciliation have been carried out up to March, 1964. Why should these two cases be so much different?

Accountant-General:

The Federation account is by far the greatest of the accounts of the Eastern, Western and Mid-Western Regions and even after writing this reply the accounts with the Eastern, Western and Mid-Western Regions had been settled up to November, 1964. As stated in my reply the concern of this Committee has been made known to the Federal Government and a senior service officer was sent late last month to come and effect reconciliation with us on the spot. We are, in fact, awaiting a reply from the Accountant-General of the Federation.

Mr S. A. Atum:

Mr Chairman, although my hon. friend, Dr Iya Abubakar, is already satisfied with the question and has also drawn the attention of the Accountant-General to such position, may I ask the Accountant-General to put in more vigorous efforts to discuss with those Regions the matter of final reconciliation. Mr Chairman, Sir, we take the responsibilities and duties of this Committee in Northern Nigeria seriously. We must advise every Ministry or Department to be firm in their duties. I would like the Accountant-General to make sure that our Chairman gets the reply as soon as possible.

Acting Accountant-General:

The position is that we have been doing our best, all the time, to carry out reconciliation with the Federal Government, but what was actually holding up reconciliation on items in dispute between the two Governments was the delay in sending the replies. However, we have been expressing our fear on the large balance due from the Federal Government and recently the Federal Government has agreed to increase its monthly remittance from £1,500,000 to £1,750,000, in order to liquidate any balance, when the account is finally reconciled.

Dr Iya Abubakar:

It is encouraging that a move has been started to exchange visits between the Federal and Northern Nigeria Accountant-Generals so as to effect reconciliation of the accounts. May I know whether it is the intention of the two parties to regularise this? Or is it your intention just to have this visit when the accounts run into a mess?

Acting Accountant-General:

It is the intention of the Treasury Division to get together as often as possible to check up, in order to bring the accounts up to date.

Mr Chairman:

It does not seem to answer Dr Iya's proposals as I want it. I think by holding the meeting you fix the time say once a year, or once in six months, or quarterly, or monthly, whatever the case may be. If you leave it like this, until it is absolutely necessary, I would not say it is regular.

Acting Accountant-General:

We intend to make a regular visit and the observations of the Chairman are noted. We shall endeavour to get the Federal Accountant-General to agree with us to these regular visits.

Mr Chairman:

Do you always expect them to come to you?

Acting Accountant-General:

We do not always expect them to come to us but last time we sent our own man to Lagos.

Dr Iya Abubakar:

Mr Chairman, in the reply of the Accountant-General he said that the incompleteness of the documents for the inwards accounts is a very large factor in failure to reconcile. The solution to this problem has not been found. Now I take it from this that various steps have been tried to solve this problem but just failed may I know therefore what steps are now being taken?

Acting Accountant-General:

The solution is with the Federal Accountant-General to supply us with outstanding vouchers, and we have been pressing for these vouchers to be supplied.

Dr Iya Abubakar:

In other words the best you can do is to send reminders, that is the only thing you can do. Is that so?

Acting Accountant-General:

If I may say, I stated to the Committee yesterday that during my visit to Lagos on the 12th of this month, I discussed this matter with the Federal Accountant-General as well as the officer responsible.

Mr Chairman:

At the bottom of the written reply, with the exception of an amount of £86-4s-2d which is only outstanding, the rest has been paid by the Ghana Government. Is that £86-4s-2d still outstanding against the Ghana Government?

Acting Accountant-General:

The amount of £86-4s-2d stated is under query and provided it is not a misclassification on the amount which is recoverable from the Ghana Government, the Ghana Government must pay.

Mr Chairman:

You better hurry it up. Any further observations?

Paragraph 24.

Dallatun Abuja:

The Accountant-General stated in his written reply that "It has been confirmed to the Director of Audit that the amount of sinking funds asset was overstated in the footnote of the statement of assets and liabilities as at 31st March, 1964 and that the correct figure was £1,806,837-15s-5d. The sinking fund is maintained by the Central Bank of Nigeria and the initial error arose as a result of incorrect information received from the Central Bank". In what way was the information from the Central Bank found to be incorrect?

Acting Accountant-General:

The position is that our share of the Second Development Loan was shown as 75 per cent instead of 65.8748 per cent.

Dr Iya Abubakar:

Was this a typing error, Mr Chairman, or a change of policy?

Acting Accountant-General:

Added to this, the Sinking Fund statement sent to us is for the whole Federation and it must be admitted that we took it for granted that some of them are belonging to the North whereas we have only a percentage share in the loan. This was responsible for the error.

Dr Iya Abubakar:

Is it the £2,000,000 that belongs to the whole Federation? Because if it is for the whole Federation and we escape with £1,800,000 we are very lucky! So it is doubtful that the £2,400,000 is for the whole Federation.

Acting Accountant-General:

Roughly calculated of the Sinking Fund assets for the Federation our share is only £1,900,480.

Dr Iya Abubakar:

What we are concerned with is not the actual figure itself but how the mistake arose to see whether it is possible to look into it in future so that it does not occur again.

Acting Accountant-General:

Well, I must admit that it arose by human error and as such I tender my apology with the hope that it will not occur again.

Mr Chairman:

Any further comments?

Paragraph 25.—Any observations?

Gentlemen, if you remember when we were having discussion before the Accountant General came in, we could not get the accounts for the year ended 31st March, 1963, but only got the one for 1964. Since then the Secretary has succeeded in getting us some copies, so I think we are now in a position to deal with both of them, starting with the one for 1963.

Any comments?

Accounts for 1964 accepted.

Any comments?

Paragraph 26. Any observations?

Capital Development Fund Account, 1961-62.

Mr Chairman:

Any observation?

Capital Development Fund Account, 1961-62, accepted.

Paragraph 27.

Mr Chairman:

In the first paragraph of your written reply you said that the statement was laid on the Table of the House of Chiefs but it was not laid on the Table of the House of Assembly for debate but I understand that somebody has seen it on the Hansard of the House of Assembly that it was laid. In fact, I was informed by the Director of Audit.

Acting Accountant-General:

Sir, I humbly apologise for the mistake.

Mr Chairman:

I think you should not just apologise but you should look into it. I do not agree that auditors do not make mistakes!

Acting Accountant-General:

I offered my apology because I might have got my information wrong and the Director of Audit is more abreast with the fact that it is the Finance Division and not the Treasury Division which is responsible for laying the papers before the House. I promise to check it up.

Mr Chairman:

Any further observations?

Mr Atum:

Though we have accepted the apology tendered by the Accountant-General and we sympathise with him on this question of mistakes, we shall be very grateful if the Accountant-General would see to it that he gives us correct statements. We know human beings can make mistakes but we cannot accept that human beings always make mistakes.

Acting Accountant-General:

Noted, Sir.

Mr Chairman:

Any further observations? Perhaps at this stage we can take the various Statements of Accounts. First of all, the Statement of the Accounting Division, Mechanical Renewal Fund for the year ended 31st March, 1963.

Any observations? What has the Accountant-General got to say with regard to paragraphs 2 and 3?

Acting Accountant-General:

The adjustment in paragraph 2 has been reflected in the year 1963-64.

Mr Chairman:

Why was it over-stated?

Acting Accountant-General:

The amount was wrongly adjusted to the account in 1963 and this was due to misclassification. It was however adjusted in 1964.

Mr Chairman:

What about the balance which was understated by a similar amount?

Acting Accountant-General:

The balance was automatically adjusted in the next year's account.

Mr Chairman:

Why I said it was made deliberately is that you made an overstatement on one side and you found out that your accounts could not balance then you deliberately understated the other side in order to have it balanced. This is of course, a layman's observation.

Acting Accountant-General:

The difference arose because as expenditure is overstated so the balance must necessarily be understated. This, too is due to misclassification.

Mr Chairman:

What about paragraph 3?

Director of Audit:

If I may help, Mr Chairman, the error was corrected by adjusting the contribution in the succeeding year.

Mr Chairman:

Any observations? Then this is accepted. And we go on to that of 1964. There too I would like an explanation on the observation of the Director of Audit in paragraph 2.

Acting Accountant-General:

Mr Chairman, this was as a result of the net amount adjusted over contribution in April, 1963.

Mr Chairman:

This does not satisfy me because when you compare the two statements, you will see that the annual contribution is not constant. On what basis are the annual contributions made?

Acting Accountant-General:

This depends on the value of the assets and it is also stated in the accounting procedure controlling the funds. This is calculated on the life of each machine on which depreciation naturally takes place.

Mr Chairman:

Any comments? Then I take it that these two are accepted. The next account is the Statement of Printing and Stationery for the year ending 31st March, 1963. I think we have been informed by the Director of Audit that in connection with this account that the Accountant-General is only responsible for keeping the books and in this particular case we are assured that the books are well kept. So if we have any observations arising from the Audit observations perhaps we can reserve that for the Permanent Secretary concerned and I think in this particular case it should be reserved for the Permanent Secretary, Ministry of Internal Affairs. I think we should accept this.

The next is the Marine Renewals Fund Account for the year ending the 31st March, 1963. This too is the same as with the previous one. Any observations? This is accepted.

The next one is the Statement of the Ministry of Works Mechanical and Wood-working Machinery Renewals Funds Account for the year ending 31st March, 1963. Here too I think we should reserve our observations for the Permanent Secretary, Ministry of Works.

The next one is the Statement of the Ministry of Works Water Supplies Renewals Funds Accounts for the year ending 31st March, 1963. Any observations? I think this is accepted.

Then paragraph 28: Special Funds.

Alhaji Mustafa Maude Gyani:

Mr Chairman, Sir, paragraph 28, sub-paragraph (a).

Mr Chairman:

You can see that the reply to this particular paragraph is in three parts, viz., (a), (b) and (c). Let us then take them one by one. I thought perhaps members would make some general observations otherwise we can take them together with the statements. "A" concerns statement of the Native Authority Vehicle Insurance. Any observations? There, too, I think, like the others, the Accountant-General only keeps the books and the business is run by the Ministry for Local Government. It will be appropriate therefore to ask the Permanent Secretary, Ministry for Local Government, if we have any questions on the points on this set-up. But that will not stop us from asking the Accountant-General any question relating to the actual book-keeping. Any comments? So this is accepted.

Alhaji Mustafa Maude Gyani:

Mr Chairman, is this (a) or (b)?

Mr Chairman:

We are on (a). The next one will be (b) that is Voluntary Agencies Educational Building Funds. I think there are two accounts, one for 1963 and the other for 1964. So let us take them one by one starting with the one for 1963.

Mr Chairman:

Any observation?

Mr O. Afolayan:

Yes, Mr Chairman. I want a point of explanation on these building funds. Starting from Saint Michael's School, Kaduna onwards—since September, 1962, the School took different loans. But up till today no payment has been made. I think when one takes a loan one is bound to pay it after twelve months. I do not know what is happening to these Schools or what action the Accountant-General is taking?

Mr Chairman:

Are you dealing with the Account in the 31st March, 1963? Is it Saint Michael's Anglican School, Kaduna, you mean?

Mr Afolayan:

Saint John's College, Kaduna.

Mr Chairman:

Saint John's, thank you.

Acting Accountant-General:

The position is that the first payment is not due until December, 1963. And this would be reflected in 1963-64.

Mr Chairman:

So, they have actually paid?

Director of Audit:

For Saint John's, Kaduna, the payment is shown on the next account. The payment is shown in the 1964 account.

Mr Chairman:

Are you satisfied?

Mr Afolayan:

Yes, I am satisfied.

Alhaji Maude Gyani:

Mr Chairman, Sir, I wish to show my appreciation for what the Government is doing for the Voluntary Agencies by giving them loans for the building of schools. Everybody knows that without money we cannot eat, play, wear good clothes; we cannot be happy. This Account has shown me that part of the world or part of the Federation of Nigeria where the Christians are always criticising the Government for paying too much attention to Moslems—that is nonsense. It is shown here that only two Islamic Schools are given loans for building.

Mr Chairman:

They are more than two here.

Alhaji Maude Gyani:

Is it more than two, you said! Well you are assisting me in order to carry on with my observations.

Mr Chairman:

Only three.

Alhaji Maude Gyani:

Well, I now say three! I thank the Government for the aid giving to the Moslems. But here, Sir, I must say that the Government should look into this matter and give more aid to Moslem Schools.

Mr Afolayan:

Point of explanation, Sir.

Mr Chairman:

Yes, Mr Afolayan, Point of Explanation!

Mr Afolayan:

If the hon. Member understands the system . . .

Alhaji Maude Gyani:

No! No! No! I shall not give him the chance.

Mr Chairman:

Please give him the chance to speak.

Alhaji Maude Gyani:

Though, I respect the Chairman.

Mr Afolayan:

I am afraid whether the last speaker definitely understands the system about these building loans. It appears he wants to introduce religious politics which may not even exist at all.

Mr Chairman:

This is not the point of order you are going to speak on. In fact, I was contemplating stopping him. I know that he is not appropriate in his speech. I think he is only wasting his time, though he may have liberty to express himself. Regarding praising to the Ministry of Finance, this is not the correct body, as they only deal with the accounts. The correct body is the Ministry of Education. So I think he shall have to wait until the Permanent Secretary, Ministry of Education comes to this Committee before expressing his appreciation. If there are any criticisms, the Ministry of Finance will not be affected but only the Ministry of Education. You should therefore, both of you, wait or reserve your comments until the Permanent Secretary, Ministry of Education is here.

Alhaji Maude Gyani:

Mr Chairman, Sir, I thank you very much. I should like to make a comment on the loans given to the Voluntary Agencies. I appreciate this sort of work the Government is doing. Before I continue, Sir, I would like to tell the honourable member that he is politically minded.

Mr Chairman:

Let us close this matter.

Alhaji Maude Gyani:

I will finish now. I would like to tell the Chairman that I accept the advice given to me and I shall continue when the Permanent Secretary, Ministry of Education, comes before the Committee.

Mr Chairman:

Any further observation on the 1963 accounts? Is it acceptable?

Mr Chairman:

Then 1964 Accounts. Any observations?

Mr Afolayan:

I just want to make certain comparison. There are actually two schools here which I want to compare and contrast. One took a loan in November, 1962 a loan of £2,000.

Mr Chairman:

Which Schools?

Mr Afolayan:

Islamic School, Jos. Nawarundeen School, Jos took a loan in 1963 and has been re-paying the loan ever since. These two schools are definitely voluntary agencies schools. May I know what line of action is taken when one which took a loan in November, 1960 whereas one taking in November, 1963 has started paying instalments.

Director of Audit:

If I may assist the Committee. The decision was taken by the Permanent Secretary, Ministry of Education and I do not think the Accountant-General will know anything about it.

Mr Chairman:

Then, in this case, you can reserve your questions till we have the Permanent Secretary, Ministry of Education. He will be in a better position to give you your answer.

Alhaji Maude Gyani:

Mr Chairman, Sir, I am sure the Permanent Secretary and the Accountant-General must know whether the applications of the Moslems Schools have been submitted and accepted. I am not politically minded, and this is not a political view.

Mr Chairman:

Yes, let us wait for the Permanent Secretary, Ministry of Education, before taking up this matter again, please.

Mr Afolayan:

My advice is that the schools may have definite rules for building their schools. It is only necessary for the Accountant-General to issue strict instructions for those who have not paid their instalments because if I do not make any mistake, in the term of Agreement when one is about to take loan, this indicates that if one fails to pay one instalment the whole may be refunded at once. I am not saying that that method of payment is the most effective, but they should continue paying their instalments regularly.

Accountant-General:

I think in answer to that question that it was on the 8th of December, 1964, that the Permanent Secretary, Ministry of Education was reminded of those whose annual instalments are due and he was requested to ensure that they are received on time and receipt particulars forwarded to our office. As a Book-keeper I think we have done our own.

Mr Chairman:

The next account is, Gentlemen and Members, the Northern Nigeria Staff Housing Scheme Loan. At the time of our discussion, the accounts were not available, but now, I think the Secretary has circulated copies to you and in this respect the Accountant-General is only a Book-keeper. If we want to ask any questions, I think we should direct our questions to the Permanent Secretary who actually runs these accounts and I understand that it is the Permanent Secretary, Ministry of Finance, so we can direct our questions to him. As far as Book-keeping is concerned we have been assured by the Director of Audit that there seems to be nothing wrong with it. So unless Members have some comments to make I will propose that this, like others, be accepted. Any observations. So it is accepted.

MINUTES OF PROCEEDINGS

Saturday, 29th May, 1965

MEMBERS PRESENT

Alhaji Umar Sulaiman, O.B.E., Emir of Bedde (*in the Chair*)

Alhaji Umaru, Emir of Pategi

Alhaji Muhammadu, Sada Nadada
Kankia

Alhaji Muhammadu, Emir of Gumel

Alhaji Abdullahi Maikano, Emir of Wase

Dr Iya Abubakar

Alhaji Hassan, Dallatun Abuja

Mr S. A. Atum

M. Umaru Yola (Kano)

Mr Olarewaju Afolayan

Alhaji Muhammadu Mustafa, M. Gyani

Mr Chairman:

Gentlemen, we are going to start with paragraph 29 today. Any observations?

Dr Iya Abubakar:

Mr Chairman, the Accountant-General's reply shows 355 dead accounts, may I know what prospect he has for clearing these?

Acting Accountant-General:

Which particular paragraph?

Director of Audit:

That is paragraph 'a'.

Mr Chairman:

Motor vehicle advances.

Acting Accountant-General:

Those motor vehicle advance account is a revolving account and every effort is being made to clear up the balances, and some of those credits after examination would clear those debit balances.

Mr Chairman:

Is it not possible to stop accounts going into credit?

Acting Accountant-General:

I am afraid, the position is that the accounts go to credit by misclassification.

Mr Chairman:

My question is, can't that be stopped?

Acting Accountant-General:

Mr Chairman, the accounts are machine posted and it is after the machine posting that examination is carried out and those found to be incorrect are adjusted.

Mr Chairman:

This is a long paragraph and before we say any more, I think we better take them one by one. After finishing with 'a', we go on to 'b' and so on and so forth. So we are now dealing with 'a'.

Mr S. A. Atum:

Mr Chairman, Sir, I should like to ask the Accountant-General if this cannot be stopped and whether there is any procedure for stopping it. What is he doing to remedy this situation?

Acting Accountant-General:

The position is that Ministries should be more careful with the posting of vouchers because vouchers are posted according to subheads. If the subhead is, for example, shown as 2365 and if the officer writes down 2356 the machine picks up 2356 therefore the wrong account will be credited.

Mr Chairman:

I am not going to say that the machine is not to make a mistake. In fact, it is not the machines that are making mistakes. It is the gentleman who operates the machine and if care is exercised, although mistakes may not be totally abolished, at least they will be reduced to a minimum. Or is it impossible to do that?

Acting Accountant-General:

It is not impossible and that is the very reason why a system of an incentive bonus is being paid to those Machine Operators who perform their duties well. Most of these errors occur on the vouchers themselves from the Ministries and they picked it up from the cash books. In some cases as I have said, the writing in the cash book may not be legible, and the attention of all Sub and Local Treasurers have been invited to this.

Director of Audit:

May I assist, Mr Chairman? I think what the Chairman is getting at is that it is accepted that misclassifications occur, but the point is that if you look at an account you will see that it is going into the credit. Once the account is going wrong, is it not possible to stop it continuing to go wrong? The Chairman has accepted that machines make errors, because of wrong scheduling and wrong classifications. But if an account starts to go wrong it should be obvious looking at it that it has started to go wrong.

Acting Accountant-General:

The position is that with the new machines, it is possible to post the account monthly. It will be possible to stop it. The old system was that the accounts were posted once in arrears and that is why it was not possible to detect it in time.

Mr Chairman:

Any further observation on 'A'?

Mr S. A. Atum:

Mr Chairman, Sir, I want to put a suggestion concerning this matter which is before us now and that is that the Accountant-General should check up and see that this matter will be cleared.

Acting Accountant-General:

We will do our best.

Mr Chairman:

Paragraph 'B'—Bicycle Advances.

Dr Iya Abubakar:

Mr Chairman, it is stated in the reply that a new system has been evolved with relation to the control of the funds under this account by allocating the responsibility to the various Ministries. I am sure this has the blessing of the Director of Audit, who will

have less to worry about, he will have an easy way of checking the accounts. It will also have the blessing of the Accountant-General because he will not be directly responsible for the account. It is further stated that the old account has been wound up. Can the Accountant-General tell us how he is doing this, and whether he is going to clear it up or whether it is going to be abandoned?

Mr Chairman:

And roughly how much will it involve?

Acting Accountant-General:

The balance on this account has been agreed with the various Ministries and before the final transfer is made it will be with the agreement of the Director of Audit. This should have been added; that it will be with the agreement of the Director of Audit.

Dr Iya Abubakar:

In other words the suggestion is that you are going to decentralise the existing funds and allocate to each the various Ministries?

Acting Accountant-General:

It will not be added; I mean it will not be re-allocated to other Ministries but will be on our expenditure.

Mr Chairman:

We are not against the new system. We are not in any way against it. The only point Dr Iya is asking, which I feel is not yet properly answered is that you used to keep this account and from a certain date it was agreed that Ministries should take over this responsibility. May I put it in this way: the old account you used to keep I think the normal thing to do is to have it wound up.

Acting Accountant-General:

Yes, Sir. We are winding it up. We have cleared his expenditure and the balance will be recovered by the various Ministries.

Mr Chairman:

How much was involved? What I am trying to drive at is that there must be a certain total of outstanding advances and you are winding them up. Perhaps you will be able to recover some, or perhaps you have written some off. This is the sort of thing on which we want you to enlighten us.

Acting Accountant-General:

We cannot say definitely whether some of the amount would be written off until we have reconciled with the Ministries.

Mr Chairman:

So, you are at the moment in the process of winding it up?

Acting Accountant-General:

Before it is wound up, it will be with the agreement of the Director of Audit.

Mr Chairman:

We are dealing with paragraph 'B'.

Mr Afolayan:

My question is whether the decision of the Government to control Bicycle Advances and some other advances through the Divisional Accountant by deducting the amount

from their personal monthly emoluments through local and sub-treasuries has been strictly adhered to, and if the answer is yes, I want to know the fruitful achievements which have been made.

Acting Accountant-General:

The position is that this was controlled by us until the 1st of November when the responsibility was transferred to other Ministries.

Mr O. Afolayan:

Mr Chairman, So by this you are telling us that there is definitely an achievement.

Acting Accountant-General:

The position is that it is the responsibility of Ministries to recover all bicycle advances but now as from 1st of November the keeping of the records and accounts was transferred to the Ministries.

Mr Chairman:

Any further observations? Paragraph 'C'—Salary Advances.

Mr Afolayan:

We understand that the Monthly Salary Advances referred to here date back to the year 1961-62 and have not been paid, while some even date back to 1957. But under Financial Instructions all salary advances are repayable within four months from the dates in which the advances were drawn. I want an explanation as to why the Financial Instructions have not been strictly followed.

Acting Accountant-General:

I see nothing wrong with the Financial Instructions. In some cases it is the effect of misclassifications and in some cases Ministries have failed to recover them.

Mr Afolayan:

Mr Chairman, Sir, on the point of explanation I am not satisfied. It appears that the officers entrusted with the duty of advances are careless or even guilty of wrong-doing.

Acting Accountant-General:

I am sorry I am unable to comment on that one because Ministries approve Salary Advances and it is their duty to collect them. With the introduction of the Anson Pay System misclassifications and/or non-payments would be very glaring.

Alhaji Maude Gyani:

To my knowledge, I think it is the responsibility of the Accountant-General to check the financial position of the Government. I would like to advise the Accountant-General to be more careful with these advances. I am sure if he is vigilant this Committee would not worry him. I am sure, Sir, if he takes advice from the Director of Audit such things would not have happened.

Director of Audit:

May I help you, Sir? In regard to what is mentioned in (a) in the Audit Report the majority of those accounts are merely book-keeping errors. I personally, very much doubt whether anyone has not paid back his salary advance, and if these accounts were investigated it will be seen that they are all right. So though it is possible that some people have not paid back their advances, the conclusion is that the responsibility of these wrong accounts is merely book-keeping mistakes.

Dr Iya Abubakar:

May I know from the Accountant-General whether it is possible to change the allocation of this fund, to allocate it to Ministries in the manner done with bicycle advances. And whether this will lead to a more efficient administration of this vote. I am asking this in complete ignorance of the problems involved.

Acting Accountant-General:

I think this is a very good idea but before taking a final decision on it I feel I should have consultations with the Director of Audit on the additional work that would be involved by the transfer of these accounts to various Ministries.

Mr Chairman:

It seems to me that this Committee is helping the Accountant-General to shed most of his responsibilities. (*Laughter*).

Mr S. A. Atum:

May I know whether the Accountant-General is taking any steps to clear up this balance?

Acting Accountant-General:

Oh Yes, investigation is going on all the time.

Mr Chairman:

Any further observations?

Then (*d*): Touring Advances.

Mr O. Afolayan:

Mr Chairman, according to the Audit Report before us we understand that the accounts are in respect of officers taking touring advances and not repaying them thus making such accounts outstanding since 1961-62. We still understand that repayment of advances must be taken either from his salary or from other sources in a few months. May I know whether it is due to the inefficiency of the staff of the Accountant-General's office or inexperience? I consider that if members of the staff in the Accountant-General's office are efficient and experienced I think this should not have occurred.

Acting Accountant-General:

In answering this question, I would not say that it is due to inefficiency on the part of the staff. Most of these Government balances are more or less misclassifications or, what I may say, book-keeping errors. If there are any that have been delayed in repayment this will be exceptional.

Mr O. Afolayan:

Mr Chairman, Sir, what I do not understand is that if I take an advance I think it is the duty of your staff to subtract this advance. I therefore fail to see any reason why the deduction should not be made immediately in the month.

Acting Accountant-General:

I am not responsible for making the deductions, it is the responsibility of the Ministries. In most cases, misclassification of this recovery originates in the Ministries.

Mr S. A. Atum:

Mr Chairman, I want to ask the Accountant-General about Touring Advances. Are they not refundable monthly, if not, why?

Acting Accountant-General:

Touring Advance is refundable en bloc on the officer's return from tour.

Alhaji Maude Gyani:

Mr Chairman, if this is so the procedure has shown that if one has failed to pay back an advance what should happen? Who is responsible to repay the amount?

Acting Accountant-General:

In the first instance the Ministry is responsible for the recovery. When the accounts are examined and it is found that this is not done the attention of the Ministry will be drawn to it, but the position is that many of these accounts are related to one another and misclassifications of these accounts may be between salary advances, touring advances, correspondence course advances or even bicycle advances because these accounts have their personal subhead numbers, and they may be wrongly posted. Therefore you find that some of these accounts are mis-debited and mis-credited. During the general examination of these accounts the personal advances are adjusted.

Mr Chairman:

I think the position that the Accountant-General has been trying to explain to us is that these outstanding advances are not really outstanding advances in the sense that the people concerned fail to pay them. The Director of Audit also assured us earlier that the case of people failing to pay their instalments is very negligible. The money was paid all right but it was put in a different chest instead of going in to the correct chest. So, this is the main problem.

Alhaji Maude Gyani:

Thank you, Mr Chairman, for the explanation. You have come to the rescue!

Mr Chairman:

Any further observations on this. Then (e), Correspondence Courses.

What I do not understand and I think there must be something wrong somewhere and somehow, because according to the Audit Report, the Director of Audit said that this kind of advance ceased with effect from the 3rd of August, 1961. If that is so, why have they not been cleared by now?

Acting Accountant-General:

The account should have been cleared had there not been no misclassifications as stated in the previous account. This is a question of one account being put into another and constant investigations are being carried out in respect of correspondence course advance repayments, there may be other repayments—for bicycle or advance of salary, and these have been wrongly credited and finally the continual investigation of the balance of his other accounts will be credited to the correspondence accounts.

Mr Chairman:

Has this advance ceased from 1961 as stated by the Director of Audit?

Acting Accountant-General:

Sir, it has ceased; there is now no correspondence course advance.

Mr Chairman:

So, you said that this matter has been outstanding since 1961, and so far you have reduced it from 87 to 70 in three years! I am not a mathematician, I cannot work out how long it will take you to clear the balance of 70. Perhaps Dr Iya Abubakar will help?

Acting Accountant-General:

The position, is that the last instalment was expected to be cleared in August, 1963—the re-payment date should be August, 1963—two years after the cessation, but it is this re-payment that has been put into the wrong chest.

Mr Chairman:

Yes, I accept that. You are now sorting out the accounts, and it seems to me that it has taken, rather, a long time to sort them out. I think this may take you so many years.

Acting Accountant-General:

If I may say, Sir, this account is being treated by the same people who are dealing with motor vehicles, bicycle and salary advances:

Mr Chairman:

Yes, I am not concerned with the people allocated to do this work, what I am particularly concerned about is this question of the money lost, it may be a question of mis-classifications, but this mis-classification has got to be cleared and it seems to me that it is going to take a long time—if we are lucky perhaps in our life time.

Acting Accountant-General:

I trust it will not take such a long time as envisaged by the Chairman and for this reason; Ministries have been asked to render returns of all repayments of these accounts so that reconciliation can be effected with the Treasury Ledgers.

Mr Chairman:

Any further comments?

Dr Iya Abubakar:

I have a question on a policy matter on which, probably the Accountant-General will be helpful. Is it that they have now stopped the idea of giving advances for correspondence courses, or has this been transferred to another vote?

Acting Accountant-General:

Government decided to stop it.

Mr Chairman:

Any further comments?

Paragraph (f): Dishonoured Cheques.

Alhaji Maude Gyani:

Mr Chairman, Sir, I would like the Accountant-General to make it clear from where these dishonoured cheques come, do they come from catering rest houses or from commercial firms?

Acting Accountant-General:

The answer to this question is that these cheques are from various Revenue Collectors, not only the Catering Rest Houses.

Alhaji Maude Gyani:

Mr Chairman, if you go through the report of the Accountant-General, it is not mentioned from where all these cheques come. I should also like to know the positions now.

Acting Accountant-General:

The position is that as far as we have gone the amount of £6,791-16s-8d was reduced to £1,144-19s-1d. When various adjustments that were made have been brought to account. Further to this, we have issued a black list as at 31st April, 1965 of all officers whose cheques should not be accepted for encashment or for the payment of revenue.

Alhaji Maude Gyani:

Sir, may I know from the Accountant-General what type of staff have done this and what punishment has been effected out. If there is none, why?

Acting Accountant-General:

If they are Government officers, a report is made to the Public Service Commission and in the case of private individuals, Sub- and Local Treasuries are circularised not to accept cheques issued by those private individuals.

Alhaji Maude Gyani:

Is it not possible for Treasuries to open accounts for officers concerned instead of sacking them or allowing them do the same thing later on?

Acting Accountant-General:

The position is that if he is a Government officer, a report is made to the Ministry concerned, and an arrangement is made to recover it from his salary and he is black listed from encashing cheques again from Sub- and Local Treasuries.

Dr Iya Abubakar:

May I know how long does one's name remain on that list?

Acting Accountant-General:

Until recommendation is made by the Ministry that his name should be taken off; and that recommendation is acceptable to us.

Mr Chairman:

So it seems to me that Sub- or Local Treasuries accept cheques from anybody except those whose names are on your black list.

Acting Accountant-General:

That question is rather complicated in as much as senior service officers.
[MR CHAIRMAN: I am not limiting this question to Government officers alone.]
In the case of Sub and Local Treasurers, it is only where it is paid in by Revenue Collectors, because Revenue Collectors pay over their collections to Sub and Local Treasuries and amongst these are cheques received by them. They pay these cheques to the bank and it is then that is discovered that the cheques have not been honoured.

Mr Chairman:

The information I want is whether there is any sort of guide or instructions to the Revenue Collectors as to how and when they should accept cheques. Are they free to accept cheques from even bush Fulanis from Adamawa?

Acting Accountant-General:

They are guided by the Financial Instructions and the Financial Instructions say definitely that they can reject cheques if they are not certain of the financial standing of the person tendering the cheques.

Dr Iya Abubakar:

With regard to officers, do you accept from all officers all over the country?

Acting Accountant-General:

In the case of Government officials, they must identify themselves as such and Sub- and Local Treasuries must satisfy themselves that that person is a government official. There are various instructions about this. Where a Sub or a Local Treasurer is not satisfied with the identity of the person, he may seek the assistance of the District Officer and where this is not available he can refuse entirely.

Dr Iya Abubakar:

In other words if a Federal Officer who is residing in Lagos comes to the North on tour, he can cash his cheques if he can identify himself?

Acting Accountant-General:

In those cases, we have always been advised by their Ministries that the officers will be visiting the North and that he will be exchanging his cheques and we in turn advise our Sub and Local Treasurers to that effect.

Dr Iya Abubakar:

Supposing a Federal Officer's cheque bounces, what procedure do you adopt to recover such money? Or do you have a Federal black list? (*Laughter*).

Acting Accountant-General:

We correspond with the officer's Ministry and we put his name on our black list.

Dr Iya Abubakar:

Yes, but how do you recover the money. With your officers here you can open a Personal Advance Account.

Acting Accountant-General:

We write to the other Governments concerned and they have always been co-operative.

Dr Iya Abubakar:

Mr Chairman, may I suggest to the Accountant-General to make a request to the Federal Government for more co-operation in this respect so that they can settle any dishonoured cheque right away. It will then be their duty to recover the money from the defaulting officer concerned.

Acting Accountant-General:

In the case of Federal Officers, Sir, they are very few indeed.

Dr Iya Abubakar:

We hope they are. It is not the actual amount which matters but the principle involved. I am sure the government has written off several sums of money on certain items and yet on other items they just go after very small amounts. Therefore it is the principle which should be safe-guarded.

Director of Audit:

Mr Chairman, Sir, there are about 80 Federal Officers on the last list and I don't honestly think that that is a small number.

Acting Accountant-General:

It may be as high as that on the list, but that does not mean that the payments are outstanding. It only means that we do not want to accept cheques from those people any longer.

Dr Iya Abubakar:

Supposing those officers are replaced then we will accept from the new officers? They could be withdrawn or reposted to other Regions, say, to the East or West, would you accept cheques from the new ones?

Acting Accountant-General:

This point should be taken into consideration bearing in mind that this action is a reciprocal action in that our own officers do exchange their cheques from the Federal Government.

Dr Iya Abubakar:

Mr Chairman, I do accept the fact that this action is reciprocal and I hope it may be a happy one, but we would like make it a happier one. I wonder whether it would not be possible to make this reciprocal action in a way that cheques received from Federal officers which bounce, be sent back to the Federal Government and the cheques from the Regional officers which bounce be sent back to you, so that each Government should settle these accounts and then open Advance Account for its own officers.

Acting Accountant-General:

That suggestion is worth thinking about.

Mr Chairman:

Any further observations? We are now looking at the last line of the Audit query.

Acting Accountant General:

Which one?

Mr Chairman:

The last line of the Audit paragraph. Perhaps I may make it more clear, the last line of the Audit query. In your interim reply to a request for information as to what form of control is effective in connection with this account, you stated that the matter is under investigation and in the last line of your reply you said that the account is now under the personal control of a Senior Officer and it is hoped that the control will be effective.

Acting Accountant-General:

That is the general feeling. After the account has been analysed, it is hoped that under the control of a senior officer, the control will be more effective.

Dr Iya Abubakar:

One minor question, Mr Chairman, it is stated in the reply that the payments of some of the outstanding cases were credited to the Federal Mines department; I would like to know why the Accountant-General chose the Mines department account for this credit and not other department—why not the Ahmadu Bello University or the Audit Department?

Acting Accountant-General:

The position is that the original cheque was in respect of payment of Mines revenue and when the payment was made it was wrongly credited to the Federal Mines Department and was re-adjusted.

Mr Chairman:

Any further observations?

Director of Audit:

I would like to mention to this Committee, Sir, because the point was raised earlier, that there is a Financial Instruction which says that "Officers will refuse to accept cheques if they are not acquainted with the standing of the drawer, or if they have reason to think that the cheques might not be met when presented". It just occurs to me that the list of people other than civil servants is of such a length that it does not look as if this Financial Instruction is being strictly enforced.

Acting Accountant-General:

The Director of Audit has rightly pointed that out. We shall circularise all Revenue Collectors about the position and instruct them, inviting their attention to this specific Financial Instruction so that it may be strictly adhered to. The point at issue is that during our investigations we have observed that in most cases these cheques are paid in respect of motor vehicle licences and we are now considering that where this is so, if the licensing officer should not be advised to advise the Police that the vehicles have not been licensed and should be removed from the road. Because it is felt that the cheque that is dishonoured is as bad as if the person has not obtained the licence for the vehicle.

Director of Audit:

With respect, Sir, I doubt whether that will be legally possible.

Dr Iya Abubakar:

The police checks are few and far between. I wonder whether this would be effective.

Director of Audit:

It is not a question of withdrawing the licence. All that exists is the civil debt between Government and the drawer of the dishonoured cheque. However, there is no harm in looking into the situation.

Mr Chairman:

In addition to that I think there is a provision in our laws where a man submitting a cheque which he knows will not be honoured is guilty of dishonesty. Is it not possible to institute legal action against such a person?

Director of Audit:

If I may assist there, Sir, under the Criminal Procedure Code, if a man draws a cheque with the knowledge that it will not be met when presented he is committing a criminal offence. The difficulty is in proving intent, because although a man may not then have the funds in his account he may say that he intends to arrange for funds to go into his account to meet the cheque. So the number of criminal prosecutions under that part of the Code is almost nil.

Mr Chairman:

Any further observations?

Alhaji Maude Gyani:

Mr Chairman, Sir, in the report of the Director of Audit on paragraph "d" which concerned the Retired officers accounts. Well, the total is £8,875-0s-0d including this amount 65 debit balances total £5,606-1s-11d and 35 credit balances total £4,313-0s-0d

which have not changed for at least six months and some not since 1961, the Accountant-General has been asked to advise the progress made in clearing this account. Going back to the reply of the Accountant-General, he said the system of checking the outstanding balances of the Retiring Officers has been assigned to a Senior officer who has been interested with the checking of the remaining balance, and that the account will in future be kept up to date. Well, Mr Chairman, I would like to know from the Accountant-General.

Mr Chairman:

It is not the answer. It continues.

Alhaji Maude Gyani:

Thank you for your advice. "The present position is as follows". Well, this shows me the present position but what now follows? What action is being taken?

Acting Accountant-General:

It has been stated that of the 65 Debit, 33 have been cleared, 19 are in action; and those remaining to be cleared amount to 13. Of the 35 Credit, 21 have been cleared, 10 are in action, and 3 remained to be cleared.

Alhaji Maude Gyani:

Mr Chairman, Sir, may I know from the Accountant-General when this will be completed?

Acting Accountant-General:

Action has not yet been completed, we are continuing on it.

Mr Chairman:

I think in comparison with other parts in this particular section, I think the Accountant General has done great work which deserves our commendation. The only comment I have is that we are expecting him to continue at this rate.

Alhaji Maude Gyani:

Mr Chairman, Sir, I always respect the advice from the Chairman, therefore I endorse this commendations.

Mr Chairman:

Any further observations?

Mr Afolayan:

Mr Chairman, from the table which the Accountant-General has sent to us, the clearing indicates actually that a lot of improvement has been made by the system of reviewing this by posting Senior Officers in charge. But my question is, why is it that this reviewing was not being done in the past years instead of making it very recently?

Acting Accountant-General:

Well, as I have explained before, there was shortage of Senior staff but the position has now improved. I fear the position may deteriorate again. About the Senior Officers, only this morning, I received notification of two going away, and these two are most efficient senior officers. Another three are likely to go away soon.

Dr Iya Abubakar:

I support the commendation for the efficient work of the Accountant-General in clearing the remainder of these queries since the Audit Report came out. But there is

one thing which occurs to me and this is, that there appears to be a number of cases which have not been shown before. A lot of queries arose after they had appeared in this report, and it seems to me probably that the Accountant-General is relying too much on waiting for Audit Report before taking action. I feel sympathy with the Accountant-General in shortage of staff and probably lack of experienced staff, but I wonder whether he is not putting too much of his weight on the Audit Department for bringing out queries before taking action.

Acting Accountant-General:

This has not been the case. The position is that the accounts are under constant action, and it should be admitted that most of the action taken has not been reported to the Director of Audit.

Alhaji Maudé Gyani:

Mr Chairman, Sir, this reply of the Accountant-General has given me a chance to say something more. The Accountant-General must continue to work hard and give reports in time. And he must see that his duties are perfectly done, otherwise, Sir, we will not be congratulating him, though I know that book keeping work is very important indeed.

Mr Chairman:

Any other observations?

Mr Chairman:

Paragraph S. Republic Day Advances: Daily Paid Staff.

Mr Chairman:

Any comments?

Dr Iya Abubakar:

Mr Chairman, Sir, it is stated in the Report of the Accountant-General that the bulk of this money comes from the Ministry of Works. May I take it probably that this involves just labourers working on roads and so on, who may be out of work now. May I know whether he still has any hope of getting this back and whether he can give us some good news at the next meeting that such money has been recovered?

Acting Accountant-General:

Well, I would not say recoveries have not been made from the Labourers; but it would appear recoveries were made in most cases. We have not yet brought them to account in respect of the Republic Day Advances. We are still in correspondence with the Ministry of Works to sort out all these refunds they have made on their vouchers.

Mr Chairman:

Do you mean to say that this too, is more or less a case of misclassification rather than non-payment?

Acting Accountant-General:

In a case of Daily Paid Staff, they were given two weeks salary advances and this was recovered from their salaries at the end of the month. But in some cases, it would appear that the net amount of the vouchers was brought to account instead of the gross amount. The possibilities of some labourers not paying cannot be ruled out when the account is finalised.

Dr Iya Abubakar:

Mr Chairman, it is stated in the last line of the Accountant-General's written reply that the accounts have been posted up to date, can he enlighten me on this?

Acting Accountant-General:

That account has been machine-posted up to January, 1965.

Dr Iya Abubakar:

That does not imply that you have recovered the money?

Acting Accountant-General:

No. It means those adjustments that have been put through in respect of mis-classifications and the accounts have been posted up to January, 1965.

Mr Chairman:

Any further observations? Paragraph 30. Paragraph 32 is one of those long paragraphs and so I think we should take the parts one by one starting with (a). (a), any observations? (b), (c), (d), (e). What kind of advances are these?

Acting Accountant-General:

They are all sorts of miscellaneous advances.

Mr Chairman:

I cannot accept this as an answer! Is there any hope of recovering them?

Acting Accountant-General:

Yes.

Mr S. A. Atum:

May I know what steps are being taken by the Accountant-General to recover these advances before the next meeting of this Committee?

Acting Accountant-General:

We have written to the Ministries concerned to clear the advances.

Alhaji Maude Gyani:

In the Accountant-General's reply he mentioned that these advances would be recovered in a few months' time. But in his reply to the Member beside me who asked the Accountant-General to assure us that the money would be recovered before the next Meeting, I consider the Accountant-General failed to give a proper reply. Therefore I would like the Accountant-General to make it clear that he is going to take action immediately.

Acting Accountant-General:

As I have already stated we have written to the various Ministries concerned and we have advised the Director of Audit of the action we have taken. These advances are not personal accounts, they are in respect of works being carried out.

Mr S. A. Atum:

We are still insisting on this because according to the Accountant-General's answer the first line reads: "It is true that insufficient attention has been given to these accounts until recently". That is why we are insisting that the Accountant-General should give us an assurance that by the next meeting he will have these advances

Acting Accountant-General:

In some of these advances work might not have been finished by next meeting.

Mr S. A. Atum:

I hope the Accountant-General will continue to remind the Ministries which are concerned and before the next meeting we expect to hear from the Accountant-General whether this has been done or not.

Acting Accountant-General:

That is why in the last line of the reply it is stated "Follow up action on the reminders will be carried out".

Mr Chairman:

Any further comments? Then (f), (g).

Dallatun Abuja:

Mr Chairman, in his written reply the Accountant-General "stated that of the four non-existent subheads, two have been completely cleared". May I know how this was done?

Acting Accountant-General:

They were cleared by adjustments in respect of mis-allocations.

Dr Iya Abubakar:

Mr Chairman, may I know how these non-existent subheads arose? Were just any figures entered in the subhead or that space was left?

Acting Accountant-General:

They were subheads under a particular account which should no longer exist.

Dr Iya Abubakar:

Should they not go under miscellaneous like the (e) advance accounts?

Acting Accountant-General:

If I may explain it better, this account relates to the amount allocated to Head 2302. Under this Head there are various subheads and Heads 110, 131 and 132 are no longer in existence. These debits have wrongly been raised against them. They have now been cleared.

Mr Chairman:

What do you mean by it has been cleared? Do you mean settled?

Acting Accountant-General:

Yes, settled. They have been adjusted to the correct subhead in the account.

Mr Chairman:

So, they have gone out of the accounts completely?

Acting Accountant-General:

Yes.

Mr Chairman:

Any further observations? Paragraph (g), (h).

Alhaji Maude Gyani:

Mr Chairman, in the report of Director of Audit an advance of £100 is still outstanding against one member of the Commission of Enquiry into retail trade which has not been recovered up till now. In his reply he mentioned that one of the two members of the Commission has failed to recover the touring advance. Several Letters have been written to him to recover this amount but failed. Mr Chairman, I would therefore like to know what steps are now being taken to recover this amount?

Acting Accountant-General:

Mr Chairman, in addition to the reply given under this (h) I have informed the Committee that the other person concerned has agreed to repay the amount in four monthly instalments beginning from the 25th May, 1965, and we have accepted his offer.

Alhaji Maude Gyani:

Mr Chairman, Sir, could the Accountant-General tell me why this repayment has been delayed? I think it is the carelessness of the Accountant-General.

Acting Accountant-General:

Mr Chairman, Sir, there is no question of carelessness.

Alhaji Maude Gyani:

Mr Chairman, Sir, this item has given me opportunity to mention carelessness because the other person has paid the advance and the other person has failed. I consider it is the duty of Accountant-General to see that these advances are recovered.

Mr Chairman:

I think it is unfair to accuse the Accountant-General of carelessness. All that he can do, if a man fails to pay something is just to write and tell him that he should do so. He is not in a position to force the man. It is only after sending him a number of reminders and failing to get the desired effect that he can, perhaps, take legal action. So since he has written to this man from the beginning I do not think that it is fair to accuse him of carelessness in his duties.

Alhaji Maude Gyani:

Mr Chairman, Sir, thank you very much for your advice. I abide by your guidance. I therefore apologise for accusing the Accountant-General of personal carelessness.

Acting Accountant-General:

Sir, I am grateful to the Chairman.

Mr Chairman:

But those advances, was it an over-payment? How does this happen?

Acting Accountant-General:

It is an advance of money made to them.

Mr Afolayan:

But the Accountant-General has said that there were a series of correspondence as far as this matter is concerned. He further continued by saying there is hope that the latest letter sent will be successful. May I know on what ground he has based his hopes, when there has been a lot of letters sent out without success,

Acting Accountant-General:

We have already got the promise. The fellow has agreed to repay the amount in four instalments starting from the month of May and the two parties concerned are Members on whose words we should be able to depend.

Mr Afolayan:

It perhaps would have been more advisable for court action to be taken as a solution.

Acting Accountant-General:

Mr Chairman, with due respect to this Committee, I would not like to go into personalities—we trust he is a responsible man.

Mr Chairman:

I do not think that because he is a respectable man that would stop the Accountant-General bringing a court action against him if he fails to pay the money. The position is that he has already promised the Accountant-General that he will pay this money by four instalments beginning from the 25th of May. We have not seen the correspondence that has been going on between this man and the Accountant-General, perhaps he has been in some sort of financial difficulties and I think we should all be satisfied that since he was appointed a Member of such a Committee, he is a responsible man. The only question that I should ask, which perhaps, may not be fair is that today is the 29th of May, and I think it is four days since the time was up; whether he has paid?

Acting Accountant-General:

The amount might have been paid to the Sub-Treasury but definitely the accounting officer concerned has been asked to take charge of the recovery of the remaining instalments.

Mr Chairman:

I think the Accountant-General now realises how much the Committee is interested in this matter. I think he should pay special attention to this particular case in order to save us from further embarrassment.

Acting Accountant-General:

This is noted, Sir.

Mr Chairman:

Any further observations?

Paragraph 31, Clearance Funds:

Mr Chairman:

Any observations? 1(i) correspond to 1(iii) of the Director of Audit's report. Any comments on these?

Director of Audit:

According to the reply, Sir, the funds are supposed to be received before they are paid out. Yet funds are being paid out before they are received. Can anything be done about this?

Acting Accountant-General:

We have written the Secretary, advising him about the position of the accounts being in debit and telling him that he should ensure that in future the account is kept in credit and that failure to do so will result in the grants being withheld until sufficient funds are available in the account.

Mr Chairman:

Any further observations? Then 1(iv)—Audit Report and 1(iii)—Reply of the Accountant-General.

Why should you continue to work on this account at all?

Acting Accountant-General:

Some expatriate officers still continue to contribute to this scheme.

Mr Chairman:

Could they not pay their contributions direct?

Acting Accountant-General:

Well, as there are only 9 officers on the scheme now, we are giving serious thought to the issue raised by the Chairman.

Mr Chairman:

Any further observations?

Then 1(v), (vi). Is there any hope of getting to the end of this matter? It seems to me that there have been a lot of promises going on for quite a long time.

Acting Accountant-General:

We recently received a letter from the Bursar which says that they are hoping for a grant of £2,000 from the Government but if this is not the case, then the Institute of Administration will have to find the over-expenditure of £861-5s-1d from their recurrent funds. So there is hope.

Mr Chairman:

Does that satisfy you?

Acting Accountant-General:

We feel there is hope.

Mr Chairman:

Normally, Universities keep up to their promises. Any further observations?

I(vii)—Any comments? 'J'—any comments? Then 'K'—would you explain to the Committee how you intend to control these accounts in future.

Acting Accountant-General:

The account is now under the control of a senior officer as explained in the written reply. In the past, it was being dealt with by an officer who did not fully understand the position and the action now being taken is to reconcile with the registers regularly as provided in the Financial Instructions.

Mr Chairman:

No, in your written reply you did not say that the accounts were under the charge of a senior officer, you simply said that the accounts have now been examined, by a senior officer and my fear is that after examination and investigation the accounts will simply vanish and after a year we will face the same problem.

Acting Accountant-General:

That is not the case, Sir, the responsibility for reconciliation of the accounts is being placed under the supervision of a senior officer.

Mr Chairman:

Any further observation? From there we come to paragraph 68. Any observation?

Alhaji Mustapha Maude Gyani:

Mr Chairman, Sir, under this paragraph the Accountant-General says that Sub- and Local Treasurers failed to recover the duplicates, may I know what is the cause of the inability to recover these duplicates?

Acting Accountant-General:

The schedule is a printed book in triplicate. Original and duplicate are forwarded to the officers to whom the vouchers are sent and he is expected to receipt and return the duplicates to the sending officer.

Alhaji Mustapha Maude Gyani:

All I want to know, Sir, is the cause of the delay since 1963 up till now.

Acting Accountant-General:

The position is this, Sir, we in the Headquarters do not know until a report is made and immediately the Director of Audit's report was received instructions were issued drawing the attention of Sub and Local Treasurers to the importance of duplicate copies of the security schedule and they have also been asked further that the duplicate schedules, when received, should be pasted to the third copy so that it would facilitate a quick check and they would know at once which of the schedules is outstanding and they should call for it.

Alhaji Mustapha Maude Gyani:

Mr Chairman, it is only my duty to give some suggestions to the Accountant-General so as to improve this situation. If these delays in submitting schedules should continue the Government will find itself at disadvantage. I hope the Accountant-General will consider my suggestions.

Acting Accountant-General:

I am not sure if I quite follow the last question.

Alhaji Mustapha Maude Gyani:

I am talking about the delay, which if allowed to continue will harm the government.

Acting Accountant-General:

As already stated, a circular has been issued stipulating that duplicate schedules should be received by sending officers within three weeks of the issue, and if not the pro-forma schedule should be used to the follow-up system. We have devised a means by which we cut duplicate copies from one another and in order to facilitate easy tracing of the schedules, the duplicates which are received are pasted to the relevant triplicate copies. The system should be adopted forthwith.

Alhaji Mustapha Maude Gyani:

Really, Mr Chairman, what I am after, is that something must be done to these Sub-/Local Treasurers to avoid delays in submitting these duplicate copies to the Headquarters.

Mr Chairman:

The position is that after three weeks and if you have not received any report from the Sub-/Local Treasurers you know then that something has gone wrong, is that so?

Acting Accountant-General:

That is so, Sir, and we have further stated in the circular that in every case where the duplicate schedules are not received within 42 days a report should be made to us and then we take it up from them.

Mr Chairman:

Is it the responsibility of any particular officer in the Headquarters?

Acting Accountant-General:

It is the responsibility of the Internal Audit Branch.

Mr Chairman:

Any further observations? Then, paragraph 69.

Alhaji Mustapha Maude Gyani:

Mr Chairman, Sir, I wish to ask one question. Why has the ticket, given to an officer who did not return, not been called back?

Acting Accountant-General:

That, Sir, has been answered in paragraph 2 of my reply.

Alhaji Mustapha Maude Gyani:

This is paragraph 69!

Acting Accountant-General:

Yes, see paragraph 2; one ticket was used as the holder returned to Nigeria as the wife of a Government officer. Two officers exchanged their return tickets for single ones prior to leaving Nigeria, and eleven return portions of tickets were recovered through the Crown Agents or the officer's Ministry.

Alhaji Mustapha Maude Gyani:

I am sure the Accountant-General knows exactly what I mean. What I want is if an officer issued with a ticket does not return, the ticket should be withdrawn or the amount involved should be deducted from his pension. That is my point, Sir.

Mr Chairman:

You said, "it is not strictly correct to state that 15 cases need to be brought to my notice before action was taken....." While that may be true but the facts still remain that you did not take any action prior to the matter being brought to your notice.

Acting Accountant-General:

Ministries took action and in the opening part of my reply I said that "It is regretted that no action was taken on the Director of Audit's original letter until August 1964 when a control register was introduced in the Passages Office. In 1961 the Passages Office was not a part of the Accounting Division but of the Establishment Division of the Ministry of Finance over which the Accountant-General had no control." It has now been brought under the supervision of a Principal Accountant, and the control call-system suggested by the Director of Audit has been introduced and we find that it is working well.

Mr Chairman:

Any observations?

Dr Iya Abubakar:

Mr Chairman, we understand from the Accountant-General that he has adopted the suggestion of the Director of Audit to have this control register, [ACTING ACCOUNTANT-GENERAL: Yes], and one further point, Mr Chairman, I notice that our money in United Kingdom is handled by the Crown Agents. This is the legacy of the colonial period. I wonder with the setting up of the Office of Agent-General, whether still it is to our advantage to have this money handled by the Crown Agents? Would it not be possible to transfer this money to the Office of the Agent-General?

Acting Accountant-General:

Sir, we have just recently received a letter from the Secretary to the Agent-General in the United Kingdom that they have been unable to take over the duties from the Crown Agents due to lack of accommodation. But since funds have been provided for in the Estimates, they are hopeful of succeeding in getting suitable accommodation and as soon as necessary accommodation is found they will try to take it over.

Mr Chairman:

Any further observation? Paragraph 70.

Mr Chairman:

I think before Members start asking questions, I must express our displeasure on how the laid-down rules and procedures have not been followed. In other departments that may cause loss of life, surely not in the Ministry of Finance, but nevertheless here it would be a loss of money. I do not believe that rules are made to be broken. I believe that rules are made to be obeyed otherwise what is the point of making them? Any observations?

Dr Iya Abubakar:

I would like to know when this Circular was issued? I am referring to Accounting Circular No. A4/1965.

Acting Accountant-General:

It was issued on the 18th March, 1965 reminding them of previous instructions issued in connection with the collection of Revenue.

Dr Iya Abubakar:

Mr Chairman, if this Circular informed the Sub-Accountant about their responsibility for the money that is lost, and some of the cases arose after the issuing of it I wonder whether it is not possible to implement it. In certain cases, serving as an example I am referring to this case where Sub-Accountants will be asked to refund the losses.

Acting Accountant-General:

Consideration can only be given after we find out whether the amount lost could be recovered or not.

Dr Iya Abubakar:

My fear is that, Mr Chairman, in a number of cases, warnings are just issued to these Accountants and probably they do not take them seriously, I am under the belief that it is not going to be implemented. I think examples must be set, so as to deter other people from not taking their duties seriously.

Acting Accountant-General:

The point is that if a man is going to be dishonest, he would be dishonest whether the rule is there or not.

Dr Iya Abubakar:

Mr Chairman, Sir, in that case why do you issue these circulars, and why do you make the rules?

Acting Accountant-General:

We have got to make the rules.

Dr Iya Abubakar:

To waste the paper?

Director of Audit:

If I may assist, Mr Chairman, I think what the Member is getting at is that the sooner it is found out that an officer is embezzling funds, the less would be the amount stolen. Circulars will not stop people stealing, but it will help find out very much more quickly when he has started stealing. The whole point of the control procedure is to find out when he has started going wrong very quickly. In the case of the Kaduna Sub-Treasury mentioned in the Audit Report, the man was stealing from April to September, and if the system had worked this would have been picked up in say May or June. I think this is what Members are getting at.

Acting Accountant-General:

In the case as explained by the Director of Audit, this has been examined and it must be admitted that there was negligence on the part of the officer in charge. Having entrusted the duties to a junior officer, it is his responsibility to ensure at least once in a month, that that job is being done and if this has been done, as the Director of Audit has said, then, action could have been taken by carrying out a surprise check, on the Revenue Collector concerned and this might have helped to limit the amount of the money embezzled.

Mr Chairman:

Then what happened to this officer who is accused of negligence?

Acting Accountant-General:

It is regretted that the principal officer has retired.

Mr Chairman:

You mean he retired after the discovery of his misdeeds?

Acting Accountant-General:

He had put in a year's notice to retire and it happened during this period.

Mr Chairman:

Simply because an officer has given notice to retire but has not yet retired and is not efficient, can't you do anything about it?

Acting Accountant-General:

The amount of the loss was not actually determined until the completion of the ~~audit~~ ~~investigation~~. The principal officer concerned was sent to the Kaduna Central Territory to establish the amount of the loss.

Mr Chairman:

I think these are two issues? Nobody accused the senior official of actually embezzling the money. I think the only crime, if I may put it that way, was his inability to check his junior officer constantly, and this has been established.

Acting Accountant-General:

The fact was definitely brought to the notice of the officer.

Mr Chairman:

So, it now means that an officer who has given a year's notice to retire can do whatever he likes with immunity?

Acting Accountant-General:

That is not the case, Sir.

Mr Chairman:

In this particular instance, that seems to be the case. So, this man has gone now?

Acting Accountant-General:

He has gone, Sir.

Mr Chairman:

So, we cannot do anything.

Any further observations?

Paragraph 71: Outstanding Vouchers—Any observations?

Mr Chairman:

Could we be assured that the Circular that has been issued will be followed up vigorously?

Acting Accountant-General:

The Circular will be followed up.

Mr Chairman:

Any further observations?

Then, finally, paragraph 103. Any observations?

Alhaji Dallatu Abuja:

In the written reply, the Accountant-General mentioned that the money has been transferred to the Ministry of Works. My question is why has this been transferred to the Ministry of Works.

Accountant-General:

Because the account concerns the Ministry of Works.

Mr Chairman:

There are many accounts concerning various Ministries and you said that a list of other accounts scheduled for posting and transfer are under consideration. The Dallatu is asking why the Ministry of Works first?

Accountant-General:

Because the accounting officer concerned is willing to take them over.

Mr Chairman:

When you are making this transfer, do you consult the Director of Audit? If not would it not be a good idea to consult him?

Accountant-General:

We sent a letter of apology to the Director of Audit stating that it is regretted that when discussing the question of delegation with the Ministry of Works' representative the question of his interest in the matter was overlooked. It was further agreed that a meeting of all interested parties should take place in the near future and we will try to arrange this soon.

Alhaji Maude Gyani:

As I have already said, I know the Accountant-General's work is very important. Also the work of this Committee is important. We must take it step by step. So we come to the last point now, where the Accountant-General did not consult the Director of Audit and he apologised. I myself have to apologise to the Chairman for challenging the Accountant-General so frequently. I would like the Accountant-General to understand that I do this because we want his work to be perfect. I want him to realise that we all here appreciate his work. We all know that book-keeping is a very difficult job and I therefore support the commendation given previously by the Chairman. (*Laughter*).

Mr Chairman:

Thank you very much, Gentlemen. That seems to be the end of our work for today. We will meet again on Monday at 9.30 a.m.

MINUTES OF PROCEEDINGS

Monday, 31st May, 1965

MEMBERS PRESENT

Alhaji Umar Sulaimanu, O.B.E., Emir of Bedde (*in the Chair*)

Alhaji Umaru, O.B.E., Emir of Pategi

Alhaji Muhaminadu, Emir of Gumel

Alhaji Abdullahi Maikano, Emir of Wase

Alhaji Sulaiman Barau, O.B.E., Emir of Abuja

Alhaji Hassan Dallatun Abuja

M. Umaru Yola

Alhaji Muh. Sada Nadada Kankia

Dr Iya Abubakar

Mr S. A. Atum

Mr Olarewaju Afolayan

Alhaji Muh. Mustafa Maude Gyani

The Director of Audit, Mr M. Skilleter, C.B.E., accompanied by the Deputy Director, Mr E. S. H. Clode, in attendance.

PREMIER'S OFFICE

The acting Deputy Secretary to the Premier, Mr Awoniyi called in and examined.

Mr Chairman:

Gentlemen, we have here the Acting Deputy Secretary to the Premier with his team but before we start asking him questions, may I find out from him why the Secretary to the Premier is unable to appear before the Committee. We are not saying that his representative is not competent but we always deal with the actual person who is responsible for the accounts of his Ministry and this Committee always attaches great importance to this.

Acting Deputy Secretary to the Premier (Mr Awoniyi):

I have seen from the records that it has almost become the usual thing for the Deputy Secretary to appear before the Committee as the Secretary to the Premier has usually been engaged. If it is the intention of the Committee, I will convey the point to him that in future the Committee would like to have him rather than any other person. Actually, the substantive Secretary to the Premier is on leave and the Acting Secretary to the Premier is in fact more closely connected with the Ministry of Finance, of which he is the Permanent Secretary.

Written evidence submitted by the Premier's office on paragraphs 31-39 of the Report of the Director of Audit for the year 1963-64 considered, and members' observations follow the written evidence.

No. FAU/17/214
 Premier's Office,
 P.M.B. No. 2002,
 Kaduna,
 Northern Nigeria,
 25th May, 1965

The Secretary,
 Public Accounts Committee,
 Northern Regional Legislature,
 Lugard Hall,
 Kaduna
 (Sixteen copies)

The Permanent Secretary,
 Ministry of Finance,
 Finance Division,
 Kaduna,
 (Two copies)

The Director of Audit,
 Kaduna,
 Northern Nigeria
 (Two copies)

PUBLIC ACCOUNTS COMMITTEE

I am directed to refer to your letter No. 341/S.1/621 of 15th April, 1965 and to submit below written answers to the points raised by the Director of Audit in paragraphs 31-39 of his report on the accounts of the Government of Northern Nigeria for the year ended 31st March, 1964.

Paragraph 31: Excess Expenditure at 31-3-64.—Approval for the excesses of Expenditure under heads 222 to 225 has been obtained. Details and reasons for the excess expenditure are furnished below:—

HEAD 222: PREMIER'S OFFICE

(1) *Subhead 3: Other Transport and Travelling.*—Over expenditure was due to extensive official air travel and also to frequent staff changes during the Financial year. These could not have been foreseen when the estimates were being prepared. Excess cleared on Virement Warrants Nos. 101/1963-64 and 122/1963-64.

(2) *Subhead 4: Office and General.*—The excess was due to the purchases of stationeries, cleaning and toilet equipments which were not available with the Government Printer or the Ministry of Works but could not be delayed. Excess cleared on Virement Warrant No. 113/1963-64.

(3) *Subhead 7: Disturbance Allowance.*—Over expenditure was brought about by the frequent but inevitable transfers of officers toward the end of the Financial year. Excess was cleared on Virement Warrants Nos. 101/1963-64 and 122/1963-64.

(4) *Subhead 13: Premier's Residence Upkeep.*—Excess on this subhead was due to the expansion of Premier's Residence and gardens which required more expenditure on Upkeep. Excess was cleared on Virement Warrant No. 101/1963-64.

(5) *Subhead 16: Electricity Allowance: Ministers of State and Parliamentary Secretaries.*—The over-expenditure occurred as a result of erroneous classification on Adjustment Vouchers submitted by the Ministry of Education. Excess was cleared on Virement Warrant No. 122/1963-64.

(6) *Subhead 26: Pilgrims Representative Allowance.*—Excess occurred as a result of unforeseen expenses incurred at Jeddah by Pilgrim Representatives who travelled outside Nigeria. These expenses were not revealed until the Final Archive tabulation was published. Excess was cleared on Virement Warrant No. 122/1963-64.

HEAD 223—CABINET OFFICE

(7) *Subhead 3: Other Transport and Travelling.*—The excess occurred as a result of increase in the cost of transport of Ministers without Portfolio attending unusual number of full executive council meetings held towards the end of the Financial year. The excess was cleared on Virement Warrant No. 120/1963-64.

(8) *Subhead 12: Ministers Overseas Visits.*—The excess occurred as a result of increasing costs of Ministers overseas tours inevitable at this stage of our development. This excess over the years provision could not be forecast when the estimates were being prepared. Excess cleared. See Ministry of Finance (Finance Division) letter No. FD/D/63-64/30/S.3:121 of 7th December, 1964.

(9) *Subhead 13: Air Communication Flight.*—The provision in the estimate was exceeded due to under estimation salaries of ground Engineers on contract were increased from 10 per cent to 20 per cent. The increase was approved after the submission of 1963-64 estimates. Excess cleared on Virement Warrant No. 108/63-64.

HEAD 224—ADMINISTRATION

(10) *Subhead 2—Transport Allowance.*—The Provision in the estimate was exceeded owing to increase in the number of Officers' motor vehicles attracting high basic allowances. This was not foreseen at the time the estimates were being prepared. Excess was cleared on Virement Warrant No. 109/1963-64.

(11) *Subhead 3: Other Transport and Travelling.*—Exigencies of duties during the last Financial year demanded that more touring should be undertaken by Provincial Administrative Officials. It was not physically possible to foresee this during the time estimates were being prepared. Excess has been cleared on Virement Warrant No. 109/1963-64.

(12) *Subhead 9: Temporary Staff.*—Over-expenditure occurred as a result of misclassification at some Divisional Headquarters which could not be adjusted before the closing of 1963-64 accounts. Excess has been cleared on Virement Warrant No. 119/1963-64.

(13) *Subhead 16: Electricity Supply—Public Buildings.* The excess on expenditure was due to expansion of electric installation in some rural areas and this has caused Provincial Administration to extend electricity to official residences and offices of those areas. This was not foreseen at the time the Estimate was being prepared. Excess has been cleared on Virement Warrant No. 109/1963-64.

(14) *Subhead 23: Office Furniture and Equipments.*—Over-expenditure was due to some emergency offices opened in some Provinces to accommodate increased staff which became necessary towards the later part of the Financial year. Excess has been cleared on Virement Warrant No. 109/1963-64.

(15) *Subhead 24: Motor Vehicles—Additional.*—Over-expenditure occurred as a result of under-estimation, further aggravated by savings which were inadvertently quoted from the Subhead. Excess has been cleared on Virement Warrants Nos. 75/1963-64 and 119/1963-64.

HEAD 225—AGENT-GENERAL FOR NORTHERN NIGERIA IN THE
UNITED KINGDOM

(16) *Subhead 5: Disturbance Allowance.*—Over expenditure under this subhead occurred as a result of Disturbance allowance paid due to frequent transfers of officers to the Agent General's office during the year 1963-64. The excess has been cleared on Virement Warrant No. 107/1963-64.

Paragraph 32.—As explained in paragraph 31(8) above.

Paragraph 33: Return of Revenue in Arrears.—This point has been discussed with the Director of Audit. Efforts have been made to see that Returns in respect of the Revenue arrears are submitted by the Provincial Secretaries. Most of the revenues are not those scheduled under the Secretary to the Premier as Accounting Officer in the estimates. The mere fact that Provincial Secretaries or Divisional Officers helped in collection of such Revenue should not constitute blames on the Secretary to the Premier.

Paragraph 34: Motor Licensing Authority, Idah.—Due to lack of suitable officers at Idah to carry out the enquiry, Mallam Musa Saulawa, Provincial Supervisor of Accounts was requested by the Provincial Secretary, Kabba to investigate on his own. This has been done and his reports together with recommendations have been submitted to the Permanent Secretary, Ministry of Finance, Finance Division and the Director of Audit.

Paragraph 35: Provincial Administration, Ilorin.—Necessary action has been taken and the Permanent Secretary, Ministry of Finance and the Director of Audit have been informed in my letter No. P.719/80 of 31st March, 1965.

Paragraph 36: Motor Licensing Authority, Ilorin, (a) Under Collection of Licence Fees.—A Board of Inquiry was held and it reported negligence on the part of Mr Okoro, 1st Class Clerk, N. C. Stockwell, D. O., who are no longer in the service, and also on the part of the police escort whose name was not disclosed. The Board therefore recommended a write-off of the loss less the amounts recovered.

(b) *Revenue Theft.*—On 11th January, 1963 Mr D. A. Ajibola, 1st Class Clerk attached to the Motor Licensing Office in the Provincial Administration, Ilorin reported a loss of £983-5s collected by him as Motor Licensing fees. The Provincial Secretary, Ilorin reported the matter to the Police for investigation. The staff of the Audit Department helped in the investigation.

(c) The matter soon became a Court case and the charge preferred against the Clerk was criminal breach of trust. Mr Ajibola was tried and convicted by the Ilorin Criminal Court and sentenced to two years with hard labour with an addition of £100 fine. Mr Ajibola appealed against the sentence which the High Court upheld. Following his acquittal by the High Court, Public Service Commission approved Provincial Secretary's recommendation to retain Mr Ajibola in the service but not to be trusted with finance duties or stores. This is being strictly adhered to.

(d) On the whole much blame lay on the Police for the negligent way the crime was handled and also to some extent on the trial Magistrate who failed to dig into the roots of evidences placed before him and these were the grounds on which the appeal was allowed and the officer still retained in the service.

Paragraph 37: Provincial Office, Yola.—The irrecoverable arrears of Revenue have been estimated to be £1,570-18s-10d. This has been brought to the notice of the Permanent Secretary, Ministry of Finance who is to consider the abandonment vide my letter No. FAU/1/161 of 10th May, 1965 and FAU/1/162 of 14th May, 1965 to the Permanent Secretary, Ministry of Finance and the Director of Audit, Kaduna respectively.

Paragraph 38: Fraudulent Use of Local Purchase Order.—Action is still proceeding and the outcome will be communicated to the Director of Audit in due course.

(a) The 12 books issued to Katsina Senior Federal Electoral Officer, i.e., Nos. 026951-027000 (one book); 026551-0266950 (eight books) and 027001-027150 (three books) could not be traced. This was confirmed to Ministry of Finance in my endorsement PM.442/72A and PM.442/74A of 13th and 21st May respectively. Both endorsements were copied to Director of Audit.

(b) A further 12 books (Nos. 074151-074750) issued to Chief Federal Electoral Officer Kaduna on R3IN 007967 of 13th November, 1959 could also not be traced. No records were kept by the Electoral Office, Kaduna. Investigation still continues and developments will be communicated to Ministry of Finance and Director of Audit.

(c) The remaining one book (Nos. 117401-117450) issued by the Accountant-General to Electoral Officer, Kano on 21st January, 1961 has been traced and is now kept with Provincial Secretary, Kano, my endorsements PM.442/76 and PM.442/76A of 22nd May, 1965 to Ministry of Finance and Director of Audit respectively.

Paragraph 39: Accident to Motor Vehicles: Provincial Administration Estate Car.—

(a) The matter was investigated and it was discovered that the driver was in possession of a Driving Licence at the time he was engaged by the Census Office though he was unable to produce it at the inquiry.

(b) A satisfactory report have been furnished by the Provincial Secretary, Ilorin. The report revealed that the Driver was not at fault, this has been communicated to the Permanent Secretary, Ministry of Finance in my letter No. FMV/8/2 of 12th March, 1965. The matter is now regarded as closed.

MACIDO DALHAT,
for Secretary to the Premier

Mr Chairman:

Yes, I think this explanation will be acceptable to the Committee. It has never been the rule with this Committee that those who are responsible for the accounting work of their Ministry should, as a matter of course, always ask their Deputies to represent them. If there are unavoidable circumstances like this one, the Committee, naturally will be reasonable, except where the inability of the Secretary to the Premier to attend the Committee is not known.

I think as we go along taking paragraphs of the report of the Director of Audit, the Deputy Secretary to the Premier will realise why I am insisting that the accounting officers particularly, should appear before us, particularly with the Premier's Office because we normally take seriously the assurances of these Senior Government Officials, but we are now changing our minds as regards the Premier's Office. The first paragraph is paragraph 31. Here we have a lengthy written reply. Any observations?

Mr O. Afolayan:

Mr Chairman, under paragraph 31 section 1(3) Other Transport and Travelling. I have some observations to make. There is actually a very serious continued increase of over-expenditure and laxity of control over the transport and travelling vote. Sir,

nobody actually doubts the importance of these journeys but during the last Joint Public Accounts' Committee, there was an assurance from the Premier's Office that an application for additional provision would be made before the vote would be over-spent. May I know from the Secretary to the Premier, why he has failed to adhere to this noble promise?

Acting Deputy Permanent Secretary:

Well, Sir, this late application for additional vote, I think, is hardly really defensible. With the pressure of work in the office at the time, these things tend to get overlooked and as I said before, it's usually an oversight which can hardly be defended. The rules are there, and we must apply them but at times things do happen and there are oversights which we cannot defend.

Mr O. Afolayan:

Mr Chairman, Sir, we are definitely sure that unforeseen journeys do take place due to some urgent state calls, but I do still maintain that additional provision should be sought before the vote becomes overspent?

Acting Deputy Permanent Secretary:

Yes, Sir. What I mean is if you allocate a certain amount to a Provincial Office—let us say, Plateau—they may have something which is urgent and you find that they are already overspent centrally here. It is quite natural for them to anticipate, so they just travel and the question of money can usually be cleared later. As I say here, Sir, there is really no defence. One should always have the foresight to ask well in advance. But by the time we get these applications from the Provinces it is discovered that they have already incurred an excess of over-expenditure. For instance, I think it would be very difficult—let us select a place like Mubi—where there is no good communication, if it happened that there was no money in the vote I cannot stop my Provincial Commissioners from travelling to a troubled area.

Mr O. Afolayan:

Mr Chairman, may I know whether the Secretary to the Premier has given instructions to his officers that they should apply for additional provision as early as is possible before their votes are overspent?

Acting Deputy Permanent Secretary:

Mr Chairman, Sir, in fact the Premier's Office appreciate very much the need. There is a strongly worded circular to all Provincial Secretaries and all District Officers impressing upon them that no expenditure is incurred above the amount allocated to them without prior approval from here.

Mr O. Afolayan:

May I take it, Mr Chairman, then that what the Secretary to the Premier is telling us now is that this situation will not happen again. Is he giving us that assurance?

Acting Deputy Permanent Secretary:

Mr Chairman, Sir, since assurances have been given by my predecessors, and not kept, all I can say is that everything humanly possible will be done to avoid an occurrence of this nature in the future.

Alhaji Mustafa Maude Gyani:

Mr Chairman, Sir, this is the second time I have attended this Committee meeting since I was appointed a member. With your permission, Sir, I would like to

put my observations in Hausa so as to make my suggestions more clear. Mr Chairman, Sir, in connection with this excess expenditure I realise that it is possible to overspend but what I want to know is whether or not the Government have a similar procedure to that of the Native Authorities in connection with A.I.Es. What I want to get clear is that before an over-expenditure is incurred, an A.I.E. has to be submitted.

Acting Deputy Permanent Secretary:

Is that for me to answer?

Mr Chairman:

Yes, you are expected to.

Acting Deputy Permanent Secretary:

It is very similar to the Native Authorities really, except that our applications are made to the Ministry of Finance, whereas those of the Native Authorities are routed to the District Officer, then to the Provincial Secretary and then to the Ministry for Local Government. On the whole I should say that the procedure is basically the same.

Alhaji Mustapha Maude Gyani:

Mr Chairman. How long has this excess of over-expenditure taken place?

Acting Deputy Secretary to the Premier:

I would say, Sir, that this is an annual event, but the heads may sometimes vary. It is just as you have in a Native Authority an excess of expenditure on the Labour Head this year and next year you may not have over-expenditure on this Head but you may have it on another Head, say, on the Head for Sanitary services.

Alhaji Mustapha Maude Gyani:

Mr Chairman, I want to make a suggestion which may sound unimportant to the Secretary to the Premier but which I consider very important. Since he is not able to say for how long this excess of expenditure took place but rather said that it is an annual event, why would he not at the outset make a reasonable estimate for a bigger provision for this Head to cover the unforeseen expenditure?

Acting Deputy Secretary to the Premier:

Mr Chairman, Sir, we would very much like to, but when preparing our estimates one has to observe the economy of the Government and one has also had to observe the budget for the whole of the Government departments. Under the circumstances, Sir, one has to try to be as accurate as possible and to reasonably think what would be sufficient for his department. However I would like to say here, as a point of explanation that simply because we are in the Premier's Office, we do not get all we ask for from the Ministry of Finance.

Mr Chairman:

I think you have well defended the question of over-expenditure as regards transport and travelling; but looking at the list of heads over-spent, they are sixteen odd and I do not think the majority of them are over-spent on transport. Could we have an explanation why the difference?

Acting Deputy Secretary to the Premier:

Sir, Looking down the list, you will find that the over-expenditure is either relating to travelling allowances or to some other mode of transport. Take for instance item

12. This covers an expenditure which occurred as a result of increasing transport allowances for Ministers' overseas tours.

Mr Chairman:

Perhaps I would draw your attention to the fact that we are not so much concerned with the size of the amount involved, nor whether or not it was rightly or wrongly spent; but the fact we have been stressing is that a vote has been over-spent without prior approval. No matter whether this amount is a thousand pounds or six pounds, the crime has been committed. Take for example, Item 2—Sub-head 4: Office and General. Or take for instance, Item 4—Sub-head 13: Premier's Residence Upkeep—I do not think this Committee would like you to treat the Premier's residence shabbily, for whatever expenditure is incurred in maintaining the Premier's residence is money well spent. What we want is for you to seek prior approval. You can see for yourself that this particular item is not under Transport and Travelling.

Acting Deputy Secretary to the Premier:

I think anything done contrary to this rule can really not be defended as it is laid down that you must ask for these things and if we fail to follow we have definitely committed an offence for which I find myself incapable of giving an adequate excuse.

Alhaji Maude Gyani:

There is some other question I would like to ask the Secretary, although the Chairman has said so much of what I want to say. As the Secretary has said the Premier's Office is always fearing to over-spend because it is an important office of Northern Nigeria. Since they are reluctant to ask for more supplementary provision why are they not afraid to spend the money?

Acting Deputy Secretary to the Premier:

This is almost the same as that from the Chairman. I accept that this is a fault, which we will do everything humanly possible to avoid and minimise in the future.

Alhaji Maude Gyani:

Why do you not accept my suggestion that more provision be made on this vote so that this will not happen again.

Acting Deputy Secretary to the Premier:

The advice is noted. But I think human nature being what it is, if you have a provision for £1,000 you will have to economise but if you have £2,000 you are likely to be at once extravagant. Sound economy is what we want nowadays and we would rather be on the stingy side in our estimates than on the generous side.

Mr Chairman:

The Committee was informed by the Director of Audit that the Ministry of Finance has sent you a letter in October suggesting that something should be done to those who are responsible for over-expenditure or words to this effect. Has anything been done?

Acting Deputy Secretary to the Premier:

Yes, something has been done, but I confess that it is not actually carried to its logical conclusion yet.

Mr Chairman:

Is there any intention to carry it to its logical conclusion?

Acting Deputy Secretary to the Premier:

I think there is, Sir, because even if one wanted not to do anything, the Ministry of Finance will always get at one to do it. In a circular which the Secretary to the Premier sent to all Provincial Secretaries in April, 1964, Provincial Secretaries were told if they over-spent, they would be held personally responsible for the amount, in accordance with Financial Instructions.

Mr Chairman:

Any further observations? I hope the Secretary to the Premier will put up a better show in future. We expect him to give a better example to the Ministries. This question of over-expenditure has been discussed in this Committee year in and year out and we always get the same assurances. This is the reason why even before we started to go through this paragraph I told the Deputy Secretary to the Premier that this Committee is contemplating not to take seriously the assurances from Premier's Office. I do not like this to happen. I think we should get your co-operation or do you believe, as others do, that promises are made to be broken?

Acting Deputy Secretary to the Premier:

No, Sir.

Mr Chairman:

But you have been doing that. I think we shall expect a better show next year.

Acting Deputy Secretary to the Premier:

Things will certainly improve. This is my first appearance in front of the Committee and I think this will have a salutary effect on me.

Mr Chairman:

The trouble is that next year it may not be you but somebody else.

Acting Deputy Secretary to the Premier:

I am now clearing things and answering other people's queries.

Mr Chairman:

Any further observations? Paragraph 32. Any observations?

Emir of Abuja:

As regards the explanation given by the Secretary to the Premier under paragraph 32, sub-paragraph 1, has reconciliation now been made?

Acting Deputy Secretary to the Premier:

We have received authority to clear the over-expenditure.

Mr Chairman:

It seems to us that perhaps in the Premier's Office liabilities were not taken and that can easily be a cause for over-expenditure. What step has been taken?

Acting Deputy Secretary to the Premier:

The accounts have been regularly reconciled.

Mr Chairman:

Any further observations? Paragraph 33. Any observations?

Mr O. Afolayan:

Mr Chairman, Sir, there have been a series of assurances given to the Members of this Committee previously that intensified efforts would be made to recover arrears of revenue. But surprisingly none of these promises has been fulfilled. My question is, may I know why this is so?

Acting Deputy Secretary to the Premier:

We have sent a circular to the Provincial Secretaries saying that we had a rough passage in this Committee last year and want them to send this report in regularly. We wish to accept even a NIL return but we cannot say that the result to that has been very satisfactory.

Mr O. Afolayan:

But, Mr Chairman, in the last sentence given as a reply to this paragraph the Secretary to the Premier says that the mere fact that the Provincial Secretaries or the Divisional Officers help the collection of such revenue should not constitute blame on the Secretary to the Premier. Well, assuming that the statement is correct may I know who is to be blamed? Whether the Provincial Secretaries who are not here to defend themselves, or even though they were here, they might say they are not strictly concerned, but other officers. I am expecting a full explanation on that.

Acting Deputy Secretary to the Premier:

The Provincial Administration is an agent really for other Ministries. We collect for them but we are not actually accounting officers, and this is a point we are taking up with Audit.

Alhaji Mustapha Maude Gyani:

As the Secretary has explained that it is not the Premier's Office responsibility, I want to know whose responsibility it is. Is it laid down that there is a specific person or department who is responsible for this?

Acting Deputy Secretary to the Premier:

We have very many sources of revenue and as I said the Provincial Administration just helps to collect the revenue because it is convenient they have the local staff. The Secretary to the Premier is not the accounting officer it is the Ministries for whom we collect who are really responsible for collecting returns. This is the problem which we are taking up with the Audit Department.

Alhaji Mustapha Maude Gyani:

We realise that the Premier's Office is the Head and does not collect the revenue. Are there any regulations that other Ministries should not collect these revenues themselves?

Acting Deputy Secretary to the Premier:

The Provincial Secretaries for instance collect this revenue on behalf of the Ministries and then they send these returns to the Ministries concerned every month, so it is for these Ministries that get total returns from all the Provinces, to submit arrears of revenues and all what not.

Alhaji Mustapha Maude Gyani:

Who is to blame for checking these Ministries who fail to submit their returns?

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Acting Deputy Secretary to the Premier:

I agree that Premier's Office looks after all the Ministries but when it comes to the question of these returns, it is the Audit Department, with whom we are now discussing, who should insist that the Ministries concerned should submit the returns.

Alhaji Mustapha Maude Gyani:

What will happen if they fail to submit the returns?

Acting Deputy Secretary to the Premier:

If the Audit Department sees that they fail to submit the returns, they should answer the questions which I am now answering before this Committee.

Director of Audit:

If I may help, Mr Chairman, we are dealing in this report with the situation as at the 30th September, 1964 and at that time the Provincial Administration was still responsible for arrears returns for motor licensing revenue and it is mainly in connection with arrears of Motor Licensing revenue that these returns were concerned. Now that the Provincial Administration is no longer responsible for this revenue, for future returns the question arises whether they are so important, and that will be discussed. The question mentioned in the Audit Report and what is going to happen in future are two different things. Apart from that, the Premier's Office itself is shown as being responsible under the estimates for five subheads of revenue. One of these the air communications flight revenue—about £20,000 and I cannot remember ever having had a return on that. This has nothing to do with Provincial Secretaries.

Mr Chairman:

Before you work out a reply to that, I would like to ask a simple question. You said efforts have been made to see that returns in respect of revenue arrears are submitted by Provincial Secretaries, and that is very gratifying. Have you detailed somebody to see to it that this is actually complied with?

Acting Deputy Secretary to the Premier:

Yes, we have a finance section in the Premier's Office and when the circular of returns went out, that section of the Premier's Office has been sending reminders.

Mr Chairman:

Now we are back to the other question. What about returns concerning revenues directly connected with the Premier's Office, and not Provincial Secretaries, like the Communications flight.

Acting Deputy Secretary to the Premier:

I have it on record here that in respect of Communications Flight for the month of May, this is a letter by the Secretary to the Executive Council, copied to the Accountant-General and Director of Audit.

Mr Chairman:

What did the letter say?

Acting Deputy Secretary to the Premier:

It indicates revenue outstanding at 31st March, 1964. This amount, the Federal Ministry of Finance, for instance, £796-17s-6d, Federal Ministry of Economic Development £366-13s-4d and Commissioner of Police £131-5s-0d.

Mr Chairman:

Is this the only revenue that is directly connected with the Premier's Office?

Acting Deputy Secretary to the Premier:

We collect revenue for Equipment Hire and Copies of Electoral Registration.

Mr Chairman:

So there are quite a number of them in addition to this one? In addition to this you have already mentioned one or two and that has satisfied me. My point is that why should you not regularly put up your return in time. This doesn't concern Provincial Secretaries.

Acting Deputy Secretary to the Premier:

Some of them concern Provincial Administration direct. In fact except the Northern Communications Flight, there is not a single one which does not concern them.

Mr Chairman:

Any further observations?

Alhaji Mustafa Maude Gyani:

I want to make a suggestion to the Acting Deputy Secretary to the Premier on the collection of revenues from Ministries. I want to suggest to him that since these returns concern him he should make a certain regulation with regards to this so as to draw the attention of the particular Ministry. He should also notify the Ministries concerned that this part of the regulation will affect him.

Mr Chairman:

Any further observations? Paragraph 34.

Emir of Abuja:

Mr Chairman, Sir, may I know firstly how much was recovered from the amount; and secondly what was the result of the enquiry?

Acting Deputy Secretary to the Premier:

It was not possible to get sufficient senior officers to perform the enquiry. But one Provincial Supervisor of Accounts was asked to go into this and he submitted a report which has since been sent to the Ministry of Finance and Director of Audit. Briefly, the Provincial Administration said that the problem was due to inexperienced staff and partly due to the delay in submitting certain data to the Division and there was not enough staff. For instance, the clerk who was doing Motor Licensing was also the Divisional clerk and not much attention was paid to the collection of Motor Licensing and the recommendation made to the Provincial Secretary that it is difficult to determine responsibility and he suggested that the losses should be written-off. The attempts made by both the Police and the District Officer to recover some of the apparent under-collection failed because most of the people to whom licences were issued were people who came from the East and they all claimed that they had lost the originals.

Alhaji Mustapha M. Gyani:

Although the Provincial Secretary has recommended that this sum should be written off, it is said that the Police investigation cannot say exactly what happened to the money whether it has been spent or was lost. Another thing is that the clerk concerned was doing two things at a time. Was it because of the double work that caused the loss of this large amount or what is the cause? Have they actually collected the revenue or not?

Acting Deputy Secretary to the Premier:

The £15,000 was not actually collected, they were estimates of what should have been collected.

Alhaji Mustapha M. Gyani:

Nothing was said about the collection—whether it has been collected or not. Are those people coming across the river from the East as you have said? Do they come to receive the licences without paying for them?

Acting Deputy Secretary to the Premier:

I merely mentioned that in connection with the assignment of responsibility. The police investigations were handicapped by the fact that the drivers who should have been interrogated were people from the East.

Alhaji Mustapha M. Gyani:

I think the investigations should still continue since drivers coming from the East can be stopped by the police for checking. Are those drivers actually being stopped by the police and they refuse to stop?

Acting Deputy Secretary to the Premier:

This is a thing that happened years ago and investigation started five years after they had their licences. They did not run away. It is so long ago that the investigation cannot be successful. One other difficulty of the licences in Idah is that they did not receive the schedule on what they should charge until about six months after those has come into operation. There is a schedule from which they charge according to the weight of the vehicle. This schedule had been revised but a copy was not sent to Idah until after about six months.

Alhaji Mustapha M. Gyani:

Does the collection of revenue still continue?

Acting Deputy Secretary to the Premier:

This has been transferred to the Ministry of Finance.

Mr Chairman:

As a matter of interest, do you know the tribe of the clerk concerned? I hope he is not an Ibo.

Acting Deputy Secretary to the Premier:

Over the period concerned there were frequent changes of staff and we have about seven staff.

Mr Chairman:

Is any of them an Ibo man?

Acting Deputy Secretary to the Premier:

One sounds like an Ibo man—Okobi of Asaba.

Mr Chairman:

Any further observations?

Alhaji Mustapha M. Gyani:

Mr Chairman, can we Members of this Committee say something of recommendation to the Provincial Secretary as to whether the amount should be written off or not?

Mr Chairman:

I have been advised that this is the responsibility of the Ministry of Finance. When such a recommendation is made to them, it is up to them to accept or reject it. In the light of what the Secretary to the Premier has said, we can make our recommendation that this matter should be pursued. In fact it has been pursued but it may seem to them that they will be wasting their time and not only time but Government money as well, so when we reach such a stage I think this Committee should be very careful in recommending that such a matter should be pursued further because it will mean still more loss to the Government. This money was not actually collected. It was only an estimate of what they should collect but they were not able to collect it as there were quite a number of irregularities. This was over quite a long period and the police did their best but they could not make head or tail of it. If we say that they should continue, perhaps they will continue for ever without success. That is how I look at it but if the Member insists, then I shall ask the Committee for their views.

Alhaji Mustapha M. Gyani:

We are very grateful to the Chairman for his wise counsel. I should like to add that the Secretary to the Premier should warn those clerks concerned whenever such a matter comes up again.

Acting Deputy Secretary to the Premier:

This is noted.

Mr Chairman:

Any further observations?

Mr Olarewaju Afolayan:

The only observation I want to make is just about the unsuitability of the officers posted to Idah according to the Deputy Secretary to the Premier. Because of the unsuitability of these officers there were under-collection of licence fees for about five years from 1958-63. As everybody is aware Idah is a very large Division where public money is expected to be received and collected. I wonder why they have got unsuitable officers there and if they will be receiving good Confidential Reports annually. We want an explanation.

Acting Deputy Secretary to the Premier:

With due respect I do not know whether they have good confidential reports but if anything has been brought out I think it is their inefficiency more than anything else.

Mr Olarewaju Afolayan:

I want to ask whether these unsuitable officers are still at Idah or have they been dismissed.

Acting Deputy Secretary to the Premier:

They have all been dismissed. Some of them resigned and some dismissed.

Emir of Abuja:

I think the explanation given by the Deputy Secretary to the Premier saying that the other fault was because the revised schedule showing weights of vehicles did not reach Idah till after six months. I wonder whether something should be done in future to see that the schedule be sent either a month or two months ahead to the clerks responsible for collecting the fees.

The Acting Deputy Secretary to the Premier:

I will pass that suggestion on to the Ministry of Finance. Even at the time when they were still collecting the fees, it was the responsibility of the Ministry of Finance to send the schedule.

Mr Chairman:

Any further observations?

Director of Audit:

There is one point I should like to mention, Sir, and that is the Audit Inspection Report referred to £3,616 current arrears. According to the information I have it took ten months before they started to try and collect these. If it had been possible to act more promptly on the Audit Report, perhaps some of this money might have been collected. I don't think that it was the responsibility of the Premier's Office, rather the Provincial Administration. The information I have is that none of this was collected either.

Acting Deputy Secretary to the Premier:

I agree that the time lag must have contributed to the failure of recovering the money.

Mr Chairman:

Has it been recovered now?

Acting Deputy Secretary to the Premier:

No, Sir.

Mr Chairman:

Any hope?

Acting Deputy Secretary to the Premier:

Remotely, Sir.

Mr Chairman:

Why?

Acting Deputy Secretary to the Premier:

Because even the vehicles to which they relate can hardly be put on the road now.

Mr Chairman:

Any further observations?

Paragraph 35: Any observations?

Mr Olarewaju Afolayan:

Mr Chairman, I want some explanation under this paragraph. I expect the Secretary to the Premier to indicate when there is any financial loss, and report immediately to the Accountant-General who, in turn, will report to the Director of Audit. When

there was a loss in the Provincial Office there was no report made to the Director of Audit for reasons best known to the officer concerned. In addition the Secretary to the Premier stated in his written reply that necessary action has now been taken. May I know why Financial Instructions have not been followed?

Mr Chairman:

And what is this necessary action?

Acting Deputy Secretary to the Premier:

What we mean by "necessary action has been taken" is that the necessary forms which the Ministry of Finance insist upon have been completed. This was a case of a clerk who received £50 and pocketed it and when he knew that the matter was going to be discovered, the Provincial Secretary asked him to refund the money, which he did. Strictly speaking, there was no loss to the Government in the long run. This officer has been prosecuted, found guilty and dismissed from service.

Mr Afolayan:

Whether or not there is any loss, Mr Chairman, the proper step that should have been taken was to make an immediate report to the Director of Audit.

Acting Deputy Secretary to the Premier:

Yes, Mr Chairman, this matter was not actually brought to our notice until the officer was prosecuted. Even before the Provincial Secretary was informed the case was in court so that we here in the Premier's Office would not have known anything about the matter.

Mr Chairman:

Any observations? Paragraph 36 then. The Secretary to the Premier has answered paragraph one of the Auditor's report in four paragraphs, (a), (b), (c) and (d). I think it is appropriate that we take them one by one, beginning with (a).

Mr Afolayan:

My question is on paragraph (a). The first class clerk and one Mr N. C. Stockwell have both left the service but their names are given, yet there was no disclosure of any information of the part played by the policeman concerned; nor is the name of such a police officer given. We do not know whether or not he is in the service still. May I know Mr Chairman, what has happened to that police officer who has done such a very unsatisfactory piece of work?

Mr Chairman:

I am sorry I have made a mistake when I say that we should take the paragraphs one by one, beginning with (a), (b) and so on because the replies given by the Secretary to the Premier are so closely related that the answer to (a) may overlap the answer in paragraph (b) and so forth. Perhaps we can now take them together. Please let us hear the reply to Mr Afolayan's question.

Acting Deputy Secretary to the Premier:

Mr Chairman, Sir, efforts have been made to trace the name of this police officer but either through lack of knowing him personally or due to lack of co-operation, we are unable to trace the man's name.

Mr Afolayan:

Mr Chairman, regarding the revenue theft in Ilorin I was there when this theft occurred in the Motor Licensing Office. Mr Chairman, there was a lot of carelessness

in that office and the clerk in charge was doing nothing at all. I can remember during the last Budget meeting I raised strong opposition against this very unsatisfactory work in Ilorin Motor Licensing Office. Two or three months after the Budget meeting, improvements seem to have been made but later on, these agents came again to disrupt Government business in that office. These people are the middlemen who came to collect money from people and get licences for them, as a result of which Government revenue is being defrauded. I do not know what is happening in other Provinces but this is the evil practice going on in Ilorin motor licensing office. What I would suggest to this Committee is that a very strong recommendation should be made to the Government so that something may be done to eliminate these bad practices. Unless this is done the Government will continue to lose its revenue from Motor Licensing in Ilorin.

My suggestion is that very strong warning should be given to the Licensing Officer in this province so that no middleman is allowed inside or on the Compound of the Licensing Office.

I still want to know from the Secretary to the Premier what action he has taken about this police officer. Also what assurances he gives to the members of this Committee that these middlemen would not be allowed into the licensing office.

Acting Deputy Secretary to the Premier:

This case of a policeman, Mr Chairman, Sir, does not come directly under the Premier's Office nor is he a Regional officer, so, what we suggested to the Ministry of Finance is that the matter should be taken up with the Commissioner of Police and the Permanent Secretary to the Ministry of Finance reported the whole matter to the Commissioner of Police.

Alhaji Hassan Dalatun Abuja:

Mr Chairman, I am rather surprised to hear that such a theft should occur in a place like Ilorin. It is time now that the Regional Government did something about it because it is unusual to see middlemen entering into a licensing office. What was the licensing officer himself doing?

Mr Chairman:

Any further observations?

Alhaji Mustapha Maude Gyani:

I support the suggestion that the Government should do something to stop these middlemen from coming into the licensing office so that these evil practices may be discontinued.

Acting Deputy Secretary to the Premier:

Does this Committee wish me to bring this suggestion to the notice of the Ministry of Finance?

Director of Audit:

With respect, Sir, Motor Licensing is the responsibility of the Ministry of Finance now, and has been for two years.

Acting Deputy Secretary to the Premier:

I was only asking whether or not I should bring this to the notice of the Ministry of Finance.

The Director of Audit:

If the Committee want to make recommendations regarding motor vehicle licensing, you had better wait for the Permanent Secretary, Ministry of Finance, who will appear before you on Saturday morning.

Mr Chairman:

In addition to that, if I recall correctly, the member from Ilorin, last year brought up this same matter especially about those touts around the motor licensing office but unfortunately this aspect has not gone into our report. I would suggest to the member concerned to note this carefully so that when we come to draft the report, this should go into it. Any further observations?

Mr Chairman:

Any further observations? Paragraph 37. Any observations? What happened to the officer concerned.

Acting Deputy Secretary to the Premier:

I am sorry, I am not able to answer that question right away. It occurred over several years and I think there may be more than one officer involved.

Alhaji Mustapha Maude Gyani:

Mr Chairman, Sir, as the Secretary to the Premier has said, that this happened over several years has he done something which will improve the situation?

Acting Deputy Secretary to the Premier:

The records are being kept more stringently by the Provincial Office.

Mr Chairman:

Any further observations? Then paragraph 38. Any comments?

Emir of Abuja:

The Office of the Electoral Officer is open for such a short period, is there any need to issue Local Purchase Orders to them?

Acting Deputy Secretary to the Premier:

I think it is very important that Local Purchase Orders are issued to them. It would be very difficult to run elections or a census without making use of the facility so that we can purchase things which are required in an emergency.

Mr Chairman:

This may be necessary but is it also necessary for them to lose these Local Purchase Orders?

Acting Deputy Secretary to the Premier:

There is no excuse for losing the Local Purchase Orders.

Mr Chairman:

I think what the member is driving at is that these people are here only temporarily, not that facilities for providing materials for the election are not essential, but owing to the fact that these people are here for a short period they can quite easily lose Local Purchase Orders and disappear themselves. Have you thought of giving the Local Purchase Orders to your permanent officers in the provinces so that when these temporary officers want something they can be given the Local Purchase Order from the permanent officers?

Acting Deputy Secretary to the Premier:

In fact, Local Purchase Orders in respect of Katsina for instance would have been issued to the Senior Electoral Officer in charge of the whole Province who is likely to be an administrative officer. He is the man to whom the Local Purchase Order would have been issued and I think he should be considered a suitable officer to keep Local Purchase Orders. It so happens that in this case they went astray.

Mr Chairman:

Any further observations? In the written reply it is stated that no record was kept in Kaduna here of these Local Purchase Orders. But the Director of Audit in his report seems to think otherwise.

Acting Deputy Secretary to the Premier:

I gather that there has been no trace of the Register for Local Purchase Orders for the 1959 elections. But since 1960 registers have been kept.

Mr Chairman:

Yes, but the Director of Audit has informed us while we were discussing before you came in that he sent staff to your office and in the course of their examination they found that twelve books were sent to Katsina. So there must be some sort of records otherwise they could not have discovered that.

Acting Deputy Secretary to the Premier:

I am not quite certain of this. In regard, to the twelve books sent to Katsina I do not know whether it was discovered from the covering letter. The Electoral Office told us that they did not keep any register.

Mr Chairman:

Knowing in fact that Local Purchase Orders are important why was no record of them kept?

Acting Deputy Secretary to the Premier:

In fact this is a difficult question for me to answer. There is no excuse why a register should not be kept.

Alhaji Mustapha Maude Gyani:

Mr Chairman, Sir, I want the names of those Electoral Officers who actually kept these books.

Acting Deputy Secretary to the Premier:

There are twelve books involved in Katsina, Twelve in Kaduna here and One in, Kano just now being traced.

Alhaji Mustapha Maude Gyani:

I mean the *names* of the Electoral Officers.

Deputy Secretary to the Premier:

The names of the officers? At Katsina—Mallam Nagode who has now transferred to the Federal Service.

Alhaji Mustapha Maude Gyani:

May I know what has been done about this?

Acting Deputy Secretary to the Premier:

We are asking the Provincial Secretaries to investigate, and Mallam Nagode himself was asked for a statement. The report shows that he had no recollections of these Local Purchase Orders. It has not been possible to pin down any fraudulent act to anyone so far.

Mr Chairman:

But so long as the books are missing the chances are that somebody will make fraudulent use of them and this cannot be ruled out altogether.

Acting Deputy Secretary to the Premier:

Not at all. What we are trying to suggest to the Ministry of Finance is for these Local Purchase Orders to be published in the Gazette as lost because all attempts made in Katsina to recover them have failed so far.

Mr Chairman:

This should have been done long ago.

Acting Deputy Secretary to the Premier:

There still seems some hope that they may be discovered and the Ministry of Finance has not agreed yet that they be declared as lost.

Director of Audit:

Mr Chairman, Sir, I still feel that in the future it will be better if these books are drawn as required from the Provincial Administration. The issue of Twelve books at a time to senior officers who are only temporary is asking for trouble. In fact in this exercise only three officers got books. I am sure the officers in the other provinces must have got theirs from the Provincial Secretaries.

Acting Deputy Secretary to the Premier:

I must say I doubt that very much. For instance, I was in Jos during the last elections and I am sure my Provincial Electoral Officer got his books direct from here.

Director of Audit:

There is no record of them.

Acting Deputy Secretary to the Premier:

Here in Kaduna?

Director of Audit:

This whole matter is worth looking into, I suggest.

Acting Deputy Secretary to the Premier:

Yes, I agree.

Mr Chairman:

Any further observations?

Mr Chairman:

Paragraph 39—Any observations? I am sure by now it is appreciated in the Premier's Office that accidents should be reported promptly.

Acting Deputy Permanent Secretary:

Yes, Sir.

Mr Chairman:

Any further observations? Then the final paragraph of the Audit Report—The Capital Development Fund Account, 1961-62. For this the Secretary to the Premier has not furnished us with answer. There seems to be an over-expenditure which has not been authorised.

Page 2, Item 12—Airstrips Construction and Improvement.

Acting Deputy Secretary to the Premier:

By the records of the Secretary to the Executive Council his own account shows that he has over-expended the vote by £78. He has written to the Ministry of Finance detailing how he arrives at his figures and asking the Ministry to confirm whether there has been an error somewhere. There is no agreement in his figures and that of the Ministry of Finance as to the over-expenditure. He, so far, has not received a reply and so there has been no application to cover the over-expenditure.

Mr Chairman:

This does not seem to answer the question. The question is why this vote was over-spent. If a vote is exhausted they will normally apply for supplementary provision so as to avoid over-expenditure. It is immaterial whether the amount is small or big.

Acting Deputy Secretary to the Premier:

I agree with that, as a matter of principle, we should not have over-expended the vote without authority.

Mr Chairman:

But it has been over-spent.

Acting Deputy Secretary to the Premier:

Up to the moment we have not reached any conclusion on how much was over-spent.

Mr Chairman:

This is appreciated, though it is entirely a different matter. You can pursue this matter and agree sometime and then ask for the appropriate authority. The question the Committee is asking is why did you over-spend the money before getting appropriate authority?

Acting Deputy Secretary to the Premier:

There is no defence, Sir.

Alhaji Mustapha Maude Gyani:

We have not got your reply on the accounts of the Capital Development Fund Account. I do not know whether you did not consult the Director of Audit before coming here.

Acting Deputy Secretary to the Premier:

There is no written reply and to be quite honest it was not until some few days ago that I realised I would be answering a question on this.

Director of Audit:

If I may say so, Mr Chairman, in fact the original correspondence was sent to the Secretary to the Executive Council. It is quite correct to say that the Secretary to the Premier was not brought in to the picture until recently. Now that he knows about it,

I am sure, he will finalise the matter with the Ministry of Finance. If there was any delay it was on the part of the Secretary to the Executive Council.

Mr Chairman:

Any further observations?

Well, thank you very much. I hope next year you will put up a better show.

Acting Deputy Secretary to the Premier:

Thank you, Sir, I promise to do so.

PUBLIC SERVICE COMMISSION

The Representative of the Public Service Commission, Alhaji Zubairu Abbas, called in and examined.

No written evidence submitted by the Public Service Commission.

Mr Chairman:

Gentlemen, you will see that in our list the Clerk of the Legislature appeared next but he has asked permission to attend to an urgent business. So we start with the Public Service Commission. We have here before us a representative of the Secretary of the Public Service Commission whom I am made to understand appeared before us last year. Would you explain to us why the Secretary does not appear before us in person? Although I am not doubting your ability to answer our questions he is the accounting officer who is responsible to the Legislature. This is a matter of principle and we ought to deal with the appropriate person concerned.

Representative of Public Service Commission (Alhaji Zubairu Abbas):

Mr Chairman, unfortunately the Secretary is unable to come here. He is, of course, the head of the department but he has delegated the power of controlling the vote to me as the Senior Assistant Secretary in the Public Service Commission, that is why I was here last year and again I am here. He is fully occupied with other work and, in fact, he is a new hand in the department, he has not yet familiarised himself with this particular work. I apologise on his behalf for his inability to attend.

Mr Chairman:

Well, you can take this message to him. We do not suggest that there is anything wrong in his delegating the financial responsibility to you but as far as this Committee is concerned it is only a departmental matter. If you look at the Regional estimates, you will see that the Secretary to the Public Service Commission is the person responsible to the Legislature and we always insist that the accounting officer should appear before us and answer our questions.

Representative of Public Service Commission:

Thank you very much. I will pass the message on to him.

Mr Chairman:

The paragraph of the Audit Report that deals with Public Service Commission is paragraph 42. There seems to be no written reply received and that also is not necessary. I mean the Secretary is not bound to reply to us in writing but a written reply would go a long way to assist the Committee and it means that he may not have to appear before us if our inquisitiveness is satisfied. Any observations?

Alhaji Mustapha Maude Gyani:

Mr Chairman, regarding this over expenditure, may I know for how long this has been happening and why there has never been any measures taken to remedy the situation.

Representative of the Public Service Commission:

Mr Chairman, this occurred in 1963-64 Estimates and I am sorry that the error did not come to our notice in time, due, mainly to the pressure of work in the office, coupled with the appointment of an inefficient clerk who is too old to undertake finance work satisfactorily. As a matter of fact, he is a retired civil servant and has been engaged on a month to month basis solely for this purpose. But since we have found that he is causing us a lot of trouble we have decided to replace him with a younger and more competent clerk. In fact we have already replaced him with a younger officer.

Alhaji Mustapha Maude Gyani:

I have a further question, Mr Chairman. Has anything been done to this officer who caused this loss?

Representative of the Public Service Commission:

Mr Chairman, I must admit that this is entirely our fault and already we have applied for virement warrants to cover this over expenditure which has been made.

Mr Chairman:

Any further observations?

Then paragraph 43.

Emir of Abuja:

Knowing this officer is not an expatriate, I wonder why the inducement allowance was paid to him?

Representative of the Public Service Commission:

This again, I am sorry to say, Sir, is purely an error on the part of the Executive Officer dealing with appointments. He inadvertently struck out the wrong phrase instead of the correct one. The two phrases are "*inducement payable*"; "*inducement not payable*". He gave the impression that the officer was entitled to inducement allowance, whereas ordinarily, West African officers are not entitled to inducement allowance. As I have said, it is definitely an error on our side and the officer has been guilty of similar offences in the past and has since been removed from our Office. You will have noticed that I have been asked to make a report to the Accountant-General as to how this came about. In fact we have done so and a reply has been received from the Accountant-General. We are now taking steps to institute disciplinary action against the person responsible for this error.

Mr Chairman:

How long ago did this take place?

Representative of the Public Service Commission:

As far back as 1962. Correspondence has been going on between the Ministry of Finance, Director of Audit and our Office and it is only now that the matter has been settled.

Mr Chairman:

Is the retired officer living in Nigeria?

Representative of the Public Service Commission:

No, in fact, this chap comes from Southern Cameroons. At the time he applied he was living in Holland and his name looked to us then as if he was an expatriate officer. We did not know until he came to take up his appointment that he was actually

a West African. We were led into this error by the officer himself who applied to make his registered domicile as Holland. He said his registered domicile was Holland, so we thought he was actually an expatriate officer.

Mr Chairman:

I thought this officer had retired.

Representative of the Secretary to the Public Service Commission:

No, Sir, he is still with us and he is in the Ministry of Lands and Survey, but he applied from Holland and he is in fact a native of Mamfe in Southern Cameroon.

Mr Chairman:

Is there any possibility of getting back this money?

Representative of the Secretary to the Public Service Commission:

That, Mr Chairman, is the responsibility of the Director of Audit.

Alhaji Mustapha Maude Gyani:

As the Secretary the Public Service Commission has indicated that this error was partly his, I still want to defend him because this is not his fault. In this particular officer's application he did not indicate that he is a West African officer but when it was discovered that he was a West African officer, then something must be done now that it has happened. Since this officer caused the loss of £790, I would like to suggest one thing if you would agree with me. If you do not agree then I will ask one other question. I want to know whether it is a laid down policy in your Department that if an officer causes the loss of some funds, an advance account will be opened for him or is there not such procedure in your office?

Representative of the Secretary to the Public Service Commission:

Mr Chairman, as I have already said this error was discovered by the Director of Audit and all we have to do in this case was to give an explanation why this man was given an Inducement Addition. The recovery of the amount paid is actually not our responsibility. It is actually the duty of the Director of Audit but we as Public Service Commission have to bring the officer responsible to book, in other words by instituting disciplinary action against him for telling lies and the disciplinary action can take the form of either the man paying part or all of the amount involved or some other form of punishment.

Alhaji Mustafa Maude Gyani:

I think it is wise that this man should not be dismissed but was only transferred. If you had dismissed him certainly he would have gone away with the money but since the officer had been transferred I would like to suggest one thing generally with the Director of Audit and that is to force this officer concerned to pay the money so as to teach others not to make the same mistake. He could repay it by instalments, say £2 per month. This would serve as a deterrent to teach some other officers. That is all I have to say and if you can take this advise by opening an Advance Account for this officer it would be a good idea.

Representative of the Secretary to the Public Service Commission:

Thank you, Sir. Your advise will be taken into consideration.

Mr Chairman:

Any further observations? In addition to paying Inducement Allowance he was also paid 20 per cent in addition to the 10 per cent he was entitled to. Why was that?

Representative of the Secretary to the Public Service Commission:

This man is a contract officer and therefore he is entitled to 10 over 20 per cent contract addition.

Mr Chairman:

Is it 10 or 20 per cent?

Representative of the Secretary to the Public Service Commission:

With regard to this particular officer, I am not sure what percentage of contract addition was payable but the fact is that he is entitled to contract addition.

Mr Chairman:

No, I think there is no question that he should not be paid a certain percentage on his salary because he is a contract officer; nobody is arguing about that. The question of employing people on contract is not a new thing, so it must have been agreed by now that a certain percentage should be given. There should be uniformity amongst Ministries but here you seem to have gone over and above the usual thing, that is why we are trying to extract an explanation.

Director of Audit:

If I may explain, what the Committee are getting at is why the Public Service Commission gave a Junior Service Officer a contract appointment which is to a Senior Service Officer.

Representative of the Secretary to the Public Service Commission:

Mr Chairman, the whole thing has caused a lot of confusion especially, as I said earlier we took this man to be an expatriate officer and after we had prepared his Contract Agreement Form we were given to understand that actually he is a West African Officer. This is a mistake made by my Executive Officer out of confusion.

Mr Chairman:

Any further observations? Well, thank you, that is all for your Department.

REGIONAL LEGISLATURE.

The Acting Clerk to Regional Legislature called in and examined.

Written evidence submitted on paragraph 40 of the report of Director of Audit for 1963-64.

Ref. No. 341/S. 5/49
Northern Nigeria Legislature,
Lugard Hall,
P.M.B., 2018,
Kaduna,
26th May, 1965

The Secretary,
Public Accounts Joint Committee,
Lugard Hall,
Kaduna

With reference to your circular letter No. 341/S. 1/621 of 15th April, I submit as my reply to paragraph 40 of Audit Report the following:—

Subhead 2: Transport Allowance.—The excess of £14-5s-8d under this subhead occurred inadvertently in the process of paying mileage claims of various members who travelled by indirect routes from their stations to Kaduna to attend meetings of the

Legislative Houses. It is difficult, if not impossible to estimate with any degree of accuracy the exact amount that would be required to meet claims for extra mileage through indirect routes as they would naturally depend largely on the condition of the weather at the time when a meeting of the Houses has been called. The excess expenditure has, however been covered by a Virement, vide Warrant No. 112/63-64 of 17th October, 1964.

Subhead 3: Other Transport and Travelling.—The excess was due to the rent allowances paid by the Federal Government the instructions of the Ministry of Establishments and Training, Northern Nigeria to two of our Official Reporters while attending an official reporters Course at the Federal Training Centre, Lagos. The Ministry of Establishments and Training was to meet the cost of this expenditure as the decision to pay this special allowance was solely taken by them. No provision was therefore made under our vote to meet this expenditure. However, the excess of £86-6s-4d which occurred as a result of debitting unexpectedly all the total expenditure for the payment of rentage allowances to the two official reporters has since been covered by a Virement, vide Warrant No. 106/63-64 of 31st July, 1964.

ISA ABUBAKAR,
Acting Clerk to Regional Legislature

Mr Chairman:

Gentlemen, we have here the Acting Clerk to the Regional Legislature. The part that concerns him is paragraph 40. Any observations?

Alhaji Mustafa Maude Gyani:

Concerning this Head I want to talk about Over-expenditure and I have a suggestion to make. I am a Member of the Northern House of Assembly so I know all the difficulties pertaining to payment. I hope the Clerk to the Regional Legislature will take this very important suggestion whether I am elected to the House again or not. I suggest very strongly that more provisions should be made under this Head. This would stop the question of Over-expenditure year by year. Since everybody realises the fact that this Head is an important Head so there must be sufficient provision made. I am a Member of the Commonwealth Parliamentary Association so I therefore regard the work of the Legislature as very important. The reason for making this suggestion is that circumstances may arise when an emergency meeting of the House will be called to say something in connection with the Federation as a whole, and Northern Nigeria being the most important Region I find it necessary to give this suggestion and I hope this Committee will support me and the Clerk to the Legislature will also write down what I am saying.

Mr Chairman:

Any comments? I think what the Committee is referring to is not why a Vote should be overspent, or questioning the cause for which the over-expenditure was incurred. The main thing which concerns this Committee is that when such over-expenditure is essential, permission should be sought before the money is spent. In this particular case, it happens that the money was first spent, and permission was put up afterwards, and it is like putting the cart before the horse.

Acting Clerk to Regional Legislature (Alhaji Isa Abubakar):

Mr Chairman, Sir, I have already explained why this Subhead was overspent. I do appreciate the importance of making accurate estimates, and we do all our best to keep within the limit of the vote. In this particular case, it is almost impossible for us to estimate exactly how much it will cost before we receive first hand information of the

route the members take to Kaduna. It is Government's policy that in all cases, the most direct route should be followed by members and the government officials alike. I do sympathise with the honourable members including members of this Committee when a meeting is called during the rainy season. The conditions of our roads being what they are, it is almost impossible for them to follow the direct route because of washout and other reasons and this over-expenditure has been due to claims of extra mileage paid to the members for following indirect routes. I hope that with the co-operation of the hon. Members, including members of this committee, this will be avoided in future. We have always tried to vote sufficient money but due to unforeseen circumstances, sometimes we find ourselves overspending the vote.

Mr Chairman:

I do not think you have answered the question satisfactorily. There is nothing wrong in overspending the vote, the point this Committee is concerned with, is that if you are going to do so, do it legally, by getting necessary permission first.

Acting Clerk to Regional Legislature:

I do understand the Chairman's point, and I hope I have answered it. It is very difficult for us to know exactly how much amount it will cost to pay members' allowances when they come for the meeting, but we can make a rough estimate. It may be insufficient, it may be exceeded, but I hope with the co-operation of all the hon. members and the members of the Committee we will be able to overcome this. By their co-operation, I mean that when a meeting is called in Kaduna, they should try to the best of their ability to go by the direct route.

Mr Chairman:

If the weather permits?

Any further comments?

Director of Audit:

Mr Chairman, Sir, I think the overspending should have been known before 31st March, 1964, from the Vote Book. The Accountant-General did not close his accounts until 17th July, 1964—that is 3½ months in which to ascertain the amount and amend the figures involved.

Acting Clerk to Regional Legislature:

I quite agree with the Director of Audit. As I have said in my first sentence. This is an oversight which should have been detected before the close of the financial year, but unfortunately it happened. In future, we shall try to do our best to avoid it.

Alhaji Mustapha Maude Gyani:

As the Clerk said, I suggest very strongly that he should see that more provisions are made in this Vote so that such things will not happen again. I strongly suggest that more provision should be made on this vote. Everybody knows that without members of the Legislature, there would not be a country. We all leave our houses because of the progress of our country. I strongly suggest that there should be more provision for this vote.

Emir of Abuja:

We agree with the explanation given by the Clerk, and I hope that the Chairman will accept the assurances which he has given.

Mr Chairman:

And also take note of the suggestion of the hon. Member.

Acting Clerk to Regional Legislature:

If I may remark on the hon. Member's suggestion, I would assure him that he will not fail to get his mileage allowance.

Mr Chairman:

Any further observations?

Thank you, Clerk, that is all.

SHARIA COURT OF APPEAL

The Representative of Sharia Court of Appeal, M. Halilu Shaba, called in and examined.

Written evidence on paragraphs 44 and 45 of the Director of Audit Reports for 1963-64 considered. Members observations follow the written evidence.

No. FIN/18/60
Registrar's Office,
Sharia Court of Appeal,
Private Mail Bag 2050,
Kaduna,
Northern Nigeria,
27th May, 1965

The Secretary,
Public Accounts Joint Committee,
c/o Lugard Hall,
Private Mail Bag 2018,
Kaduna

REPORT OF THE DIRECTOR OF AUDIT—FINANCIAL YEAR ENDING 31ST MARCH, 1964

I wish to refer to paragraphs 44 and 45 of the above report, and to state as follows:—

(a) *Paragraph 44.*—We had not been able to trace out the misallocation in good time because the officer responsible for finance duties was away on a long vacation leave and the person who relieved him was a trainee direct from the Institute of Administration and had very little experience to detect out any error.

(b) *Paragraph 45.*—Normally we do not have arrears of Revenue and the lack of non-submission of nil return was also due to the absence on leave of the officer responsible for the duty. Arrangement is now made that the officer will not take his annual leave during the periods February to September as it is during those periods that we have more work such as closing of Annual Accounts and preparation of Draft Estimates.

2. This arrangement will in future enable error, if any, to be detected in good time.

HALILU SHABA,
for Registrar,
Sharia Court of Appeal

Mr Chairman:

Gentlemen, we have here the representative of the Sharia Court, but before we deal with Audit queries, I should like to ask the representative of the Registrar why the Registrar himself could not appear before us in person? We are a Committee of the Legislature and he is an accounting officer responsible to the Legislature. We expect him to come before us. I do not think this will be a burden to him. Is there any answer to this?

Representative of the Sharia Court (M. Halilu Shaba:)

Yes, Sir, the Registrar was away to Sokoto and returned only yesterday.

Alhaji Maude Gyani:

Mr. Chairman, I have a supplementary question. Is the Registrar aware of the meeting?

Representative of the Sharia Court:

Yes, he is aware of this meeting.

Alhaji Maude Gyani:

Last year, I remember that we were unable to have him here.

Mr Chairman:

He was here last year.

Alhaji Maude Gyani:

I hope he will be able to come here himself in future.

Representative of the Sharia Court:

I will deliver the message to him.

Mr Chairman:

Furthermore it is quite possible that you may be the person to whom the Registrar has delegated financial responsibility. In that case you may be in a better position to know the answers to these queries. All the same, he is the man responsible, so you can come with him as a team. I think we have said enough about that.

The first paragraph is paragraph 44: Excessive Expenditure: Any observations?

Mr Olarewaju Afolayan:

Mr Chairman, Sir, in this paragraph, I have some observations to make. When this Committee met last May, the Registrar assured the members that recurrence of over excessive expenditure would not occur. By the time that he was giving us this assurance, he must have been aware that one of his officers dealing with finance was going on a long vacation leave. May I know why he should not have made any arrangement for a very good substitute to be made so that such occurrence might have been avoided.

Representative of the Sharia Court:

The cause is due to the shortage of executive officers in the Ministry of Establishments.

Mr Olarewaju Afolayan:

Mr Chairman, Sir, he said further that one of his people was inexperienced because he was just fresh from the Institute of Administration as a trainee. Well, I am afraid,

somebody who was sent to the Institute of Administration for training should not be termed inexperienced in dealing with such cases. Because before one should have been sent at all to any training course, he should have got a certain high degree of experience in accounting division. I will request full explanation from him.

Representative of the Sharia Court:

The man is direct from the Secondary School and then sent to the Institute of Administration for training. He is required to have a further three years training before he could be expected to have experience. He has been attached to another fully trained officer for three years in order to acquire experience.

Alhaji Mustapha M. Gyani:

As the member sitting beside me has said, the Registrar promised this Committee that such an over-expenditure would not happen again but it has happened. Could this be deliberate or due to inefficiency?

Representative of the Sharia Court:

This mistake was not deliberate. The clerk preparing the voucher misallocated the Head and Subhead. The voucher was sent to the Treasury and I was not there to detect the mistake until I returned from leave and by that time the financial year has elapsed. In fact, even my successor was not aware until we received a letter from the Director of Audit.

Alhaji Mustapha Maude Gyani:

Although I was not at the meeting last year, I want to suggest to the Registrar that he should take the suggestions of this Committee more seriously.

Representative of the Sharia Court:

I hope this will not happen again. In fact, I was to go on leave in February and due to the fact that we had the query from the Director of Audit, I had to postpone my leave until December. We did not expect that this could have happened.

Mr Chairman:

Finally, paragraph 45. Any observations?

Mr Olarewaju Afolayan:

I am sure the Registrar is aware of the Financial Instructions which state that returns of revenues in arrears should be submitted at the latest by 31st October. I am saying this because he sometimes sends his officers on leave during this period, the measure, which he should have taken, is not to send them on leave at that period. May I know why he did not adopt this measure at the initial stage?

Representative of the Sharia Court:

I was a Federal officer then. When I was transferred here, I had 75 days leave and I was asked to take it with my annual leave and that was why the leave was so long. Experience has now shown us that if I take leave during the period January to October at the time we shall have more financial duties the work would not be satisfactorily done. That was why this leave is deferred until December.

Mr Chairman:

Any further observations? Thank you very much. That is all. I think that ends our meeting for today.

MINUTES OF PROCEEDINGS

Tuesday, 1st June, 1965

The Committee met at 9.30 a.m.

MEMBERS PRESENT

Alhaji Umaru Sulaiman, O.B.E., Emir of Bedde (*in the Chair*)

Alhaji Umaru, Emir of Pategi

Alhaji Muhammadu, Emir of Gumel

Alhaji Abdullahi Maikano, Emir of Wase

Alhaji Sulaimanu Barau, O.B.E., Emir of Abuja

Alhaji Hassan, Dallatun Abuja

Alhaji Mustapha Maude Gyani

Alhaji Muhammadu Sada Nadada,

Kankian Katsina

Mr Olarewaju Afolayan

Mallam Umaru Yola

Mr S. A. Atum

The Director of Audit, Mr M. Skilleter, C.B.E., accompanied by the Deputy Director of Audit, Mr E. S. H. Clode, in attendance.

MINISTRY OF ECONOMIC PLANNING

Mr Chairman:

I think, we can start now, gentlemen. We have the representative of the Ministry of Economic Planning, who I think will help us to answer the Audit Query. Before we start anything this Committee normally expects the Permanent Secretary to appear before it to answer questions. May we know the reason why this is not so with your Ministry?

Representative of the Ministry of Economic Planning:

I would like to express my regret to the Committee that the Permanent Secretary is on leave and Mallam Bako, who is the Head of the Technical Assistance Division, is also on leave.

Mr Chairman:

Another point which is not very important but which is worth mentioning, is that we normally get written replies from Permanent Secretaries. This is very helpful to us because it may even mean that we may decide not to ask the Permanent Secretary to appear before us. If the Permanent Secretary decides not to give us a written reply, there is nothing we can do about it. Have you any comments to make on this?

Representative of Ministry of Economic Planning:

Mr Chairman, I believe in the circular we were given a choice of either submitting written reply, which we must do a week before the time of the meeting, or not.

Mr Chairman:

This is quite true.

The first paragraph, and the only paragraph, I should say, that concerns your Ministry, is paragraph 56. Any observations?

Mr Olarewaju Afolayan:

Mr Chairman, I would like to know from the Permanent Secretary of this Ministry, why his Ministry has not got information regarding Aid-attracting Projects for the period July 1961 to April, 1964?

Mr Chairman:

Despite numerous reminders according to the Audit Report?

Representative of the Ministry of Economic Planning:

Mr Chairman, in answering the question, perhaps the easiest way of doing it is to outline the present procedure and then go back to the past and see what we are going to do to rectify the situation. The present position since July 1964 is what I will discuss first. Very few reimbursible project implementation orders are being issued currently by U.S.A.I.D. except in respect of construction of buildings. All purchases of equipment are now done by Crown Agents in London or by the General Services Organisation of Washington Development Corporation or by U.S. firms or by a University which has contract with U.S.A.I.D. Since July 1964 our Ministry has been distributing all documents issued by U.S.A.I.D. to the Director of Audit, Ministry of Finance Accounting Division, to the Ministry of Finance, Finance Division, to the executing Ministry and to the initiating Ministry. Audit Department has documents and information forms are attached to these documents for all project implementation orders and agreement since July 1964. An information form is prepared by my Division, i.e., Technical Assistance Division and this is attached to each document. I have got some examples of the form if members would care to have a look at them. The form shows clearly revenue and expenditure heads and subheads and whether any monies are reimbursible and if so, who is to collect it and gives the final date in which they will be reimbursed. It also clearly states that all requests for reimbursement or claims for reimbursement are being sent to the Accounting Division of the Ministry of Finance. I would like to mention here that very few or about 40 per cent of the U.S.A.I.D. projects are reimbursible. In January 1965 it was agreed that all requests and submissions for reimbursement should be handled by the Accounting Division of the Ministry of Finance. The Accounting Division now keeps a continuous audit tabulation on all reimbursible expenditure and sends the tabulation to U.S.A.I.D. monthly supported by photostat copies of all vouchers of £50 or more. The U.S.A.I.D. then reimburses the Government on a semi-annual basis, i.e., every six months. I hope it is now clear to the members of the Committee that there are at present adequate procedures for collecting money for reimbursible items. Now as for the past period between 1961-64 which is the period in question, I respectfully submit while the procedures were probably not as smooth as possible the U.S.A.I.D. assistance was new, our Ministry was also new and I submit that no money spent by Government on U.S.A.I.D. reimbursible projects has been lost. To support this position I have at present three audit reports by U.S.A.I.D. The first one is the Audit of U.S.A.I.D. finance construction in Northern Nigeria between the periods from April 1961 to 30th June, 1964 and dated 15th July, 1964. The second one is the audit of sterling portions of various projects in Northern Nigeria and this is from all projects from April 1961 to July 1964 and is dated 28th October, 1964. And the third one is the general audit of reimbursible and non-reimbursible projects for the period 1st April, 1961 to June 1964 dated 16th December, 1964. With reference to the Director of Audit's reference to their inability to confirm reimbursement because of lack of project documents between the years 1961 and 1964, I wish to say that this situation will be remedied shortly. The Director of Audit was not the only person or persons who did not have copies of these documents, the U.S.A.I.D. furnished them directly to the executing and initiating offices in many cases without even sending us a copy. U.S.A.I.D. regrets this oversight. We have asked the U.S.A.I.D. for sufficient copies of all documents so that all concerned will have a complete set of the documents at their disposal. With this, Sir, I am now ready to answer any further queries that members may wish to ask me.

Mr O. Afolayan:

Mr Chairman, Sir, I would like an explanation as to why, when the International Co-operation Administration, now the Agency for International Development, started

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to give this Government financial assistance, claims on that agency were not submitted until it was audited?

Representative of the Ministry of Economic Planning:

According to the first circular issued on this in 1961, it was the responsibility of the initiating Ministry to submit requests for reimbursements. Reminders were sent to the Ministries which received U.S.A.I.D. assistance in 1962, again later in 1963, but despite repeated reminders the Ministries did not submit these requests for reimbursement. Part of the reason for this was undoubtedly due to the Ministries not in fact spending the money as soon as the documents were sent out: such as construction projects for which the documents were issued in 1962. In several cases the construction has yet to start. I respectfully submit that this is not the fault of our Ministry.

Alhaji Maude Gyani:

Mr Chairman, Sir, the representative in his statement said that the Ministry is new: does he mean that because the Ministry is new they will not submit returns until the accounts are audited?

Representative of the Ministry of Economic Planning:

I did not say that: I respectfully submit that this is not the case. We did request the Ministries to submit their claims for reimbursement and we therefore put the burden on Ministries to submit them.

Alhaji Maude Gyani:

Will you tell me whether you have Annual Reports on the progress of the Ministry submitted yearly as from 1961-1965?

Mr Chairman:

On the Projects.

Representative of the Ministry of Economic Planning:

No, we have not.

Alhaji Maude Gyani:

Why has that not happened?

Representative of the Ministry of Economic Planning:

Simply because the execution of projects is the responsibility of the Ministries. We do not execute any projects. But let me assure this Member that we are taking steps to have complete records of all assistance received whether or not it is received in respect of a particular project.

Alhaji Maude Gyani:

As you have stated that you were given a choice in the Circular as to whether you would submit a written reply or an oral one, will you please tell us why the achievements on the progress of the Ministries have not been enlisted so far as from 1961-64?

Mr Chairman:

This gentleman has come purposely for the Section which deals with aid, therefore all that we may ask him should be limited to this particular section. This is why I am bothered by the absence of the Permanent Secretary himself. If it were the Permanent Secretary, himself, if he were here we should be able to ask him about everything concerning his Ministry.

Alhaji Maude Gyani:

Thank you, Mr Chairman for drawing my attention to this point. I hope that in future he will see to it that all other Ministries co-operate with the Director of Audit in submitting their reports so that we can work on them.

Director of Audit:

Mr Chairman, Sir, if I may assist, it is really a question of whether I can see that reimbursement for expenditure has been claimed, and it is a question of the Ministry of Economic Planning letting me know what is happening. The claims are now made by the Accountant-General and not by the Ministries. I am now being provided with the information by Economic Planning and I am also satisfied that the system of the Accountant-General in making claims is better than the old system of Ministries making claims. So, now there are only three people involved—Ministry of Economic Planning, Audit and the Accountant-General, and I would like to inform the Committee that the matters referred to or criticised in the Audit Report no longer obtain. As far as I am concerned things are now on a proper basis.

Mr Chairman:

Mr Atum, I think you want to ask a question.

Mr S. A. Atum:

What I had wanted to say has already been said.

Mr Chairman:

I think that is all, gentlemen. Thank you.

MINISTRY FOR LOCAL GOVERNMENT

The Deputy Permanent Secretary, Ministry for Local Government, Mr T. M. B. Sharp called in and examined.

Written evidence submitted on paragraph 90 of the Director of Audit Report for the year 1963-64.

Members' observations follow the written evidence.

MINISTRY FOR LOCAL GOVERNMENT ANNUAL ACCOUNTS, 1963-64
DIRECTOR OF AUDIT'S REPORT, 1963-64, PARAGRAPH 90.

The Director of Audit's Report, paragraph 90, gives four sub-heads where excess expenditure had not been authorised by 17th July. I submit herewith the explanation for this:—

	£	s	d
(a) Sub-Head 2. Transport Allowances	0	3	3
Sub-Head 6; Labour	15	10	8

Both of these items were due to misclassification. Accounts had been closed before adjustment vouchers could be prepared. Action was therefore taken to obtain a virement warrant which was approved on 23rd December, 1964 (VW No. 123/1963-64).

(b) Sub-Head 17. Electricity: Public Building £18-13s-4d.

This was an incorrect debit made from an outstation. It should have been noticed earlier but was missed and, since it was too late to adjust by an adjustment voucher, it was cleared by obtaining a virement warrant (No. 123/1963-64 dated 23rd December, 1964.)

(c) Sub-Head 20. Conference on Local Government:

Cambridge University	£	919-2s-11d.
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This sub-head was provided to cover the cost of sending delegates to the annual conference at Cambridge. Owing to a change of policy the Conferences ceased to be Local Government conferences and the 1963-64 conference was an Economic Development and the Ministry of Economic Planning became responsible for action. Originally the Executive Council nominated five delegates but changed this to two. Savings were quoted from this sub-head leaving sufficient funds for two airpassages and expenses for two delegates who actually went. The Ministry of Economic Planning however booked and paid for five airpassages against this sub-head. Three passages were cancelled and the cost refunded but the refund was placed on a suspense account which has since been cleared to Government revenue. It was therefore necessary to apply for additional funds and the excess was covered by virement warrant No. 115/1963-64 of 7th November, 1964.

2. The delay in clearing (a) and (b) above was due to mistakes in the Ministry.

In excuse it can only be said that this Ministry has no professional finance officer as the size of the estimates do not warrant one and that the Ministry of Establishment provides only for a finance clerk.

Mr Chairman:

We can start now and we have with us here the representative of the Permanent Secretary, Ministry for Local Government. The first paragraph of the Audit Report that concerns them is paragraph 90. Any observations? They also submitted a written reply. In connection with Subheads 2 and 6 why was misclassifications not adjusted before the accounts were closed?

Representative of the Ministry for Local Government (Mr Sharp):

I am afraid, Sir, it was due to an error in the Ministry. It should have been checked earlier but we had had many changes of staff and at the time these happened both the Finance Clerk, the Executive Officer, Mallam Aliyu and myself, were all-new comers to the Ministry. We have now taken precautions to see that it does not happen again.

Alhaji Mustapha Maude Gyani:

Sir, his written reply on Subhead 17—Electricity: Public Buildings—says "This was an incorrect debit made from an outstation. It should have been noticed earlier but was missed and since it was too late to adjust by an adjustment voucher it was cleared by obtaining a virement warrant (No. 123/1963-64 dated 23rd December, 1964)". I wish to ask why things have not been going on smoothly in some Provinces as you have stated in your written reply? Even though you claim that you are a new comer into the Ministry, I do not think you are inexperienced.

Representative of the Ministry for Local Government:

The Subhead 17 was a correct payment made from a wrong subhead and the fact that it had been paid from the wrong subhead was not noted until it was too late to adjust by an adjustment voucher. It should have been found by checking of the vouchers from the outstations but this particular voucher was not noticed.

Alhaji Mustapha Maude Gyani:

When it was discovered, was there any disciplinary action taken against the officer responsible in order to avoid future occurrence?

Representative of the Ministry for Local Government:

No, Sir, this was merely an accounting error. There was no mis-spending of money.

Alhaji Mustapha Maude Gyani:

As you have stated that this is a mere accounting error, does this mean that if such accounting errors occur, you will leave it like that without taking any disciplinary action against the person responsible?

Representative of the Ministry for Local Government:

I look after the accounts with Sarkin Kudu and we have learnt that we must not have these vouchers missed out, but the actual payment, Sir, was a correct payment by the officer in the Province. It was merely an error that the subhead number on the voucher was entered incorrectly so that it went into the wrong subhead.

Mr Chairman:

When this sort of mistake of a wrong subhead occurs, don't you warn the Clerk responsible?

Representative of the Ministry for Local Government:

Before this over-payment was discovered the Clerk responsible was transferred.

Alhaji Mustapha Maude Gyani:

Mr Chairman, Sir, I think something should be done whereby the next person who commits such a blunder may be disciplined.

Representative of the Permanent Secretary to the Ministry for Local Government:

Yes, Sir. We will surely see to it.

Mr Chairman:

Any further observations on that?

Emir of Wase:

Mr Chairman, Sir, as this Ministry shoulders the burden of all Native Authorities in the Region, it is not proper that accounting errors should occur there. If errors and misclassifications occur, I think the Ministry then has no right to warn the Native Authorities.

Etsu of Pategi:

Mr Chairman, Sir, I beg to support the Emir of Wase because we do not like this type of warning to continue.

Mr S. A. Atum:

According to the answer given by the Permanent Secretary about the failure to adjust these misclassifications, I think I agree with him that the two people concerned are new in the Ministry, but that does not excuse them from the whole blame. Next time when there are new people in a Ministry they should be made to check the records properly before submitting a report. A new man, in any case, should be able to check things properly.

Representative of the Permanent Secretary to the Ministry for Local Government:

I agree with you, Sir.

Mr Chairman:

Any further observations? The next one is the accounts of Native Authority Motor Vehicle Insurance Fund for the year ended 31st March, 1963. The written reply from

the Ministry for Local Government does not seem to cover the Audit Query raised in connection with this Fund. Perhaps you can supply us with an answer now.

Representative of the Permanent Secretary to the Ministry for Local Government:

Mr Chairman, Sir, this is a matter we have had under correspondence with the Director of Audit on the correct method by which we should enter liabilities. The point that is being checked upon is whether the entry should be made as we make up the payments due or whether it should go into the accounts of each person to whom money has been paid. We have a continual number of vouchers that we do not know the R.V. numbers or dates of their payments by the Native Authorities and this involves considerable correspondence.

Mr Chairman:

Any further comments? It seems to me that all these investments are Oversea Investments. Why are they not transferred here as this seems to be the order of the day?

Representative of the Permanent Secretary to the Ministry for Local Government:

These accounts do not show the amount of investments that have been repatriated. We now have £41,000 of our Capital invested in the Short-Term Deposit Fund for lending to Native Authorities at low interest rate and another £60,000 has been sold in the last few weeks. The money is in the process of being brought back to the North and will be put into the Short-Term Deposit Fund.

Mr Chairman:

Are you experiencing any difficulties in doing that?

Representative of the Permanent Secretary for the Ministry for Local Government:

Not difficulties, Sir, but only suffering some losses. The Stock Market is very low at the moment and we have lost about £3,000 in the process.

Alhaji Mustafa Maude Gyani:

Would you tell us whether you have provision to repatriate all the investments overseas to the Short-Term Deposit Fund?

Representative of the Permanent Secretary to the Ministry for Local Government:

We have brought nearly all the money back. We will have approximately £58,000 to £59,000 in Northern Nigeria within the next week or two.

Alhaji Mustafa Maude Gyani:

Is there any rule says that the investments should not be repatriated quickly or as soon as possible?

Representative of the Permanent Secretary to the Ministry for Local Government:

Virtually, everything has been repatriated.

Alhaji Mustafa Maude Gyani:

Would you report at the next meeting of this Committee if all the investments have been repatriated, especially those concerning the two Native Authorities?

Representative of the Permanent Secretary to the Ministry for Local Government:

It is not only two Native Authorities. The money is on Short-Term Deposit so that when there are Native Authorities which have been unable to put money into the Short-Term Deposit Fund, because of our contribution to this Fund, we are able to arrange for Government to give them a loan at a low interest as if they had put money into the Short-Term Deposit Fund.

Alhaji Mustafa Maude Gyani:

Since some of the investments may not mature in the next few years, I suggest that all the investments should be repatriated to Northern Nigeria. I expect you to report to us the situation at our next meeting.

Representative of the Permanent Secretary to the Ministry for Local Government:

Yes, I will do so, Sir.

Mr Chairman:

Any further observations? Finally, I should like to make these observations on behalf of the Committee, that as a matter of rule, this Committee expects the Permanent Secretary to appear before us as he is supposed to be the accounting officer responsible to the Legislature; this is a matter of principle, it does not mean that those who are representing the Permanent Secretary could not satisfy us with answers to questions we put to them, but as a matter of principle, we are responsible to the Legislature and the Permanent Secretary too, as the accounting officer is responsible to the Legislature. We would feel much more free to deal directly with the Permanent Secretary. Can you give us any reason why the Permanent Secretary does not appear personally?

Representative of the Permanent Secretary to the Ministry for Local Government:

Yes, Sir. The reason is that I was Acting Permanent Secretary in the Ministry during the period covered by the Audit Report and the present Permanent Secretary has only been in the Ministry for six weeks. That is the only reason why I am appearing on behalf of the Permanent Secretary.

Mr Chairman:

I think you can convey our displeasure; I still feel that the Permanent Secretary should appear with you so that you can speak through him. He is the Accounting Officer responsible to the Legislature. We feel that we have no right to press you as you are not the Accounting Officer. This is our difficulty.

Alhaji Mustapha Maude Gyani:

I want to support what the Chairman has said. The members of this Committee insist that Permanent Secretaries should appear in person so that we will have ample opportunity to ask them all our questions. I am by no means trying to underrate your abilities, I am only trying to emphasise what the Chairman has already said.

Mr Chairman:

Thank you.

Representative of the Permanent Secretary to the Ministry for Local Government:

I shall certainly pass on your message to the Permanent Secretary. Thank you.

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MINISTRY OF TRADE AND INDUSTRY

The Permanent Secretary, Ministry of Trade and Industry, Alhaji Ibrahim Dasuki, called in and examined.

Written evidence on paragraph 9 of the Director of Audit Report for the year 1963-64 submitted. Members observations follow the written evidence.

Paragraph 92: Audit Annual Report, 1963-64.—The essential records for the period November, 1960 to March, 1962 have been traced at Abuja after a thorough search and they are now available for audit inspection.

The outstanding revenue as at 31st March, 1964 was £213-10s-4d and not £357-5s-5d. The Return of Revenue in Arrears was sent on 26th January, 1965 and the delay in submitting it was regretted.

We still have outstanding debts to collect dating as far as 1957-58 because:—

- (a) The addresses of some debtors are not known.
- (b) Some debtors complained that they received the articles in bad condition and therefore refused to pay.
- (c) Some debtors denied receipt of the articles.

However, the Director of Audit has suggested that the irrecoverable debts should be written off and we are arranging for that.

The approved Rules for Revenue Collection are now being observed as a result of visits to the Centre by Accounts Staff of this Ministry and also the replacement of the Clerk there with a more experienced one.

The unrecorded stock valued at least £271-16s-6d has now been taken on charge in the Stores Ledger.

Marine Renewals Fund Accounts, 1962-63.—The answers to the Director of Audit observations are as follows:—

Paragraph 2(i): The saving of £1,085-8s-0d on the construction of Touring Launch "Shehu Galadima Maska" has been adjusted to Revenue.

(ii) The saving of £350-10s-0d on the construction of Poling Barge No. WPB 58N has been adjusted to Revenue.

(iii) No charges are reflected in the 1962-63 accounts for work on the construction of WPB 59N because the main work on it has been completed. The Barge was sent to Warri Dock Yard for final fittings. Everything has been completed and the Barge has been commissioned but the charges at Warri have not yet been sent to Lagos.

(iv) The expenditure amounting to £702-4s-4d which was alleged to have been incurred for replacement of Poling Barges WPB 10N and 12N was not correct. The expenditure was for the construction of WPB 60N as a replacement of WPB 10N. Nothing was done for the replacement of WPB 12N.

(v) This is noted.

Paragraph 3: The covering authority for the apparent been obtained. However, I have to state that there was estimate of £3,000. The actual expenditure in that financial year was £2,467-17s-11d was incurred but it was received and accounted for in the 1962-63 financial year of the Division of Ministry of Finance. This Ministry was not

Mr Chairman:

I think, Gentlemen, we shall record our pleasure that at this meeting began a Permanent Secretary has appeared all the time been taking to task those who appear

Permanent Secretary's are
cannot be seen, you will see,
information of £17-5s-5d. Now,
become a customer, £154-3s-10d and

Permanent Secretaries. We have here a Permanent Secretary with us and we are glad. The first paragraph concerning his Ministry is paragraph 92 of the Audit Report. Would members like to make some observations? Incidentally, we have also got his written reply.

Alhaji Maude Gyani:

Mr Chairman, Sir, why have the outstanding arrears of revenue not been collected? What measures is he proposing to take to effect collection of this revenue in time? In his reply he stated that "*we have still outstanding debts to as far as 1957-58.*" Also in paragraph (a) he said "*the addresses of debtors are not known*"; "*some debtors complained that they received the articles in bad condition and therefore refused to pay*". You state that you have not done anything; what action are you now taking to remedy this situation?

Permanent Secretary, Ministry of Trade and Industry:

Sir, as you know, in every business where we have selling, it is necessary to allow some people to purchase article on a credit basis. In the past, Sir, so many people who are interested in purchasing pottery from Abuja were all welcome and in order to encourage our pottery industry itself and satisfy the customers, some sort of latitude was allowed, but experience has shown that we have to take closer control and ensure that those who are allowed credit are people who are going to pay and we are more strict now. Here, I have a return up to the end of January which shows that as from 1957 up to the end of last January, there was only £154-3s-10d outstanding. We are still trying to pursue them, but as I have said in my reply, some of our customers have left their former addresses and we can no longer locate them. Some articles were received in bad condition and this was probably due to carelessness in packing, etc., and we are taking all possible measures to ensure greater efficiency so far as our staff are concerned. Some, of course, deny delivery and we are trying as far as possible to check that when they do receive, some sort of receipt is obtained and thus safeguard the future. I am glad to say, Sir, that we begin to notice some improvement.

Mr Chairman:

Have you finished, Alhaji Maude?

Alhaji Mustapha Maude Gyani:

No, Mr Chairman. I wish to suggest that when we meet next you will be able to tell us that you have collected all the outstanding revenues. We are glad that you have got efficient staff, if your staff should leave, you will try to replace them by more experienced people.

Permanent Secretary, Ministry of Trade and Industry:

I wish to assure the Committee that we do as much as possible to ensure that we get the best staff.

Mr Chairman:

What about you, Mr Afolayan?

Mr Afolayan:

Thank you, Mr Chairman. Arising from one of the statements made by the Permanent Secretary, there are some customers who have disappeared and their addresses cannot be traced. I think there is an argument here and one is bound to expect clearer information on that statement. As far as my experience goes, I think if one wishes to become a customer of a particular firm one must have paid a certain deposit to that firm

in the event of damage or running away ones deposit would be forfeited. Not only that one should be made to have at least one surety, who must be of good standing and popularity. May I know then from the Permanent Secretary whether they deal with customers arbitrarily without bothering to know their addresses or getting someone to stand surety? I fail to see any reason why a customer should run away and nobody directly is held responsible. With the permission of Mr Chairman, I would like some explanation from the Permanent Secretary.

Permanent Secretary, Ministry of Trade and Industry:

Mr Chairman, Sir, I wish to say here that I did not say that the customers ran away. What I said was that it is a normal thing for people to move from one place to another and during the course of that movement, contact is lost. In so far as Abuja pottery is concerned, Sir, we sold our articles to those well-wishers who admired our products and those in all cases were people of standing in their own fields. In some cases you will find that a Senior Assistant Secretary in the Government service or a Councillor in the Native Authority or an important trader in a particular area visited the pottery centre at Abuja and wanted to purchase some of the materials there. If they requested that they be allowed to send the money when they get back to their stations; naturally, Sir, we would allow them to have the pottery, not only because we want their goodwill but also because we need advertisement. Through that, in all sincerity of purpose some of them either by neglect or by deliberate actions have not paid their accounts. When letters were sent sometimes the Post Office returned them undelivered. This is how the account accumulated since 1957. As I have said before Sir, every precaution is now being taken to ensure that we do not sell without money or at least we do sell to those whom we are sure will send the money as quickly as possible.

Mr Afolayan:

Mr Chairman, Sir, arising still from what he has said, I want an explanatory statement. Definitely it is not only good to advertise one's goods but advertisement without a certain amount of money coming in, sooner or later leads to bankruptcy. I agree with his suggestion that certain precautions have now been taken to see that without money no goods will be supplied. If this method had been adopted say two years after 1957, the loss would not be so great. This is now more or less too late because there are some arrears outstanding as far back as 1957. Any layman can realise that when he has done something unsatisfactorily for about a year or two he must change. I am still suggesting that he could have adopted the method by 1959 or at the latest 1960. One could have taken that period of two years as years of advertisement. I am just suggesting for future occurrence or future happenings that a new method be adopted quickly bearing in mind that "prevention is always better than cure". Also he said that some debtors denied receipt of articles. Are articles sent to people by registered cover or are they just sent out without even taking any record? Because if I sent even a penny out now, I would make sure that it was duly registered. If somebody to whom I sent the money then said that he had not received it, I think the case would then be investigated by the agent from where that registration went. Mr Chairman, Sir, I want to know how they usually send away their articles.

Permanent Secretary, Ministry of Trade and Industry:

To begin with, Sir, I wish to reiterate what I have said before that measures are now being taken to bring about a satisfactory solution to this problem. As you will see, Sir, the report before you shows, that outstanding debts amount to £357-5s-5d. Now, because of these measures being taken, Sir, my records show that we have £154-3s-10d and

the bulk of that, Sir, is from the irrecoverable debts owing to the reasons I have given in my explanation. In the past, Sir, people went to the Abuja Pottery Centre and took the pots by themselves and in some cases the normal parcels sent through the Post Offices and as usual, Sir, some of them were said to have gone astray. It was very difficult for us to check how they did go astray after sending them in the normal way. Because of that, Sir, the Director of Audit has even suggested that we seek permission to write off such debts.

Mr Chairman:

Any further observations?

Dallatun Abuja:

Mr Chairman, Sir, I would like to say something in connection with this pottery. I understand that the Pottery Officer who is the founder of this Industry and also an expert in pottery will soon be leaving the country. The people of Abuja feel very sad about his departure but we cannot do anything. My only request to the Permanent Secretary is that, I hope he will be replaced by someone of equal experience so that the work will be even more improved in the future.

Permanent Secretary, Ministry of Trade and Industry:

Sir, the Pottery Officer who is about to leave has acquired considerable experience and I must admit it is very difficult to get someone of equal experience. Efforts are being made to ensure that the person who is going to take over is the right type and the former Pottery Officer himself has strongly recommended a name and we are giving sympathetic consideration to his recommendation.

Emir of Abuja:

In supporting the Permanent Secretary, Sir, the system which has been adopted has been going on very satisfactorily. I must say that even if I want to buy a pot for the Chairman, I cannot buy it on credit. I must pay cash now. I make this remark to the Members to show that I support the Permanent Secretary.

Alhaji Maude Gyani:

Mr Chairman, Sir, may I know if the Pottery Officer who is about to leave Abuja will come back to Nigeria again?

Permanent Secretary Ministry of Trade and Industry:

As far as Abuja Pottery is concerned, Sir, I do not think he is coming.

Alhaji Maude Gyani:

Mr Chairman, Sir, is the person recommended by the Pottery Officer a Northerner or an expatriate officer?

Mr Chairman:

I feel it is not fair that we press the Permanent Secretary further. I think he has suggested that in filling the vacancy he is getting an experienced person. I feel we should close the matter at this stage.

Alhaji Maude Gyani:

Thank you, Mr Chairman. I think we will seek the blessing of Allah and see that the Abuja Pottery is run satisfactorily.

Mr Chairman:

Any observations?

Emir of Wase:

The Pottery Officer who is about to leave is known to me. He has even come as far as to Wase. He is a person who is very difficult to replace. We pray to Almighty God to help him in his future efforts.

Mr Chairman:

Any further observations? So that finishes with the Audit Report. The next item is the Statement of the Marine Renewals Fund for the Year ended 31st March, 1963. There is an Audit Certificate to this report and the Permanent Secretary has tried to answer these points. The members wish to ask for more information. Perhaps we can take paragraph 2 first. Any further observations?

Paragraph 3: It seems to me that some amount was debited by the Ministry of Finance to the account seemingly without your knowledge. How did that happen?

Permanent Secretary, Ministry of Trade and Industry:

Sir, the Marine people in Lokoja are Federal officers and unfortunately we have to deal with them through the appropriate Ministry in Lagos. I gave them an allocation from which to maintain our launches and barges and when they incur expenditure they send returns to their Ministry there, and from their Ministry, it passes through the Federal Government Treasury to the Regional Treasury. The year 1961-62, Sir, although an allocation was given, I was not notified in good time that so much had been spent with the result that when information came the following year then the necessary adjustment had to be made. Hence the expenditure in respect of 1961-62 financial year was made in 1962-63, Sir. We have been pressing our colleagues and now we are receiving much closer co-operation than we have been receiving in the past.

Alhaji Maude Gyani:

Mr Chairman, Sir, I wish to talk on the amount of £1,368-16s-8d of which the Accountant-General has debited to your accounts without your permission. Was there any rule at that time which makes this an offence?

Permanent Secretary, Ministry of Trade and Industry:

Sir, the Accountant-General did not take the money without my permission. What happened was that the Marine Officers who are Federal officers have spent the amount but did not bring it to my notice. When the notice came, the year in which I gave them allocation had already expired and I therefore paid them from the current allocation I have myself. But then the Director of Audit considered that it is inappropriate and insisted that authority must be obtained for that particular expenditure and that has been obtained, Sir.

Alhaji Maude Gyani:

As the Director of Audit has pointed out that this is inappropriate, have you taken any steps to see that such would not occur again?

Permanent Secretary, Ministry of Trade and Industry:

Mr Chairman, Sir, every precaution is being taken. As I said originally, the people who incurred the expenditure come directly under the Federal Government and I have no direct authority over them. If today they say they won't take this fund from me and

I have to look after my interests in Lokoja, I cannot force them. Therefore, Sir, we try as much as possible to make necessary adjustments where appropriate and of course if any of my staff is involved I should normally take appropriate disciplinary action.

Mr Chairman:

Any further observations? Thank you very much.

MINISTRY OF SOCIAL WELFARE AND CO-OPERATIVES.

The Permanent Secretary, Ministry of Social Welfare and Co-operatives, Mr A. C. MacKeller, called in and examined.

Written evidence on Paragraph 91 of the Director of Audit Report for the year 1963-64 submitted. Members observations follow the Written Reply.

PUBLIC ACCOUNTS COMMITTEE, 1965

MINISTRY OF SOCIAL WELFARE AND CO-OPERATIVES

Paragraph 91.—The introduction of the “flat rate” system of assessing the audit and supervision fees of Co-operative societies has simplified the work of collection but the method of collecting these fees direct from the Bank has proved unworkable. The present method of collecting the “flat rate” fees is through the 36 secondary societies which embrace the majority of the 2,000 registered primary societies. The secondary society will issue one cheque in favour of the Government of Northern Nigeria each year to pay its own fee together with the fees of its primary societies.

2. The present amount of overdue audit fees is £11,000 but as the field officers of the Co-operative Division have recently been informed of the fees overdue in their area (which are now payable by the secondary societies), it is expected that the figure will be considerably reduced by 30th September, 1965.

The Permanent Secretary, Ministry of Social Welfare and Co-operatives is here with us and the first paragraph of the Audit Report that concerns the Ministry is paragraph 67. He has furnished a written reply but somehow this reply does not cover paragraph 67. I feel that something has gone wrong somehow and somewhere.

Permanent Secretary, Ministry of Social Welfare and Co-operatives:

I may say, Mr Chairman, that in the copy of the letter we got, paragraph 67 has been crossed out. As a result I did not prepare a written reply. However, my attention was drawn to this by the Director of Audit and we have made enquiries and the situation is that we have had the greatest difficulty in determining what buildings do in fact belong to Government and are liable to rent. But we have ascertained from the Ministry of Works those buildings which are on their maintenance register and at the present time extracts have been made and the necessary information will be sent to the Ministry of Finance as soon as possible. If I may add, Sir, steps are now being taken to maintain a full register of all the buildings which are liable to rent in the Ministry of Social Welfare and Co-operatives.

Mr Chairman:

Any further observations?

Mr O. Afolayan:

In October 1964, there was a special inspection of Kaduna Sub-Treasury accounts and it was observed that it was not possible to ascertain whether there has been any loss in revenue or not because the register required by Financial Instructions was not maintained by your office. You are later on asked to give the latest list of these quarters.

But in your answer it was stated that it was impossible for you to have this list of quarters because your records are not comprehensive. May I ask now what steps have you taken to remedy this situation?

Permanent Secretary, Ministry of Social Welfare and Co-operatives:

May I repeat, Mr Chairman, that they are determining from the records of the Ministry of Works what junior service quarters are liable to rent from their register of buildings which they maintain. As soon as this has been done it will be recorded in the Ministry of Social Welfare and Co-operatives and I wish to assure the Committee that everything will be done to ensure that this record is kept up to date.

Alhaji Mustapha Maude Gyani:

Mr Chairman, Sir, I wish to know why returns of rents were not submitted almost every time?

Permanent Secretary, Ministry of Social Welfare and Co-operatives:

I have to apologise for this omission. I assure the Committee that I will do my best to see that the records are brought up to date.

Mr Chairman:

Any further observations? Finally, paragraph 91. Any observations? My only observation is that in the Audit Report the arrears are only £6,000 and in the reply furnished by the Permanent Secretary the arrears seem to be double. Any explanation? It seems to me that it is gone the wrong way.

Permanent Secretary, Ministry of Social Welfare and Co-operatives:

That is correct, Mr Chairman, when the Flat rate system was introduced it was thought that the Bank would be prepared to deduct the sum from the accounts of the individual societies. The Bank of course refused to do this. They maintain that they could only make a deduction on the authority of the persons or societies which operated the account with them. For this reason I regret to say that the amount of arrears has increased to £11,000. But now that a system has been introduced whereby the co-operative unions, of which there are only 36 as opposed to over 2,000 primary societies, these unions would be responsible not only for the payment of their own Audit and Supervisory Fees but also for those of their own primary societies collection should prove much more easy. There will in fact be 36 fees due whereas under the old system there were over 2,000. The situation has been brought to the notice of field officers of the Co-operative Division and they have been asked to exert a special effort to collect these fees. In addition, it is the intention that an officer from Headquarters will start to tour and examine all the accounts of the Societies and not only give advice and training to the staff which are operating them, but he will also be bringing maximum pressure to see that these arrears of fees are settled as soon as possible.

Mr Chairman:

Any further observations?

Mr Afolayan:

May I know from the Permanent Secretary when the present £11,000 became overdue and also when were the officers of the Co-operative Division informed and how much has now been collected by the Secondary Societies?

The Permanent Secretary, Ministry of Social Welfare and Co-operatives:

The increase in arrears was in respect of the financial year which has just closed. This new system has just been introduced and as I said in the written reply, it is hoped that before the 30th of September, by which time the Unions should be in a position to pay and this touring auditor has had a chance to visit all the Unions then the total amount will be settled.

Mr Afolayan:

I think the Permanent Secretary will agree with my suggestion when I say that they have arrears outstanding because most of their officers are not keen enough to see how the money taken by different societies are properly used, because to me it appears that some of these societies take the money but use it in different ways. If he fails to agree with my suggestion, I fail to see any reason why when money is taken for certain trading societies, which everybody knows are yielding societies, such societies should fail to pay their dues but because some members of these societies use this money for their own personal purposes, which may or may not even bring up any project, they surely have to fail in paying the arrears. Will the Permanent Secretary tell us whether his staff are efficient enough to see that the societies use the money for the purpose for which it is taken? I am actually asking this question from experience gained.

Mr Chairman:

I think perhaps the Member is going of the point a bit. These particular arrears as stated in the Permanent Secretary's reply are for Audit and Supervision Fees of Co-operatives Societies and it seems to me that the Member seems to be confusing this money with the actual loan, but I think all the same, since the Permanent Secretary is here, perhaps he will be good enough to volunteer to give us a reply to this question.

Permanent Secretary, Ministry of Social Welfare and Co-operatives:

Mr Chairman, Sir, in common with most other Ministries, we suffer from a lack of suitably trained staff who can exercise the detailed supervision which the issue of so many personal loans requires. At the present time, we have a number of officers overseas on training courses. We have recently come to an arrangement with the Institute of Administration that it will provide a diploma course for junior officers, who, if they are successful, will be eligible for promotion to the rank of Assistant Registrars. At the same time, we have plans for the building of a training school in Zaria to train, not only officers of the Co-operatives Division, but officers of the Co-operative Union and the Co-operative Societies. The construction of this building is expected to start in a few days and it is hoped that the first course will begin in October of this year. I think it is only in this way that the correct and adequate supervision of the loans which are issued can be given to ensure that they are applied for the purpose for which they were intended and also to ensure repayment.

Mr Chairman:

Any further observations?

Mr Olarewaju Afolayan:

Well, arising from the reply given, one could still suggest a remedy to this situation. I think one of the solutions which will rectify this situation is not to have these Provincial Registrars to stay in the same area for an indefinite period of years. The reason why I am suggesting this is because the more one stays in a place, the more his hands become rotten. So, ending the time we should have trained staff, I think this my suggestion

should be implemented because I am sure this will help to solve the problem, if not completely destroy it. Mr Chairman, Sir, this is the recommendation I am making to the Permanent Secretary with your approval.

Etsu of Pategi:

The Assistant Registrar of Co-operative Societies in our area is actually doing his work to our satisfaction, and I think the longer an Assistant Registrar of Co-operative Societies stays in a place the better.

Alhaji Mustapha Maude Gyani:

Mr Chairman, Sir, I wish to suggest that whatever money the Government gives as loan should be so utilised in a way that it will benefit the people. I hope the Permanent Secretary will devise means whereby money given as loans to people by the Government can be collected. I also suggest that he should continue in his good work to see that the money given out is recovered and I also suggest that he should endeavour to get experienced staff in all Provinces. I do not agree with my colleague who said that the more one stays in a place the more his hands become rotten; this is actually not the case because our Provincial Registrars are doing their best to see that the defaulters are brought before the courts. I maintain that they are doing their job properly, but I still suggest that you should issue reminders from the Headquarters that money should be speedily collected because it is our duty as Members of this Committee to advise on what will be good for the people and the Government.

Permanent Secretary, Ministry of Social Welfare and Co-operatives:

I am grateful to the hon. Member, Mr Chairman, Sir, his suggestions will be examined closely and put into effect.

Mr Chairman:

Any further observations? Well, thank you very much. That's all for you.

Well, gentlemen, this seems to end our business for today. We will meet tomorrow again at 9.30 a.m.

MINUTES OF PROCEEDINGS

Wednesday, 2nd June, 1965

MEMBERS PRESENT

Alhaji Umar Sulaiman, O.B.E., Emir of Bedde (*in the Chair*)

Alhaji Umaru, Emir of Patēgi

Alhaji Muhammadu, Emir of Gumel

Alhaji Abudullahi Maikano, Emir of Wasse

Alhaji Sulaimanu Barau, O.B.E., Emir of Abuja

Alhaji Muhammadu Sada Nadada Kankia

Alhaji Hassan, Dallatun Abuja

Mallam Umaru Yola

Alhaji M. Maude Gyani

Mr S. A. Atum

Mr Olarewaju Afolayan

The Director of Audit, Mr M. Skilleter, C.B.E., accompanied by the Deputy Director, Mr E. S. H. Clode, in attendance.

MINISTRY OF AGRICULTURE

Permanent Secretary,
Ministry of Agriculture,
Northern Nigeria

The Permanent Secretary, Ministry of Agriculture, M. Muhammadu Lawan, M.B.E., called in and examined.

Written evidence on Paragraphs 46-51 of the Director of Audit Report for the year 1963-64 submitted.

Members' observations follow the written evidence.

REPORT OF THE DIRECTOR OF AUDIT FOR THE YEAR ENDED
31ST MARCH, 1964

WRITTEN ANSWERS TO THE PUBLIC ACCOUNTS JOINT COMMITTEE

Paragraph 46: Return of Revenue in Arrears at the 31st March, 1964, still Outstanding at the 30th September, 1964

(a) *Fertiliser*.—The position at the 31st March, 1965 is that the total arrears have been reduced from £11,051-2s-9d, as quoted in the Audit report, to £3,334-5s-0d. This remaining balance should be further reduced during the June quarter, 1965 as accredited agents make further sales or as unsold stock is returned to store. Credit issues to agents involve a good deal of administrative work but play an important part in the early stages of the campaign by ensuring the widest possible distribution. The disadvantage of credit issues is that they create problems of book-keeping and debt collections as well as strain the good relationship between the farmer/agent and Ministry extension staff. It is now felt that distribution has reached the stage when all sales should be for cash, and instructions to this effect were issued in this Ministry's letter No. 3/IB/30 of the 27th August, 1964. Every effort will be made to clear the balance of debts remaining and/or to withdraw unsold stocks still in the hands of agents.

(b) *Arrears Other than Fertiliser*.—These consist mostly of the sale of agricultural products from Farm Centres and the position at the 31st March, 1965, is that the total of arrears has been reduced from the total of £434-8s-2d shown in the Audit report to £299-13s-7d, details of which are given below:—

It should be noted that the total revenue collected from the sale of agricultural products during 1963-64 amounted to £24,068, and that the arrears still outstanding (some of which are now under collection), amount to £158-13s-7d, which is approximately 6 per cent of the total revenue collected.

Paragraph 47: Overpayment of Salaries and Allowances.—(i) The overpayment was in respect of a Mr O. C. Onazi who was engaged as a temporary Agricultural Superintendent in August 1963. In 1963 Mr Onazi began a degree course in Agriculture at Ibadan University but failed to pass his examination. It was arranged through the Scholarship Board that Mr Onazi return to the University for a further academic year, and Mr Onazi applied for leave without pay to cover this period. Such leave could not be given unless his appointment was to the permanent establishment and a recommendation to this effect was sent to the Public Service Commission in January, 1964, who in turn referred it to the Ministry of Establishments and Training.

Mr Onazi's salary was, at the time being paid through the School of Agriculture, Samaru, and it is regrettable, that while the foregoing correspondence was being pursued, Mr Onazi returned to the University, without the Principal of the School of Agriculture being notified that such absence would be treated as leave without pay, with the result that salary payments continued for over four months from the date of his return to the University. The net overpayment for the period in question, the 25th January, 1964 to the 31st May, 1965 was £204-9s-9d. Owing to clerical errors at the School of Agriculture this was originally calculated as £202-15s-2d and this amount has been recovered as follows:—

<i>By deduction—</i>		£	s	d
Zaria P.V. 10181 of September 1964	20	0	0
Zaria TRV 242 of October 1964	20	0	0
Zaria TRV No. 312 of July 1964	162	15	2
Total	£ 202-15-2		

The balance of £1-14s-7d is being recovered in May 1965. The further overpayment of £78-16s-7d mentioned in the Audit report was in fact a sum of £27-18s-8d due for salary advance and Pay-As-You-Earn tax, and this amount has been cleared on the following adjustment vouchers:—

	£	s	d
A.V. School/17/64-65	4	7	0
A.V. School/21/64-65	5	5	0
A.V. School/23/64-65	18	6	8
Total	£ 27-18-8		

(ii) These overpayments were in respect of Messrs W. A. Hope, Specialist Superintendent and C. N. Onyconwu, Agricultural Superintendent.

Mr W. A. Hope was appointed in 1958 on Scale B 1-4, and was correctly paid on Scale B 1 up to the 31st October, 1960. At some time prior to his incremental date on the 1st November, 1960 the entry on his Personal Emolument History sheet showing his salary scale as B 1 was altered to Scale BY 1. It has not been discovered why this was done, or who was the person responsible. This alteration in scale led to Mr Hope's salary at 1-11-60 being shown as £918 instead of £900, and the subsequent increment advancing him to £1,038. These two incorrect increments resulted in an overpayment of £120.

Mr Hope was among Government staff transferred to the Institute for Agricultural Research, Samaru, and the Secretary of the Institute has been requested to recover this overpayment. £90 has been repaid on Kaduna R.V. No. 205 of May 1965 and the balance of £30 is to be recovered from Mr Hope's salary for the month of May, 1965.

Mr C. N. Onyeonwu was on a salary of £684 per annum as an Assistant Agricultural Superintendent when he was promoted to the rank of Agricultural Superintendent with effect from 1st February, 1963. In accordance with G.O. 222 (ii) Mr Onyeonwu was entitled to a promotion increase of £48, on his promotion and this added to his previous salary placed him on £708 per annum which on being converted to the nearest point on his new salary scale gave him a salary of £711. In error the officer was placed on a salary point of £792, and in addition instead of retaining his incremental date of 1st April, his next increment was awarded on the anniversary of his promotion, 1st February, 1964. In consequence of these errors a total overpayment of £18-10s was made to the officer up to March 1964.

A refund of the £18-10s-0d was made by deduction from the officer's salary for August 1964 on Yola Treasury P.V. No. 10129 of 22nd August, 1964.

In two of the cases above, the overpayments were a result of inadequate liaison by the Staff Section of this Ministry. However, as from the 1st July, 1965, all Personal Emolument vouchers will be prepared centrally at Ministry Headquarters and effective system has been worked out by the Organisation and Method Unit, with the use of standardised, numbered forms, whereby all information affecting changes in individual salary payments will be notified to the Finance Section preparing Personal Emolument vouchers.

Paragraph 48: School of Agriculture, Samaru.—Before the Board of Enquiry was convened, and while Police investigations continued, Mr Craig, the Principal of the School of Agriculture, who had travelled with his family to the United States of America for his leave, sent in his resignation from the Service with effect from the 18th January, 1965.

As a result of investigations by the Police, State Counsel, Kaduna was of the opinion that although a prima facie case had been made out of an offence contrary to section 320 of the Penal Code, in view of the small amount involved which was susceptible to proof, he did not advise extradition proceedings.

A Board of Enquiry was convened by the Ministry of Finance, which held its final meeting at Samaru on the 13th February. This Ministry has forwarded to the Ministry of Finance comments on the Board's report and recommendations have been sent to the Ministry of Establishments and Training regarding disciplinary action against the Executive Officer concerned, Mallam Muhtar Bello.

Personal belongings of Mr Craig, which were left at Samaru have been listed and taken into Police custody, pending a decision by Ministry of Finance on their disposal. A motor car purchased by Mr Craig under a hire purchase agreement with the United Dominions Corporation has been repossessed and sold as the payment of monthly instalments had not been maintained.

The Senior Stores Officer of this Ministry has spent some time at Samaru with a view to ensuring that stores records and procedure at the School are now in order.

It has been pointed out to the Ministry of Finance that in some of the cases involved in the enquiry incorrect payments would not have been made if the sub-treasury pre-payment check had been effective.

Paragraph 49: Boards of Survey.—The statement by the Board of Survey that the tractor had not been used for 8 years was not correct. The tractor in question, Fowler Crawler No. Z1220 was used up to February 1959, and then owing to a cessation of active development work on the irrigation scheme, due to shortage of staff, was not used again for that season. When next required, in 1960, the tractor broke down and spares

were unobtainable locally. As work on the irrigation schemes at Bida was at a minimum the tractor was not required for further use and in 1962 the Provincial Agricultural Officer obtained authority for the tractor to be boarded as it was virtually an obsolete model and had completed 10,000 hours field work which is above the level regarded by the Ministry of Finance as being a normal working life.

A Board of Survey was requested on the 29th October, 1962 and convened by the District Officer, Bida on the 22nd November, 1962. The report forms were not completed in the correct manner and were returned to Bida for amendment by the Board, when it was found that the original members of the Board were not available. A second Board was then convened and held in May, 1963 but the report was not received at Ministry Headquarters until January, 1964, when it was found that the report had been submitted on incorrect forms. As the members of the second Board were then not available a third Board was convened in April, 1964. The report of this third Board was received in September, 1964, after processing by the Ministry of Finance and Audit was sent back to the local officer in November, 1964, for final action, which was that the tractor be sold by public auction. The sale by public auction being effected on the 2nd January, 1965.

Paragraph 50: Boards of Survey Reports.—(a) The three vehicles at Baga consisted of a Unimog No. KA 5272, a Landrover No. Z 2681 and a Ferguson Tractor No. Z 1884. The approved recommendations of the Board were forwarded to the Provincial Agricultural Officer, Maiduguri in April, 1964. The vehicles are in a remote area on Lake Chad and their extraction presented problems, coupled with the fact that shortly afterwards there was a change of Provincial Officer. Before action could be completed the level of the Lake had risen and the approach to the area where the vehicles lie was under water.

During May, 1965, conditions became suitable for a heavy vehicle to reach the area, an Agricultural Superintendent (Mechanical) was made available for this work from the Yobe River Irrigation Scheme, which is to the North of Baga and the Provincial Agricultural Officer had now confirmed that final action on the Board's report is complete.

Paragraph 50: Boards of Survey Reports.—(b) The three items in question were a Godwin pump, a Reston Hornsby pump and a Ruston Hornsby engine. The first item was transferred to Daudawa from Shika farm in 1957, the original date of purchase being unknown, while the other 2 items were purchased in 1950.

The Board's report was completed on the 7th August, 1963, the recommendation for sale by public auction being approved by the Director of Audit in January, 1964. The report was then returned to the local officer for final action, but unfortunately, the report was mislaid and action on disposal did not commence until October, 1964. In spite of every effort, it proved impossible to dispose of these items in the Daudawa area and they were finally sent to Zaria where a sale was effected on the 30th March, 1965, the proceeds, £6-10s-0d, being paid to revenue on Zaria TRV No. 1908 of that date.

*Paragraph 51: Accidents to Motor Vehicles.—*The completed accident report was received on the 27th June, 1964 and a Board of Enquiry/Survey was requested by the Provincial Agricultural Officer at Maiduguri on the 13th August, 1964 to investigate the circumstances leading to the accident and to recommend that disciplinary action, if any, should be taken against Government staff involved and to advise on the disposal of the vehicle. The Board met on the 19th August, 1964 but completed their report only as a Board of Survey, and were then instructed to meet again to cover the enquiry side. The report on the enquiry has now been received, but not the Board of Survey forms which

include recommendations for write-off or the cost of repair. Disciplinary action will include recommendation for surcharge which cannot be made until the Board of Survey report is received. The Provincial Secretary has been requested to trace the Board of Survey report, or if this is not possible, to convene a new Board. The Provincial Agricultural Officer continued to pursue the matter and it is understood that the original copy of the Board of Survey report has been found and is being forwarded to Kaduna...

Delay in completing action on this report was due, in the first case to the reporting officer not complying with the Ministry of Finance instructions regarding the preparation of accident reports. This officer has since received a letter of advice on the subject.

A.—LOSSES OF FUNDS BROUGHT TO NOTICE SINCE LAST ANNUAL REPORT

Item No. 7—Yau: Theft of Imprest—£144

On the 25th July, 1964 it was reported that £144 had been removed from a safe at Yau in which the Irrigation Engineer, Mr A. Mahmood, kept imprest cash, Mr Mahmood's steward was accused of theft and was arrested by the Native Authority police. The case was heard on the 28th September, 1964 at the Chief Alkali's court. Maiduguri, allegations made against the steward were unsubstantiated and he was found not guilty. Mr Mahmood the imprest holder was therefore responsible for the loss and made good the deficiency of £144. This was confirmed by the fact that the imprest in question No. 50/64-65 for £1,000 was retired on the 17th February, 1965 on Maiduguri T.R.V. No. 102. Yau is the centre of large irrigation works under construction by this Ministry, it is over 100 miles North of Maiduguri, over very rough country, with a dry season road. There is a large labour force employed and an imprest of £1,000 was held in order to facilitate wages payments. Suitable arrangements have now been made with the Sub-Treasury at Maiduguri to ensure that salary and wages vouchers for Yau are cleared without delay and the imprest for 1965-66 has been reduced to an amount of £200 for local expenses and not wages.

Item 8—Riyom: Fraudulent Pay Sheets—£11-11s-3d

While Mr C. S. Storm, Agricultural Superintendent at Riyom was on leave during 1963 Mr M. O. Deji, Technical Assistant, Grade III prepared labour pay sheets for work on irrigation projects in the area. On Mr Storm's return from leave in December 1963 he became suspicious of the numbers of labourers who had been paid for work on these schemes during his absence on leave. On the 3rd February, 1964 Mr Storm took the wages sheets, and together with the District Head of Riyom, proceeded to the Ta Hoss irrigation scheme to pay labourers. It was found that some labourers had been entered as working more days than they had in fact worked, and in some cases names on previous pay sheets were unknown. The same state of affairs occurred at another site at Yal. The matter was immediately reported to the Nigeria Police and Mr Deji was arrested on the 11th February, 1964. The case was heard on the 7th November, 1964 when Mr Deji was sentenced to six months imprisonment, and the Public Service Commission approved his dismissal from the service as from that date. At the time of his dismissal Mr Deji's total indebtedness to Government was £30-16s-1d and a recommendation that this amount should be written off has been forwarded to the Ministry of Finance.

Item 9—Samaru: Unauthorised Purchase of Stores

See answer for paragraph 48 of the Audit report.

Item 10—Minna: Misappropriation of Revenue—£11-7s-7d

In November, 1964 an apparent shortage in payments of revenue to the Minna Sub-Treasury was discovered during an audit inspection at the Ministry of Agriculture.

office at Abuja. It appeared that original revenue collectors receipts had been issued in respect of money received from the sale of tree-crop seedlings, etc., but amounts shown on the duplicates of the receipts and the amounts entered in the cash book were, in several instances, lesser amounts than those shown on the original copy of the receipt. Other amounts entered in the cash book as receipts from sales did not appear to have been paid to the sub-Treasury. The circumstances were reported to the Nigeria Police and Mr A. Chori, 3rd Class Clerk was arrested. The case was heard at the Magistrates Court, Minna on the 7th April, 1965 and upon application for representation by Counsel, on behalf of the defendant, the case was adjourned to be held at the next Magistrates session for which no date has yet been fixed.

B—LOSSES OF STORES BROUGHT TO NOTICE SINCE LAST ANNUAL REPORT

Item 1.—Maigana: Shortage of 2,837 lbs of Potatoes and Quantity of Tools—£71-1s-1d

These deficiencies were found during a handover of stores duties. Mr P. P. Yohol, Stores Attendant, who was responsible for the stores during the period in question, was dismissed from the service and the final total value of shortages, £71-1s-1d, was written off under Ministry of Agriculture reference No. CON. 5057/49 of 24-12-64.

Item 2.—Riyom: Shortage of Superphosphate and Sulphate of Ammonia—£33-1s-1d

On the 13th August, 1964 a report was received from the Auditor at Jos on alleged deficiencies of fertiliser at the Ministry station at Riyom. The Provincial Agricultural Officer was requested to comment on the report and stated that as the audit inspection was still in progress comments would be provided based on the final report. In December 1964 an Accountant from Ministry Headquarters visited the Riyom office and confirmed that there was a shortage of 29 bags of Superphosphate and 76 bags of Sulphate of Ammonia. As a result of his report both the Stores Attendant concerned, Mallam Garba, and the then officer in charge, Mr Storm, Agricultural Superintendent were asked to submit their representations as to why they should not be surcharged a percentage of the amount of the shortage. Mr Storm had since left the service at the end of his engagement and correspondence was addressed to him at an address in Denmark. To date two letters have been sent without reply. In the meantime the Accountant-General has been requested to withhold from the gratuity payment due to him, an amount sufficient to cover any surcharge that might be made. On the 2nd March, 1965, the Senior Auditor, Jos, confirmed the shortage with some small amendments, the final shortage being 27 (34/56) bags of Superphosphate and 76 (49/56) bags of Sulphate of Ammonia. This shortage valued at the selling price of 5s and 7s per bag respectively amounts to a loss of £33-1s-1d. A further letter has been forwarded to Mr Storm, by registered post, saying that if an answer is not received within twenty-one days it will be assumed that he has no representations to make.

Item 3.—Yandev: Short Delivery: 40 Bags of Fertilisers—£30-0s-0d

On the 20th July, 1963 the Provincial Agricultural Officer, Yandev, Benue Province, reported a shortage of 40 bags of Sulphate of Ammonia from a consignment of 280 bags railed from Kaduna. The loading of the wagon at Kaduna was completed and the wagon sealed without a representative of the Railway staff being available for checking the quantity of bags. On arrival at Makurdi the Ministry representative signed for the delivery before the seal on the wagon was broken, as no Railway clerk was available and delay in unloading would have led to demurrage charges being incurred. The Ministry

of Finance had ruled that in such circumstances where Government officers failed to ensure that Railway officials were present to check consignments on delivery and there was a shortage, the officer concerned might be liable for surcharge. During prolonged correspondence with the Railway Corporation it became clear that they were unwilling to commit themselves to providing clerks to check consignments on arrival, and thus Government staff are obliged, in many cases, to accept the contents of goods wagons on trust, in order to avoid delays and consequent liability for demurrage charges.

At the time of the railment of the fertiliser to Makurdi, the Kaduna store was full to capacity and a later, detailed check of stocks in hand led to the discovery that there was in the store a surplus of 37 bags of Sulphate of Ammonia. This might well have resulted from an error made in loading the railway wagon in the first instance, and as the Director of Audit had no objection, the net shortage of 3 bags was written off on the authority of this Ministry's letter No. FERT-34/1964/273 of the 16th January, 1965.

Item 4.—Lowlands Farm: Loss of 41 Bags of Groundnuts due to Deterioration—£32-16s-0d

A quantity of groundnuts harvested on Lowlands farm, Plateau in 1963 were stored before being fully dried. As a result some 9 bags, not 41 as originally reported were unfit for use. The actual loss was 9 bags each of 90 lbs. weight, a total of 810 lbs. valued at £7-4s-0d. As a disciplinary measure the officer responsible was surcharged 25 per cent of the loss an amount of £1-16s-0d which was paid to revenue on Jos TRV No. 175 of 13th May, 1965. The balance of the loss valued at £5-8s-0d was written off on the authority of this Ministry's letter No. GRO-8/81 of 17th May, 1965.

Item 5.—Kano: Loss of Fertiliser due to Rebagging—£258-5s-0d

The 1964 order for fertiliser stipulated that delivery should be made in 56 lb. bags as against the existing 40 lb. bags. This change was in line with the policy to encourage the sale and distribution of fertiliser, and thus all existing stocks with agents, being in 40 lb. bags, were withdrawn and rebagged in 56 lb. bags. As a result of the transport and handling involved, and taking into account the fact that some stocks were over a year old there was some loss of weight through rebagging. It was later found that there was an error of 4 per cent in the scales, this was confirmed by the Superintendent of Weights and Measures, Kano, which accounted for the bulk of the loss in weight. Authority to write off the amount of fertiliser involved, 57,848 lbs., valued at £58-5s-0d, was given in Ministry of Finance letter No. F/LOSS-80/45 of the 16th December, 1964.

Steps have been taken to ensure that scales are regularly checked for accuracy.

B.—LOSSES OF STORES BROUGHT TO NOTICE SINCE LAST ANNUAL REPORT

Item 6.—Kano: Theft of Spare Wheel and Filler Sap—£71-0s-0d

These items were stolen from a Ministry vehicle while parked in the workshop area at Kano Farm Centre on the 12th September, 1964. The matter was reported to the Nigeria Police who have made no progress with their investigations. In order to minimise the possibility of the recurrence of such a loss a second day watchman has been employed in the workshop area.

In view of the time that has elapsed since the theft, and in view of the fact that police investigations have proved fruitless it appears most unlikely that the culprit will ever be brought to account.

As the Director of Audit had no objection the items concerned were written off on the authority of this Ministry's letter No. STO-146/78 of 17th May, 1965.

CAPITAL DEVELOPMENT FUND ACCOUNTS, 1961-62,
AUDIT REPORT 2(6)

Head 285—Other Capital Expenditure, Sub-head 18—Purchase of Corn and Rice

	£	s	d
Total Expenditure to 31st March, 1962	364,274	2	5
Latest Estimated Total Cost in 1961-62 Estimates	336,500	0	0
Estimated Total Cost therefore is exceeded by	£ 27,774	2	5

The Ministry of Finance approved the increase of Estimated Total Cost to £364,275 in the Third Supplementary Estimates, 1963-64.

CAPITAL DEVELOPMENT FUND ACCOUNT, 1961-62
AUDIT REPORT 2(7)

Head 285—Other Capital Expenditure, Subhead 2601—Irrigation: Wurno (Sokoto),
Construction

	£	s	d
Total Expenditure up to 31st March, 1962	15,020	9	8
Latest Estimated Total Cost in 1st Supplementary Estimates 1961-62	12,000	0	0
Estimated Total Cost therefore is exceeded by	£ 3,020	9	8

The Ministry of Finance has approved the increase of Estimated Total Cost to 15,021 in the Third Supplementary Estimates, 1963-64.

CAPITAL DEVELOPMENT FUND ACCOUNT, 1961-62
AUDIT REPORT 2(8)

Head 285—Other Capital Expenditure, Subhead 2602—Hydrological Survey, Sokoto

	£	s	d
Total Expenditure up to 31st March, 1962	9,225	16	6
Latest Estimated Total Cost in 1961-62 Estimates	9,000	0	0
Estimated Total Cost is therefore exceeded by	£ 225	16	6

The Estimated Total Cost has been increased to £9,226 in the Third Supplementary Estimates, 1963-64.

Mr Chairman:

Gentlemen, I think we can start now but first of all I would like to apologise to the Permanent Secretary for keeping him waiting for half an hour. In fact, it was not half an hour but 15 minutes and during the remaining time we were taking tea together. The first paragraph of the Audit Report which concerns him is paragraph 46 for which he has furnished a long written reply. Perhaps members would like to make some observations on that?

Mr S. A. Atum:

Mr Chairman, in the written reply we have from the Permanent Secretary, Ministry of Agriculture, we have an amount of £11,051-2s-9d quoted in the Audit Report as outstanding. The Permanent Secretary has stated that much of the money has been collected, the remainder is £3,334-5s-0d. May I know what can be done to collect the remaining £3,334-5s-0d?

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Permanent Secretary, Ministry of Agriculture (M. Mohammed Lawan):

I have already explained in the first paragraph of my written reply the way we intend to get the money back from the people. Now that the rains have started, farmers will start buying fertilisers. They will not get their supplies until they have paid what they owe. Mr Chairman, Sir, I should like to point out that the balance outstanding represents only 30 per cent of the total amount. Now, of the balance of £3,334 nearly over one-third is owed by farmers in Benue Province. You will appreciate our difficulties in getting back the money from these people.

Alhaji Mustapha Maude Gyani:

Perhaps the people in Benue are not interested in fertilisers! You stated that a great proportion of the money is from Benue Province, will something be done to get back the money as you are aware that these people have not got much money to pay on the loans alone? They have no interest to pay.

Permanent Secretary, Ministry of Agriculture:

I would like to say that it is not correct to say that the farmers in Benue Province are not interested in fertilisers. They are interested but our staff in that area are not in a position to move about freely. There might be a possibility of writing off these losses. I don't know at present.

Alhaji Mustapha Maude Gyani:

Have you made any definite provision as to how you are going to get the outstanding amount?

Permanent Secretary, Ministry of Agriculture:

As soon as conditions become normal in that particular province we will move from house to house and attempt collecting the debts and if they do not pay we will then take them to court.

Mr Chairman:

Perhaps the hon. Member from Benue will assist.

Mr S. A. Atum:

As the condition in Benue Province is settling down now, may I suggest that the Permanent Secretary should write to the people concerned and to his officers in Yandev so that they can start collecting the remaining amount?

Permanent Secretary, Ministry of Agriculture:

I have written to the Benue Authorities several times but the response is very poor.

Alhaji Umaru, Etsu of Pategi:

Mr Chairman, this Committee does not wish to hear of any write-off of the amount. These people should try to pay their debts. Other people pay their own debts.

Alhaji Mustapha Maude Gyani:

Mr Chairman, my suggestion is that, as the Permanent Secretary has already said, that when things calm down he will send his people to try and collect the money. Now that the position is becoming more calm and the people are returning to their homes, he should try as much as he can to see that all the amounts are paid back and those people who have not paid are taken to Court.

Permanent Secretary, Ministry of Agriculture:

This is noted.

Mr Chairman:

Any further observations?

Alhaji Hassan, Dallatun Abuja:

As the Permanent Secretary mentioned in his written reply that distribution has reached the stage when all sales should be for cash, I hope this will not discourage some farmers. I know very well that some farmers would like to buy and sometimes they find it difficult to pay on the spot. I think another method should also be tried. I do not mean that they should not pay. All I am after is that perhaps a limited credit scheme that will enable the farmers to buy the fertilizers should be looked into because we are still in the infancy stage of using fertilizers and other chemicals.

Permanent Secretary, Ministry of Agriculture:

Mr Chairman, Sir, the purchase of fertilizers is heavily subsidized by the Government. For example, one bag of superphosphate which costs 11s on delivery is sold to the farmers at a price of 5s only. In the case of Sulphate of Ammonia which is 12s on delivery the farmers pay only 7s per bag. One of the reasons why Government is heavily subsidizing fertilizers is to enable farmers to pay cash and get their fertilizers. The system of cash and carry has been adopted quite recently and the results are very encouraging. In my opinion it will be a retrograde step to sell fertilizers on credit.

Alhaji Mustafa Maude Gani:

I should like to support the suggestion made by one member that some way should be found to encourage farmers to buy the fertilizers. Another point, Sir, is that if the Government allows loans to be given to the people, this will put us (who are the representative of the Native Authorities) into great difficulties. I was myself an agent for the sale of fertilizer and I had to pay about £30 myself. What I would suggest is that the representative of the Ministry of Agriculture should be sent to the villages to show the people that these fertilizers are better than manure. I know that an Agricultural Instructor has already been sent to my area but what I want is to see that this is intensified and that more Agricultural Instructors should be sent so that the people may be shown how to use fertilizers. As it is the policy of the Government that Agriculture should have a priority in its activities the Permanent Secretary should try and see that the farmers are encouraged to use the fertilizers and to depend on it.

My second point, Mr Chairman, is that there should be some sort of competition so that the people who have done much better should be given a prize. If this could be done the people in the Region would definitely wake up to the competition in farming and therefore there would be no difficulty in collecting revenue from the farmers.

Permanent Secretary, Ministry of Agriculture:

Mr Chairman, I would like to correct one statement made by the last speaker. I think it is incorrect to say that artificial fertilizers are better than natural manure. In fact it is the other way round. There are two types of fertilizers—one is called superphosphate and the other is called Sulphate Ammonia. Mr Chairman, I still maintain that we should not go back and start to sell fertilizers on credit. One of the reasons is because loans are being given by the Ministry of Social Welfare and Co-operatives to enable farmers to pay cash for seeds or fertilizers purchased.

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Alhaji Abdullahi Maikano, Emir of Wase:

Mr Chairman, I would like to support what the Permanent Secretary has said that the fertilizers should not be given on credit. Formerly, several areas have not recognised the use of fertilizers but now everywhere this is recognised and has been made more popular because of the reduction in price. Now several farmers send their own servants and children long distances to buy fertilizers. In several areas, the Native Authorities try to send their own Instructors to buy the fertilizers and then take them to the farmers and show them how to use them. In the same way, the Native Authorities also help the farmers by buying seeds of rice and other agricultural products. Now, because of this, the farmers have recognised the use of fertilizers. The present system is the best one.

Alhaji Umaru, Etsu of Pategi:

What we do in our area is that the agents buy the fertilizers and give to farmers. Some pay cash but others cannot pay cash and find it very difficult to pay. Those who can pay then give the fertilizers to the farmers on credit. It is in this system that the difficulties arise and that is why there are delays in payments.

Permanent Secretary, Ministry of Agriculture:

If any Native Authority wants to act as an agent for the farmers in their areas, I have no objection to supplying them provided the bill will be made up in the name of the Native Authority.

Mr Chairman:

Any further observations?

Mr S. A. Atum:

I only have one observation to make. In some places farmers get fertilizers in sufficient quantity but they do not know how to apply them. May I know the practical work that the Ministry is doing to help these farmers in this respect.

Permanent Secretary, Ministry of Agriculture:

In all the thirteen provinces of the Northern Region, we have extension workers working either under the Government or Native Authorities, and I am pretty sure that the extension workers have acquainted farmers with the importance of using fertilizers. Demonstrations have been conducted on farmers' land to show them the advantages of fertilizers. Any farmer who is interested in buying fertilizers can soon find out where to get it from. We also have Agricultural Shows in most parts of Northern Nigeria and one of the reasons why shows are held is to enable farmers to find out what is available and where to get their requirements. Also in each province, we have what we call an "Agricultural News Letter" for the help of educated people. So in any village where there is a boy who has been to primary school, he will be able to inform the others as to where they should get their fertilizers.

Mr Chairman:

Any further observations?

So far we seem to be dealing with arrears in connection with fertilizers but there are arrears other than fertilizers for which the Permanent Secretary has replied in paragraph (b). In paragraph (b)(i), there seems to be an explanation which refers to Kano only, what about the two small amounts from Adamawa? Below that also there are two small amounts, one from Minna in Niger Province and the other one from Benue for which it seems to me there is no explanation.

Permanent Secretary, Ministry of Agriculture:

Mr Chairman, the reason why we have not given an explanation regarding these minor amounts is that they are debts owed by people and we have attempted to get them to pay. As a matter of fact the debt shown against Maigana which is £16-10s has already been paid. The same thing applies to Mubi in Sardauna Province the amount involved is £11-4s. Provincial Secretaries have been asked to help us to collect these debts.

Mr Chairman:

Do you hope to collect the debts from Benue Province also?

Permanent Secretary, Ministry of Agriculture:

I hope so, provided the hon. member of this Committee from Benue can help us.

Mr S. A. Atum:

I will do so.

Mr Chairman:

Any further observation?

Alhaji Mustapha Maude Gyani:

Mr Chairman, I have a question on mechanisation, that is, paragraph (b) item (ii) which deals with an amount of £160. May I have further information please?

Permanent Secretary, Ministry of Agriculture:

Mr Chairman, Sir, it is Government policy to expand cultivation of wheat in the areas where conditions are suitable for the cultivation of this crop. One of the areas chosen for the pilot scheme is Gwandu Division. A few hundred acres of land were ploughed, using tractors, and farmers were provided with seed. The agreement was that farmers would pay 50 per cent of the cost. For example if the cost of ploughing an acre is £3, the farmer pays 30s and the balance of 30s becomes a Government subsidy. In that year the wheat crop was not very good and that was why farmers were a bit reluctant to pay all the money. As a matter of fact, I went on tour to that particular area myself and I saw the crop growing. The crop was not very good, not necessarily because of the farmers' fault but because there was the soil problem on that particular piece of land. I, therefore, think that there is every justification to reconsider the matter and probably recommend waiving 50 per cent of the amount. In fact, I have already taken up the matter with my Minister who directed me to recommend to the Ministry of Finance the waiving of 50 per cent of the amount due.

Alhaji Maude Gyani:

Mr Chairman, the Permanent Secretary himself agreed that it is justifiable to waive 50 per cent of the amount. Why not the whole amount, since the crop did not yield properly as had been expected?

Permanent Secretary, Ministry of Agriculture:

Mr Chairman, Sir, I did not say that the crop was a complete failure but the yield was just on the average. The farmers have got something.

Alhaji Maude Gyani:

Why I insist that the whole amount should be waived is that the Permanent Secretary himself has confirmed that the crop was not very good and that in sympathy with the farmers he decided to recommend a reduction of 50 per cent of this amount. Why should this amount not be completely written off since it is realised that the farmers have not profited.

Permanent Secretary, Ministry of Agriculture:

If this is the view of this committee, I will submit the facts.

Alhaji Maude Gyani:

I have only been trying to ask a question. I did not say it should be written off. All I want is that this amount should not be reduced since the Permanent Secretary himself found out that the farmers did not profit, rather I should suggest that the amount should be written off completely. I would suggest that something be done to see that the balance of this amount is recovered as soon as possible.

Director of Audit:

I would like to point out that if the Committee recommends something, it will afterwards come to me officially and I may then have to refuse.

Mr Chairman:

Any further observations? At the moment the Committee has not made any recommendation to the Permanent Secretary. We will leave the matter at this point.

Paragraph 47.

Alhaji Maude Gyani:

Mr Chairman, Sir, on this overpayment of children's allowance, I want to know what is the system followed by this Ministry which has caused such an overpayment.

Permanent Secretary, Ministry of Agriculture:

Mr Chairman, Sir, the over payment is only in respect of one officer and not children's allowance. I have given detailed explanation why the officer was overpaid and the money has now been recovered.

Alhaji Maude Gyani:

Mr Chairman, why was the amount paid in the first instance? Was it deliberate attempt to deceive or an oversight.

Permanent Secretary, Ministry of Agriculture:

Mr Chairman, Sir, this is an oversight. It was a case of an officer, Mr Onazi, who went to Ibadan on a course but failed the course. It was then decided that he should go back to Ibadan for another year in order that he may get his degree and on his return to become an Agricultural Officer. Unfortunately the paying officer in Zaria did not take into account that this officer had been given one year's leave without pay, and continued paying his salary until it was discovered here and pointed out to him. That was the reason. My staff officer should have endorsed the recommendation that Mr Onazi had been granted a year's leave without pay to the Principal of the School. Unfortunately he did not do so.

Alhaji Maude Gyani:

Since this has happened in this way is there any action taken in the way of warning the officer concerned.

Permanent Secretary, Ministry of Agriculture:

I do not think this is so serious enough a mistake to warrant the issue of a warning.

Mr S. A. Atum:

Mr Chairman, Sir, I would like to know whether this mistake was made on purpose?

Permanent Secretary, Ministry of Agriculture:

Mr Chairman, Sir, I would like to assure this Committee that the mistake was not made on purpose. Mr Onazi comes from one area and the Staff Officer is someone called Alhaji Salihu, who comes from Zaria. I do not think there is any deliberately, wrong action here.

Mr Afolayan:

A series of overpayments actually occurred due to omission or oversight according to the Permanent Secretary's explanation. I am not really concerned which but about the circumstances leading to this overpayment. When this Committee met last year, the Permanent Secretary outlined some steps to take to avoid the repetition of overpayment. From the evidence before us now, we see there are more overpayments made this year than previously. Even whether the series of amounts may be small or large, many overpayments occurred. I do not doubt that a series of recoveries have been made, which is credit on the part of the Permanent Secretary, but I fail to understand whether the steps he outlined last year were met; were they strongly followed or not. Because if the steps laid down before us previously have been followed, there would not have been any overpayment of any nature.

Permanent Secretary, Ministry of Agriculture:

Mr Chairman, Sir, all the steps have been followed, but the Committee will appreciate that the Ministry handles over £2,000,000. If there is an overpayment of £300 and this may have been recovered, I do not think this is serious.

As from July this year, all salary vouchers will be prepared at the Headquarters here in Kaduna and therefore the question of an overpayment should not arise.

Mr Afolayan:

Mr Chairman, Sir, I still do not understand. The Permanent Secretary has told us now that steps are to be taken as from 1st of July this year, I think this will erase or even cancel all the future overpayments, but my question is why did he not take such steps last July, as he assured us he would do. Because if such steps had been taken last year, we could see for ourselves whether these steps will be fruitful or fruitless.

Director of Audit:

Mr Chairman, Sir, if I may assist, I have looked through the Minutes of the last Meeting and I cannot see where any assurance was given by the Ministry of Agriculture. Certainly some overpayments were mentioned, but they were duly dealt with on their merits.

Permanent Secretary, Ministry of Agriculture:

Mr Chairman, Sir, everyone is not perfect, there must be human error.

Mr Chairman:

I take it that we have all the time been considering the overpayment of Mr Onazi, I think it is time to go to another.

Mr Hope—line 47. Here the reply said that Mr Hope's Personal Emoluments history sheet was altered, I think what this Committee will be interested to know whether it is possible to alter this sheet without an authority.

Permanent Secretary, Ministry of Agriculture:

No. Normally an officer who is working in an outstation, unless he has been warned, gets his increments when the time comes without referring to the headquarters. Mr Hope is working for the University at Samaru. He is seconded from this Ministry to Samaru Institute for Agricultural Research, so the mistake was made there, not in our office.

Mr Chairman:

Any further observations?

Alhaji Maude Gyari:

Since this overpayment occurred in Samaru will the Permanent Secretary tell us what action was taken against the person who authorised the payment. Who made the mistake.

Permanent Secretary, Ministry of Agriculture:

As I have said, the mistake was made at Samaru, and the salary voucher was prepared at Zaria and signed by somebody for the Director of Agricultural Research.

Mr Chairman:

This man, Mr Hope was an employee of the Ministry of Agriculture.

Permanent Secretary, Ministry of Agriculture:

Yes, he was in the employment of the Ministry of Agriculture, but based at Samaru.

Mr Chairman:

And if he was even paid by the Director for Agricultural Research, then it means that the Director paid him on an agency basis acting on your behalf.

Permanent Secretary, Ministry of Agriculture:

Mr Hope was not transferred to the Institute until 1962, the date on which the Samaru Agricultural Research station was transferred to the University.

Mr Chairman:

Why I regard this matter as very serious is that according to the reply, it was not a question of an increment but a question of a change of scale. If a junior employer were allowed to change a scale without getting proper authority from the senior officers, I think it appears that things will not go normally.

Permanent Secretary, Ministry of Agriculture:

Mr Chairman, Sir, it is not known whether the change was made by junior officer or by senior service officer. Since Mr Hope is a senior service officer, it is most unlikely that a junior officer would bring about the suggestion.

Mr Chairman:

But when this mistake happened, did Mr Hope himself not realise that his salary was increased without any authority.

Permanent Secretary, Ministry of Agriculture:

He should have known about it, but apparently he did not know, until he was asked to recover.

Mr Chairman:

Any further observations?

Mr Afolayan:

Mr Chairman, a point of clarification. I would like to have more explanation from the Permanent Secretary about Mr Hope's deduction of overpayment. In his last sentence it is stated that £90 had been paid on Kaduna R.V. of May, 1965, and the balance of £30 is to be recovered from Mr Hope's salary from the month of May, 1965. I do not understand how it is possible to make two deductions from somebody's salary in a month.

Permanent Secretary, Ministry of Agriculture:

Mr Chairman, Sir, £30 per month was deducted from Mr Hope's salary in three months, and then one cheque for £90 was issued by Mr Hope himself and that may be from his account.

Mr Chairman:

So let us now go to another man—Mr Onyeonwu. Who is responsible for this error?

Permanent Secretary, Ministry of Agriculture:

P.A.O., Yola was responsible.

Mr Chairman:

Any further observations?

Alhaji Maude Gyani:

Mr Chairman, Sir, I think the Permanent Secretary will assure us that such a thing will not happen again.

Permanent Secretary, Ministry of Agriculture:

Mr. Chairman, Sir, I have already said that as from the first of July, all payment vouchers in respect of all officers will be prepared in Kaduna.

Mr Chairman:

Paragraph 48:

Mr Afolayan:

Mr Chairman, Sir, in the written reply, it is stated that a board of enquiry was not held before Mr Craig went on leave. May I know when he was asked to convene a Board of Enquiry, when the Board of Enquiry actually started and when Mr Craig himself went on leave?

Permanent Secretary, Ministry of Agriculture:

Mr Chairman, Sir, this discrepancy did not come to light until after Mr Craig had gone on leave in December. As soon as I became aware of this discrepancy, I advised the Permanent Secretary, Ministry of Finance to institute a Board of Enquiry.

Mr O. Afolayan:

Mr Chairman, this does not answer my three questions. They are relevant and related.

Permanent Secretary, Ministry of Agriculture:

I am not responsible for the Board of Enquiry. It is the responsibility of the Permanent Secretary, Ministry of Finance. I only advise. The Board was convened on the 30th December, that was after Mr Craig had gone to America on leave.

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Mr S. A. Atum:

If he had not left on leave could this discrepancy have been discovered?

Permanent Secretary, Ministry of Agriculture:

The A.I.D. assists us in implementing most of our horticulture programmes. In the case of the School of Agriculture at Samaru, they assist us in supplying equipment. Each year A.I.D. Auditors come to our institutions and audit. The discrepancy came to light after the Auditor had detected it. What happened was, Mr Chairman, that Mr Craig bought some sewing machines at prices higher than the originally estimated cost of the machines. We then went into details to find out what actually happened.

Mr Chairman:

This is very important, Is Mr Craig your employee?

Permanent Secretary, Ministry of Agriculture:

Yes, he was my employee.

Mr Chairman:

You mentioned that the Americans assist you in one way or another; is it not your duty to try and avoid these things or to discover them yourself if possible? I am not saying that things should not go wrong, but if they do go wrong, I think it is your responsibility to discover them before they are discovered by other people. If this sort of thing continues to happen what is the A.I.D. organisation going to think about us?

Permanent Secretary, Ministry of Agriculture:

Mr Chairman, Sir, Mr Craig was a responsible officer on Group 7, he was a Principal of a school. He should be a person beyond suspicion. It would never occur to me that such a person as Mr Craig would, instead of paying say £25 for a sewing machine paid £40 deliberately. So a voucher was prepared saying "I certify that I bought so many machines at so much and taken on charge". He signed the voucher. The treasury paid the voucher and the Government Audit would not, of course, question that voucher. The reason why the A.I.D. Auditors discovered the discrepancy was because their representative on the spot told the Auditor that she saw the machines at such and such shop, priced so much, and not at the inflated price. I would not normally expect any subordinate officer in that group to do such a thing. I trust them and time shows whether they are trustworthy or not.

Mr Chairman:

Has Mr Craig been long in Government Service?

Permanent Secretary, Ministry of Agriculture:

Mr Chairman, Sir, I think you know Mr Craig. He is the son of Mr Craig who was once your teacher. He was a Northerner, born in Nigeria, his mother came from Katsina. He did his secondary school in this country and went overseas for University training. He came back to the Ministry as an Agricultural Officer and worked his way up to the post of Principal.

Mr Chairman:

I know the person now.

Emir of Abuja:

Mr Chairman, may I know how much money was involved?

Permanent Secretary, Ministry of Agriculture:

Mr Chairman, as I have indicated in paragraph 3. This Ministry has already forwarded to the Ministry of Finance its comments on the Board's report. Recommendations have been sent to the Ministry of Establishments and Training regarding disciplinary action against the Executive Officer concerned, Mallam Mukhtar Bello. We referred the matter to the State Counsel and the opinion of the State Counsel was that since the amount involved is not very much we should not take up the matter further. It is for the Ministry of Finance to tell us what should be done.

Mr O. Afolayan:

I think I need some explanations from the Permanent Secretary. What are the comments of the Ministry of Finance and what is the advise of the Ministry of Finance to you?

Permanent Secretary, Ministry of Agriculture:

This Ministry has forwarded to both the Ministry of Finance and Ministry of Establishments and Training its comments.

Mr O. Afolayan:

I want a little more detail of the comment of the Ministry of Finance so that we may be enlightenend.

Permanent Secretary, Ministry of Agriculture:

I quote, 'I have the following comments to make on the Board of Enquiry:

(a) No mention is made of the loss to Government resulting through a decision of A.I.D. not to reimburse the following amounts for items purchased for the Home Economics Unit.

	£	s
Cupboards	513	0
Refrigerator	198	10
	<hr/>	
Total	£711	10

Normally, A.I.D. reimburses whatever expenditure we incur but in this case, they said that they would not pay over and above the actual price found out by the representative on the spot. So we are asking the Ministry of Finance what will happen on this because it was not mentioned in the report of the Board of Enquiry.

Statement No. 2 by the Senior Storekeeper refers to the fact that the lapse in stores procedure was reported to the senior stores officer who said he would see the Principal about it. The senior stores officer would be asked to explain what, if anything, was done.

Statement No. 6 by Mallam Mukhtar Bello, Executive Officer, is a collection of the most damaging facts against him amongst which is the admission that he issued signed blank Local Purchase Orders to other officers to make purchases at other stations.

Regarding this Executive Officer, my recommendations to the Ministry of Finance and Ministry of Establishments and Training is that he should either be dismissed immediately, or transferred from my Ministry.

As regards the payments to Contractors for decorating staff quarters, there is no written evidence to support the statement that the Ministry of Works agreed to this, and there is a further admission by Mallam Mukhtar Bello that he signed certificates saying work had been completed satisfactorily when in fact he had never seen the work in question.

It would appear that in some cases the Treasury pre-payment check of vouchers was not effective, examples are as follows:—

- (i) A jobbing order issued for the construction of a tennis court, for £400 this being in excess of the limit of £200 on jobbing orders.
- (ii) The payment of the cost of a refrigerator at £198-10s which was not supported by local purchase authority.
- (iii) The payments to contractors for decorating quarters without written confirmation from the Ministry of Works that they could undertake the work.

It is intended that, as soon as the Senior Stores Officer returns from leave, he visits Samaru to ensure that Stores records are put in order and that in future records are properly kept.

This letter is copied to the Director of Audit.

Director of Audit:

The wasteful expenditure is about £1,200.

Mr O. Afolayan:

With reference to what he has explained to us I think we should expect an explanatory statement from the representative of the Ministry of Finance. It has been pointed out to the Ministry of Finance that in some cases incorrect payment could not have been made if the Treasury pre-payment check had been effective. May I know from the representative of the Ministry of Finance why the pre-payment of this Ministry had not been effective? And further more may I know what steps is he taking against the Sub-Treasurer of that particular place?

Representative of the Accountant-General, Mr Honeyman:

Taking the three points mentioned in the Ministry of Agriculture's letter one by one, the jobbing issued for construction, of £400 this being in excess of the limit of £200 on the jobbing order. This has recently been taken up by the Sub-Treasurer, Zaria, and the Clerk concerned has now replied that he was ignorant of the fact that there was £200 excess on jobbing orders.

I must say in his defence that in the present issue of the Financial Instructions, Jobbing Orders are not mentioned at all. The payment of the cost of the refrigerator at £190-10s which was not supported by the Local Purchase Order.

Mr Chairman:

Before you go to this, why was it that the instructions with regard to this particular case of limiting Jobbing Orders was not included in your instructions?

Representative of the Accountant-General:

I could not say why it was not included.

Director of Audit:

The instructions on Jobbing Orders are included in the old stores regulations which are still in force. They will be included in the new stores regulations which have not been published yet. The Financial Instructions referred to only deal with cash and not with stores regulations.

Representative of the Accountant-General:

The original is not available but an examination of the photostat copy of the voucher shows that the Local Purchase Order was attached. Payments to the Contractors for decorating quarters without the authority from the Ministry of Works cannot be made. I am not aware that Sub-Treasurers require written confirmation.

Director of Audit:

At the moment, I am inclined to agree with the Accountant-General's representative.

Mr Afolayan:

May we know the measures you have taken against the Sub-Treasurer concerned?

Representative of the Accountant-General:

A reply has just recently come in and no action has yet been taken. In view of what I said about this not being in the Financial Instructions, it is doubtful therefore whether disciplinary action can be taken against the clerk concerned who is a 3rd-Class Clerk.

Alhaji Mustapha Maude Gyani:

I would like with the permission of the Chairman, to read paragraph 48 and then I have two questions to put across.

Mr Chairman:

You do not need to read it. You can put across your questions straight away.

Alhaji Mustapha Maude Gyani:

It is said in the written reply that before the Board sat, the police made an enquiry about Mr Craig prior to his departure to the United States of America.

Permanent Secretary, Ministry of Agriculture:

No, Sir, we did not say that in the written reply. Mr Craig left this country in October and the matter was referred to the police in November.

Alhaji Mustapha Maude Gyani:

As soon as Mr Craig left this country, did he not tender his resignation? The explanation of the Permanent Secretary was that when the matter was taken to the State Counsel, they said that no further action should be taken. I think they did not take into consideration the fact that Mr Craig went at first on leave when he tendered his resignation. As a result of this, I wish to suggest that the money should be refunded.

Permanent Secretary, Ministry of Agriculture:

Mr Chairman, Sir, all the papers in my file were put to the police and the State Counsel in fact went through the file thoroughly and then advised that the matter should not be continued with. That is legal advice. In any case, the matter is now in the hands of the Ministry of Finance and not with us. We have been given explanation why they finally advised us that we should not continue with this case.

Mr Chairman:

I agree with what you have said.

Permanent Secretary, Ministry of Agriculture:

With your permission, Sir, I would like to read the letter from the State Counsel to the Officer-in-charge 'D' Department, Nigeria Police, Kaduna. "Commissioner of Police v. Mr J. G. O. Craig: Criminal Investigation Department. Reference No: NX.215/64. Having gone through your case diary sent for advice by your letter No. CR.2300/X/NN/52 of 27th January, 1965, in my opinion, the charges of criminal breach of trust and criminal misappropriation are not established. With regard to various items bought at what is alleged to be higher prices, once the sellers have stated that they received the money this cannot amount to any offence against Mr Craig, unless of course it can be proved that there were arrangements between him and the traders that they would refund to him the difference between the actual price and the inflated ones paid to them. There is no evidence to support this, there is only mere suspicion.

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With regard to the allegation that the suspect converted some purchased articles to his own use, this is not borne out by evidence. This is a mere terminological inexactitude of the investigating officer. There is substance in the allegation in respect of mileage allowances claimed by the suspect. There is a prima facie case of cheating, contrary to Section 320 of the Penal Code in respect of the two claims against him. The total amount involved is £38-1s-0d.

As the suspect is now in America and not returning to Nigeria, and as the amount involved is so small, I do not think it is advisable to undertake an extradition proceedings against him.

Your case diary is returned herewith."

Alhaji Mustapha Maude Gyani:

Mr Chairman, I am very pleased to note that the Committee considered this case according to its merit very sensibly. I know it is the intention of all the members of this Committee to look very closely into all the expenditure of the Government so as to find out the actual facts and I now understand this matter.

Mr Chairman:

Any more comments on paragraph 48?

Paragraph 49:

Emir of Abuja:

Mr Chairman, may we know why it took two years before the Board of Survey was convened?

Permanent Secretary, Ministry of Agriculture:

Sir, I do not know the actual reason but in my opinion perhaps they were trying to get spare parts so as to put the tractor on the road before they found out that the tractor was obsolete and so they had to give up.

Alhaji Mustapha Maude Gyani:

In the written reply it was stated that the tractor had been lying idle for the past eight years. Is this so?

Permanent Secretary, Ministry of Agriculture:

That is not correct, Sir.

Alhaji Mustapha Maude Gyani:

My question is that why was the tractor allowed to stay idle for eight years without any notification from the Ministry?

Permanent Secretary, Ministry of Agriculture:

Since the tractor was used in February, 1959 on an irrigation scheme on the Niger, I do not think it is correct to say that the tractor was lying idle for eight years without any use.

Mr Chairman:

Any further observations?

Mr Afolayan:

Let us assume that the tractor was allowed to stay idle for a period of one year. The Permanent Secretary said in section relating to an irrigation scheme that due to shortage of staff, he did not use this tractor for at least a year. May I know why the tractor should be allowed to lie idle for a period of twelve months?

Permanent Secretary, Ministry of Agriculture:

Mr Chairman, the normal working life of a tractor is 10,000 hours, and that tractor has already put in the required number of hours. That is why it was idle. Also there is the question of spare parts. Its spare parts were not locally available. For instance, your car broke down on the road and no spare parts were available to replace the broken ones, the car could not go any further. That is exactly what happened.

Mr Afolayan:

Mr Chairman, I agree with the Permanent Secretary, that at the time they wanted to make use of the tractor it was realised that some spare parts were not locally available. My point of argument is this, up to the time this Audit Report came up the tractor was in good working order and it was only after a year or so, when they wanted to use it, it was realised that the machine was not working, and continued to say that spare parts were not available. I consider this, Mr Chairman, not a suitable answer. There is no reason why a tractor should be left idle for a year.

Permanent Secretary, Ministry of Agriculture:

Mr Chairman, Sir, the tractor in question has completed its normal hours required on that particular irrigation scheme, that is 10,000 hours and it is not worth while to transfer it to any other scheme as far as the Ministry of Works regulation is concerned. The tractor should be written off.

Mr Afolayan:

Mr Chairman, we understand the tractor was sold by Public Auction on the 2nd of January, 1965, may I know how much was realised from the sale?

Permanent Secretary, Ministry of Agriculture:

One pound! Sold not by our Ministry, of course.

Mr Chairman:

Any further observations?

Director of Audit:

Mr Chairman, I accept the fact that the tractor was not in use for eight years, but the other fact remains that the Agricultural Officer, Bida and the Agricultural Superintendent Bida certified on the Board of Survey report that this was so. This report went through the Ministry without any correction until the matter was raised later. I would suggest that these things are dealt with by the Ministry before the matter is drawn to their attention.

Permanent Secretary, Ministry of Agriculture:

Mr Chairman, Sir, I cannot get in touch with the officers concerned as they left the service about five years ago.

Mr Chairman:

Any observations? Their paragraph 50.

It seems to us from your written reply that action has been completed on this particular paragraph (a). But the Director of Audit does not seem to have been informed yet.

Permanent Secretary, Ministry of Agriculture:

The report was not received but we were informed by telephone.

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Alhaji Maude Gyani:

I would like to know why returns are not regularly submitted to your Ministry in connection with these tractors and other machines in such a way that they will not be left idle for years?

Mr Chairman:

In this particular year the report got lost. What this member is talking about is the question of delay in submitting the reports. If there were no delays the question of losing a report would perhaps not arise.

Permanent Secretary, Ministry of Agriculture:

Mr Chairman, Sir, the delays are beyond our control. Provincial Secretaries are responsible for convening Boards of Survey. They institute an enquiry and later submit a report. We may not always be in a position to get their reports in time, but this is not always our fault.

Alhaji Maude Gyani:

Could the Permanent Secretary tell the Committee whether it is not his duty to remind these officers about the seriousness of the delays?

Permanent Secretary, Ministry of Agriculture:

Mr Chairman, we do send reminders. Very frequently too. Sometimes they complain of lack of Administrative Officers to do this job. I can remember there was a case of a vehicle No. KA. 3948. The Provincial Agricultural Officer, Maiduguri, in reply to one of my reminders said: "The Board did a normal Board of Survey. The Provincial Secretary therefore had to ask the Board to meet again. After they had produced their findings I tried to obtain the Provincial Board of Survey's report but this could not be traced. The next day I checked up the files with the Chief Clerk and the Provincial Office." I am asking the Chief Agricultural Officer to check his file again and give us more information.

Director of Audit:

Mr Chairman, I think there is some confusion here if I may sort it out. What the Committee is getting at is Part (b) of your written reply where you said the report was returned to the local officer for final action but unfortunately the report was mislaid. What the Committee is getting at is have you any system of review at Headquarters to find out when a report is mislaid so that action may be taken promptly?

Permanent Secretary, Ministry of Agriculture:

In this particular case, Mr Chairman, it was the fault of the Senior Stores Officer here at the Headquarters.

Alhaji Mustafa Maude Gyani:

A further question, Mr Chairman. What measure is the Permanent Secretary taking to remedy the position?

Permanent Secretary, Ministry of Agriculture:

If an officer makes a mistake such as this, I have to indicate this in his annual report together with my recommendations to the Public Service Commission. There is nothing further I can do. Of course, the matter is now handled by the Finance Officer and not the Senior Stores Officer. I hope that will improve the situation.

Mr Chairman:

Any further observations?

Then paragraph 51:

Alhaji Maude Gyani:

In this case, Mr Chairman, as the Land-rover was not taken out for official duties, may the Committee know what has happen to the Officer who had an accident with it? The Director of Audit's report indicated that the Land-rover was used on unofficial duties.

Mr Chairman:

Before the Permanent Secretary searches for an answer to this question, I would like to draw the attention of the members of this Committee to the fact that we have said that we are going to see the Permanent Secretary of the Ministry of Animal and Forest Resources today and he is now waiting outside. We have also asked the Ministry of Education to appear, and we have still not finished with the Ministry of Agriculture. I do not want to suggest that members should not ask questions, but it would help a lot if we minimise our questions. While trying to improve, we should not spoil things. We really want our Permanent Secretaries to be on their toes; but now you can see that these two Permanent Secretaries waiting outside are sitting idle and drinking our tea!

Permanent Secretary, Ministry of Agriculture:

The officer concerned, Mr Chairman, has no strict working hours, His work deals with the destruction of quelea birds and his work may start as early as from 7 a.m. to 10 p.m. If he gets a report saying that a large swarm of quelea birds are damaging crops in such and such an area, he immediately leaves at 5 a.m. or 7 a.m., as the case may be. So, I am not aware that the accident occurred during the time he is off-duty or on official hours.

Mr Chairman:

Any further observations? It seems to the Committee that the matter is not yet completed. I think at this stage what we want is that the matter should be finalised immediately.

Permanent Secretary, Ministry of Agriculture:

Mr Chairman, Sir, the report of the Board was received on the 12th of May and actually the letter from the P.A.O. dated 12th May, but it was received in our office on 31st of May.

Mr Chairman:

We are saying that you should finalise the matter as soon as possible. Any further observations?

And, finally, Capital Development Fund Account, 1961-62. Any observations? Well, the obvious observation is that all the amounts authorised were exceeded. Why were arrangements not made to obtain the necessary permission before the amount authorised was exceeded?

Permanent Secretary, Ministry of Agriculture:

I do not know the particular one you are referring to.

Mr Chairman:

I think all of them. Items 6, 7 and 8 were all exceeded.

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Permanent Secretary, Ministry of Agriculture:

Explanation was given to the Ministry of Finance.

Mr Chairman:

That is not enough. If you find that you are going beyond the amount authorised and in the course of your work that this amount is not enough there is no reason why you should not ask for more funds. You have exceeded the amount without getting the necessary permission. As far as this Committee is concerned this is illegal. If Ministries were to behave in this way then there would be no financial control, and it would not be long before we start to read in foreign newspapers that Northern Nigeria is broke. That is our point.

Permanent Secretary, Ministry of Agriculture:

Mr Chairman, Sir, we must have good reasons for exceeding the amount and until we obtain at least the verbal approval of the Ministry of Finance we should not have exceeded the amount. In many cases some were contracts and others given to us in writing sometimes beyond my control. Take for example, one in respect of purchases of corn and rice. It was decided that so many tons of rice and so many tons of guineacorn should be bought and a list of contractors was handed over to me to award contracts. I am sure I would not exceed this amount until at least I obtained approval from the Ministry of Finance.

Director of Audit:

If I may assist, Mr Chairman, I think what the Committee is getting at, is, there is an Estimate of Total Cost for these projects and it would prefer you to have the estimate revised before the extra money was spent and not afterwards.

Permanent Secretary, Ministry of Agriculture:

It is true. For example there might be a requirement for 300 tons of guineacorn for flood relief in Katsina for example, and the Ministry of Finance or Executive Council will say, supply 300 tons of wheat and then say go ahead. Take for example, the Wurno irrigation scheme, the amount estimated was short and if we are to wait for the approval of the Ministry of Finance, it will be until March or so but we want the scheme to be completed before the floods come.

Director of Audit:

I think that is not the point. This Audit certificate was signed in December 1964 and this expenditure relates to 31st March, 1962. The estimate of total cost could have been revised during that period, and in that case, it would not have been in the Audit report.

Permanent Secretary, Ministry of Agriculture:

I would like to have guidance from this Committee; in future, if I get such an order, what should I do?

Mr Chairman:

I think this problem is from 1961-62 which was reflected in 1964 Audit Report, so it is in this period 1961-64. You have had ample opportunity of revising your estimate. So if you had revised the estimate within that time, the Audit would not have reported it.

Permanent Secretary, Ministry of Agriculture:

I thought Audit was satisfied with the reasons given in our explanations.

Mr Chairman:

No. This Committee, as well as the Director of Audit, ask that when you have a period of say two years, this is enough time for you to revise your estimates. We are not challenging the instructions of the Executive Council. Our particular work has nothing to do with the instructions of the Executive Council. It takes a long time, say two years, before the auditor comes to your Ministry. During that time you can revise your estimates so that there will be no audit query. Any further observations? Thank you very much.

MINISTRY OF ANIMAL AND FOREST RESOURCES

The Deputy Permanent Secretary called in and examined. Written evidence on paragraphs 52-55 of the Director of Audit Report for the year 1963-64 submitted. Members' observations follow the written evidence.

ACC/23/183

Ministry of Animal and Forest Resources,
Private Mail Bag No. 2012,
Kaduna,
Northern Nigeria,
10th May, 1965

The Secretary,
Public Accounts Joint Committee,
Lugard Hall,
Private Mail Bag 2018,
Kaduna

REPORT OF THE DIRECTOR OF AUDIT ON THE ACCOUNTS OF 1963-64

Reply by the Permanent Secretary, Ministry of Animal and Forest Resources

Paragraph 52: Excess Expenditure.—There was no actual excess expenditure, but the misclassifications shown were overlooked when the reconciliations on the accounts were being made. The Accounting Staff of the Ministry was heavily overtaxed prior to 17th July, 1964, the date of the closing the Accounts, due to:—

- (a) the posting of three Accountants to the Ministry in the space of six months. Mr Pandya was seconded to the Institute of Administration, Zaria, in January, 1964 and despite strong pleas, was not permitted to return to the Ministry. His successor, the late Mr R. G. Barnard, was unfortunately killed in a road accident at the end of the financial year; and on 6th April, 1965, the present Accountant was posted to the Ministry as an emergency measure, at the most difficult time of the year financially.
- (b) lack of trained accounting staff. The Accountant-General has been approached about staff on several occasions, but has been unable to assist. Estimated immediate requirements are a second Accountant, an Accounting Assistant, and three extra clerks. There is provision in the 1964-65 and current Estimates for the Accounting Assistant and the clerks, but it is not possible to obtain them.
- (c) the General Strike intervened at the time of reconciliation, leaving the work in the hands of two of the more senior finance staff.

As explained to the May, 1964 Meeting of the Public Accounts Committee, a new system of reconciliation was instituted by Mr Pandya, Accountant, but he was transferred immediately afterwards, and before the system was operating smoothly.

Accountant-General has now agreed that an experienced Principal Accountant will visit the Ministry to assess the extra staff requirements before the end of May, 1965.

Paragraph 53: Returns of Revenue in Arrears.—Circular No. 17/1964 from Accountant-General was received on 11th June, 1964. In error, the Chief Clerk (Finance) omitted to circularise Provincial Officers; but on 11th November, 1964 he merely submitted a NIL return from available records held by him. On receipt of Director of Audit's query No. TRM. 4/8 dated 7th December, 1964, the position was reviewed, and a Circular letter was despatched to revenue collecting centres on 20th January, 1965. No other arrears of revenue have been uncovered. The Senior Livestock Officer, Poultry Production Unit, Kaduna, has made strenuous efforts to collect the Arrears of Revenue, and has to date collected £205 of the sum of £242 shown to be outstanding in the Audit Report. Further efforts are being made to collect the balance, but some minor debtors cannot be traced, and their outstandings must be written off. Credit sales have been discontinued.

Paragraph 54: Overpayments of Salary and Allowances:

(1) (a) *M. Abdu Zaria, Technical Officer.*—Overpayment of Children's Allowance to this officer was due to continuing payments at £6 per month on his eldest child, born 28th December, 1945. Eligibility ceased on 28th December, 1963. The overpayment from 28th December, 1963, to 30th June, 1964, amounted to £36-11s-7d. Recovery of his overpayment was completed in January, 1965.

(b) *M.T. Horwood, Assistant Conservator of Forests.*—(i) Overpayment of Children's Allowance to this officer was due to continuing payments at £10—per month on his eldest child, born 13th February, 1945. Eligibility ceased on 13th February, 1963. The overpayment from 13th February, 1963 to 31st May, 1963 amounted to £35-14s-3d, and this amount was recovered from the officer's Termination Account in February, 1965.

(ii) The original Audit Query stated that the overpayment amounted to £55-14s-3d, as the Auditor mistakenly believed that Mr Horwood was overpaid until July, 1963; whereas, in fact, he was being paid at the correct rate with effect from June, 1963.

(iii) The total overpayment under paragraph 54(1) of the Audit Report shown as £102-5s-10d, but the actual overpayments totalled only £72-5s-10d. £20 of the discrepancy is explained in sub-paragraph (ii) above; and the Director of Audit has admitted that the remaining £10 was a casting error by his staff.

(2) *T. M. Hurley, Senior Veterinary Officer.*—Mr Hurley was serving in a Group 8 post (£1,728 per annum Basic Salary, plus £300 Inducement Addition) and acted in a Group 7 post (Consolidated £2,292 per annum) from April, 1963 to July, 1963, and from August, 1963 to March, 1964. A common error of pay-clerks and checking Sub-Treasuries is to ignore the Inducement Addition when calculating acting pay, or arrears of pay after backdated promotions. Mr Hurley refunded the £100 overpayment in four monthly instalments, ending in March, 1965. Director of Audit and Ministry of Finance were informed of the recoveries on 2nd April, 1965.

(3) *I. M. Macfarlane, Principal Veterinary Officer.*—Mr Macfarlane was serving in a Group 8 post (£1,860 per annum Basic Salary, plus £300 Inducement Addition) and was promoted to a Group 7 post (Consolidated £2,292 per annum) in July, 1963. Mr Macfarlane was overpaid £75, and the remarks in sub-paragraph (ii) above apply to his case. The recoveries have been effected from his salary Termination Account.

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Paragraph 55: Poultry Production Unit and Demonstration and Holding Centre, Kaduna.—(a) It would appear that the financial controls at the Poultry Production Unit have been inadequate. It is unfortunate that the substantive Livestock Officer (Poultry), M. Lema Jibirilu, was sent on a Poultry Technology course to the United Kingdom in September, 1964, immediately prior to the Audit Inspection, and was not available to answer queries. He is also a substantial debtor for chickens and eggs. Following upon the Audit Report, his successor forwarded him a bill for the debts shown against his name, which he disputed. A copy of his letter is attached for information, as it also throws some light on the management of the Unit. M. Lema Jibirilu is due to return to Nigeria in September, 1965, when it should be possible to obtain a full explanation of sub-paragraphs (a), (b), (c) and (d), and the remaining discrepancies mentioned in the Audit Report.

(b) In the explanation on paragraph 53, Return of Revenue in Arrears, comment is made on the energy displayed by the present Senior Livestock Officer (Poultry) in collecting outstanding debts. The Audit Report disclosed the following uncollected debts from 1962 to 1964:

	£	s	d
(a) Sale of Chickens	289	3	6
(b) Sale of Eggs	20	5	6
(c) Sale of Poultry Feed	68	0	0
	£ 377	9	0

The following amounts have been collected:—

	£	s	d
(a) Sale of Chickens	205	5	0
(b) Sale of Eggs	4	1	0
(c) Sale of Poultry Feed	51	14	6
	£ 261	0	6

The Livestock Officer (Poultry) has been instructed that all produce from the Unit, such as broiler chickens and eggs is to be sold through the Produce Stall at Kano, and no private sales are to be permitted. Moreover, all credit has been stopped.

The Audit Report also disclosed an apparent shortage of 3,965 lbs of poultry feed. This represents approximately 19 bags of guinea corn plus concentrates. M. Aremu Agaka was arrested on a charge of stealing 11 bags of guinea corn, but later the Nigeria Police reported that "nine and a half bags out of the eleven bags alleged stolen has been accounted for by the accused to the Police's satisfaction, and the remaining one and a half bags are what is now subject to the investigation which is in progress." M. Aremu Agaka was arraigned before the Court, and discharged. All attempts to obtain a satisfactory explanation from the Police concerning the 9½ bags have failed, as the Police have merely referred this Ministry to the Court Records, which presumably would deal with 1½ bags only.

The further apparent loss of 5½ bags specifically mentioned in the Audit Report was referred to the Nigeria Police on 27th November, 1964 for investigation. The Police accepted the case, but would appear to have made no progress in their investigations, despite reminders. It is expected that these investigations, will prove equally fruitless.

M. Aremu Agaka admitted that he did not maintain his Tally Cards, and disciplinary action has been instituted against him for this failure. His explanation of weight loss is that corn was destroyed by:—

- (a) weavils
- (b) rats
- (c) rain damage due to a leaking store.

The explanation is only valid for a small fraction of the loss. However, stores accommodation has now been improved.

The Senior Livestock Officer (Poultry) has reported that accurate records of stock loss by death and infertility in eggs are now being kept. The percentage of fertility in eggs is variable. For example, from 30 dozen eggs received from Ilorin not a single chicken was hatched, which may have been due to transport, or old roosters. An average hatching of 60 per cent is recorded from Poultry Production Unit, Kaduna Stock.

V. M. WALTERS,
for Permanent Secretary,
Ministry of Animal and
Forest Resources

Harper Adams Agricultural College,
Newport,
Shropshire,
16th October, 1964

Senior Livestock Officer,
Veterinary Field Station,
P.M.B. 2005,
Kaduna

Through Permanent Secretary,
Ministry of Animal Health and Forest Resources

Bill for Eggs and Day-old Chicks

1. Please refer to the attached letter No. POU/32/23A and also to the attached Bill No. 003387, both dated the 5th November, 1964, and to say both are wholly unacceptable to me and as such could not help you on the context of paragraph 2 of your letter.

2. Unfortunately, I have not got with me all the receipts of payments of eggs I purchased but I can quite assure you that frequent payments were effected either on a monthly, weekly or fortnightly bases. Julius Abbah who was the salesman would bear me witness and also at a later stage Robert Opulawoh. The last payment being about the middle of August and with a little bit of good luck you might find the receipt issued to me in the right hand bottom draw of my desk. I know during the later half of August, I have purchased some 4 to 5 dozen eggs which I have not had the time to pay for due to pressure of work, packing, etc., and if I could have the bill for that, I would be too glad to settle it.

3. My pride, integrity and deep sense of honesty have completely been shattered by this ridiculous bill. I who was running the whole station and who was trusted to set an example to others should be questioned thus. How my sanity as a responsible officer refuse to pay bills for a period of over twelve months. Even cost of Day-old Chicks have been included and you know perfectly well that I did not keep poultry.

4. The explanation must be probably that the records were not kept adequately enough for the auditors to see it at a glance. But I thought I have given you the most comprehensive handing-over notes possible. If you did not understand any part of it, you should have asked me to explain further and I am sure this unfortunate trend would have been avoided. When I took over from the three of you at various stages, namely, Ferguson, Bassey and yourself, there was not one of you who have given me any handing-over notes. I had to sort out everything myself. Records were not adequate at all and I had to go through many processes to standardise an acceptable procedure and I think I rather deserve to be congratulated in bringing the PPV to what it is today.

5. I assumed that since such an untrue bill is presented to me, it follows that similar bills have been sent to some eminent people I made direct delivery to. People such as Mr Durlong, Permanent Secretary, Ministry of Education, M. Joda, Permanent Secretary, Ministry of Information, M. Sulciman S.A.S., Ministry of Economic Planning, Dr E. Mama, Mr Graham, A.C.V.O., and Alhaji Nasiru, Minister of Justice, all of whom have made purchases and all, whom have paid their bills. Otherwise I would not have recorded it. If such bills are sent to them, it is a gross mistake because they have paid for them. And if at all they have paid again, this would be out of sheer courtesy. But they are bound to suspect my honesty as most of them made payment direct to me which I also paid in to the Finance section.

6. If at all you, or the auditor would go through the amount of revenue collected during the appropriate records of sale, you would find that they are up accordingly.

7. If at all there is any question of dishonesty on my part, I would not have recorded the sales. The fact is probably I have made the mistake of not recording the appropriate receipt numbers in the receipt column. I have such confidence that I know I am running the station and I have satisfied myself that payments have been effected.

8. So please go through the appropriate sales and you will find that they do indeed be up with payments.

9. What's more, this is clearly stated in every monthly return form I sent to Headquarters and no doubt you have copies of such monthly returns in the Monthly Report File.

10. This bill and all that it implies have strongly hurt my feelings deep down and I strongly recommend you go over these records very carefully and when you are fully satisfied—as indeed they had been effected—withdraw any bills that might have been sent to others as well as myself.

11. I also advise you to check any outgoing bills as they would most probably be wrong. Mine attached totals £12-11s-6d when in fact it should have been £16-10s-6d or else you might have more Audit queries.

Yours Sincerely,
LEMA JIBRILU,
Livestock Officer (Poultry)

Mr Chairman:

We have a representative of the Permanent Secretary, Ministry of Animal and Forest Resources, and before we go into the Audit Report, we want an explanation why the Permanent Secretary is not here.

Representative of the Permanent Secretary, Ministry of Animal and Forest Resources: (Mr V. M. Walter, M.B.E., M.C.,)

I wish to convey the apology of the Permanent Secretary. He has gone to attend the meeting of the Chad Basin Commission at Fort Lamy, meeting from 29th May until tomorrow.

Mr Chairman:

The Committee also wishes to apologise because we have kept you waiting quite a long time here. I must assure you this is not intentional. It was due to circumstances beyond our control.

The first paragraph that concerns this Ministry is paragraph 52 and we have got a written reply to this paragraph. Any observations?

Mr S. A. Atum:

According to the reply given by the Permanent Secretary to this Ministry it seems to me that there is too much lack of trained accounting staff in this Ministry. May I know whether steps have been taken by the Ministry to remedy this?

Representative of the Permanent Secretary, Ministry of Animal and Forest Resources:

Yes, Sir. We have taken steps and as explained in the final sentence of my paragraph 52, a Principal Accountant from the Ministry of Finance visited my Ministry recently to assess our needs for extra accounting staff. We have only one accountant. The Ministry of Agriculture which are about twice our size have something like five times our accounting staff. In our advance proposals this year I intend to put in application for an increased establishment of one Senior Accountant and extra junior accounting staff. Moreover we are short of two accounting assistants which we already have in our establishment. I have approached the Accountant-General on several occasions but unfortunately the Regional Accounting Cadre is so short that there is no prospect of filling our vacancies: i.e. accounting assistants grade I and grade II or Senior Accountants. Even in the clerical grade we are very badly placed and we have only 11 First Class Clerks whereas in the establishment there are 32, that is, we are 21 short. For some time the Ministry have been existing on fairly low grade staff, e.g., Temporary Ungraded Clerks and Ungraded Clerks. I am afraid time and extra trained Clerks will remedy the situation.

Mr Chairman:

Any further observations?

Mr S. A. Atum:

Mr Chairman, Sir, may I know from the representative of the Accountant-General whether this Ministry is being fairly treated in this line.

Representative of the Accountant-General, Mr Honeyman:

Mr Chairman, Sir, I myself visited the Ministry of Animal and Forest Resources and I think there is a case for extra staff there but where we might get them from I do not know. The Accountant-General himself on Thursday, Friday and Saturday pointed out on several occasions that there is a shortage of staff even in our own Ministry and only yesterday three fairly senior staff were awarded scholarships and will be leaving in the next week or two.

Alhaji Mustapha Maude Gyani:

I would like also to ask the representative of the Ministry of Animal and Forest Resources whether he considers his Ministry being not fairly treated.

Representative of the Permanent Secretary, Ministry of Animal and Forest Resources:

I have already explained this.

Alhaji Mustapha Maude Gyani:

Can the Representative of the Accountant-General tell us if there is any steps being taken to remedy this?

Representative of the Accountant-General, Mr Honeyman:

The Ministry of Animal and Forest Resources has not yet applied for extra staff and this cannot be considered until it does so.

Representative of the Permanent Secretary, Ministry of Animal and Forest Resources:

Mr Chairman, that is not quite true because we have applied for our establishments to be made up and we are desperately short on our establishment, we are short of two accounting assistants already and we have applied but we have been told that we cannot get them.

Alhaji Mustapha Maude Gyani:

Is it not possible to advertise these posts so as to get the qualified people to do the work?

Representative of the Accountant-General, Mr Honeyman:

I think qualified people would prefer to join commercial firms who pay better than Government. Two of our Senior Accountants are in fact leaving us very shortly to go to outside bodies.

Mr Chairman:

Paragraph 53. Any observations?

Alhaji Mustapha Maude Gyani:

I want to ask about this outstanding money. Why have they not been recovered? Could I have detailed explanations on how the position stands?

Representative of the Permanent Secretary, Ministry of Animal and Forest Resources:

Yes. I think paragraph 53, perhaps, should be read in conjunction with paragraph 55 because both of them are about the Poultry Production Unit at Kaduna. The £242 mentioned in paragraph 53 is also part of the £377 mentioned in paragraph 55 as stated in my explanation. In so far as the £242 in paragraph 53 is concerned, bills have been submitted to some 20 debtors and ranging from Northern Nigeria Development Corporation to various prominent people in Kaduna and £205-5s-0d has been collected. Four persons, Mallam Jibril Shu'aibu, Adamu Raji, Busari, and Ladan Kida, cannot be traced, but their indebtedness is minor. The other persons to whom bills have been submitted are Mallam Labo in our own Ministry who is in Maiduguri, Sarkin Kawo, Kawo village Aremu Agaka and Mallam Sani have bills totalling £30-4s-6d still outstanding. The £3 indebtedness of Mallam Labo and 4s-6d against Mallam Aremu Agaka will be recovered from their salaries. £20-3s-0d owed by Sarkin Kawo and £17-2s-0d

owed' by Mallam Sanni too will be recovered from them. If not possible we may take legal action against them. Overall, Sir, on paragraph 55 I am now referring to, you will notice that the return of revenue in arrears is £377-9s-0d.

Mr Chairman:

I think we have now dealt with paragraph 53.

Paragraph 54: Any observations?

Mr S. A. Atum:

Mr Chairman, in this paragraph we have a series of overpayments, what is being done to stop this kind of thing?

Representative of the Permanent Secretary, Ministry of Animal and Forest Resources:

There are two kinds of overpayments, one is children allowance. Members will know that when a child reaches the age of 18 years, children allowance stops automatically but regrettably some clerks do overlook when children have reached the age of 18 years. There are records and the records should be checked. The officer concerned should know when the child reaches the age of 18 and automatically advise the Ministry that the allowance should cease. The second type of overpayment is again regrettably too common.

Mr Chairman:

Before you go to the second one, I entirely agree with you that the father of the child should be in a better position to know when his child reaches the age of 18 years. I think we may assume that he knows and in this particular case this man continues to receive this payment under false pretences. Why did you not regard such a matter as a serious one? If the staff realises that the Ministry treats such a matter very seriously this will discourage them.

Representative of the Permanent Secretary, Ministry of Animal and Forest Resources:

I think it is a rather different case from a man who makes a false claim, say of transport allowance, or of any allowance to which he is not entitled. I do not think there is any deliberate attempt in this case and I do believe that most officers will notify the Pay Clerk whenever their children reach the right age. I believe that was done with Mr Hall. He had notified the Pay Clerk and refunded the overpayment. As I said, it is a slightly different case from a deliberate attempt to cheat. I believe if every officer examined his paysheet every month this sort of thing would not happen.

Mr Chairman:

Whether he examines the paysheet or not, I think he is supposed to sign it.

Representative of the Permanent Secretary, Ministry of Animal and Forest Resources:

Most payments are made to the Bank, Sir. The Bank sends him the total amount paid to his bank account. Nevertheless the Ministry also, my Ministry any way, sends around a pay slip showing the details each month of the officers payments and if that was scrutinised very closely there would not be overpayment. But unfortunately officers often do not look at their pay slips.

Mr Chairman:

Can we go to the next overpayment.

Representative of the Permanent Secretary, Ministry of Animal and Forest Resources:

This is one of which I have been a victim myself. When I got my last promotion I was away on leave and the Pay Clerk at the time ignored the inducement addition and paid the difference between my basic salary and the new salary, in consolidated Group 7 and that is exactly what has happened with Mr Hall and Mr MacFarlane. The recoveries have however been effected and all refunds have been made.

Mr Chairman:

Is there any steps being taken to prevent this sort of thing in the future?

Representative of the Permanent Secretary, Ministry of Animal and Forest Resources:

The paysheets are prepared by my Clerk and checked by a more Senior Officer and then checked by Treasury, in fact there is a double check. Any discrepancies should be revealed.

Mr Chairman:

Paragraph 55. Any observations?

Alhaji Hassan, Dallatu Abuja:

I hope the record is now properly kept in the Ministry?

Representative of the Permanent Secretary, Ministry of Animal and Forest Resources:

The new Livestock Officer is helping tremendously to put the records in order and to straighten up the accounts of the Poultry Production Unit. As I pointed out earlier at paragraph 53, he made strenuous effort to collect all outstanding revenue. He has not got it all, but he has got the bulk of it. Where it is not possible to trace the debtors, we may have to make application for a write-off. I pointed out a little while ago that there was a total outstanding of £30-4s-6d owing by four persons for chicken rations and we hope to get that in soon.

Alhaji Hassan, Dallatu Abuja:

Mr Chairman, Sir, my second question on this scheme is, the reply deals with one poultry unit that is in Kaduna. I want to know the position of other poultry units in the Region.

Representative of the Permanent Secretary, Ministry of Animal and Forest Resources:

We have a Poultry Production Unit at Jos, assisted by United States Agency for International Development. They are running the revenue well in excess of expenditure and they seem to have maintained their accounts quite well. We have had no complaints on any arrears of expenditure or any complaint of short of calls of revenue.

The other poultry production unit at Ilorin seems to be running quite well. There is no complaint about it. We are establishing a small unit at New Bussa to supply the Niger Dam people with eggs but on the whole, our policy is to encourage local chicken farmers and give them support and advise, and in some circumstances provide them with

formation on the best way for them to take care of their chickens. We are at the moment negotiating for a Danish Poultry expert to come to Northern Nigeria under technical Aid to foster Poultry Co-operatives. The object of that Poultry Project Unit is not to sell eggs to the public, but rather to produce chickens for the private operators. To prevent any recurrence of these losses we suffered in Kaduna, we instructed that all produce of the poultry unit must be sold through the poultry unit at Kawo rather than through any other place. I note there is a misprint on our explanation, I said that poultry unit produce must be sold through the poultry unit at Kano, that should read Kawo.

Alhaji Mustapha Maude Gyani:

Sir, I have a question and that is about the sale of eggs and chickens on credit. We are faced with the difficulties in repayments. I do not think credit should be allowed.

Acting Permanent Secretary, Ministry of Animal and Forest Resources:

Sir, I fully agree with the hon. Member, but the fact is that there has been inefficiency at the Poultry Production Unit at Kawo. Unfortunately, the Livestock Officer-in-charge was sent on a course of one year at the Harper Adams College in the United Kingdom at the time when the audit inspection report was carried out. It would not be easy to satisfactorily explain the position, until the officer concerned returns in about August or September this year, but as I have mentioned on my written reply, all sales on credit have now been stopped. Moreover, no sales have been made to private persons but all sales have been conducted through the stall at Kawo.

Alhaji Mustapha Maude Gyani:

Mr Chairman, I hope before our next meeting, all the outstanding debts will have been cleared.

Acting Permanent Secretary, Ministry of Animal and Forest Resources:

I will hope so, Sir, but we may have to write-off one or two debtors that we cannot trace.

Mr. Chairman:

Any further observations?

Mr. Afolayan:

In the written reply submitted by the Permanent Secretary to this paragraph, he said that the Livestock Officer sent to overseas for a training course was a substantial debtor for chickens and eggs. When one leaves a place, there should be a comprehensive handing-over note or if no hand-over notes are submitted or accepted—that is not correct. I fail to understand why after one's absence and after hand-over notes have been accepted, one should be charged with something, I want to know whether this officer submitted handing-over notes or not.

Acting Permanent Secretary, Ministry of Animal and Forest Resources:

When handing-over notes are made, we do not necessarily include a schedule of debtors or absolutely detailed accounts of the financial arrangements. Handing-over notes are usually confined to matters of policy or matters of great importance. When the auditor examined the accounts at the Poultry Unit in Kaduna, he discovered a discrepancy. The debts were certainly not included in the handing-over notes. Further, when we discovered the discrepancies, a bill was sent to the former Livestock Officer and the bill was for £12-11s-6d. Even on that bill, I gathered there were additional errors and that

the total amount should have been £16-10s-6d. In fact, we received a reply from the Livestock Officer in the United Kingdom and he admitted that he purchased some four or five dozen eggs which he was not able to pay before he left. He also said that he gave a comprehensive hand-over note. Moreover, in his paragraph 5, he said that money had been received from Mr Durlong, Mallam Joda, Dr Mama, Alhaji Nasiru and others. The fact remains that all these officers, Dr Mama, Mr Graham, Mallam Bukar Shaib, Mr Durlong and others paid when the bills were sent to them. Some of those bills were for substantial amounts, and I do not think the officers would have paid twice without a protest.

Mr Afolayan:

If one goes over the reply sent by the Livestock Officer now in the United Kingdom, one would see that he called on people who could bear out that his hands were clean when he was doing the job. He further stated that with a little bit of good luck you might find the receipts issued to him in the right hand corner of the bottom draw or of the desk. Well, may I know whether you were able to get the receipt or not?

Acting Permanent Secretary, Ministry of Animal and Forest Resources:

No, we were not able to find it.

Mr Afolayan:

If not, what action have you taken because this letter was dated 16th of October, 1964.

Acting Permanent Secretary, Ministry of Animal and Forest Resources:

It is obvious that a deep feeling of resentment was felt by the Livestock Officer, who is on a year's course on attachment, and I cannot see that a long correspondence will result into anything. We have therefore decided to defer the matter until the Livestock Officer comes back in August of this year. He will be called upon to explain this discrepancy.

Mr Chairman:

I do not think that we can go any further in pressing this matter as the Permanent Secretary says that the man is not here. He will be back in August, so perhaps the best thing for us to do at the moment is to leave the matter in the hands of the Permanent Secretary, and ask him to report to us the result of his investigations, at our next meeting. Is that agreed to?

Hon. Members:

Yes, agreed to.

Mr Chairman:

So, finally, Capital Development Fund Accounts—1961-62, to which the Ministry has not furnished a written reply.

Acting Permanent Secretary, Ministry of Animal and Forest Resources:

Well, Sir, I could not find the right answer for this, but at page 67 of the Third Supplementary Estimates of the Government of Northern Nigeria, 1963-64, there is covering approval, Subhead 4001, Forest Office, Kano.

Alhaji Mustapha Maude Gyani:

Before the money was paid, did you submit an A.I.E. for the excess?

Acting Permanent Secretary, Ministry of Animal and Forest Resources:

Mr Chairman, as I have said before, there was no over-expenditure on the actual project. The actual expenditure was £1,500, but this was due to misclassification and as a matter of fact, there was apparently no over-expenditure. It was the Technical Officer in Zaria who made the misclassification.

Mr Chairman:

Any observations? Then that is all. Thank you.

MINISTRY OF EDUCATION

Mr Chairman:

First of all, I must apologise to the representative of the Permanent Secretary for keeping him so long. I must assure you that this is not deliberate, it was due entirely to circumstances beyond our control and I hope you will understand and try to appreciate our difficulties.

Acting Permanent Secretary, Ministry of Education:

Mr Chairman, we understand what you have said and I would like to apologise on behalf of my Permanent Secretary, who unfortunately, owing to pressure of other duties, is unable to attend.

Mr Chairman:

The first paragraph of the Audit Report concerning the Ministry of Education is paragraph 57. Incidentally we have got their written reply too. Would hon. members like to make any observations?

Alhaji Maude Gyani:

Mr Chairman, Sir, may I know why the arrears have not been collected since 30th September, 1964?

Acting Permanent Secretary, Ministry of Education:

Which one are you referring to? The Capital School or the three Government institutions which amounted to £98-18s-6d?

Alhaji Maude Gyani:

I am referring to paragraph 57.

Acting Permanent Secretary, Ministry of Education:

The arrears for these three institutions only amounted to £219-8s-6d and then we discovered an error in our addition that we had over estimated the arrears by £10. The sum of £119-10s leaving an arrear of £98-18s-6d. Efforts are being made to clear this amount without further delay.

Alhaji Mustapha Maude Gyani:

Secondly, Mr Chairman, will the Permanent Secretary give this Committee an assurance that before our next meeting this outstanding amount will have been cleared. But before he replies, I would like to know why the amount is still outstanding? (*interruptions*).

Acting Permanent Secretary, Ministry of Education:

Since I sent this memorandum, we have received more information which I think might be of use to this Committee. This refers to the three institutions—Kaduna, Zaria and Keffi Government Colleges.

Under Government College, Zaria—certain items have been reassessed by the Advisory Board, since pupils have either been removed from the Registers or declared paupers. Action has now been taken to obtain the necessary approval for write off and you will be advised as soon as this is received. The same answer applies to the Government College, Keffi, and additional efforts are now being made to recover the remaining balance.

Mr Chairman:

Any further observations? Paragraph 58—Capital School.

Mr Afolayan:

The outstanding arrears is £1,907. The Permanent Secretary indicated that letters had been sent to parents or sponsors as far as these arrears were concerned. He further stated that all Bills covering these arrears will be followed by special letters. My question is, what does he propose to do next, should these letters proved to be ineffective towards the recovery of these arrears?

Acting Permanent Secretary, Ministry of Education:

Mr Chairman, this depends on the type of replies we receive and in this case it is very difficult to anticipate the action we would take. We need time to get the replies and then we shall be able to decide on what action we may next take.

Mr Olarewaju Afolayan:

Mr Chairman, Sir, one wonders why there should be arrears outstanding in a Government school like this. In ordinary primary schools, pupils are forced to pay school fees within a very short period of the resumption of the school terms, this should be even more so in a government school where everybody rushes to send in his or her children. I think there has been too much indulgence in allowing the school fees to be paid at any time the parents like. May I know whether these arrears are due to too much indulgence and laxity on the part of the staff?

Acting Permanent Secretary, Ministry of Education:

I must say that the reason for these arrears was not due to carelessness of the staff nor the Headmaster but lies upon the pressure of administrative duties. When the school started, it was a small school. Gradually, the school grew and later on it became a boarding school. The Headmaster had to do the finance work and the boarding duties in addition to his teaching work. At that time it was very difficult to get both the office and other records up to date. Now we have been able to put the machinery into its proper order by appointing an Assistant Executive Officer, whose duties are to help the Headmaster and to see that these records are properly kept and all fees are paid promptly. Even at the moment, an additional Assistant Executive Officer has been posted to clear all these arrears. Mr Chairman, Sir, I hope that in future such things will not occur again.

Mr Olarewaju Afolayan:

Mr Chairman, Sir, on point of further explanation. I think there have been outstanding arrears for the past few years not only for this year. May I know why an Assistant Executive Officer could not have been posted earlier than this?

Acting Permanent Secretary, Ministry of Education:

Assistant Executive Officers are not available.

Mr Olarewaju Afolayan:

You mean to tell us that you cannot get Assistant Executive Officers throughout the whole of Northern Nigeria? In all the Provinces?

Acting Permanent Secretary, Ministry of Education:

I am afraid, so, Sir. They were not available by then. They are not enough now.

Mr Olarewaju Afolayan:

Mr Chairman, Sir, is he getting these now by way of promotion or by training.

Acting Permanent Secretary, Ministry of Education:

Well, I hope I will get them when they are trained or from those who have got experience.

Alhaji Mustapha Maude Gyani:

Mr Chairman, Sir, speaking on the arrears of revenue of Kaduna Capital Territory School, is there any written provision for this school that if a child fails to pay his fees, that child will be sent out from the school? And if there is such a provision, was it acted upon or not?

Acting Permanent Secretary, Ministry of Education:

No, we have not got such kind of rule that if pupils do not pay their fees, they should be expelled because the question did not arise at that time and it is in the light of experience that we know what action to take. Expulsion is not the only way to make them pay. There is another way too.

Alhaji Mustapha Maude Gyani:

Is the Permanent Secretary hoping to take such action?

Acting Permanent Secretary, Ministry of Education:

Yes.

Alhaji Mustapha Maude Gyani:

We hope before our next meeting that all the outstanding debts will have been paid, and even if a child has left school his address will still be known.

Acting Permanent Secretary, Ministry of Education:

I assure you that we shall do everything possible.

Mr Chairman:

You said in your reply that in the case of those who have already left school, you have to send a letter and if they fail to pay an appropriate action will be taken. This seems to be vague. What do you mean by appropriate action?

Acting Permanent Secretary, Ministry of Education:

Legal action.

Mr Chairman:

Now that there is another officer posted there, the only assurance that we want to get at the moment is that you will not allow things to deteriorate again.

Acting Permanent Secretary, Ministry of Education:

Well, we will see that every thing possible will be done so that such things will not occur in the future.

Mr Chairman:

Any further observations?

Paragraph 59.

Emir of Wase:

Mr Chairman, Sir, may I know what supervision is given to the Government Technical School at Ilorin?

Acting Permanent Secretary, Ministry of Education:

The newly appointed Headmaster, who replaced the former one, had not got the necessary experiences of the country. Once he becomes used to his new job, this kind of thing will not happen again.

Mr Chairman:

Any further observations?

Mr S. A. Atum:

Mr Chairman Sir, sub-paragraph 1 of Paragraph 59. The answer here stated that the Principal of the Government Technical School, Ilorin, has been instructed to get the stores organised properly and further, to send his confirmation to the Ministry that this has been done. Up till now the Principal has not done so. May I know the necessary measures, the Ministry is taking to get the Principal of the Government Technical School, Ilorin, to send his confirmation to Kaduna.

Acting Permanent Secretary, Ministry of Education:

After writing paragraph 59, we got the Principal on the phone and we drew his attention to this point. He assured us that the stores has been re-organised and are now being maintained correctly. We asked him to confirm this in writing, but in the meantime we got this assurance by telephone. Also we got in touch with the Chairman of the Board of Enquiry and he informed us that the reports had been completed and that he will soon be forwarding them to us.

Mr Olarewaju Afolayan:

May I know from the Permanent Secretary, Ministry of Education, when he first wrote a letter to the Principal in charge, advising him to keep his stores in good order according to Financial Instructions?

Acting Permanent Secretary, Ministry of Education:

When Principals take over, they get handing-over notes on which they act; but at the moment, we are in short of teachers. We get contract officers who are not experienced. Newly appointed teachers have not got experience of the finance of the country and that is one of the reasons why we are getting such things from time to time. I assure you that in future we trust this will not occur again because we will draw the attention of the Principals to this.

Mr Olarewaju Afolayan:

Mr Chairman, Sir, in addition to this question, there was a court case against a Government servant but he was conditionally discharged. May I know what happened to that Government servant, whether he is still retained or has been posted to somewhere else.

Acting Permanent Secretary, Ministry of Education:

He has been dismissed.

Mr Chairman:

Any further observations?

This seems to finish the Audit Report and the next thing is the Capital Development Account, 1961-62, for which I think a reply has been furnished, but perhaps members would like to make observations.

The next thing is the Voluntary Agency Building Fund Account, 1962-63 and 1963-64. I think we should take them one by one, starting from 1962-63 first. Any observations?

Alhaji Mustapha Maude Gyani:

Mr Chairman, it is very gratifying to see that the Government help the voluntary agencies by supplying them with loans. Certainly, Mr Chairman, every member of this committee, from this account will commend the Government for giving a great deal of help.

Mr Chairman:

I do not want to stop you from what you are saying. Your speech is quite sensible, but this place is not the place to say it.

Alhaji Mustapha Maude Gyani:

Thank you, Mr Chairman. I accept your explanation, but I want to say that all these our proceedings are recorded, and I know that educated people take these reports and read them either from us or from their friends who go to this Meeting.

Mr Chairman:

I am still asking you not to make speeches here.

Alhaji Mustapha Maude Gyani:

I want to say that some of the Agencies who were given loans during the financial year 1961-62 have not paid back their loans. May I know if they have already paid.

Acting Permanent Secretary, Ministry of Education:

All paid.

Alhaji Mustapha Maude Gyani:

How did these Agencies get their loans. Is it before they built or after they built?

Acting Permanent Secretary, Ministry of Education:

After putting up applications for building schools.

Alhaji Mustapha Maude Gyani:

Thank you, Mr Chairman.

Mr Chairman:

Any further observations from this account? So I take it that it is accepted. The next account is for 1963-64. Any observations?

Mr Olarewaju Afolayan:

To the best of my knowledge, when a loan is given out, it must be paid during the current year. In going over this one, I see that some took loans in November, 1962, and the loans taken have not been paid up till to date. Whereas in your reply you stated that all

payments of instalments have been paid up to 31st March, 1964. May I know which is actually correct, whether this loan as stated has not been paid or is your written reply incorrect?

Mr Chairman:

To assist the Permanent Secretary, would you mention the particular section?

Mr Olarewaju Afolayan:

Let us say this, a school; like *Ansar-ud-deen*, Jos, took a loan in November, 1963; they paid it regularly. I mean in November, 1962, took loan of £2,000, and paid regularly and another *Ansar-ud-deen*, School, Kano, took a loan of £2,000 in January, 1963, but no payments have been made by this school; may I know why this is so, Sir?

Acting Permanent Secretary, Ministry of Education:

I think your first question is about repayment. They don't pay in the year they take the loan. They pay the following year and in the case of *Ansar-ud-deen* school, Kano, they paid in June, 1964, and the one for Jos has been deferred—I am sorry, the one in Jos has also been paid.

Mr Afolayan:

On point of explanation, Mr Chairman. May I know when a loan is taken and when they are going to pay the first instalment?

Acting Permanent Secretary, Ministry of Education:

The question of repayment is laid down in the Agreement Form signed by the Minister and the people who ask for the loan.

Mr Afolayan:

The total balance outstanding here is £1,670, and it may be possible for the Ministry to take steps in the suggestion whereby all the voluntary agency schools will be automatically transferred to the Local Authorities. Let us assume that this measure is taken in some years to come, or next year, what will be the outcome of the balance? Are the voluntary agencies who have ceased to exist going to pay the balance or the Local Education Authorities?

Acting Permanent Secretary, Ministry of Education:

The first answer, this balance outstanding is not arrears, and they are not due to be paid on that date; and the second answer to the question, that one is a question of policy.

Mr Afolayan:

Mr Chairman, Sir, on point of more explanation, when these loans are taken, these voluntary agencies give certain charges for Building Fund whereby their pupils pay something called Building Funds. When the Voluntary Agencies cease to exist and the loan outstanding against them, will these voluntary agencies be given certain priority or still continue to give their charges for Building Funds?

Acting Permanent Secretary, Ministry of Education:

With the three Local Education Authorities established last year, we did not get this problem, when we get this problem, we will establish more local education authorities, then a new policy will have to be recommended.

Mr Chairman:

Any further observations? Thank you very much. That is all. Well, gentlemen, that ends our meeting for today. We shall meet again tomorrow at 9:30. a.m.

The Meeting adjourned at 3.00 p.m.

MINUTES OF PROCEEDINGS

Thursday, 3rd June, 1965

Alhaji Umar Sulaiman, O.B.E., Emir of Bedde. (*in the Chair*).

Alhaji Abdullahi Maikano, O.B.E., Emir of Wasse	Alhaji Hassan Dallatun Abuja
Alhaji Umaru, Emir of Pategi	M. Umaru Yola
Alhaji Muhammadu, Emir of Gumel	Alhaji Mustapha Maude Gyani
Alhaji Sulaimanu Barau, O.B.E., Emir of Abuja	Mr Olarewaju Afolayan
Alhaji Muhammadu Sada Nadada, Kankia	Mr S. A. Atum

The Director of Audit, Mr Skilleter, C.B.E., accompanied by the Deputy Director, Mr E. S. H. Clode, in attendance.

MINISTRY OF ESTABLISHMENTS AND TRAINING

The Permanent Secretary, Alhaji Yusufu Gobir, called in and examined.

No written evidence submitted.

Members observations follow.

Mr Chairman:

We have with us here the Permanent Secretary, Ministry of Establishments and Training. We have not received any written reply from him.

Permanent Secretary, Ministry of Establishments and Training:

I am sorry, Mr Chairman. Actually I did not know that it is compulsory to submit a written reply. We thought that it would be adequate if we could explain the situation verbally to the Committee. Since I arrived here this morning, I have been told that it is desirable to submit a written reply and I am very sorry for not doing so.

Mr Chairman:

The first paragraph of the Audit Report that concerns this Ministry is paragraph 11. Since we have not been able to get a written reply, perhaps you can reply to this before we start making our observations.

Permanent Secretary, Ministry of Establishments and Training:

Mr Chairman, Sir, we appreciate the query contained in paragraph 11 of this Report. I think it would be better to give the general background of the situation. First of all, Mr Chairman, I would explain that, in fact, what the Director of Audit is criticising is an apparent inadequacy in the terms of General Order 440. The relevant section of the General Order is mainly a question of definition of the term 'approved distance'. Mainly the General Order states that "approved distance" is the distance by the shortest route which is motorable at the date the officer's leave begins. Since the introduction of the new General Order, a number of civil servants have seized the opportunity of the apparent loop-hole in this definition by submitting excessive mileage claims. My Ministry is responsible for the drafting and enforcement of the General Orders. So it is quite understandable that the Director of Audit should draw my attention to this anomaly. Since then, I have issued circular, to Permanent Secretaries and Provincial Secretaries. Before I did so, we had a series of meetings between us, the Ministry of Finance and the Ministry of Works. The Director of Audit has suggested an amendment which we have referred to Permanent Secretaries, Provincial Secretaries and the Attorney-General. I am sorry to say that reactions from the Provinces and Ministries are not favourable. Consequently I have convened a meeting for the 7th of this month when, we hope, this outstanding issue will be resolved. Mr Chairman, Sir, that is the general background.

Mr Chairman:

Any observations?

Mr O. Afolayan:

Mr Chairman, Sir, when this Committee met last May, it was appreciated that the existing General Order was insufficiently precise and the Permanent Secretary hoped to effect revisions at an early date. May I know what revisions he has made and how far he has attained any success?

Permanent Secretary, Ministry of Establishments and Training:

Well, the issue involved in this query is a very tricky one. I will just give an example. If an indigenus officer who comes from Maiduguri, stationed in Kaduna for instance, is due to go on leave and he thinks that he can go via Jos—everybody knows that from Kaduna, you can get to Maiduguri either via Jos or Kano. Now the difficulty arises when such an officer leaves Kaduna and suddenly discovers that the Jos Road is closed, then he goes by Kano. Now, the Director of Audit is quering why he should be allowed to do this. Well, that is precisely the issue. Many people feel that since this is the practical route for the the officer to take, there is nothing wrong in his taking that road. For the information of the Committee Members and the Chairman, there are thousands and thousands of indigenus staff involved and a decision one way or the other may bring about a lot of hardship financially or otherwise. So we have to be very careful about the way we decide. I would say in addition, a number of people and a number of Ministries assert that there is nothing wrong with the definition and that the Audit Department are just being difficult. That is the considered opinion of many people. So it quite possible that, in fact, there may not be any re-drafting of the definition.

Mr Chairman:

Any further observations?

Emir of Abuja:

Can we have the assurance of the Permanent Secretary that as soon as conclusion is reached Audit will be informed?

Permanent Secretary, Ministry of Establishments and Training:

He is a member of the Committee—I mean a member of the Committee which is looking into this, and not Public Accounts Joint Committee.

Mr Chairman:

The problem is we had an assurance that something would be done last year. As I understand now nothing has been done. Perhaps I should not say that nothing has been done, but that the matter has not been finalised. You have told us that you are having a meeting soon and I am wondering whether this meeting will finalise the matter in one way or another.

Permanent Secretary, Ministry of Establishments and Training:

Mr Chairman, I assure you that we will do our best to solve this problem before the next meeting.

Alhaji Maude Gyani:

I suggest that when there is such a meeting between you and the Director of Audit, you will do your best to see that you adhere to the advise of the Director of Audit and in future any reports are submitted to us so that we may be in a better position to comment.

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Permanent Secretary, Ministry of Establishments and Training:

Can I raise a matter on a certain question of procedure? Is the Director of Audit considering these queries outstanding until we have reached a decision on this? The reason why I raise this, Sir, is because as I understand it, this Committee asked me to find an acceptable definition of approved distance. Any change would appear to have nothing to do with the previous queries. If we should decide to redefine the definition, for instance, I would not expect it to have any retrospective effect but to be operative from the date of the change. I cannot see why for the past two years this thing has been outstanding in the report.

Director of Audit:

The queries issued so far are perfectly valid queries. They will be followed up until recoveries are obtained. If the definition is changed, future queries will be based on the new definition. The reason why this matter has been mentioned in the Audit Report is very simple. I have a Query Section which normally issues a thousand queries each year. In 1962-63, it issued a thousand queries under this particular General Order alone; in 1963-64, it issued an extra 800 queries under this General Order alone. It is my firm view that the present definition is unrealistic. It is unfair to suggest that Audit has been difficult over issuing these queries. Queries are only issued when we have to because it is easier not to issue them. What I want to do is to get rid of the situation where my Query Section is being swamped by queries under one General Order. As long as something will be done, I will be quite happy. I am not concerned with policy; but if the General Order setting out Government policy does not appear to be realistic, then it is my duty to bring it to the attention of the Ministry of Establishments and Training. This I have done.

Permanent Secretary, Ministry of Establishments and Training:

Mr Chairman, Sir, with your permission, I would just mention one point which is, I think, a legal one. When a policy is enforced or approved, or a law enacted, it behoves all the Government Departments or Organs to relate their activities to the approved policy of the law. The Director of Audit or his Department is trying to criticise. They are not working within the approved policy of the Government at the moment. What the Director of Audit has just told us now is that they are criticising a definition of the General Order. In other words, the queries they have made were not related to the existing definition of this particular General Order but in anticipation of the possible amendment. That is what I criticise, Sir. If a payment voucher is submitted and on examination it is found that it is all right in so far as the present General Order is concerned, I do not see why the Audit Department criticises it in anticipation of a possible amendment.

Director of Audit:

Mr Chairman, Sir, it seems that the Permanent Secretary is under a complete misapprehension. I thought that I explained that all the queries issued so far were under the existing General Order, which is in fact the case.

Permanent Secretary, Ministry of Establishments and Training:

I do not want to argue this matter further; but what the Director of Audit said is not borne out of this Paragraph.

Mr Chairman:

All right—I think since you said you have a Committee in which the Director of Audit is also represented specifically to consider this matter and you are going to meet

fairly soon, I think both of you should reserve your comments until then when you will meet to argue it out among yourselves. As far as this Committee is concerned, I think we are satisfied with your assurance that you will leave no stone unturned to see that an agreeable solution is reached as soon as possible.

Permanent Secretary, Ministry of Establishments and Training:

This is noted, Sir.

Mr Chairman:

The next paragraph is paragraph 60.

Permanent Secretary, Ministry of Establishments and Training:

Mr Chairman, Sir, as in the previous case and in view of the fact that I had not submitted my written explanation I want to give you general background information. The accounts of the Northern Nigeria Scholarship Board are very difficult and have been so for many months past.

Mr Chairman:

I think we are on paragraph 60, please.

Permanent Secretary, Ministry of Establishments and Training:

I am very sorry, Sir. I think the reconciliation is now being made and the Minister of Finance very kindly agreed to approve a virement warrant covering the excesses listed in the paragraph. I understand that the reconciliation required by the Director of Audit is now being done.

Mr Chairman:

Even though other Ministries plead ignorance of the law and may be allowed to get away with it, I do not think that the Ministry of Establishments and Training should try to avail itself of this excuse. To over-spend the vote as far as this Committee is concerned, amounts to a crime and I am sure this position is known to your Ministry more than any other Ministry. In spite of that, we still have lots of over-expenditure. To say that an authority has been obtained later on from the Ministry of Finance I think this is not satisfactory.

Permanent Secretary, Ministry of Establishments and Training:

Mr Chairman, I agree entirely that perhaps my Ministry should be the last one to bring such an excuse. If you browse through the list of over-expenditure you will see that the main ones, those having substantial figures, relate to the Northern Nigeria Scholarship Board. We have had great difficulties in the past in connection with their accounting system. This is because part of the money given to us annually is spent abroad, mostly in Britain, and quite often before we know what they have actually spent it is too late. This makes reconciliation very difficult indeed. We are now collaborating with the Ministry of Finance in trying to establish a good accounting system which will ensure adequate and efficient accounting procedure.

Alhaji Mustapha Maudé Gyani:

Mr Chairman, Sir, since the establishment of Ministries, has there been any rule as to disciplining an officer over-spending his vote? Is that considered to be an offence and what is the punishment?

Permanent Secretary, Ministry of Establishments and Training:

Is this a general question? Because it does not relate to this paragraph.

Alhaji Mustapha Maude Gyani:

Why?

Permanent Secretary, Ministry of Establishments and Training:

This is an account of my Ministry.

Alhaji Mustapha Maude Gyani:

I am asking whether they have certain rules about this and if such rules are in existence what happens to the person violating the rules?

Mr Chairman:

Last year you were not here when one of the interpreters translated the General Orders.

Alhaji Mustapha Maude Gyani:

Thank you, Mr Chairman. I understand that the Permanent Secretary is aware of what I am asking.

Mr Chairman:

Do you mean to ask whether any disciplinary action is being taken as a result of this excess expenditure?

Alhaji Mustapha Maude Gyani:

Yes, Mr Chairman.

Permanent Secretary, Ministry of Establishments and Training:

I am the Accounting Officer of this Ministry. The Permanent Secretary in any Ministry is the Accounting Officer and quite often Permanent Secretaries delegate his power to Sectional Heads. In my case I have delegated to the Secretary of the Northern Nigeria Scholarship Board, the power to sign vouchers in respect of Scholarships awarded. Since all these excesses in connection with the Scholarship Board have arisen, steps have been taken to reshuffle the whole of the accounting system and the previous Secretary of the Northern Nigeria Scholarship Board was adequately reprimanded; this was a Departmental case.

Alhaji Mustapha Maude Gyani:

As the Permanent Secretary has said that the former Secretary has been reprimanded, we hope there will not be such a recurrence in the future and that the General Orders should be clearly defined in all offices for the benefit of all employees.

Permanent Secretary, Ministry of Establishments and Training:

Mr Chairman, I am very grateful for the advice.

Mr Chairman:

Any further observations?

Paragraph 61: This is a long paragraph and to keep the matter as short as possible, I think we should answer them as in (a), (b), (c), (d), (e), (f), and so on.

Permanent Secretary, Ministry of Establishments and Training:

Sir, you will see that all the items (a) to (g) relate to the Scholarship Board Accounts and the same explanation which I gave on paragraph 60 would appear in more or less relevant to this paragraph. Paragraph 61, as explained by the Director of Audit, arose

principally as a result of lack of reconciliation and the fact that the system, mostly the accounting system of the Board, needs complete over-hauling. I would mention in addition that although we have tried several times to get the services of a highly qualified accountant from the Ministry of Finance, this has not yet been possible and it is really a problem. I have recently been promised by the Permanent Secretary of the Ministry of Finance that he will look into this question. I am sure when we do get a qualified accountant, there will be no need for such a matter to come up again.

Mr Chairman:

I do not think your general reply satisfies the Committee. Take for example "d"—your failure to recover the maintenance and boarding allowances paid directly to the institutions, and other matters like double payments. I think we require a little more detailed explanation on these.

Permanent Secretary, Ministry of Establishments and Training:

What I tried to explain was that this steps from the fact that the accounting system was bad and when this was revealed, I am referring particularly to 'd', letters were written to Registrars of the different universities involved and I am sure we will recover some money from them. I was not trying to cover the whole thing under my general explanation.

Mr Chairman:

That has been my impression.

Permanent Secretary, Ministry of Establishments and Training:

I am sorry if I have given that impression.

Mr Chairman:

So, you have taken all these points into consideration with a view to clearing them or trying to clear them?

Director of Audit:

Mr Chairman, I would like to confirm that the Ministry has in fact taken quite active steps since the receipt of the Audit Report.

Mr Chairman:

Any further observations?

Permanent Secretary, Ministry of Establishments and Training:

Where we have not succeeded 100 per cent, we are in the process of getting somewhere.

Mr Chairman:

Paragraph 62.

Permanent Secretary, Ministry of Establishments and Training:

This is cleared. We have finished with that, and the returns have been submitted. If the Director of Audit would like to have the reference of our correspondence, I can give it to him.

Director of Audit:

It is quite correct; the returns have been received. The only point which arises is the outstanding amount of £177,000 in regard to a grant from the Federal Government Scholarship Award.

Permanent Secretary, Ministry of Establishments and Training:

This is already credited to the revenue. This is just an accounting technicality. It was paid to us and the Ministry of Finance said that we could not have it, then it was paid into the Government revenue. In fact, it has already been paid into the Government revenue.

Mr Chairman:

Any further observations? Then paragraph 63.

Permanent Secretary, Ministry of Establishments and Training:

Mr Chairman, Sir, on this item I will explain that the difficulty usually arises from the fact that our Recruitment Secretary, Overseas, grants salaries which are in excess of what he should have awarded to contract officers. Usually, in fact always, this is not intentional nor deliberate. There are many factors which our recruitment officers overseas have to take into consideration when assessing an officer's salary. The main cause of this anomaly concerns incremental credits, in other words, if Mr X is recruited for the Ministry of Education as an Education Officer usually he is paid incremental credit to the tune of one year for one increment for the experience he might have obtained since he graduated up to the maximum of eight credits. A number of officers who were recently recruited did not possess what we call 'cognate' experience, that is, experience related to his own field and when the Recruitment Secretary came to assess the salaries, he mistakenly included part in this non-cognate experience. When such a case is discovered, after the officer has already signed his contract, we leave the officer to continue to earn that salary for the first tour. Contracts, Mr Chairman, are legal documents, and that is the reason we do not want to upset the agreement for the first tour in order to avoid any possible legal action that the officer might take against us. But at the end of the first tour we terminate the contract and enter into a new one. And always the new ones bear the correct salaries. This is what happened in the case of one Dr Baig. That is the whole background, Sir.

Mr Chairman:

Any observations?

Alhaji Mustapha Maude Gyani:

Mr Chairman, since the Permanent Secretary has replied that the excess in overpayment has now been rectified, would he see to it that this does not happen again?

Permanent Secretary, Ministry of Establishments and Training:

There was a recent case which is similar to that of Dr Baig. As a result of this particular case we have written to our Recruitment Officer Overseas, warning him seriously. As I explained earlier, the Recruitment Officer did not do this intentionally.

It is usually a very complex exercise to try to assess an officer's rate when you have to take a number of factors into consideration.

Mr Chairman:

You mentioned one case and another one has happened recently. In accordance with the Audit Inspection Report, the case mentioned first was the fourth of a series of similar cases reported between the period December 1962 to September 1964. Perhaps the officers involved may not be many. All the same, this Committee is duty bound to express its concern over such irregularities. I agree, it may be very difficult for the Permanent Secretary to give us an assurance that this kind of thing would not happen.

again at all in the future. Even if he made such, he would probably make the proviso "if it is humanly possible". All that we want is to draw the attention of the Permanent Secretary to our displeasure on the present situation and expect him to do something about it.

Permanent Secretary, Ministry of Establishments and Training:

Mr Chairman, Sir, it is, as you rightly mentioned, very difficult for me to make any specific promise. Our recruitment operations abroad are vast. These operations are becoming larger everyday, and in 99.9 cases out of 100 our recruitment offices abroad grant correct salaries. For the past few years only about three or four cases have been discovered. I quite appreciate the fact that this Committee is duty bound to express its concern over this anomaly and in collaboration with my recruitment office abroad I will ensure that your requirement is satisfied.

Mr Chairman:

Any observations?

Alhaji Maude Gyani:

Mr Chairman, have any steps been taken to ensure that officers are appointed strictly upon the terms of the prevailing rules and regulations and that they are being paid correct salaries on appointment?

Permanent Secretary, Ministry of Establishments and Training:

Mr Chairman, Sir, when we advertise our posts abroad, we indicate the range of salaries which a prospective candidate is entitled to receive on his appointment. As I have explained earlier, there are many factors which must be taken into consideration when assessing an officer's salary. We hate to offer an officer more than he deserves, that is why we try to revise the terms of his contract during his first tour even if he has signed for more than one tour. The moment we discover that he was offered a salary beyond what he actually deserves he will be notified at once and by the end of his first tour we terminate his contract and his subsequent tours bear the correct salary. There is a legal point which arises if an officer who signed a contract knew that he was being offered a salary to which he was not entitled and kept quiet, then, his contract is void, in other words he knew there was a mistake, nevertheless he kept quiet. In most of these cases, the officer involved has no idea.

Director of Audit:

Mr Chairman, there is one other point which I do not think the Permanent Secretary has mentioned and that is the fact that Recruitment Officers overseas change fairly rapidly, and whereas the officers who make the mistakes are told and learn not to make mistakes again, these officers are frequently replaced and the replacements themselves make mistakes. I would like to confirm that the number of cases mentioned in the Audit Report, as the Permanent Secretary has said, is very small in proportion to the large numbers of officers recruited and I respectfully suggest that this should be borne in mind by the Committee.

Mr Chairman:

Any further observations? Paragraph 64.

Permanent Secretary, Ministry of Establishments and Training:

Mr Chairman, Sir, this is a simple case. What happened was that in 1962 when Ahmadu Bello University was established we had a number of Government officers in what used to be Government Departments which were merged with the University.

Now there were two categories of such officers—the expatriate officers and the indigenous officers. In the case of the expatriate officers they were seconded to the University. In respect of the indigenous staff there were two categories again. We have the daily-paid labour and we had the permanently established ones. As regards the daily-paid ones they were paid their ex-gratia awards and those of them who joined the University later on were more or less starting over again. As for the permanent established ones this matter was only resolved last week or is just about to be resolved. We have collaborated with the Attorney-General, Ministry of Finance, Premier's Office and all the appropriate Ministries on this exercise and there is now a Memorandum before the Exco. We have suggested three alternatives. We hope that when the paper is taken this month it will be possible to finalise this matter.

Mr Chairman:

Any observations? This question of transfer or secondment was started in 1962 and the position was not resolved until now. If something had been done right from the beginning, perhaps there would not be any occasion for this Audit paragraph. I think the Committee should accept the reply of the Permanent Secretary and hope that something will be done very soon so that the Director of Audit will not have the privilege of commenting next year.

Permanent Secretary, Ministry of Establishments and Training:

I assure you, Mr Chairman, that we wish to quickly resolve this issue. The delay in resolving it is mainly due to indecision on the part of the people themselves. At one stage they all opted to get their gratuity. The following month or so they came back and changed their minds. The Ministry of Agriculture, who are mostly involved in this exercise, are partly to blame for the delay.

Mr Chairman:

I hope the Permanent Secretary is aware that recently there were demonstrations.

Permanent Secretary, Ministry of Establishments and Training:

This was the Ministry of Finance's fault. Last year the Cabinet approved that they should be paid their money and we conveyed the decision to the Ministry of Finance. I gather that even vouchers were prepared but they were not paid until after the demonstrations this year.

Alhaji Maude Gyani:

Would the representative of the Ministry of Finance please explain to us why the payment was not made before the demonstration?

Representative of the Ministry of Finance (Mr A. R. Rencher):

Mr Chairman, Sir, I understand that the vouchers for payment to certain employees of the University were sent but some of the sub-receipts which should have been attached to the vouchers were missing. When we knew of the troubles at the University, we sent an officer to Zaria with the missing documents.

Director of Audit:

If I may help, Mr Chairman, a lot of the trouble was caused by the fact that about 200 people were being paid on one voucher at one time and at one go and everybody had to wait until the last man got his award calculated absolutely accurate. If they had been dealt with individually the bulk of them could have been dealt with straight away.

and it is not just the Ministry of Finance who should take the blame. Audit should have pointed this out to them as well. This paragraph is dealing with pensionable staff, but what we have been discussing is daily paid staff which is an entirely different thing.

Mr. Chairman:

I think I will take this opportunity to comment. This matter should be finalised quickly because the University is suffering because of somebody else's fault. Something must be done because the last demonstration was not merely a demonstration but a strike which lasted for two days. The question may now arise as to whether the University will pay for those two days. If the correct decision is not taken perhaps that will result in still further trouble. So, I hope you will all put your heads together and find a solution in order to help the University. Any further observations. Finally, paragraph 65.

Permanent Secretary, Ministry of Establishments, and Training:

This paragraph, Sir, relates to the case of fraud which was discovered at Potiskum—the Clerical Training School. Since the first fraud was discovered the officer responsible has been dismissed. The subsequent fraud which was discovered more or less involved the same person or persons as in the first one and I believe the case is scheduled for hearing on the 9th of this month. Until the matter is decided upon by the court we actually do not know what steps will be taken.

Mr. Chairman:

What is the amount involved?

Permanent Secretary, Ministry of Establishments and Training:

£209, Sir.

Alhaji Maude Gyani:

Mr Chairman, Sir, when these people were discovered why was nothing recovered from them before they were dismissed?

Permanent Secretary, Ministry of Establishments and Training:

In the first instance there are two people, one senior and one junior. When we received the report the matter was forwarded to the Public Service Commission. One of them was apprehended and had paid £30 and the other had absconded and it was later that the amount was discovered.

Alhaji Maude Gyani:

Mr Chairman, Sir, I think the Permanent Secretary should make a regulation so that if such a thing occurs the person involved can be penalised.

Permanent Secretary, Ministry of Establishments and Training:

At that time, Mr Chairman, two of them were working under one District Officer and when the matter was discovered it was reported to the Provincial Secretary Bornu and the Provincial Secretary convened a Board of Enquiry. We have taken the matter up with the Premier's Office who are making enquiries as to whether there was negligence on the part of the District Officer.

Mr. Chairman:

Any further observations? Well, thank you. That is all.

MINISTRY OF HEALTH

The Acting Permanent Secretary, Dr Sholeye, called in and examined.
Written evidence on paragraphs 76-81 of the Director of Audit Report for the year 1963-64 submitted.

Members observations follow the written evidence.

Ref. No. Fin/6147/Vol. III/183
Ministry of Health,
Private Mail Bag 2024,
Kaduna,
Northern Nigeria
25th May, 1965

The Secretary,
Public Accounts Committee,
Lugard Hall,
Kaduna (16 copies)

The Permanent Secretary,
Ministry of Finance,
Finance Division,
Kaduna

The Permanent Secretary,
Ministry of Finance,
Accounting Division,
Kaduna

The Director of Audit,
Northern Nigeria,
Kaduna (2 copies)

Sir,

PUBLIC ACCOUNTS JOINT COMMITTEE: MEETING OF

I have the honour to acknowledge receipt of your Circular letter No. 341/S.1/621 of 15th April, 1965, and to submit written answers to the points raised at paragraphs 76-81 of the Report of the Director of Audit for the year ended the 31st March, 1964, as follows:—

Paragraph 76.—Returns of Revenue in arrears as at 31st March, 1964 in respect of Kaduna Nursing Home totalling £3,601-5s-9d have been sent to the Ministry of Finance and the Director of Audit since 27th April, 1965. General Hospitals, Jos, Bauchi and Barakin-Ladi have sent NIL returns. Returns in respect of the Medical Stores were sent in to the Ministry of Finance, and the Director of Audit on 13th October, 1964.

No new method of collecting arrears of revenue has been introduced. The existing method was approved by both the Permanent Secretary, Ministry of Finance and the Director of Audit. In the last six months, a very serious effort has again been made to collect the outstanding debts at Kaduna Nursing Home, but I regret to report that very little has been collected.

Paragraph 77.—The Director of Audit is now aware of the position regarding the introduction of new Hospital Fees Regulations. The Regulations contain certain controvertial points and my Minister is considering very carefully the correct approach to the problems and the correct timing in the application of the Regulations.

Paragraph 78.—The loss of cloth and clothing totalling £628-19s-0d is connected with the admission of the storekeeper to hospital. It is therefore an extremely difficult matter to assess responsibility with any degree of certainty. I have now assigned to the newly appointed acting Finance Officer the duty of making a full report to me on this matter. This will be one of his first duties.

Paragraph 79: Boards of Survey.—It is admitted that there are delays in processing Boards of Survey. Some delays are caused in this Ministry and are due to a great extent to the inexperience and short stay of 'contract' medical officers, and also, with vehicles to the fact that for a year we were without a Transport Officer. Some delays however are beyond my control. In the case of two United Nation's Children's Fund vehicles, I wrote to the Funds' Supply Officer on 2nd November, 1961 requesting their permission to sell the vehicles and received their final approval in a letter dated 9th February, 1965. Each case has to be submitted to Geneva.

Paragraph 80:

- (i) This vehicle has been repaired and is in service. The police report was forwarded to the Director of Audit on 18th December, 1963.
- (ii) The explanation for the delay in reporting this accident, which I accept, was forwarded to the Director of Audit on 24th December, 1964. The appointment of the driver has been terminated.
- (iii) The claim of £34-18s-5d has been settled. The Accident Report was submitted on 21st December, 1964. The driver has been dismissed.
- (iv) This case has been delayed by the fact that the Board of Enquiry failed to make definite statements as to the facts of the case. Mr P. M. Isa was convicted of driving without a driving licence; but the court made no ruling as to whether he was driving at the time of the accident. This latter point was denied absolutely by Mr P. M. Isa. The Provincial Secretary, Sokoto was asked on 18th March, 1964 to appoint a Board of Enquiry whose first term of reference was to 'ascertain who was responsible for the accident'. On 23rd July, 1964 the Provincial Secretary, Sokoto sent me the findings of the Board which failed to include any reference to the responsibility for the accident. I then asked that the Board be reconvened to consider this point. On 31st December, 1964 the Provincial Secretary, Sokoto sent the further report of the Board ruling that Mr P. M. Isa was responsible for the accident. On 17th March, 1965 the Ministry of Finance agreed that Mr P. M. Isa should be called upon to make good the cost of repairs, £40. On the 22nd March, 1965 I wrote to Mr P. M. Isa asking for his representations before submitting the case to the Public Service Commission. Mr Isa has been away and I have not yet received his representations.
- (v) The tractor has been repaired at a cost of £103-11s-7d. On 5th March, 1965 the Public Service Commission ruled that Mr J. I. Ihyom, Assistant Control Officer-in-Training should be surcharged £50. The surcharge is being paid in five monthly instalments of £10. The Director of Audit was so informed on 22nd March, 1965.

Paragraph 81: (1) Half-Yearly Location Returns.—With the exception of those for the following three Units listed below, returns for all Units as at 30th June, 1964, have been submitted to both the Ministry of Finance and the Director of Audit:—

- (i) Medical Officer, Kaduna;
- (ii) Sister Tutor, N.P.T.S., Kaduna;
- (iii) Dental Centre, Kaduna.

(2) *Monthly Returns of Mileage*.—The following Units have not yet submitted their returns to this Office for the period ended 30th April, 1964 now under review:—

- (i) Senior Medical Officer; Jos;
 - (ii) Medical Officers, Wukari, N/Home, Kaduna, Bauchi, Kaduna, Bama, Yola, Pankshin, Kano, Birnin Kudu.
 - (iii) Medical Field Unit, Minna, Sleeping Sickness Services, Zaria and Argungu.
 - (iv) School of Hygiene, Kano and Leprosy Service, Sokoto.
- Returns for all other Units have been rendered up to December, 1964.

I have the honour to be,
Sir,

Your Obedient Servant,

P. T. DAVIES,
*for Permanent Secretary,
General Administration Section,
Ministry of Health*

Mr Chairman:

The first paragraph of the Audit Report that concerns Ministry of Health is paragraph 76. We have got a written reply but perhaps Members may wish to make some observations?

Alhaji Hassan, Dallatun Abuja:

Mr Chairman, concerning this paragraph 76, may I know how much is collected in a year so that we may compare this outstanding amount of £10,881. What I mean is if everybody paid what they owe how much would the total be?

Acting Permanent Secretary, Ministry of Health, Dr Sholeye:

Mr Chairman, Sir, I am afraid we have not got the figures of revenue collected from the Medical Stores year by year with us.

Mr Chairman:

Why?

Acting Permanent Secretary, Ministry of Health:

Because we did not expect this question.

Director of Audit:

Sir, if I may assist, the estimated figure is £80,000.

Mr Chairman:

So, out of these estimated proceeds of £80,000, about £11,000 is outstanding? Is there any chance of getting this large outstanding amount? Is there any hope?

Acting Permanent Secretary, Ministry of Health:

We shall continue to send reminders and hope that some day some people will pay, but we cannot really guarantee when.

Mr Chairman:

If I recollect correctly, we got a similar reply last year and I feel that it is time that the Permanent Secretary goes a little bit further than sending reminders.

Acting Permanent Secretary, Ministry of Health:

If you so direct, Sir, we shall accordingly take action.

Mr Chairman:

I do not think it is my duty to direct you.

Acting Permanent Secretary, Ministry of Health:

The last two sentences in our reply indicate the existing method was approved by both the Permanent Secretary, Ministry of Finance and the Director of Audit and we have made every effort, actually very serious efforts within the last two years but the response has been very poor.

Mr Chairman:

Well, that is why I say that the matter is not good enough. The idea should be for you to get new methods and ideas to solve your problem. If one method is not going to solve the problems, whether it comes from the Director of Audit or the Ministry of Finance, I feel that it is time for you to consider revising that method in order to make it more effective. This is my personal view.

Acting Permanent Secretary, Ministry of Health:

This is noted, Sir.

Mr Chairman:

Any further observations?

Alhaji Mustapha Maude Gyani:

Mr Chairman, what I wish to know from the Permanent Secretary is whether he could explain why the outstanding revenue as at the 31st of March, 1964, has not been collected, and what efforts are being made to see that they are collected.

Acting Permanent Secretary, Ministry of Health:

The normal thing is to send the patients a bill on the date of their discharge and if they do not pay on that very date, we have to continue to send reminders for them to pay.

Mr Chairman:

I am a little bit confused. Are we dealing with the Medical Stores or the Kaduna Nursing Home; Alhaji Maude Gyani, which one are we dealing with?

Alhaji Mustapha Maude Gyani:

I am talking about Kaduna Nursing Home.

Mr Chairman:

Please go ahead.

Alhaji Mustapha Maude Gyani:

I am not quite satisfied with the answer given by the Permanent Secretary. Nothing has been done except just sending constant reminders. I think it is crime that nothing has been so far collected?

Acting Permanent Secretary, Ministry of Health:

All I can say is that the existing method has been approved by two Permanent Secretaries, but the Chairman has now asked us to review the method and we have noted this.

Director of Audit:

I have a copy of the Rules in front of me here, and as far as I am concerned it is perfectly adequate. As far as I can see, if after sending reminders this fails, the next thing is to consider taking legal proceedings. It seems to me that perhaps it is not so much the method that is at fault, but with how much vigour the method is being implemented.

Alhaji Mustapha Maude Gyani:

Is it correct to say that Medical Officers in the Ministry of Health have been given increments in the year 1964?

Acting Permanent Secretary, Ministry of Health:

Increments are given to those who deserve them at the end of every year.

Alhaji Mustapha Maude Gyani:

Why would you give an increment to a person who refuses to do his job properly?

Acting Permanent Secretary, Ministry of Health:

In what type of work?

Alhaji Mustapha Maude Gyani:

I am talking about the collecting of revenues. Do you think that £3,000 is a small amount of money?

Acting Permanent Secretary, Ministry of Health:

Well, I think all I can say is that we have tried our best but we regret that we have not been successful. We co-operate with other Permanent Secretaries in the collection of fees from civil servants.

Mr Chairman:

You seem to be having difficulty with this matter. Is it because these people concerned are unable to settle the bills?

Acting Permanent Secretary, Ministry of Health:

Personally, I would not say so.

Alhaji Mustapha Maude Gyani:

I think there is a rule which states that if a person fails to do his job properly, he should not be given an increment of salary or it is written in his file that he is lazy in his work or he is inefficient. If you do not have any of these rules, it is good to make them, which will serve as deterrent to other officers, to encourage them to collect revenues properly.

Acting Permanent Secretary, Ministry of Health:

I still repeat that a very serious effort has again been made to collect the debts.

Mr Chairman:

After these numerous reminders, have you ever threatened anyone with legal action?

Acting Permanent Secretary, Ministry of Health:

We have not actually done that. It is very difficult to decide at what stage to put the matter to court.

Mr Chairman:

Any further observations?

Then paragraph 77—Hospital Fees and Regulations.

Alhaji Hassan, Dallatun Abuja:

Mr Chairman, may I know the reason for the delay in implementing the new Regulations?

Acting Permanent Secretary, Ministry of Health:

The Regulations contain certain controversial points and my Minister is considering very carefully the correct approach to the problem and the correct timing of the application of the regulations.

Mr Afolayan:

Arising from the reply he has given us, one understands that these regulations were asked for in July, 1964. He is now telling us that his Minister is considering very carefully the correct way of approaching the problem. The period between July, 1964 and June, 1965 is almost eleven months. May I know how many years this consideration will take? I consider that three to four months is an adequate time to allow.

Mr Chairman:

According to my information, this matter has taken more than eleven months. As a matter of fact, the matter has gone on for four years.

Acting Permanent Secretary, Ministry of Health:

Mr Chairman, Sir, as I said, my Ministers—that implies all the people holding the post, it is not only one man throughout the period—so that our new Minister is looking into this very carefully, and I can assure members of this Committee, Mr Chairman, Sir, that we are not trying to pull the wool over anyone's eyes. My Minister is actually looking into this matter very seriously.

Mr Afolayan:

I know it would not be possible for you to give us the exact date when this may take place, but if you can give us an approximate time, that would do.

Mr Chairman:

Say, 10 years, 20 years, perhaps?

Permanent Secretary, Ministry of Health:

Mr Chairman, Sir, with due respect, I would say that I have to be directed in this matter.

Mr Chairman:

Paragraph 78.

Alhaji Maude Gyani:

Mr Chairman, arising from the reply to the Audit Report, it was indicated that items of clothing valued at £628-19s-0d were stolen. Was this loss caused by the Store-keeper or was it a burglary or theft? If so, was the matter immediately reported to the Police? Was there any action taken by the Permanent Secretary towards the recovery of this loss?

Acting Permanent Secretary, Ministry of Health:

Mr Chairman, Sir, this Store-keeper was suddenly taken ill and was sent to the Hospital. He was relieved by someone else. When he came back, it was then that a shortage was discovered. As I explained here, it is extremely difficult to assess responsibility on any one with any degree of certainty. We have now got a new Finance Officer, who is advised to make it his first duty to investigate this matter thoroughly and to advise us on whom we have to put the responsibility for the loss.

Alhaji Maude Gyani:

Mr Chairman, I am wondering how Medical Store clothing can be stolen without a report being made to the Police, whether the store was burgled or broken into. The only explanation was that the Store-keeper was suddenly taken ill. I consider this explanation not reasonable enough.

Acting Permanent Secretary, Ministry of Health:

Mr Chairman, Sir, it was a shortage that was discovered, there was no question of theft or burglary in this case.

Mr Chairman:

We agree there may not be theft or burglary. We hope that after the investigation you will be able to avoid future occurrence on this nature.

Acting Permanent Secretary, Ministry of Health:

We will certainly apportion the blame according to the results of the investigations.

Alhaji Maude Gyani:

Mr Chairman, by the Permanent Secretary's answer, I feel that there is a case of neglect of duties. I would like to suggest that immediate action should have been taken at the outset, and it might have been possible to trace the source of this loss much earlier. This would have given the Permanent Secretary an ample opportunity to have cleared this matter without necessarily having to institute an enquiry or a Board of Survey.

Emir of Wase:

Mr Chairman, I think it is appropriate to accept the explanation given by the Permanent Secretary since he has assured us that a new Finance Officer has been detailed to investigate this matter. We should give him time and after his findings, we shall then be able to decide on what further action we should take.

Mr S. A. Atum:

Mr Chairman, I agree with the Permanent Secretary, but may I know when this occurred?

Acting Permanent Secretary, Ministry of Health:

I have not got the files here, but I think the loss occurred at the close of the year 1964.

Mr Chairman:

I think I will support the Emir of Wase's suggestion that since the matter is under investigation, we have already discussed it enough and I think it only fair to allow the Permanent Secretary some time to finalise the matter. If it is not satisfactorily finalised, it will again be appearing in the next Audit Report and so it will give us ample opportunity to take up the matter with the Permanent Secretary again. I hope we shall be denied this opportunity.

Acting Permanent Secretary, Ministry of Health:

Thank you, Mr Chairman.

Mr Chairman:

Paragraph 79.

Alhaji Maude Gyani:

Mr Chairman, Audit Report has indicated that during September, 1962 to May 1964, there were nine outstanding cases which have not been dealt with. What is the cause of the delay?

Acting Permanent Secretary, Ministry of Health:

Does it refer to the list under paragraph 80, are they to be taken together?

Mr Chairman:

You can do so if that will help you.

Acting Permanent Secretary, Ministry of Health:

Mr Chairman, I refer to paragraph 79. United Nations' delay could explain that. They have representatives in Nigeria, but the final authority will have to come from outside. In the case of the two United Nations Children's Fund Vehicles, we did not receive a reply to a letter which we wrote on 2nd November, 1961 until 9th February, 1965. Because they have their own routine which takes a long time. We understand that each case has to be submitted to Geneva.

Alhaji Maude Gyani:

Does the Permanent Secretary see any element of success should he pursue the matter?

Acting Permanent Secretary, Ministry of Health:

The United Nations Organisation comprises so many countries and each of the contributing countries has to be consulted.

Mr Chairman:

Any further observations?

Mr Afolayan:

Mr Chairman, I think in September, 1962, when this Committee met and when we met also last May he assured us that delays in the processing of the Board of Survey reports would not occur again. Now the Permanent Secretary is telling us that some of the delays are beyond his control. Since some of these delays are beyond his control, shall we now admit that there will be no permanent solution?

Permanent Secretary, Ministry of Health:

Well, I think I have just given an example of a delay which definitely is beyond the control of my Ministry. That was what was implied in that statement.

Mr Chairman:

Any observations?

You said that you had a reply last February but we have been informed by the Director of Audit that a letter authorising you to dispose of them was sent in January, 1963. I think one of you must be wrong?

Permanent Secretary, Ministry of Health:

Mr Chairman, Sir, both of us are right. The most important words are the first two of the last line but one—FINAL APPROVAL. The people in Lagos have no objection but they would like to consult their headquarters.

Mr Chairman:

Any further observations?

Paragraph 80, Paragraph 80 happens to be a long paragraph and the Permanent Secretary has given replies to five paragraphs, perhaps it will help you if you take them one by one. Let us take paragraph 80(i) first. Any observations?

In this particular case, the Director of Audit complained that neither his section nor the Ministry of Finance received the police report. This matter will perhaps be immaterial at this stage, but you will bear in mind that in future cases, you should inform the Ministry of Finance as well as Director of Audit.

Permanent Secretary, Ministry of Health:

We can assure you that we despatched the report. It was dated 18th December, 1963.

Mr Chairman:

Are you all finished with this, and paragraph (i). Any observations?

Alhaji Maude Gyani:

Arising from the report of Director of Audit, may I know whether the amount of £64-11s-7d has been paid by the Driver?

Permanent Secretary, Ministry of Health:

Mr Chairman, Sir, No. The driver has not paid, because it is not the usual practice.

Mr Chairman:

Any further observations?

And paragraph (iii); Paragraph (iv).

I think there is a little bit of confusion in numbering the Permanent Secretary's paragraphs.

Permanent Secretary, Ministry of Health:

You are right, Mr Chairman, I apologise for that.

Mr Chairman:

Any observation on Paragraph (iv)? Paragraph (v)?

Mr Atum:

Mr Chairman, Sir, in case of an accident, it is necessary that prompt action should be taken, otherwise all the claims will be lost. In this case, it seems to me that prompt action was not taken.

Permanent Secretary, Ministry of Health:

Mr Chairman, Sir, I think we stated our case at the top of page 3 of our explanation. This is an involved case; it is not a straightforward case; the main problem is who was responsible for the accident? We have just been informed about this matter recently; we are investigating, but who was responsible has not yet come to light.

Mr Chairman:

Any further observations?

Alhaji Maude Gyani:

Mr Chairman, Sir, I want to suggest to the Permanent Secretary, to continue sending reminders until the sum of £40 is received.

Permanent Secretary, Ministry of Health:

We are sending papers for authority to collect the money from this officer to the Public Service Commission for approval.

Mr Chairman:

Any further observations?

And finally, paragraph 81.

Mr Afolayan:

Under this Motor Vehicle Returns, Ministry of Finance Circular instructions required that all Ministries should render to the Ministry of Finance half-yearly allocations and returns. In the defence made by the Permanent Secretary, it has been indicated that only three units listed below have not made their half-yearly returns. These three units are Medical Officer, Kaduna, Senior Tutor, Nursing Preliminary Training School, Kaduna and Dental Centre, Kaduna. All these units are centred in Kaduna Capital Territory and I am sure all these units, or officers in charge of these units are aware of the instructions made by the Ministry of Finance. May I know why these three units have failed to comply with the Ministry of Finance instructions and what further action is being taken against future occurrences?

Permanent Secretary, Ministry of Health:

Mr Chairman, Sir, the Ministry accepts the responsibility for the fact that units in Kaduna have not submitted their returns. I am almost certain that they have now been sent to us. These returns cover over 100 units which are distributed all over Nigeria.

Mr Chairman:

Any further observations?

Mr Olarewaju Afolayan:

I still require to know what action is being taken against these officers who have caused the delay.

Permanent Secretary, Ministry of Health:

Mr Chairman, Sir, one of the facts you should bear in mind is that we have not had a Finance Officer for some time, and this is a part of his job.

Mr Olarewaju Afolayan:

I want an assurance from the Permanent Secretary now. The assurance is that these delays will not occur again. I need this assurance so as to enable me to compare and contrast when next the Committee meets.

Permanent Secretary, Ministry of Health:

Mr Chairman, Sir, we will do our very best to ensure that this does not happen again.

Mr S. A. Atum:

Mr Chairman, Sir, in answering the question from Mr Afolayan, the Permanent Secretary said that they were short of a Finance Officer. May I know if they have got one now?

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Permanent Secretary, Ministry of Health:

Yes, Sir.

Mr Chairman:

Has anybody any questions on item (i). We go on to item (ii).

Alhaji Mustapha Maude Gyani:

Is there any disciplinary committee being established in this Ministry so as to take any disciplinary action against those staff who refuse to submit their returns? If there is none, is it possible for the Ministry to establish one?

Permanent Secretary, Ministry of Health:

Mr Chairman, Sir, we have asked these units to submit their returns and when they don't, we send reminders to them. However, we will take note of what you have said. May I say that these units are roving units, they move from one place to another.

Mr Chairman:

I think they rove within the North? The delay in this particular case is over a year now. I think if the return is posted from anywhere in the North it would reach you within a year. Any further observations? Thank you very much. That is all.

Gentlemen, this is the end of our business for today. We shall meet again tomorrow at 9.00 a.m.

MINUTES OF PROCEEDINGS

Friday, 4th June, 1965

MEMBERS PRESENT

Alhaji Umar Sulaiman, O.B.E., Emir of Bedde (*in the Chair*)
 Alhaji Muhammadu, Emir of Gumel M. Umaru Yola
 Alhaji Sulaimanu Barau, O.B.E., Emir of Abuja Mr S. A. Atum
 Alhaji Hassan, Dallatun Abuja Mr O. Afolayan
 Alhaji Muhammadu Sada Nadada, Kankia Alhaji M. Maude Gyani

The Director of Audit, Mr M. Skilleter, C.B.E., accompanied by the Deputy Director Mr E. S. H. Clode in attendance.

MINISTRY OF INTERNAL AFFAIRS

The Permanent Secretary, M. Muhammadu Gujbawu, called in and examined. Written evidence on paragraphs 82-84 of the Director of Audit Report for the year 1963-64 submitted.

Members observations follow the written evidence.

PUBLIC ACCOUNTS JOINT COMMITTEE, 1965:

MEMORANDUM BY THE MINISTRY OF INTERNAL AFFAIRS

1. *Paragraph 82: Excess Expenditure: (a) Head 245, Subhead 3—Other Transport and Travelling.*—Rail warrants for stationery supplies were debited to this subhead instead of the one from which stores were bought. The account was received too late to be adjusted in the financial year in which it occurred. The over-expenditure was cleared by Virement Warrant 110/1963/64 of the 17th October, 1964.

(b) In order to ensure better control of expenditure under this subhead, the following steps have been taken:—

- (i) all vouchers are submitted to the Permanent Secretary for vetting (Ministry of Internal Affairs Office Instruction No. 3/1964/65);
- (ii) a monthly summary of the position of each subhead is prepared and examined;
- (iii) the subhead is broken down into the following sub-allocations:—
 - (a) mileage and travelling allowances for Minister and Parliamentary Secretary;
 - (b) mileage allowance officials;
 - (c) travelling allowance officials;
 - (d) leave transport grants;
 - (e) freight;
 - (f) other items.

2. *Head 245: Subhead 22—Paper and Materials.*—It is regretted that this subhead was under-estimated. The increasing volume of work placed upon the Printing Division makes it difficult to calculate exactly the quantity of paper and printing materials required. At the same time, adequate stocks must be maintained to produce essential Government publications, particularly towards the close of the financial year when the publication of the Estimates of the Northern Region for the following financial year have to be presented to the Budget Session. The situation is a difficult one but constant attempts have been made to effect economies and the Government Printer has been instructed to query runs of publications which he considers excessive. The over-expenditure was approved in Virement Warrant 110/1963/64.

3. *Head 245, Subhead 26: Regional Stationery Depot: Purchases, Freight and Other Charges.*—Again it is extremely difficult to estimate the increasing demand for stationery from Ministries. At the same time stocks must not be allowed to fall below a certain level or the day to day business of the Government would be seriously hampered. In the past, many of the stocks have been involved from the Crown Agents, and it has only been possible to estimate the charges ordered. Greater use is now being made of local sources of supply which will mean that accurate accounts are rendered quickly. The over-expenditure was approved by Virement Warrant 110/1963/64.

Paragraph 83—Returns of Revenue in Arrears at the 31st March, 1964.—It is regretted this return was not made in time and has only been submitted to the Director of Audit recently. Many of the bills outstanding are for organisations which are no longer in existence, e.g.; Catering Rest House, Kaduna and Plebiscite Commission. Duplicate copies of bills have been prepared and submitted with a request for immediate payment. The Government Printer has been instructed *not* to accept any further work from Departments and Ministries where they have failed to settle outstanding bills. In addition, a periodical examination of the arrears of revenue is being carried out and early reminders to unpaid bills are now being issued.

Paragraph 84—Forged Motor Vehicle Licences.—The criminal proceedings taken against the persons suspected of forging motor vehicle licences have not yet been completed but the copy of the proceedings would be requested when this is done. Within the last few days a quotation from the Nigerian Security Printing and Minting Company Limited for the printing of revenue documents has been received and has been carefully studied. The firm has intimated that it should be in a position to produce our requirements by October of this year. This will greatly increase the degree of security over all such documents and should result in a considerable saving to Government.

A. C. MACKELLAR,
Permanent Secretary,
Ministry of Internal Affairs

Mr Chairman:

Gentlemen, we have here the Permanent Secretary, Ministry of Internal Affairs. The first paragraph of the Audit Report which concerns the Ministry is paragraph 82. The Permanent Secretary has also submitted a written reply. Perhaps members may wish to make some observations?

Paragraph 82: Excess Expenditure.

Mallam Umoru Yola:

Mr Chairman, Sir, I think the same thing happened last year on this subhead. Can the Permanent Secretary say why this should have happened again.

Permanent Secretary, Ministry of Internal Affairs:

With the permission of the Chairman, I will ask my Accounting Officer to explain.

Mr Chairman:

You have my permission, so long as it is understood that that will not make him responsible. This is your responsibility.

Permanent Secretary, Ministry of Internal Affairs:

Yes, Sir, I am aware of my responsibility, but I consider my Accounting Officer is in a better position to explain.

Mr Chairman:

You may go ahead.

Accounting Officer for Permanent Secretary, Ministry of Internal Affairs:

Usually, the Ministry receives warrants debitable to various subjects. When these warrants come in good time, adjustments are made to the various subheads, but in the closing account, that is March, 1964, the warrants came late and then the necessary adjustments were not carried out. The warrants usually come from the Government Coastal Agency, and so the excess occurred and it was vired on authority from Finance Division.

Mr S. A. Atum:

Mr Chairman, Sir, May I know why the warrants were received late?

Accounting Officer for Permanent Secretary, Ministry of Internal Affairs:

These warrants come through the Accountant General's outward accounts and they came late to the Ministry.

Mr Chairman:

Are you satisfied, Mr Atum?

Mr S. A. Atum:

I still have a question to ask. Are you getting these correctly now?

Accounting Officer for Permanent Secretary, Ministry of Internal Affairs:

Yes, we are receiving them correctly and we are effecting adjustments.

Umaru Yola:

Mr Chairman, can the Permanent Secretary assure us that this will not happen again?

Permanent Secretary, Ministry of Internal Affairs:

Mr Chairman, Sir, I am doing so.

Mr Chairman:

Any further observations?

Mr O. Afolayan:

I have one observation to make. There is definitely an increasing volume of work being placed upon the Printing Division, thus making it difficult to calculate exactly what quantity of papers and printing material will be required, but in my view, I think if greater vigilance over the progress of expenditure was kept, such over-expenditure may not have occurred at all. I would advise that the Ministry be more vigilant over the progress of expenditure.

Mr Chairman:

Any further observations?

Director of Audit:

Mr Chairman, the Accountant-General has been accused of sending something late. The Accountant-General's Representative is here. The Committee may perhaps like to hear his comments on this accusation.

Representative for Accountant-General (Mr A. R. Rencher:)

Mr Chairman, Sir, the only thing I can say is that this is the only Ministry which makes this accusation.

Alhaji Maude Gyani:

Mr Chairman, Sir, is the Accountant-General's representative saying that there is no other Ministry making this accusation?

Representative of the Accountant-General:

To my knowledge, there are no other such accusations, only this Ministry.

Alhaji Maude Gyani:

Are you therefore promising that such a thing will not happen again?

Representative of the Accountant-General:

If this is the case, and I cannot say so definitely, if the Committee is interested in whether the Ministry of Internal Affairs' warrants were sent late; I can provide that information later.

Permanent Secretary, Ministry of Internal Affairs:

I do not accept the accusation that this Ministry is telling a lie. It may be a mistake.

Representative of the Accountant-General:

I do not say that you are telling a lie, that is the point of my saying that I could confirm to the Committee if they were interested whether the warrants were sent late.

Alhaji Maude Gyani:

Mr Chairman, Sir, what I mean to say is that I want the representative of the Accountant-General to co-operate with the Ministry of Internal Affairs and see that they send these warrants in time.

Representative of the Accountant-General:

I am assuring you that the Accountant-General will do everything possible to co-operate.

Mr Chairman:

Any further observations on that paragraph? Then, paragraph 83.

Emir of Abuja:

As regards paragraph 83, may we know how much is still outstanding and how does it compare with the last year?

Permanent Secretary, Ministry of Internal Affairs:

May I again take the permission of the Committee for my finance officer to explain?

Mr Chairman:

We have already agreed with that.

Finance Officer, Ministry of Internal Affairs:

The figure £798-5s-9d as at 31st March, 1964 has been reduced considerably. Most of this outstanding revenue is principally revenue derivable from the printing of the Native Authority Estimates and some of them are, for example, revenue outstanding against the Catering Rest House, Kaduna, which is not functioning any more. Arrangements are being made for an application to be made for a write-off to the Ministry of Finance, Finance Division.

Mr Chairman:

You have not answered the question. He said, "How much is outstanding?"

Permanent Secretary, Ministry of Internal Affairs:

We do not know the answer to this, Sir. We are prepared to give a written answer.

Mr Chairman:

You stated that you are contemplating to ask for permission to write off the outstanding amount, is it all the outstanding arrears or only part of it?

Permanent Secretary, Ministry of Internal Affairs:

Mr Chairman, Some part of it.

Alhaji Mustapha Maude Gyani:

It is not indicated in paragraph 83 of the written reply whether a part of the money will be recovered and some will be written off. With the permission of this Committee I would like to quote three lines:

"Returns of revenue in arrears as at 31st March, 1964 still outstanding at the 30th September, 1964 required by Financial Instructions to be submitted by the 31st October, 1964, have not yet been received."

When will the Permanent Secretary know how much is being collected and how much will be written off.

Permanent Secretary, Ministry of Internal Affairs:

There is a point which has not been added to the explanation and that is, it is very difficult for us to get the Native Authorities to co-operate. We shall continue to do our best to convince the Native Authorities to co-operate with us and if they do, we shall give a full answer to the Committee.

Alhaji Mustapha Maude Gyani:

Since the Permanent Secretary has promised that he will give us full explanation during our next meeting, I would like to make two suggestions. My first suggestion is that reminders should be sent regularly. If that is done you will not have to be worried again by us. The second suggestion is that you will then be able to know who is in arrears and what steps to take next.

Permanent Secretary, Ministry of Internal Affairs:

Mr Chairman, Sir, we will do our best to improve the situation, but of course the improvement depends on the co-operation of the Native Authorities. If members wish to know which Native Authorities are defaulters, we shall try to submit their names.

Director of Audit:

If I may help there, Mr Chairman. It is quite true that the biggest part of the arrears is in the printing of Native Authority estimates and the Ministry for Local Government actually control the collection on these bills. An arrangement was entered into in May 1964 whereby the Ministry for Local Government should actually bill each Native Authority and supervise the collection of the cost of the printing. In fact, the collection of these bills, is largely in the hands of the Ministry for Local Government and not the Ministry of Internal Affairs. So, unless the Ministry can ask the Ministry for Local Government, they will find it difficult to answer this question.

Mr Chairman:

Any further observations?

Mr Olarewaju Afolayan:

Mr Chairman, it is very encouraging to note that the system which has just been adopted in collecting these arrears in the evidence before us is working satisfactorily. May I know how far you have been able to collect the outstanding arrears of £789 with the help of the new system you have now adopted?

Mr Chairman:

I think this question has been asked and at the moment they are not in a position to give a reply but the Permanent Secretary said he would give us a written reply in due course.

Any further observations? Then, paragraph 84.

Mr Olarewaju Afolayan:

From the evidence laid before us, Mr Chairman, it has been suggested that the licence forms were obtained from the Government Printer. Assuming this statement is correct, I would be interested to know the officers concerned.

Permanent Secretary, Ministry of Internal Affairs:

Mr Chairman, the matter is now in the court of law, the only office that can assist us is the police office.

Mr Olarewaju Afolayan:

While I completely agree with you, I maintain that the police should have given you certain indications in connection with the suspected officers.

Permanent Secretary, Ministry of Internal Affairs:

We are not supposed to take action against any defaulter; this is the responsibility of the court.

Director of Audit:

With respect, if I may interrupt here. Since the Police are still investigating and have not formalised the charges, it would be very difficult to discuss the matter in this Committee because the minutes of this Committee are made public. I respectfully suggest that it may be sufficient for the Committee to know that the Police are making investigations and framing charges. I would advise the Committee that no names should be mentioned at this stage—not as regards the criminal case.

Permanent Secretary, Ministry of Internal Affairs:

Mr Chairman, for the information of this Committee the officer who was personally responsible by virtue of his office, has been interdicted.

Mr Olarewaju Afolayan:

I observe also that the root cause of this loss was due to lack of security, inadequate supervision and absence of instruction to the officers in charge of the security section as well as to lack of responsibility. I am sure the Permanent Secretary will agree with my observation and I also say that if he investigates, he will find that these losses have been caused by enemies of this Region, most of whom fill important posts in the Security Section. What action are you taking to minimise, if not completely eliminate, this distressing situation?

Permanent Secretary, Ministry of Internal Affairs:

Mr Chairman, Sir, the Member's charges are so many; I will try to answer a few of them. About security, we are working jointly with the Federal Government to enforce our security. Most of the employees connected with this work are responsible people, it is not a matter of from where they come.

Mr Olarewaju Afolayan:

Mr Chairman, Sir, while I agree that no matter from where the people come, these posts must be filled, I still maintained that there must be some solution to this problem of lack of security: The Permanent Secretary must realise that not one of them has a sense of responsibility to this Region, that is why I am suggesting to him that a complete interrogation of officers in that section should be made immediately.

Permanent Secretary, Ministry of Internal Affairs:

Mr Chairman, Sir, the Member has gone very far and I think it is not now a question of expenditure but question of loyalty. I consider this would be better discussed with the Chairman, Public Service Commission, if he appeared before this Committee.

Alhaji Mustapha Maude Gyani:

Mr Chairman, Sir, I reiterate my suggestion to the Permanent Secretary that when he goes back to his Ministry, he will continue to investigate the causes of this loss. Perhaps he himself may be able to detect the cause of this, even though this matter is in the hands of the Police.

Permanent Secretary, Ministry of Internal Affairs:

Mr Chairman, Sir, the Honourable Member knows that no one should interfere with the work of the Police.

Alhaji Mustapha Maude Gyani:

I have already said that I merely wish you to continue to investigate.

Permanent Secretary, Ministry of Internal Affairs:

We are prepared to take precautionary measures for the future, but when investigation is handed over to the Police, it is not my duty to interfere.

Mr Chairman:

Any further observations? Finally, we have the Statement of Printing and Stationery Renewals Fund for the year ending 31st March, 1963. There is a notice subsequent to this and it seems to me that a case was made in paragraph 2 for which the Permanent Secretary does not appear to have furnished a reply.

Director of Audit:

The adjustment was effected in August, 1964.

Permanent Secretary, Ministry of Internal Affairs:

If no Member has any observations, may I speak, Sir?

Mr Chairman:

Yes, you can.

Permanent Secretary, Ministry of Internal Affairs:

It has been adjusted to revenue, Sir.

Mr Chairman:

Any further observations? Well, I think that is all. Thank you very much. The meeting is suspended for 15 minutes.

MINISTRY OF INFORMATION

The Acting Permanent Secretary, Mr J. S. Warren, called in and examined.

Written evidence on paragraphs 85-87 of the Director of Audit's Report for the year 1963-64 submitted.

Members observations follow the written evidence.

PUBLIC ACCOUNTS JOINT COMMITTEE: AUDIT ANNUAL
REPORT, 1963-64*Ministry of Information—Paragraphs 85-87*

Paragraph 85: Returns of Revenue in Arrears.—So far as the Catering Rest Houses are concerned all returns have now been received and forwarded to the Permanent Secretary, Ministry of Finance and the Director of Audit. Prompt action was taken in my office this year with regard to requesting this return and innumerable reminders by letter and telegram were sent but, I regret, failed to produce all the returns in time. I have however now instituted a return of outstanding bills which is to be attached to the Catering Rest House Quarterly Statements. As this is now to be a routine quarterly return I hope there will be much less difficulty in forwarding the annual return of revenue in arrears for outstations in good time.

With regard to the headquarters; of the amounts reported as outstanding, £303-15s-10d for Parks and Gardens, £280-4s-9d for Photographs and £211-12s-0d for hire of transport have now been settled or written off. The majority of the outstanding bills were for services rendered to other Ministries and most of these have now been settled by Adjustment Vouchers. A stricter enforcement of the rule regarding payment in cash before the service is rendered to individuals has been instituted, particularly with regard to the sale of photographs; furthermore the Parks and Gardens Section have cut down on the private works they previously undertook.

Paragraph 86: Catering Rest Houses.—Of the three Rest Houses for which the accounts required particular investigation the following has been ascertained:—

- (i) *Plateau.*—The main causes of the poor results appear to have been firstly, that the status of V.I.P. treatment was extended to far more people than warranted it and these persons whether or not they stayed in the V.I.P. Chalet were required to pay only for meals taken. Instructions have now been clearly laid down that the only persons who qualify for concessionary rates when staying at the Catering Rest House are Northern Government Ministers and Parliamentary Secretaries and Northern Senior Government Officials, of Group 5A and above when they stay in the V.I.P. Chalets. All persons staying in the ordinary chalet pay the full Catering Rest House charges and any persons apart from the few entitled to concessionary rates who stay in the V.I.P. Chalet pay £5-5s-0d per day, all-in. Secondly, during the year in question wage rates were increased at this Rest House.
- (ii) *Lokojà.*—The apparent poor result at this Rest House was entirely due to misclassification of the Revenue over a long period. £1,714-7s-10d was unfortunately classified to Makurdi Catering Rest House in error and if this had been

corrected before the close of the year the results for these two Rest Houses would have been—

	Revenue			Expenditure		
	£	s	d	£	s	d
Makurdi	13,231	19	3	12,353	9	6
Lokoja	5,815	17	7	5,185	8	3

In both cases this is an improvement over the previous year.

- (iii) *Ilorin*.—The higher rate of expenditure was entirely due to additional staff taken on and higher rates of pay. At that time Catering Rest House Management Committees had complete control over the number of staff employed and the rates of pay. Since October 1964 however this has been centralised; wages rates are now laid down by me and no additional staff may be taken on without my permission. So far as Ilorin is concerned also a number of staff have also been declared redundant and a further review will be carried out in two months time.

Paragraph 87 Boards of Survey.—The delays in completing action on these Boards of Survey is very much regretted. In a number of cases there have unfortunately been completely unnecessary delays in my office and in particular this has been due to letters not being sufficiently well followed up with reminders; oversights have too often occurred when a number of items in a file have required action at one time. I have recently separated Boards of Survey from the individual Catering Rest House Accounts files and it is hoped that this will mean a better follow-up procedure. However, in addition to the failure in headquarters delays are accentuated by the large number of hands a Catering Rest House Board papers have to pass through, from the Supervisor to the Divisional Officer to the Provincial Secretary, to the Permanent Secretary and to the Director of Audit twice over. Of the five Boards of Survey reported, action has now been completed on three:—

- (i) *Yola Catering Rest House: June, 1962*.—I very much regret there have been long delays both in this office and at Yola. In the first place this was due to the forms being incorrectly submitted. However, since September 1964 when the forms were finally sent to Yola I have sent many letters and reminders requesting the return of the completed forms. On 14th May, 1965 I received a telegram stating that the forms could not be traced and copies were sent on 20th May. I am now awaiting the completed copy.
- (ii) *Keffi Catering Rest House: April, 1963*.—This Board of Survey was first received in my office on 13th January, 1964 under cover of a letter from the Provincial Secretary, Benue Province, regretting the long delay. Within a few days, it was forwarded to the Director of Audit and the Provincial Secretary was at the same time asked for the certificate of disposal for the unserviceable items. The Board proceedings were returned to the Provincial Secretary in February 1964 and by many letters and telegrams I requested return of the forms and the certificate of disposal. The certificate was eventually forwarded to the Director of Audit in July, 1964 and the final Board of Survey papers in May this year. Action is now therefore completed.
- (iii) *Kontagora Catering Rest House: July, 1963*.—The delay on this Board of Survey was, I regret to say, entirely the fault of my Ministry. A query raised by the Director of Audit regarding an excessive purchase of curtains was followed up but in doing so, unfortunately the actual Board of Survey forms remained at back

cover of my file until discovered in a closed volume in April this year. They were immediately sent to the Provincial Secretary, Niger Province, for completion and their return is now awaited. Action regarding the curtains has been completed and they were sold for £61-17s-6d.

(iv) *Ilorin Catering Rest House: February, 1963.*—There were unfortunately two periods at which delays occurred in this Board of Survey. Firstly, in my office. The proceedings were returned to me by the Director of Audit on 2nd May, 1964, but were not forwarded to the Provincial Secretary, Ilorin, until I received a reminder from the Director of Audit seven months later. For this I regret there is no valid explanation. The second delay occurred at Ilorin and would have been shortened by two months but for an unfortunate incident whereby a wrong certificate of disposal was forwarded. Apart from this the Provincial Secretary, Ilorin, has been unable to provide any adequate reason for this delay apart from the number of hands through which the proceedings must pass. However, action has now been completed and the proceedings were finally returned to the Director of Audit in April this year.

(v) *Plateau Catering Rest House: July, 1962.*—The proceedings of this Board of Survey were received back from the Director of Audit as stated in the report in May, 1963. In the same month they were sent by me to the Provincial Secretary, Plateau Province. Although a considerable number of letters and telegrams were written by me to obtain the completed forms, these were not received back until May, 1965 and have now been returned to the Director of Audit. It appears that after an intensive search in Jos they were eventually traced only this month and action was immediately taken.

Mr Chairman:

Gentlemen, I think we can now start and we have a Gentleman from the Ministry of Information who is well known to us. He is our old customer, but could he explain why it is that the Permanent Secretary did not appear before us in person? It is the Permanent Secretary that we expect here.

Acting Permanent Secretary, Ministry of Information:

Sir, the Permanent Secretary is on officially approved leave.

Mr Chairman:

And you are acting for him?

Acting Permanent Secretary, Ministry of Information:

Yes, Sir.

Mr Chairman:

I am asking this because this Committee is concerned with the failure of the Permanent Secretary to appear personally. For the past three years the Permanent Secretary has not appeared before us. The first paragraph of the Audit Report concerning his Ministry is paragraph 85. I think we have a written reply but all the same, perhaps Members may wish to make some observations.

Emir of Abuja:

Mr Chairman, Sir, in view of the written reply given by the Permanent Secretary, may we know the breakdown of the arrears and how much is still outstanding?

Acting Permanent Secretary, Ministry of Information:

Sir, I am not quite clear what you are referring to, is it the Catering Rest Houses or the Headquarters?

Emi of Abuja:

I am referring to the arrears mentioned in the written reply.

Acting Permanent Secretary, Ministry of Information:

On the Headquarters, Sir, I have indicated in the written reply that the amount has been settled. The remaining amount is approximately £200 out of nearly £1,000.

Mr Chairman:

Was this for the Headquarters?

Acting Permanent Secretary, Ministry of Information:

Yes, Sir,

Mr Chairman:

What about the outstations? Arrears are arrears to us whether they are from Headquarters or outside the Headquarters. All we want is for them to be cleared.

Acting Permanent Secretary, Ministry of Information:

The report referred in figures to the Headquarters and it will take a long time to work out that for the Catering Rest Houses. I can however say that for the worst offenders of the Catering Rest Houses, which were Jos and Zaria, about half have been collected and that legal action is being taken against a number of people still outstanding in both places.

Mr Chairman:

Any further observations?

Alhaji Mustapha Maude Gyani:

Mr Chairman, Sir, will the Permanent Secretary please explain the procedure he went through in order to recover the money?

Acting Permanent Secretary, Ministry of Information:

In the first place a number of reminder letters were sent, varying from a gentle reminder to start with, to the third reminder which is usually a strong one and finally threatening that if the bill is not paid within a given period legal action will then be taken.

Alhaji Mustapha Maude Gyani:

Sir, may I offer a suggestion to the Permanent Secretary? Since these things occurred only in two provinces, will the Permanent Secretary try to see that the other provinces do not fall into the same bad practices? I suggest you issue an instruction to the other provinces stating specifically what will happen to defaulters.

Acting Permanent Secretary, Ministry of Information:

The instructions apply to all Catering Rest Houses. I merely gave Jos and Zaria as the worst offenders.

Mr Chairman:

Any further observations?

In connection with Catering Rest Houses, Parks and Gardens, the sale of photographs. Have you considered the possibility of cash payments?

Acting Permanent Secretary, Ministry of Information:

Yes, Sir.

Mr Chairman:

Is there any reason why you should not enforce this strictly?

Acting Permanent Secretary, Ministry of Information:

The majority of the outstanding amounts are between Government departments and cash is not usable in such instances. It is true that of the remainder, a number of them should have been paid by cash and during the last one year, the matter has been tightened up.

Mr Chairman:

Any further observations?

Then, paragraph 86. This is a lengthy reply. I take it that the reply is accepted. And paragraph 87. Any observations?

We have 1, 2, 3, 4 and 5 sub-paragraphs, perhaps we can take these sub-paragraphs one by one. The first one concerns Yola Catering Rest House. Any comments?

Alhaji Mustapha Maude Gyani:

Mr Chairman, Sir, in the Permanent Secretary's written reply, sub-section 1, the Permanent Secretary states that this has taken a long time. Has the Permanent Secretary provided anything in the way of improvement in this connection?

Acting Permanent Secretary, Ministry of Information:

I think this is a general question or is it Yola in particular?

Alhaji Mustapha Maude Gyani:

You can take it that this is a general question.

Acting Permanent Secretary, Ministry of Information:

I explained in the preamble to my explanation that I have arranged to split the previous files that are dealing with the subjects. I hope that as a result of a Board of Survey for one particular place being dealt with in one particular file that the matter will not be overlooked as was apt to happen in the old system.

Mr Chairman:

Any further observations on sub-paragraph 1; sub-paragraph 2: Keffi. 3: Kontagora. 4: Ilorin and 5: Plateau.

Dallatu of Abuja:

Mr Chairman, Sir, I want to know why this particular place took up a year to settle the case. Jos is nextdoor to Kaduna.

Acting Permanent Secretary, Ministry of Information:

I do not know, Sir. But this I can say was not the fault of my office. It was not overlooked at this end. There were many reminders sent.

Dallatu of Abuja:

What is the remedy to avoid future occurrences?

Acting Permanent Secretary, Ministry of Information:

I now have an Accounting Assistant whose main job is to tour Catering Rest Houses checking their accounts, and following up any accounting or stores matters. It is his job to follow up these things when he visits the Catering Rest Houses.

Mr Chairman:

Any further observations?

That ends the paragraphs from the Audit Report and our next item is Capital Development Fund Accounts, 1961-62, and as far as I am aware, we have not received a written reply from the Permanent Secretary.

Acting Permanent Secretary, Ministry of Information:

No, Sir, You have not.

Mr Chairman:

Can we have it now?

Acting Permanent Secretary, Ministry of Information:

I regret, I have overlooked this. Can you tell me the part, and I will try to give you a reply.

Mr Chairman:

Page 2, item (iii). You were authorised to spend £52,380, the actual expenditure showed £66,271.

Acting Permanent Secretary, Ministry of Information:

I am afraid, Sir, I remember dealing with this, but I cannot remember the reason for this. I apologise for this, Sir. I do recall, however, that it was something connected with two different subheads with a similar title, and there was a misallocation between the two.

Mr Chairman:

Any observations?

Director of Audit:

I would just like to mention to the Committee that the excess was covered in the Third Supplementary Estimates 1963-64 which were passed at the last Budget Session of the House.

Mr Chairman:

What this Committee is driving at is that whenever you have an estimate, and later on you find out that the cost of a particular job is more than the estimated amount, you should immediately revise your estimate before you actually spend the money.

Acting Permanent Secretary, Ministry of Information:

Yes, Sir.

Mr Chairman:

Finally, Jos Hill Station Accounts, 1963-64. Any observations? I take it that the accounts is acceptable to the Committee.

Thank you, that is all.

MINISTRY OF LAND AND SURVEY

The Acting Permanent Secretary, Ministry of Land and Survey, Mr Barnett, called in and examined.

Written evidence on paragraphs 88 and 89 of the Director of Audit Report for the year 1963-64 submitted.

Members observations follow the written evidence.

**PUBLIC ACCOUNTS JOINT COMMITTEE—WRITTEN ANSWERS FROM
MINISTRY OF LAND AND SURVEY ON THE REPORT OF THE
DIRECTOR OF AUDIT ON THE ACCOUNTS OF GOVERNMENT OF
NORTHERN NIGERIA FOR THE YEAR ENDED 31st MARCH, 1964**

Paragraph 88: Returns have been rendered in respect of the three outstanding Subheads since 16th February, 1965, and a further check on the figures relating to the returns of arrears of rent on Certificates of Occupancy has been made, and amended figures of £105,733-19s-6d has been submitted. Out of this sum, a total amount of £48,311-13s-3d has been collected up to 30th April, 1965. Pressure, both from the Ministry Headquarters and from the various Provincial Offices through the Assistant Land Officers attached to these offices, is being brought to bear on defaulters and this has resulted in the collection of the amount stated above. Strict measures designed to prevail on defaulters to settle outstanding rents and fees are also being employed.

Paragraph 89: Rent records are, as far as possible, being brought up to date and postings of the rent records are made both from the copies of the Receipt Vouchers prepared at the Ministry Headquarters as well as from the monthly returns of revenue currently being rendered from the Provincial Offices in respect of rent or deposit paid through these offices. Provincial Secretaries are now advised to pursue only outstanding rents in which their assistance to collect them have been sought.

With regard to the loss of funds referred to, it is expected that with the monthly returns of revenue now being rendered by the Assistant Land Officers in the Provinces and with postings made into the records from such returns, the early detection of such fraud in future may be facilitated.

Mr Chairman:

Gentlemen, we have the Acting Permanent Secretary, Ministry of Land and Survey. The first paragraph of the Audit report which concerns them is Paragraph 88. We have a written reply but nevertheless members may wish to discuss this.

Mr S. A. Attum:

Mr Chairman Sir, According to the reply given here, it is obvious that the amount so far collected is too small. Why?

Acting Permanent Secretary, Ministry of Land and Survey:

The efforts of the Assistant Land Officers made in the Provinces are hampered by the lack of any immediate sanction which we can impose upon holders. The collectors can remind and request and press for payment but if payment is not made, there is nothing we can do without revoking the Certificate of Occupancy. However as the time goes on; the justification for revoking the Certificate of Occupancy increases and we are

urgent steps to ensure that they are kept up to date. I do not want to mislead the Committee. The last check I had, I found that there is still a time lag which may be up to a month or six weeks between the entries made in Provincial Offices and entries being made in the Headquarters record. It is not uniformly six weeks, but there are cases of six weeks. We are bringing pressure to bear on the Land Officers to reduce this delay and submit the returns in time.

Mr Chairman:

Any further observations? Thank you, that is all.

Gentlemen, there seems to end our business for today. We meet here again tomorrow at 9.30 a.m.

MINUTES OF PROCEEDINGS

Saturday, 5th June, 1965

MEMBERS PRESENT

Alhaji Umar Sulaimanu, O.B.E., Emir of Bedde (*in the Chair*)

Alhaji Abdullahi Maikano, Emir of Wase	Alhaji Hassan, Dallatun Abuja
Alhaji Muhammadu, Emir of Gumel	M. Umaru Yola
Alhaji Sulaimanu Barau, Emir of Abuja	Mr S. A. Atum
Alhaji Mustapha Maude Gyani	Mr Olarewaju Afolayan

The Director of Audit, Mr M. Skilleter, C.B.E., accompanied by his Deputy, Mr E. S. H. Clode, in attendance.

MINISTRY OF WORKS

The Permanent Secretary, Mr E. Jones, called in and examined.

Written Evidence on Paragraphs 14, 41, 74, 93-100, of the Director of Audit Report for the year 1963-64 submitted.

Members observations follow the Written Evidence.

WRITTEN REPLIES TO REPORT OF THE DIRECTOR OF AUDIT FOR 1963-64

Paragraph 14: Water Rates.—In a letter from the Secretary to the Premier, dated 16th February, 1965, I was informed that the Ministry of Works would be responsible for the overall control over Water Rate collection and for effective supervision of the Prescribed Authorities.

Action is now being taken to press the Prescribed Authorities for their estimates of revenue which will be related to the actual collections made by them, and reasons will be sought for any variation. It is hoped that from this, that reasonably accurate estimates will be obtained for 1965-66, and that unpaid arrears will be reduced to a minimum. The general question of Arrears of Revenue is dealt with under paragraph 94.

Paragraph 41: Sale of Government Property.—This matter is still with the Nigeria Police, who in turn, are awaiting the official report from Interpol. Interpol were invited to question the Assistant Works Superintendent (in Training) who was in attendance, and who now is in Western Germany. A full report is awaited.

Paragraph 74: Losses of Fuel.—The Ministry of Works recommendations for prevention of further Fuel Losses were forwarded to the Permanent Secretary, Ministry of Finance (Finance Division), on 27th and 29th January, 1965. The Director of Audit, on 10th February, 1965, requested the Ministry of Finance to be advised of any decision taken; and also suggested that consideration be given to convening a meeting between interested parties for the purpose of determining the most suitable methods to be adopted. A reply is awaited.

The Accountant-General's Circular on Losses of Fuel Oil, Petrol and Lubricants has been issued to all Provinces. Investigation reports have been received from ten Provinces and all have reported that there are no irregularities. Indications so far are, therefore, that the Ministry of Works is not bearing any major proportion of these fuel losses.

The Ministry of Works Storekeeper was charged and sentenced to £25 fine or three months imprisonment. Investigations showed that this tended to be an isolated case and full details were forwarded to the Director of Audit in May, 1965.

Paragraph 93: Excess Expenditure: Head 253—Subhead 6.—Excess expenditure occurred—

- (a) Because certain debits raised by the Senior Mechanical Engineer, Federal Ministry of Works, Ijora, in February, 1964, amounting to £141-1s-6d, were transferred from the Inwards account in the Ministry of Finance to this Head and Subhead, although the Senior Mechanical Engineer, Ijora, had no authority to incur expenditure on this vote, and
- (b) because a further debit of £26-0s-0d was adjusted to this Head/Subhead by the Ministry of Finance in December, 1963, believed to be a voucher for wages belonging to Inland Waterways Department.

None of these debits against Head 253 subhead 6 were supported by copy vouchers, and all efforts to obtain copies to ascertain the nature and correctness of the debits before the close of the financial year were abortive. It is stressed that all these debits were queried at the time of reconciliation.

Head 254—Subhead 11.—It is agreed that excess expenditure on this head was caused by failure to take liability for Freight Warrants. In both cases the clearing of these excesses before the closing of the financial accounts are regrettably overlooked due to a change over in supervisory staff. During 1964-65 the Main Accounts Reconciliation section has been re-organised under a Senior Accountant and Accountant and such instances will not re-occur.

Paragraph 94: Returns of Revenue in Arrears at 31st March 1964.—Returns of Arrears of Revenue outstanding have now been received and have been forwarded to Ministry of Finance and Director of Audit:—

	Amount		
	£	s	d
Provincial Engineer—Adamawa	63	5	5
Provincial Engineer—Bauchi			Nil
Provincial Engineer—Bornu			Nil
Provincial Engineer—Kano	56	8	8
Total	£ 119	14	1

The Rural Water Supply Section at Kaduna South does not collect revenue. The total arrears, as at 31st March, 1964 still outstanding at 30th September, 1964, are now:—£1,499-3s-3d plus £119-14s-1d = £1,618-17s-4d. This is an improvement on the previous year to the extent of £883-7s-6d. Efforts are continuing to recover arrears in the quickest possible time. Approval to write-off the abandonment of arrears of £106-13s-8d was received from Ministry of Finance reference their letter No. FD/CA/67/S5/81 of 24th December, 1964, approval was also received to write-off a further £233-14s-6d vide Ministry of Finance letter No. FD/CA/67/S.5/T115 of 23rd December, 1964.

Paragraph 95: Agency Fees 1961-62—Claim.—The possible shortfall of £22,285 is still being negotiated with the Federal Ministry of Works and Surveys. The reason for the delay is that Federal Ministry of Works and Survey have not yet agreed on certain expenditure figures. The matter is being pursued and the Director of Audit will be informed as quickly as possible.

1962-63 *Claim.*—£267,123 was claimed and in April, 1965, the Federal Ministry of Works and Survey forwarded adjustment vouchers totalling £164,012-8s-0d—as a part payment. This revenue will be reflected in the Northern Region Revenue for 1964-65.

1963-64 *Claim*.—A claim amounting to £258,112 has now been submitted and full details sent to the Director of Audit.

The Federal Ministry of Works and Surveys, in their letter forwarding part payment of the 1962-63 claim, gave a promise that arrangements would be made early in this current financial year to clear all outstanding claims.

Paragraph 96: Overpayments of Salaries and Motor Basic Allowance.—All overpayments have been recovered in full. Centralisation of salaries were effected during the period the officer went on overseas leave, and the required information was not in the salary records during the transitional period.

It should be appreciated that the Centralisation of Ministry of Works salaries involved an extremely heavy extra volume of work and, unfortunately, these cases occurred.

Due to centralisation of salaries in Kaduna, the salaries section is now operating closely with the staff offices section and, therefore, such cases should not occur again. The Director of Audit has been notified of the cause of these overpayments.

Paragraph 97: Contracts.—Following discussions with the Ministry of Finance, detailed proposals for regulations governing the issue of Variation Orders were forwarded to that Ministry in January of this year. These proposed regulations follow our existing practice very closely.

A further letter has now been received from the Director of Audit making recommendations principally concerning the numbering of contracts and requesting additional information in respect of contracts awarded.

A draft memorandum to N.N.T.B. incorporating the proposals on Variation Orders and numbering of contracts is being prepared for the consideration of the Ministry of Finance and the Director of Audit.

Paragraph 98: Yard Superintendent, Kano.—Detailed replies to all the points raised in the Audit Inspection Report have been given. Furniture was being issued on loan to both Senior and Junior service officers. In June, 1964, a circular was issued from this Headquarters terminating this practice. All furniture so loaned is being returned.

During 1964-65 a Senior Accountant and Stock Verifier were resident in Kano and the store has been re-organised and brought up to standard. Permission to write-off deficiencies amounting to £413-12s-8d was received from the Ministry of Finance on 10th May, 1965. £61-14s-10d was written-off on Accountant-General's Internal Adjustment Voucher No. N.R.T. 597 of March 1965, and £18-16s-10d, by Permanent Secretary, Ministry of Works, under delegated powers.

Paragraph 99: Board of Survey Reports.—Board of Surveys were previously dealt with by the Administrative Division of this Ministry. There have been numerous changes in the postings of Assistant Secretaries to this Ministry and eventually the post remained vacant for some months. Consequently, delays have occurred.

In order to remedy this situation, all Board of Survey Reports have been transferred under the direct control of the accounts section. All cases of delay are being investigated and a marked improvement is expected in the future.

The reason for the deterioration in the records of the Yard Superintendent's Store, Kano, was apparently due to the store being held by three untrained Storekeepers (all at the same time) and, regrettably, without a proper allocation of duties. During 1964-65, a Senior Accountant and a Stock Verifier were posted permanently in Kano to re-organise all stores. This store is now operating satisfactorily.

In March, 1965, Ministry of Works organised three Stock Verification teams who are now engaged on continuous touring of all Provinces with the object of re-organising all stores, submitting reports direct to Headquarters and ensuring that all records are up-to-date and in order. Due to this more direct and effective control from Headquarters, instances such as occurred in respect of the Mechanical Stores at Jos will now be eliminated.

Paragraph 100: Accidents to Government Vehicles and Equipment Donga Ferry Pontoon.—The Permanent Secretary, Ministry of Finance and the Director of Audit, have now been advised of the revised position as follows:—

	£	s	d
(a) Re-assessed Value of Pontoon	1,563	5	0
(b) Expenditure in recovery	1,259	3	1
Total	£ 2,822	8	1

Approval to open up an Advance Account in order to carry out the recovery work and isolate the costs, was obtained from the Ministry of Finance in November, 1963. The full and accurate costs have now been supplied to the Ministry of Finance, who, in a letter dated 17th May, 1965, have advised that the State Counsel, Makudi, has been asked to institute civil proceedings for the recovery of £2,822-8s-1d from Royal Exchange Assurance, Yaba. Civil Action has now been filed in the High Court, Makurdi, but the date of the hearing has not yet been fixed.

2. *Accident between Ministry and Private Vehicle—July, 1963*—In May, 1965, the Permanent Secretary, Ministry of Finance (Finance Division), were supplied with the details of the repairs carried out, amounting to £50, which will now enable them to make a claim on the owner of the private lorry.

3. *Damage to Ministry Tractor—November, 1963.*—This matter is still under correspondence with the Ministry of Finance. On 3rd May, 1965, the Ministry of Finance requested a copy of the court proceedings held at the Chief Alkali's Court, Azare, when the drivers of the private cars were fined £13, in order to consider the claim proposed against the private party.

The reason for the delay in this case appears to be due to much belated Native Authority Police action. The Provincial Engineer, Bauchi, has, on the 10th May, 1965, and also on 22nd May, 1965, been requested to expedite the information.

PUBLIC ACCOUNTS COMMITTEE, WRITTEN REPLIES BY MINISTRY OF WORKS

Capital Development Fund Accounts, 1961-62

In the Third Supplementary Estimates, 1963-64, under the Supplementary Capital Budget, 1961-62, is shown the revised Estimated Total Cost as at 31st March, 1962.

It will be seen that items Nos. 1-5 of paragraph 2 of the report of the Director of Audit on the Capital Development Fund accounts, 1961-62, all of which were reported as being overspent, were, in fact, regularised by the 31st March, 1964.

Mechanical and Woodworking Shop Machinery Renewals Fund Accounts, 1962-63 and Water Supplies Renewals Fund Accounts, 1962-63

The operation of these funds was abolished with effect from 1st April, 1965, when the Control and Management of Public Finance, (amendment) Law came into operation.

The balances on these funds were, with effect from 1st April, 1965, transferred to the Capital Development Fund Receipts. The question of submission of contribution no longer arises. In accordance with Ministry of Finance letter No. FD/B,33/127, dated 24th April, 1965, the Permanent Registers are being kept up to date for future valuation purposes.

Mr Chairman:

Gentlemen, we have here the Permanent Secretary, Ministry of Works, our old friend. The first paragraph of the Audit Report that concerns his Ministry is Paragraph 14. He has furnished his written reply, nevertheless, perhaps, Members may wish to make some observations.

Alhaji Mustapha Maude Gyani:

Mr Chairman, Sir, What I want to ask the Permanent Secretary is that, in his reply, he has mentioned that he has recently been assigned with the responsibility of collecting water rates. Does he think that he can succeed in collecting the arrears of these water rates?

Permanent Secretary, Ministry of Works:

Mr Chairman, Sir, We have not received any authority to collect water rates but we received an overall responsibility for control of water rate collection.

Alhaji Mustapha Maude Gyani:

What I mean is that, do you think that by taking up the responsibility you will succeed in the control and collection of the water rates?

Permanent Secretary, Ministry of Works:

Yes, We are confident that we shall improve the present position. The first thing we have done is to get a register of all collections made up to date and a copy of this register will be given to the Prescribed Authority, and then our accountants will check.

Mr Chairman:

I understand that a return is due on 31st October, 1965, do you think that you can get fairly reasonably, adequate returns by that time?

Chief Accountant, Ministry of Works:

On behalf of my Permanent Secretary, we are at present considering implementing a uniform system of water rate accounting. This is at the present moment under negotiation with the Ministry of Finance, both Finance and Treasury Divisions. This accounting water rate collection system will be a temporary one, effective until a permanent and comprehensive system is negotiated and approved by the Organisation and Methods Unit. It will probably be July before this temporary accounting system will be submitted to the accounting authority, and an adequate return by October does not leave very much time. I make this point since it was only in February this year that the Premier's Office informed us that we would be responsible for overall collection.

Mr Chairman:

The point I am driving at is that since you are expected to get a return towards the end of October, it will be of help if the Prescribed Authorities are informed of all the details of the returns you want to submit by that date.

Permanent Secretary, Ministry of Works:

Well, Mr Chairman, we will try and do that.

Mr Chairman:

Any further observations?

Emir of Abuja:

Mr Chairman, Sir, in Kaduna, from the Audit Report, it shows an increase of £3,159-16s-9d. May we know why there has been such an increase and what is being done about it?

Permanent Secretary, Ministry of Works:

The main increase is due to the increased number of buildings in Kaduna at the moment.

Emir of Abuja:

What is being done to collect the £3,159 16s 9d?

Permanent Secretary, Ministry of Works:

This is a very difficult job, because certain people won't pay. In the meantime, the Divisional Accountant is pursuing the matter.

Mr Chairman:

Any further observations? Paragraph 41.

Mr Olarewaju Afolayan:

It is surprising to note that a vehicle is sold for only £30. Everybody will agree with me that even four complete new tyres would cost more than £30 without the engine, body and other parts of the vehicle. As far as my observation of this paragraph is concerned, I think it is only because the vehicle was sold in the Headquarters that it realised so small an amount. I consider the auction suspicious. These suspicious deals are very common in the Provinces. My comment is that this was possible because of lack of control and lack of strict supervision. In the written reply submitted by the Permanent Secretary, he said that the International Police are now going on with the investigation and the Assistant Works Superintendent-in-Training, who was in attendance, is now in Western Germany. My question now is that since there were suspicions in May, 1964, may I know why the Assistant Works Superintendent should have been allowed to travel to Western Germany. If one travels overseas, either by scholarship or by other means, it is usually by the middle of October. If there is nobody who is privy to these bad practices among the Permanent Secretary's top officials, I expect a full explanation as to why the Assistant Works Superintendent-in-Training should have been allowed to travel to Germany.

Permanent Secretary, Ministry of Works:

It is obvious that the Assistant Works Superintendent in question was in collusion with the Auctioneer; and I may say, and I hope I am not subject to libel, that on the strength of this collusion, he managed to get to Germany. He went himself; he did not get a scholarship. Since then we have terminated him.

Mr Olarewaju Afolayan:

Mr Chairman, the Permanent Secretary did not tell me whether he has agreed with my comment that these bad practices are common, not in Headquarters alone, but throughout the Provinces. If he agrees with my comment, what permanent solution is he taking against these bad practices? One sees that most of these people, when they want to dig out something, they usually go round and round to bargain with the buyers.

I am sure it is not with the knowledge of only this Assistant Works Superintendent, but others also, and some top-ranking officials have got hands in it too.

Permanent Secretary, Ministry of Works:

Mr Chairman, Sir, it is very difficult to check on these sort of things. It is very difficult to get evidence of collusion between officers and auctioneers. There was an official whom we suspected was involved and he has been terminated and the matter has now been discussed with the Ministry of Finance. It has been agreed that in future, we should go out to tender.

Mr Chairman:

Any further observations?

Mr S. A. Atum:

Mr Chairman, Sir, according to the reply here, the Permanent Secretary stated that the matter is in the hands of the Police. May I know whether he has taken any steps in speeding up the matter?

Permanent Secretary, Ministry of Works:

We have just received a letter written by the Director of Public Prosecutions to the Nigeria Police advising them not to pursue the matter further because the sum involved was so small. However, in his last paragraph, he has recommended that the licence of the auctioneer should be suspended or revoked.

Mr Chairman:

Any further observations? Who is going to see that this recommendation is put into force?

Permanent Secretary, Ministry of Works:

The last paragraph says that "You may however report the matter to the Licensing Authority with a view to his recommending to the Minister for consideration, suspending or revoking the licence of the Auctioneer under Section 10 of the Ordinance."

Mr Chairman:

Paragraph 74.

Mr S. A. Atum:

May I know whether the Accountant-General got any reply from the Permanent Secretary, Ministry of Works, concerning this matter on paragraph 74?

Representative of the Accountant-General:

Am I in order? May I say something in answer?

Mr Chairman:

Yes, please.

Representative of the Accountant-General:

Mr Chairman, Sir, we received a reply from the Provincial Engineer, Zaria, and not from the Permanent Secretary, Ministry of Works.

Permanent Secretary, Ministry of Works:

Mr Chairman, Sir, could the Chief Accountant of my Ministry explain the position?

Mr Chairman:

Yes, please.

Chief Accountant, Ministry of Works:

Mr Chairman, Sir, we have received the official reply. Returns have come in from ten provinces which we have not yet sent to the Ministry of Finance. We are awaiting returns from the other three provinces.

Director of Audit:

Mr Chairman; I am not so sure that the Ministry of Works in this case is the main culprit. I wonder if the representative of the Accountant-General could tell us the position with regard to the other Ministries they were supposed to investigate.

Representative of the Accountant-General:

Mr Chairman, Sir, we have received replies from the Northern Nigeria Legislature, the Provincial Secretary, Niger Province, the Ministry for Local Government, the Ministry of Trade and Industry, the Provincial Secretaries Kano, Plateau, Ilorin, and Katsina Provinces, the Principal, Wudil Training College, the Provincial Engineer, Zaria, as I have already stated, and the Cabinet Office, Kaduna. That is all the returns we have received, Mr Chairman.

Director of Audit:

Sir, may I express the hope that the Accountant-General will follow up the outstanding returns and will investigate those received from the point of view of discrepancies revealed?

Representative of the Accountant-General:

Mr Chairman, Sir, we have followed up the letter from the Ministry of Trade and Industry, and I will bring the Director of Audit's observations to the attention of the Accountant-General and my colleagues responsible for this subject as soon as I return to my office.

Mr Chairman:

Any observations?

Paragraph 93:

The reply to this paragraph is in two part—"A" and "B". Let us take them in this order. Any observations in connection with "A"? I hope the representative from the Ministry of Finance has a copy of the answer.

Representative of the Accountant-General:

Yes, Sir, I have a copy.

Mr Chairman:

Then have you any comments on that?

Representative of the Accountant-General:

Perhaps I might say in the case of "A", vouchers emanating from other Governments of the Federation, especially one which took place in February, probably would come to our account in March, very late. If the vouchers were classified to the Ministry of Works Head and Subheads, the Accountant-General's Office would pass that debit to the Ministry of Works, whether or not the officer who raised the voucher had any authority to incur expenditure on the vote.

Mr Chairman:

I think I have confused the paragraph. I think "A" and "B" are more or less on the same subject so they could be taken together. My own point is that the Ministry of Works seems to complain that the Ministry of Finance debitted them without supplying them with a copy of the vouchers.

Representative of the Accountant-General:

Mr Chairman, Sir; it is possible that sometimes we have expenditure without vouchers, but the relations between the Accountant-General's Office and the accounting offices of the Ministry of Works are normally extremely cordial and I should think, had this last voucher been brought to the attention of a Senior Officer, something could have been done. I agree that the Ministry of Works Accounting Officer reconciled his votes. He was in fact one of the only three officers who signed the Reconciliation Book, but I have no recollection that this matter was brought to my attention and I was the officer responsible at the time.

Mr Chairman:

I think something has gone wrong somewhere. In spite of your cordial relations, or perhaps because of it, all efforts to obtain copies to ascertain the nature of the matter before the close of the financial year were abortive.

Representative of the Accountant-General:

Yes, Sir. My point is that these efforts, to the best of my knowledge, were not brought to the attention of the officer in control of the section and if I had been that officer, I would have been in a position to do something to prevent the abortive attempt.

Mr Chairman:

Any observations?

Mr S. A. Atum:

It is mentioned here that an excess expenditure on this Head was caused by failure to take liability.

Permanent Secretary, Ministry of Works:

Mr Chairman, Sir, I think it was omitted due to minor clerical errors.

Mr S. A. Atum:

May I know whether these mistakes have been corrected?

Permanent Secretary, Ministry of Works:

All these excesses have now been cleared.

Mr Chairman:

Again on the question of liabilities—are they now taken?

Permanent Secretary, Ministry of Works:

Liabilities are always taken but there is often a slip-up.

Mr Chairman:

Any further comments?

Paragraph 94.

Alhaji Mustapha Maude Gyani:

In your failure to collect the outstanding arrears of revenue in places like Adamawa £63-5s-5d, and Kano £56-8s-8d, may I know why you were unable to collect?

Permanent Secretary, Ministry of Works:

There is difficulty in collecting some very small amounts which are in relation to small minor workshop charges and services. However, every attempt is being made to enforce recovery, but it takes quite a long time to receive the money from the people concerned. We are also limited and the staff available are chasing these individual amounts.

Alhaji Mustapha Maude Gyani:

Have you any ways and means of seeing that such failures do not occur again?

Permanent Secretary, Ministry of Works:

We are waiting for suggestions from Audit.

Director of Audit:

Take them to court.

Mr S. A. Atum:

Frankly speaking, I do not know what these arrears represent; can you enlighten?

Permanent Secretary, Ministry of Works:

Some of them are mechanical workshop charges and others are private works done for individuals in places like Adamawa, where there is no garage for repairs.

Mr Chairman:

Any further observations? Then paragraph 95.

Mr S. A. Atum:

Mr Chairman, Sir, may I know why only part of the amount was paid?

Mr Chairman:

As you can see the total amount involved was in respect of 1961-62, 1962-63 and 1963-64 and I think we should take them one by one. So, let us start with the one for 1961-62 first. Your question may well apply to the first one for 1961-62.

Permanent Secretary, Ministry of Works:

Mr Chairman, there are certain misclassifications to be reconciled.

Mr Chairman:

Is the member satisfied?

Mr S. A. Atum:

I am satisfied.

Mr Chairman:

Any further comments? Then let us take the next one, which is for the year 1962-63.

Mr Olarewaju Afolayan:

Under the 1962-63, we understand that the sum of £267,123 was claimed and that the sum of £164,012-8s-4d was paid as part of the payment. May I know from the Permanent Secretary whether the Federal Ministry of Works and Surveys agreed to pay the full balance remaining?

Permanent Secretary, Ministry of Works:

Mr Chairman, part payment was received in April this year with a promise that all outstanding payments will be made soon. That does not mean that they have agreed to our total claims.

Mr Afolayan:

Does this claim, which is said to have been paid include the claims for the year 1963-64?

Permanent Secretary, Ministry of Works:

Mr Chairman, it is possible we shall get our claims of £22,000 for 1961-62 and also 1962-63 and it is doubtful if they will pay the claims for 1963-64 this year.

Mr Afolayan:

Supposing the Federal Ministry of Works and Survey failed to abide by their promise to pay all the outstanding claims, what steps will you take?

Permanent Secretary, Ministry of Works:

We carry on discussions with them on the claims. Mr Chairman, I would like to point out that these claims are very confusing. These claims are worked out on percentages relating to supervision and plant given to the Federal Ministry of Works in the Region and all claims must be reconciled with the Federal Ministry of Works. Gentlemen, as you are aware, it is very difficult to get any money from the Federal Government.

The Emir of Abuja:

Regarding the question of reconciliation, may I know what system was adopted for reconciliation carried out with the Federal Ministry of Works. Was the reconciliation carried out after the work had been completed or was there any delay in reconciliation?

Permanent Secretary, Ministry of Works:

Mr Chairman, in the first instance, there was a delay and secondly they refused our claims.

Mr Chairman:

You said you put up a claim of about a quarter of a million pounds but you did not say when you made the claim.

Permanent Secretary, Ministry of Works:

No, initiate the claim and present it to the Federal Ministry of Works.

Mr Chairman:

I think I quite follow your point but they replied to your claim in April, 1965. I want to know when did you put up the claim? Was it in the same year?

Permanent Secretary, Ministry of Works:

We put up claim between October and November of each year.

Mr Chairman:

Any further observations on 1962-63 claim? Then let us move to 1963-64. Any observations?

Mr Olarewaju Afolayan:

Under the 1963-64, we understand that claims amounting to £258,112 have been submitted and according to the Permanent Secretary, certain part-payments were forwarded for the year 1962-63, may I know whether any part of the claim for 1963-64 has been made?

Permanent Secretary, Ministry of Works:

No, Sir. Mr Chairman, as I said it is very difficult to get any money from the Federal Government. For instance, this year, we have not received any money for maintenance of roads, for maintenance of buildings for maintenance furniture and refrigerators.

Alhaji Mustapha Maude Gyani:

Mr Chairman, I regret the situation in which the Permanent Secretary finds himself. I think he should send repeated reminders to the Federal Ministry of Works, because the road I took when coming here is not good at all.

Permanent Secretary, Ministry of Works:

Is it a Federal road?

Alhaji Maude Gyani:

No, no, it is a Regional road.

Permanent Secretary, Ministry of Works:

Oh, yes, if it is a bad road, then it must be a Federal road. However, we are pursuing the matter with the Ministry of Finance.

Mr Chairman:

Any further observations? Then paragraph 96.

Alhaji Mustapha Maude Gyani:

With your permission, Mr Chairman, before commenting on paragraph 96, I would like to read a part of the Director of Audit's report so that you will understand what I am talking about: "Overpayments of Salaries and Motor Basic Allowance—Three officers continued to be paid salary after their services with Government had ended, resulting in a total overpayment of £1,436-4s-1d. In addition, one of these officers was overpaid £52-7s-2d motor basic allowance for the period of his terminal leave contrary to regulations. The causes of these overpayments are not yet known." Would you please explain to the Committee how much you have so far collected and what efforts you are making to recover the balance?

Permanent Secretary, Ministry of Works:

We have recovered all our debts except the sums of £149-6s-9d.

Alhaji Maude Gyani:

I know my English is very poor, but I seem to understand the last line of the Director of Audit's report which says—"the causes of these overpayments are not yet known." Please, you explain now?

Permanent Secretary, Ministry of Works:

Mr Chairman, I can assure this Committee that we have now centralised payments of salaries here in Kaduna.

Alhaji Maude Gyani:

Can you assure me that the centralisation of salaries in Kaduna will be a success and that at our next meeting you will give us a report of the achievements attained?

Permanent Secretary, Ministry of Works:

The system so far has shown considerable improvement and some success has been achieved. In fact the old system has been tightened up and things have improved, although we cannot hope to eliminate all the errors.

Alhaji Maude Gyani:

Mr Chairman, I am not satisfied when the Permanent Secretary says that he could not hope to eliminate all errors. I would have wished to hear him say that he would do his best to eliminate the errors.

Permanent Secretary, Ministry of Works:

I will, of course, do my best but I cannot give the assurance that officials will not slip up for the next twelve months.

Mr Chairman:

Any observations?

Then paragraph 97.

I think, this matter has been going on for about two years. Is there any hope of reaching a final decision in the near future?

Permanent Secretary, Ministry of Works:

Mr Chairman, we have made our comments and submitted our proposals to the Director of Audit and we have agreed on every point. We are waiting formal approval of the Ministry of Finance.

Mr Chairman:

Any further observations?

Paragraph 98.

Alhaji Hassan, Dallatun Abuja:

I would like to know the value of the loss.

Permanent Secretary, Ministry of Works:

The actual loss amounts to £520.

Alhaji Hassan, Dallatun Abuja:

Secondly, may I know whether the stores records are now kept up to date?

Permanent Secretary, Ministry of Works:

Mr Chairman, Sir, Yes. A Senior Stock Verifier was sent to Kano to organise these stores and all records were brought up to date. Our findings were submitted to the Director of Audit in reply to his Audit Inspection Report, with the result that £520 was established as the net loss. We accounted for the balance of the apparent loss, example the difference between £520 and £1,709. The Director of Audit has the full explanation.

Mr Chairman:

Any further observations? The Inspection Report alleges that some people who are not entitled to have loans of stores were given loans. Is that true?

Permanent Secretary, Ministry of Works:

Mr Chairman, that is correct.

Mr Chairman:

And the other part of the question—why?

Permanent Secretary, Ministry of Works:

The Provincial Engineer, Kano, or more directly, the Yard Superintendent, Kano.

Mr Chairman:

As far as we are aware, it seems to us that even now there are some stores on loan to these people.

Permanent Secretary, Ministry of Works:

Mr Chairman, the collection of the loans takes a long time. This is almost complete now.

Mr Chairman:

Any further observations?

Permanent Secretary, Ministry of Works:

There is one point. You know we get experts of various agencies coming here. If accommodation is not available or quarters ready for these various people, who come out as experts of these various agencies they are sometimes required to go into private houses, and then we are directed to lend them furniture.

Mr Afolayan:

On a point of explanation. I want to know whether this practice of lending furniture is common to all provinces or is only confined to Kano Province?

Permanent Secretary, Ministry of Works:

Generally common to all provinces.

Mr Chairman:

Paragraph 99—Board of Survey Reports. Is the Permanent Secretary satisfied that the mechanical stores record in Jos is now in a satisfactory position?

Permanent Secretary, Ministry of Works:

This year, Sir, yes: for the last year, the record is up to date. But for previous years we are finding difficulty in collecting the necessary records which seem to have been lost.

Mr Chairman:

So, we can assume that they will remain so?

Permanent Secretary, Ministry of Works:

No. There is an accountant there who is trying to sort them out.

Mr Chairman:

Any further observations?

And then paragraph 100.

Alhaji Hassan, Dallatu Abuja:

Mr Chairman, Sir, may I know from the Permanent Secretary whether this amount will be recovered?

Permanent Secretary, Ministry of Works:

Mr Chairman, a Civil action has now been filed in the High Court at Makurdi.

Mr Chairman:

Any further observations?

Mr Olarewaju Afolayan:

The Permanent Secretary states the re-assessed value is £1,563-5s and the expenditure in recovery equals £1,259-3s-1d. To me, personally, this expenditure in recovery is somewhat fabulous. I expect a full explanation of why it is necessary to have such fabulous expenditure in recovering something.

Permanent Secretary, Ministry of Works:

The replacement value of a new pontoon is £4,000 and therefore it is worth trying to recover this pontoon. Normally, we would not charge any cost for the recovery such as transport costs and the hiring charge. We did this in order to put in a claim to the insurance.

Mr Olarewaju Afolayan:

According to the report before us it is stated that it appears that the additional expenditure has been incurred in abortive attempts to recover the pontoon. My question is that, is it a fact that despite this fabulous expenditure, the attempt was abortive?

Permanent Secretary, Ministry of Works:

I do not like the word 'abortive'. The fact is that we had to substitute a pontoon from Bida and we estimated the cost of transporting this pontoon including the hire charge for tractor and equipment as £812. As I have previously said, these charges were put in to inflate our claims to the insurance company.

Mr Chairman:

Any further observations?

Permanent Secretary, Ministry of Works:

This is a fair charge, and I think the Director of Audit will agree with this.

Mr Chairman:

Then sub-paragraph 2. According to my information, this accident occurred two years ago. Why has it taken so long to get the necessary information?

Permanent Secretary, Ministry of Works:

Mr Chairman, there has been a great delay in obtaining information but this has been caused by belated police action in obtaining court proceedings. There is very little that can be done to hasten police action. We will do everything possible.

Mr Chairman:

Any further observations on that?

And then, the third sub-paragraph.

Alhaji Hassan, Dallatun Abuja:

Mr Chairman, Sir, in the written reply they said the reason for the delay in this case was due to lack of Native Authority police action. I think there are Nigerian police in this area and the matter can also be referred to them.

Chief Executive Engineer:

Mr Chairman, Sir, I do not know why this has been referred to the Native Authority Police.

Alhaji Mustapha Maude Gyani:

Mr Chairman, I think the Permanent Secretary should take action to see that if the Native Authority Police are not active, the matter should be transferred to the Nigeria Police.

Permanent Secretary, Ministry of Works:

Mr Chairman, it depends on whether the accident occurred in the area of the Nigeria Police.

Alhaji Mustapha Maude Gyani:

As the accident involved Government property for which you are responsible, is it not your duty to advise that if the Native Authority Police are not active, the matter should be referred to the Nigeria Police?

Permanent Secretary, Ministry of Works:

I do not know whether this accident occurred within the area controlled by the Nigeria Police. We shall ask for legal advice on this.

Alhaji Mustapha Maude Gyani:

Seek advise from the Director of Audit?

Permanent Secretary, Ministry of Works:

He is not here, Sir.

Deputy Director of Audit:

As far as I know, traffic offences are handled by the Nigeria Police.

Permanent Secretary, Ministry of Works:

Mr Chairman, Sir, we will refer the matter to the Nigeria Police.

Mr Chairman:

Any further observations? This seems to finish the Audit Report:

The next item is the Capital Development Fund, 1961-62. Any observations? Why has it taken three years to regularise the situation?

Permanent Secretary, Ministry of Works:

The Report was not published, Sir, until 1963.

Mr Chairman:

You know that you have over-spent the estimate. Why not revise your estimate? The fact that the Report was printed in 1963 should have been to your advantage, and gave you ample opportunity of revising your estimates..

Permanent Secretary, Ministry of Works:

The main reason is this, Sir. We worked to our treasury figures and did not know the Capital Development fund figures which were produced sometime afterwards.

Alhaji Mustapha Maude Gyani:

Why did you over-spend the vote allocated to you?

Permanent Secretary, Ministry of Works:

The estimated Total Cost was revised and there was no over-expenditure.

Mr Chairman:

The point is that you did not put up your revised estimate in time otherwise it should have gone in the statement.

Permanent Secretary, Ministry of Works:

The position is that, Mr Chairman, we do not know where this figure comes from, because we work on the figures in the estimates and we reconcile annually with the Treasury some time in July or August.

Mr Olarewaju Afolayan:

Under item 3, Sir, the actual overall expenditure for Improvement and Construction of Township and Station Roads is £233,585-9s-4d but the estimate for this work is £213,399 only. Contrary to rule 6 of the Capital Development funds, the over-expenditure for this is about £20,186-9s-4d. May I know the reason why this over-expenditure should have been incurred?

Director of Audit:

If I may help, Mr Chairman. It seems to me that the Ministry of Works and the Ministry of Finance figures have got out of step somehow and the Ministry of Works have probably been satisfied that they have been perfectly in order. The answer seems to me to have a look at the system and see where the differences occur and see if this can be avoided in future.

Permanent Secretary, Ministry of Works:

Mr Chairman, we did point out to the Director of Audit in December, 1964, that we could not reconcile these figures, and we got a reply in January, 1965.

Mr Chairman:

Any further observations?

The next thing will be the Statement of the Ministry of Works Mechanical and Woodworking Shops Renewals Fund for the year ending 31st March, 1963. I think we have a reply to this too. Are Members satisfied with this reply? Perhaps we should congratulate the Permanent Secretary for having this abolished. I see that your written reply does not include the Audit observations. The Audit observations have to be answered.

Chief Accountant:

Mr Chairman, at the present moment we are trying to bring our Permanent Assets Ledger up to date and these will be available for Audit inspection.

Director of Audit:

Mr Chairman, I do know that action was subsequently taken on this Report.

Mr Chairman:

Any further observations.

And finally we have the Statement of the Ministry of Works Water Supplies Renewals Fund for the year ended 31st March, 1963. Your reply also is that the thing is abolished; but unfortunately the Audit observation is not.

Chief Accountant:

Mr Chairman, this is the same position as the other Fund. We are now going through the Permanent Assets Ledgers. The Audit have raised queries on Permanent Assets transferred from certain water works and we are engaged at present in rectifying the Assets Ledgers. The position should be rectified very shortly.

Mr Chairman:

Thank you very much. That is all.

MINISTRY OF FINANCE (FINANCE DIVISION)

The Acting Permanent Secretary, Mr K. Lupton called in and examined.

Written evidence on Paragraphs 5, 13-16, 66, 72-75 and 97 of the Director of Audit's Report for the year 1963-64 submitted.

Members' observations follow the written evidence.

DIRECTOR OF AUDIT'S REPORT FOR THE YEAR ENDING
31ST MARCH, 1964

Paragraph 5.—The Hon. Attorney-General in his letter No. LK.698/496 dated 19th December, 1964, has requested the Chief Registrar of the High Court that in spite of the shortage of Magistrates and Judges some attempt should be made for criminal cases involving Government and Native Authority servants to be heard at the earliest possible opportunity.

Paragraph 13.—I agree with the Director of Audit on the importance of ensuring that revenue is collected when due, and I have begun a general review of revenue collection procedures by circulating a questionnaire for all revenue-collecting Ministries and Offices to complete. The answers will be closely scrutinised for evidence of any weaknesses in the control system, and if such weaknesses are found then remedies will be sought. I have also instructed Accounting Officers to submit copies of Arrears of Revenue Returns to the Finance Division of my Ministry, as well as to the Accounting Division and the Director of Audit as required by Financial Instruction 0721, in order that the Matter can be kept under review at the policy level.

Paragraph 14. Water Rates.—In January 1965, the Secretary to the Premier decided that the Ministry of Works should be responsible for the collection of water rates until the functions of the Ministry for Water Resources and Community Development are more clearly defined and the Ministry has had a chance to be established. I have—

- (i) asked the Permanent Secretary, Ministry of Works to issue draft water rate accounting instructions which I had prepared;
- (ii) asked the Permanent Secretary, Ministry of Works to clarify the payment of water rates in 1962-63, for the many supplies whose revenue was classified to SH.204-11, "Other Undertakings", and to seek payment of any obvious shortfalls based on his findings;
- (iii) asked the Permanent Secretary, Ministry of Works, to pursue apparent 1963-64 shortfalls in revenue from certain water supplies and;
- (iv) informed the Permanent Secretary, Ministry of Works, of cases where the 1964 water rate has apparently not been paid to Government in accordance with Ministry for Local Government Circular No. 75/1962 instructions on the basis of revenue statistics available for the first ten months of 1964-65. I await the reply of the Permanent Secretary, Ministry of Works, on these matters.

With reference to the over-estimation of water rates revenue, I expect that 1964-65 and 1965-66 revenue will be similarly over-estimated. In view of the lack of knowledge about arrears from past years that I expect are still due from a large number of water supplies, I have thought it more desirable to relate the estimates to judgments of what each water supply should bring to revenue and in the case of the 1964-65 Revised Estimate, to add expected arrears due to Government rather than to base the estimates on actual revenue collected in the past two years. The latter course of action might well have led to continued under-collection, or to some water supplies going unnoticed. While neither course of action is particularly desirable, I am of the opinion that purposeful over-estimation of water rate revenue at this stage of the development of water rate collection will lead to smaller shortfalls in revenue from many water supplies and allow shortfalls to be identified more readily.

Paragraph 15.—The excesses have been given covering approval by the exercise of the power of virement in certain cases where it could appropriately be used, or by inclusion in the 3rd Supplementary Estimates, 1963-64. These Estimates, supporting the Supplementary Appropriation (1963-64) Law, 1965, were approved by the House of Assembly on 2nd March, 1965, and by the House of Chiefs on 22nd March, 1965, and a General Warrant was signed by the Minister of Finance on 1st April, 1965.

Paragraph 16.—I am pleased to note the considerable improvement in the expenditure control exercised by Accounting Officers, as reflected in this paragraph. Efforts will continue to be made to improve the position further.

Paragraph 66.—The return of income tax arrears as at 30th September, 1964 has unfortunately not yet been completed, although it is hoped that it will be ready soon, and I cannot say at this stage whether or not there has been an improvement.

Paragraph 72.—The Board of Survey Report on vehicle BA.300 was forwarded to me by the Secretary to the Premier on 10th February, 1964. After due consideration and consultation with the Audit Department, I informed the Secretary to the Premier on 2nd March, 1964 that the vehicle should be repaired and retained. On the 31st March, the Secretary to the Premier wrote back attaching a letter from the Provincial Secretary, Bornu, who asked for a special allocation of funds for the repairs. In his letter, the Secretary to the Premier maintained that the vehicle be written-off. On 8th April, I asked the Secretary to the Premier to allocate funds to the Provincial Secretary for the repairs, to which he replied on 29th April (the letter was received on 1st May in my Ministry) that he wanted an assurance from me that if he should run out of funds, I would be prepared to allocate additional funds to him. In another letter dated 2nd May he insisted that funds be allocated to the Provincial Secretary, Bornu, to carry out the repairs. This letter crossed with another one from the Secretary to the Premier, asking for release of funds for the purchase of four replacement vehicles, including BA.300. In that letter he added a marginal note that a Pontiac costing £2,250 had already been delivered to Bornu Provincial Administration as replacement for BA.300. From that letter it was apparent that the Secretary to the Premier or the Provincial Secretary was under the impression that provision of funds in the Estimates was sufficient authority for purchase of vehicles.

In view of the fact that Government had already been committed, I had no alternative but to release funds for settling the bill.

Paragraph 73.—The Chief Adviser, Organisation and Methods, is reviewing the system of transport control and a decision awaits his final report.

Paragraph 74.—The details requested from the Ministry of Works in connection with the matter have been received. I now await the Chief Organiser, Organisation and Methods' review of procedures for vehicle and petrol control before implementing Permanent Secretary, Ministry of Works' proposals which I hope to introduce as from 1st September, 1965. The Accountant-General's draft circular describing the types of fraud and how to control them has since been issued.

Paragraph 75.—The thefts occurred because no Ministry appeared to be responsible for the security of the buildings. It has now been firmly decided that the Ministry of Works will be responsible and it is hoped that further occurrences will be avoided.

Paragraph 97.—Proposals have been received from the Permanent Secretary, Ministry of Works and are now under consideration together with the Director of Audit's comments on them. I hope soon to submit my final recommendations to the Tenders Board for approval.

Northern Nigeria Staff Housing Scheme Loans Fund Accounts, 1962-63. Insurance Policy.—Out of 21, 19 people have deposited their insurance policies. The remaining two have been away from the country, but these cases will be pursued.

Renewals.—Out of 27 people, renewal receipts in respect of 13 have been renewed. Two people have fully repaid their loans, three died, two people are refunding their loan for failure to put up any building and receipts in respect of seven people are awaited.

Repayments.—regards outstanding instalments, some of these were due to misallocation in Lagos in respect of officers who are now serving in the Federal Public Service.

D. A. Yusufu.—The final report on the completion of M. Yusufu's house is still awaited.

Akande.—A satisfactory report on Mr Akande's building has been received from the Provincial Engineer, Kabba, and the final instalment paid to him.

Ministry of Finance,
Kaduna,
26th May, 1965

Mr Chairman:

Gentlemen, we have a big team from the Ministry of Finance and the first paragraph of the Audit report concerning their Ministry is paragraph 5. They have furnished a written reply and perhaps Members may wish to make some observations?

Dallatun Abuja:

I have got only one suggestion to make. In view of the difficulty of completing cases such as this, I would like to suggest to the Permanent Secretary, Ministry of Finance, that he takes up the matter and have a discussion with the Public Service Commission in order to speed things up.

Acting Permanent Secretary, Ministry of Finance:

Yes, Sir. There has been a meeting recently, in May, in which there was a representative of the Accounting Division together with the Permanent Secretary, Ministry of Justice and others, at which the whole problem was discussed and it was agreed to take up part of the matter with the Public Service Commission. I think the main difficulty is on the side of the Legal Department and the Judiciary in getting the cases

completed. We are of course very concerned about this problem but there are limits as to how much we at the Ministry can do since the timing of the hearing of cases is in the hands of the Judiciary. They say that the main problem they face is the shortage of staff to get cases cleared up. However, at this meeting in May, quite a few suggestions were made which will be followed-up by those concerned in order to try to reduce this problem.

Mr Chairman:

You mentioned the Public Service Commission. How do they come into this show?

Acting Permanent Secretary, Ministry of Finance:

The Public Service Commission comes in on the side dealing with interdiction of the officer while awaiting the settlement of the case.

Mr Chairman:

What is your proposal as far as that is concerned?

Acting Permanent Secretary, Ministry of Finance:

This is a difficult matter, Sir. In the past there was a feeling that perhaps the Public Service Commission was too disinclined, too unwilling, to interdict officers against whom there were suspicions of fraud, but in the present circumstances where it may take a year or even longer to get the cases cleared, one cannot help feeling that interdiction will in fact impose hardship. One has to balance the need to protect Government by seeing that an officer under suspicion cannot commit a new offence and on the other hand the possibility of causing unreasonable hardship by a very long period of interdiction. This is the problem which needs to be sorted out with the Public Service Commission following-up on this meeting.

Mr Chairman:

Perhaps the observations of this Committee will help you in your discussions with the Public Service Commission. Our general feeling is that interdiction is rather automatic. Since examples of cases of this nature have taken rather a long time, instead of interdicting a man and leaving him to stay about two years earning half his salary doing no work, you can push him to a department like the Audit Department where he may be detailed to follow up audit queries! Any further observations?

Paragraph 13:

Shaji Mustapha Maude Gyani:

As failure to collect these revenues has been established, may I know what action is being taken to see that it is collected, how much you have collected and what success will you derive in the future to see that such a thing does not occur again?

Acting Permanent Secretary, Ministry of Finance:

There are two distinct problems here. One which is the main direct concern of this paragraph is the failure to submit returns of outstanding revenue. The second question is that if returns show where there is a lot of outstanding revenue, what is being done about collecting this. From the fact that the returns are not submitted, it does not necessarily follow that there is a loss of revenue which ought to have been collected. As Income Tax is mentioned in this paragraph, perhaps the Chairman will allow me to say something on this here.

Mr Chairman:

If you feel that it will help you to answer this particular paragraph,—that can be allowed; but still when we come to Income Tax, we will deal with it again.

Acting Permanent Secretary, Ministry of Finance:

I think it might be better to leave this point until we come to the Income Tax. The action that has to be taken depends on the particular kind of revenue that is in arrears. The collection of arrears of Income Taxes on all taxes has been built up into a system. Neither case is like a matter of selling something and collecting the money at the same time. You have to go through various stages to get the money collected and there may be some slip up at any point, which may be due to the failure on the part of the Ministry concerned to press for the money, but more often than not it is something that the taxpayer has done or not done. If it comes to smaller items of outstanding revenue, for example, Hospital Fees, the two most frequent reasons for failure to collect the money are first, that Native Authorities have not paid for the drugs supplied to them or somebody who has been in hospital and has gone away, fails to answer letters written to him or even, I am afraid, in some cases, given a false address. One just has to deal with these things as circumstances indicate. My responsibility in the Ministry of Finance is to see that the Ministries concerned follow the procedures which have been laid down for trying to get the money collected. We keep pressing them, but I suppose there are bound to be arrears.

Alhaji Mustapha Maude Gyani:

Will you work hand in hand with the Director of Audit to see that a new procedure is made whereby you could recover some of the outstanding revenues since you say there is bound to be arrears in some of these items.

Acting Permanent Secretary, Ministry of Finance:

As explained in our written answer, we are at the moment embarking on a complete general review of each item of revenue as to how Ministries do collect it and what steps they take to make sure that the right amount of revenue is collected. We expect to find that whilst most arrangements are sound there will be some weaknesses in the system. I think we may find in some cases, for example, that at the moment, payments at the time of services rendered is not insisted upon, and it could be insisted on, and then there would be no arrears. It is going to take quite a long time to complete everything.

Mr Chairman:

Any further observations?

Paragraph 14: Any observations?

Paragraph 15: Any observations?

Paragraph 16: Any comments?

I think the Committee will join the Director of Audit in appreciating the improvement so far effected but I think there is still room for further improvement. What action is the Permanent Secretary taking?

Acting Permanent Secretary, Ministry of Finance:

The sort of action we have been taking is mainly dealing with excesses when they come to our knowledge as we have been doing all along. When excesses occur, there must be some sort of failing. We always go into the circumstances and where there is something a Ministry could put right, we press them to do so. It is largely because we have been doing this all along that we have seen this improvement. Like the Committee, we hope that we can go very much further.

Mr Chairman:

Paragraph 66.

Emir of Abuja:

What is the position with regard to the non-collection of the income tax arrears?

Acting Permanent Secretary, Ministry of Finance:

Do you mean as regards that cited as being outstanding here?

Emir of Abuja:

Yes.

Acting Permanent Secretary, Ministry of Finance:

The latest figure I have available as at 28th February this year, when this outstanding amount had been reduced to £104,990. I would like to take the opportunity to correct a mis-statement in our written reply. We grasped the wrong point here. The Director of Audit did not say the return was late; it was submitted on time. He was merely commenting on the large amount outstanding.

Mr Chairman:

I do not follow your reply. Did you say the amount was reduced by £1,000 or the balance outstanding by £1,000?

Acting Permanent Secretary, Ministry of Finance:

The balance was reduced to £104,990.

Mr Chairman:

Any further observations?

In view of the large amount outstanding and your effort to reduce it, although appreciated, it has not reduced the balance by any great amount. May we know what steps you are taking to complete recovery of the balance still outstanding?

Acting Permanent Secretary, Ministry of Finance:

Perhaps I would better explain or outline why such a large amount of arrears is outstanding. As I mentioned before it is not a case where you get payment at the time of services rendered. Only a minute part of these arrears is from the Pay As You Earn scheme. Nearly all of it is the tax due from people who are self-employed. To start collecting the tax you have to first get from them a return of their income. This has to be examined by the Revenue Division who have to make their minds up whether it is a complete statement. It may be incomplete not merely because of a deliberate concealment by the taxpayer but in many cases because he does not keep sufficiently good accounts to know his own position. In such cases there is usually a period, which may be quite a long one, discussing the case with the taxpayer, to try to arrive at a true assessment. If this cannot be done the Revenue Division may have to make an assessment according to its own best judgement. Having done so they then issue an assessment to the tax payer. He has a certain time in which to appeal against the assessment. If there is an appeal there may be a lengthy procedure to go through. The fact that the Revenue Division has to make a number of assessments to its own best judgement tends to increase the number of appeals. Even when the assessment has been finally decided, either because the taxpayer has not appealed or when his appeal has been finally dealt with, he still has time to pay. If he fails to pay there are further steps which have to be taken and these may end, in the case of a really obstinate person going to court to enforce payment. This may be quite

a long process. It is inevitable that at any time there will be a fair amount of arrears outstanding. This is more particularly so because the revenue system is still quite young and is expanding and also the staff is gaining experience. These are all causes that lead to the large figure of arrears outstanding. At the same time the amount already collected is about 80 per cent of the total amount due. The outstanding is only about 20 per cent. I understand from the Commissioner of Revenue that even the long-standing British Income Tax department does not have any better record than that. The Division is pressing on case by case but it is a matter of dealing case by case—there is no sweeping remedies.

Mr Chairman:

Any further observations?
Paragraph 72.

Mr Olarewaju Afolayan:

From observation of the Audit Report before us, I understand that the Permanent Secretary, Ministry of Finance, has been asked to issue an additional £400 for maintenance of a vehicle which was likely to be used for the next two years. On 2nd March, the Ministry of Finance stated the vehicle should be repaired. Premier's office then asked for an assurance that the cost of repairs would be covered if they ran out of funds. The Premier's office did not get a reply to this request for some time. In the meantime the Permanent Secretary, Ministry of Finance sent a letter stating that a sum of £2,250 had been delivered to the Bornu Provincial Administration as replacement for a Vehicle BA.300. May I ask for a full explanation why the Permanent Secretary, Ministry of Finance, did not give concrete assurance to the Secretary to the Premier that he would be prepared to allocate additional funds for the repair of the original vehicle because in my opinion this would have been a more economical proposition than spending £2,250 on another vehicle. In addition to this, I want to know from the Permanent Secretary, Ministry of Finance, the reason for the counteracting letters issued on this matter.

Acting Permanent Secretary, Ministry of Finance:

It seems to me we have done ourselves injustice in this written statement here. Although not directly answering the Secretary to the Premier's letter dated 29th April, 1965, we did in fact send a letter on the 2nd of May in which we told him what to do.

Mr A. Afolayan:

This letter crossed the one from the Secretary to the Premier asking for replacement of vehicle, including £3,000.

Acting Permanent Secretary, Ministry of Finance:

The one asking for release of funds was dated 1st of May and on the 2nd of May he wrote from a different file asking for money to repair it. Neither in the Ministry of Finance nor the Premier's Office were these two things connected up till very much later. Sir, I would like to say that I myself came in to decide the matter at the end and I am convinced that the action finally taken, to write off the vehicle; to dispose of it, was the right one and the decision should have been reached earlier. The vehicle is five years old and has done sixty thousand miles, and the estimate of £400 was only one made locally and not by the Workshop which would have carried out the repairs. Experience tells me that such a major repair usually turns out higher than the original estimate and even then, while it may be true that the vehicle may last two more years, it will probably have a lot more expensive repairs during that time. Therefore it would have been the

best thing to have written it off in the first place and in this we were supported by the Mechanical Engineer, Ministry of Works. This paragraph has revealed an administrative tangle, but we have reached the right answer in the end.

Mr O. Afolayan:

I am not satisfied by the statement the Permanent Secretary has made. I think everybody will agree with me that the Secretary to the Premier has acted in good faith by writing two consecutive letters indicating his desire that the car should be repaired. I am sure the Permanent Secretary, Ministry of Finance will agree with me that the cause of the undue delay is from his office. I still maintain that if an immediate reply had been given to Secretary to the Premier's letter sent on 2nd of May, this would not have occurred at all. So I still need an explanation when you actually sent back the reply to his letter sent to you on 2nd of May.

Acting Permanent Secretary, Ministry of Finance:

I better clear the facts. There are two letters from the Secretary to the Premier: one dated the 29th of April asking for assurance that he could get additional funds for the maintenance vote if the cost of repairs made this necessary; the second letter dated 1st of May, that is two days later and on comparing it now, I see that it was sent from the very next page in the same file asking for money to replace the vehicle, not to repair it. The letter dated 29th April asking for the money to repair the vehicle was answered not very efficiently, but it was answered by our letter dated 2nd of May. The letter of 2nd May referred to in the written reply was in fact from the Ministry of Finance to the Secretary to the Premier and not the other way round. There has then been a misunderstanding because the reply sent from the Ministry of Finance is not very clear, and as a result of that it was on the 24th of June that a further reply was sent about the cost of repair.

Director of Audit:

Mr Chairman, Sir, after this Audit paragraph was written, the case was referred to the Chief Mechanical Engineer who said that in his opinion it should be replaced and not repaired, and we agreed with that. So despite the mix-up in correspondence the eventual answer was the right one.

Mr Chairman:

Any further observations? The only observation I would make is that a lesson has been learnt and I trust a similar thing will be avoided in future.

Acting Permanent Secretary, Ministry of Finance:

I will comment on that, Sir. At the time this was done, there were two separate stages of action that were taken on the vehicle by different people in the Ministry of Finance. Now a new procedure has been brought into effect and only one person, at one time, now handles these cases, and a muddle of this kind will not arise again.

Mr Chairman:

Paragraph 73.

Emir of Wase:

May I know the cause of the delay because the matter took about six years.

Acting Permanent Secretary, Ministry of Finance:

Differences of opinion on what should be done, Sir.

Mr Chairman:

Is there any hope that you would resolve your differences at all, or is this going to continue forever?

Acting Permanent Secretary, Ministry of Finance:

As stated in the written reply, we are awaiting a reply from Organisation and Methods. When we have received it, I hope it will be the basis for reaching final conclusions.

Mr Chairman:

Paragraph 74: Any observations?

Dallatu Abuja:

Mr Chairman, Sir, this is almost the same as the previous paragraph. We would welcome an early decision on this.

Acting Permanent Secretary, Ministry of Finance:

I hope for an early decision. This does tie up with the previous paragraph.

Mr Chairman:

Any further observations?

Paragraph 75.

Paragraph 97: Any observations? I think the Permanent Secretary has tried to submit an acceptable reply.

This finishes the Audit Report.

Finally the accounts for the Northern Nigeria Staff Housing Scheme Loan Funds for the year ended 31st March, 1963.

Mr Olarewaju Afolayan:

Mr Chairman, Sir, under the Audit Certificate No. 2D., it has been stated that there are 58 borrowers whose repayments are long overdue and involved an arrears of £1,722-13s-9d. These borrowers actually took money under certain contracts, and there are clauses in the terms of Agreement for taking any building loans to guard against non-payment. The people involved according to my observations are staff of the Government and salary earners. May I know why we have 58 borrowers who have long overdue arrears?

Acting Permanent Secretary, Ministry of Finance:

When the Director of Audit says that these borrowers are in arrears, what he means in fact is that he has not seen in their individual accounts the statements of their repayments up to date. Where the borrower is a Civil Servant and an employee of this Government, their repayments are deducted from their salaries. So they cannot be genuine arrears, except in the case where someone has died or left the service but the payments made have been misclassified in the accounts and they have to be tracked down and adjusted to the correct account. Loans are also made to Northerners in the employment of the Federal Government and various Corporations, in these cases also, their repayments are collected by their employers and paid over to this Government. Here, there are even greater chances of misclassification and some cases, perhaps the employing corporation have been behind in making payments to the Government. The accounts are being reconciled. Until they are fully reconciled, I cannot say how much this is genuine arrears and how much due to misclassification. There should not be a genuine arrears unless somebody has died or left the service or his employer fails to pay the money to the Government.

Mr Olarewaju Afolayan:

One question is disputable under this paragraph. Assuming that I am on the staff and paid salary by the Government, and if I have to take money for building a house under the same Government, will the Permanent Secretary, Ministry of Finance take this money back in instalments at my own convenience or according to the Rules and Regulations?

Acting Permanent Secretary, Ministry of Finance:

There is a limit laid down: twelve years for payments. At the time an application is being made for the loan to build a house, a person can say if he wants to pay in a shorter period.

Mr Olarewaju Afolayan:

I think preferences are given to those people so that the rules and regulations are no longer existing in their own cases.

Acting Permanent Secretary, Ministry of Finance:

I do not understand, which people?

Mr Olarewaju Afolayan:

These 58 borrowers.

Acting Permanent Secretary, Ministry of Finance:

There is no question of them having been given preference. In the majority of cases here, this is merely an accounting error! the money has been paid back but has not been credited to the correct account.

Mr Olarewaju Afolayan:

Mr Chairman, Sir, under regulation 13(2) of the Housing Scheme it is required that evidence of current insurance should be provided but we understand in the Audit Certificate 2(a) that there are still 49 borrowers who have not furnished the evidence of current insurance. May I know how far the Permanent Secretary has gone to see that these 49 borrowers forward the evidence of current insurance?

Acting Permanent Secretary, Ministry of Finance:

In September, 1964, eleven cases had been successfully dealt with and the rest are being pursued. By May this year the number outstanding of receipts not produced has been reduced to seven.

Mr Chairman:

Any further observations? What is being done with these remaining seven people?

Acting Permanent Secretary, Ministry of Finance:

The cases are being pursued, Sir. I cannot say anything more about them as to why they refuse to produce evidence of insurance.

Mr Chairman:

Are the seven people concerned in Kaduna?

Acting Permanent Secretary, Ministry of Finance:

I have not got details Sir.

Mr Chairman:

I think that is all. Thank you very much.

Gentlemen, this seems to be the end of our business for today. We meet again on Monday, here, at 9.30 a.m., to try and complete our business. Thank you very much.

MINUTES OF PROCEEDINGS

Monday, 7th June, 1965

MEMBERS PRESENT

Alhaji Umar Sulaiman, O.B.E., Emir of Bedde (*In the Chair*)

Alhaji Muhammadu, Emir of Gumel

Alhaji Abdullahi Maikano, M.B.E.,

Emir of Wase

Alhaji Sulaimanu Barau, O.B.E.,

Emir of Abuja

M. Umaru Yola

Alhaji Hassan, Dallatun Abuja

Mr S. A. Atum

Mr Olarewaju Afolayan

Alhaji Muh. Mustafa Maude Gyani

The Director of Audit, Mr M. Skilleter, C.B.E., accompanied by the Deputy Director, Mr E. H. S. Clode, in attendance.

GASKIYA CORPORATION

The Secretary/Chief Accountant of the Gaskiya Corporation called in and examined.

No written evidence submitted.

Mr Chairman:

Gentlemen, we have here with us the Secretary of the Gaskiya Corporation. We are going to deal with two sets of accounts. The one for the year ended 31st March, 1963, and the one for the year ended 31st March, 1964. I think, we should start with the 1963 one first.

Pages 8 and 9; any observations?

10 and 11, 12 and 13, 14 and 15, 16 and 17, and 18 and 19. And then from page 20 onwards, we have the comments of their Auditor and perhaps Members may wish to make some observations on this.

M. Umaru Yola:

Mr Chairman, Sir, on page 21, paragraph 11, it is shown on this Report that the records are not kept properly. Would the Secretary inform us whether the records are now in order?

Secretary to the Gaskiya Corporation:

This Section dealt with the increase in the advertising revenue of the accounts of Gaskiya Ta Fi Kwabo. We have sold more than last year and therefore both printing and publishing costs supplies have gone up. This is because of the general increase in prices throughout the country.

Maude Gyani:

Mr Chairman, page 21(d), Nigerian Citizen, paragraph 2(g): would the Secretary please inform us why there was such a large loss of £16,734 in 1962?

Secretary to the Gaskiya Corporation:

First of all, if you see pages 18 and 19, you will find that our sales have gone up, our advertising revenue also has gone down and printing costs have also gone up by about £9,000. Therefore there must be an increase in the total loss.

Mr Chairman:

I do not quite follow this. You said that sales have increased and to a layman, this would appear that your financial standing would be better. When you incur loss, it does not mean that you have made any improvement.

Secretary to the Gaskiya Corporation:

I am sorry, Sir, I thought I said that the sales have gone down instead of gone up.

Mr Chairman:

We have asked for the year 1962, and in the following year too, the loss has risen to £30,000 according to your Audit Report. What have you got to say to this?

Secretary to the Gaskiya Corporation:

Yes, Sir, I said our sales have gone down, our printing and distribution costs have gone up, and that might affect the loss by that heavy margin.

Mr Chairman:

If things remain as they are now, we would expect a loss of about £40,000 in 1964.

Secretary to the Gaskiya Corporation:

Mr Chairman, Sir, I would like to say that I have just returned to the Corporation and cannot give fuller details at the moment. The figures did not show that we have a loss of £40,000 in the next financial year.

Mr Chairman:

Any further observations? I am now going back to page 20. If you look at the breakdown of the figures, you will find out that the cost of administration has gone up by £11,590. What is the cause of this sharp increase?

Secretary to the Gaskiya Corporation:

Mr Chairman, Sir, from the breakdown, Sir, shows that the building expenses and for compound maintenance is the main cause of this sharp increase by about £8,000. These our buildings are very old and some of them are mud houses. Almost all of them are nearing 20 years old. We spend a lot of money in trying to recondition and improve the buildings to make them more habitable. The administration expenses has gone up by £1,362, selling expenses has well gone up by £2,241: this is because, I think, of the increase in salaries in 1962-63. We are paying also interest of £18 on loans we received from the Bank as overdraft.

Mr Chairman:

Any further observations?

Alhaji Maude Gyani:

Could the Secretary tell the Committee why the Corporation is running at a loss?

Secretary to the Gaskiya Corporation:

—Mr Chairman, Sir, The Newspaper has always been running at a loss simply because the cost of production is very high and also sale of the Newspaper is very low compared with other National Newspapers. That is why the losses have been piling up through the years.

Alhaji Maude Gyani:

Mr Chairman, Sir, I am sorry this is our last day here otherwise I would have asked so many questions. *(Laughter)*.

Mr Chairman:

Under paragraph 2(a) on page 21, your Auditor seems to complain about inadequate costing procedure in the printing section. What have you to say about that?

Secretary to the Gaskiya Corporation:

Yes, Sir, it is quite true that we have not got a specialised costing system. This is because we have not got the qualified staff to do the costing operation. At the moment we have got a Superintendent who is in charge of compiling costing estimates, but we are doing all we can to get someone who is properly qualified to do the costing.

Mr Chairman:

Any observation? What have you to say to the last paragraph of page 21?

Secretary to the Gaskiya Corporation:

Mr Chairman, Sir, most of the stocks we have in our store are old stocks. We were doing some specialised work like the printing of the "West African Annual", but now we do not do this Journal any more and we have got these stocks in the Corporation. The Corporation do not agree that if we sell them now we can realise any substantial amount. We shall get enough jobs, we hope, in the near future to use these materials and we are trying to get orders for this sort of work.

Mr Chairman:

Any further observations on pages 20 and 21? Then pages 22 and 23.

Alhaji Maude Gyani:

Mr Chairman, page 23(e). I beg to quote: "Details of these are given on folio 7. Staff Advances have now risen to £10,118, of which over £7,000 is owed by eleven individuals." May I know which people are owing this amount?

Secretary to the Gaskiya Corporation:

Mr Chairman, this is advances given to officials of the Corporation. These eleven individuals are Senior Officials of the Corporation who were given advances to purchase cars. It is the policy of the Corporation to give advances to their Senior Staff to purchase cars.

Alhaji Maude Gyani:

Do these Senior Officials make instalmental refund of their advances?

Secretary to the Gaskiya Corporation:

Yes, Sir, they do.

Mr Chairman:

Looking at your accounts, one can easily see that your Corporation is in Financial difficulty and one would assume that finding yourself in such a situation, you would be very careful with your cash; particularly with the part that you can control, such as advances. You have tied up quite an appreciable sum of money, which could be in your business instead, by giving it out as advances to your staff. After you have lent out the money, you then go and get a bank overdraft with a higher rate of interest.

Secretary to the Gaskiya Corporation:

Yes, Sir. At the outset, it was the policy of the Corporation and it was part of the conditions of service of the Senior Officials to get car advances. However, we have now frozen all car advances with a view to rectifying the past error.

Mr Chairman:

Any observation?

Alhaji Maude Gyani:

It is difficult for me to follow the system of your overtime payment because the Auditor's report does not specifically say how many people did overtime and how much they were paid.

Secretary to the Gaskiya Corporation:

It is very difficult for me to give accurate figures at this moment as this will mean going back into the files of two years ago. At that time I was not in the Gaskiya Corporation. If I had been there, I would have been in a position to answer that.

Mallam Umoru Yola:

Mr Chairman, the Auditor's report shows that the records for payment of overtime are not properly kept. Can the Secretary tell us what step he is taking to improve the situation?

Secretary to the Gaskiya Corporation:

What accounts were you referring to, is it 1962-63?

Mallam Umoru Yola:

Yes.

Secretary to the Gaskiya Corporation:

Since then, a lot has been done to make these overtime records authentic. We have had a number of Departmental investigations in which we have revised the system and we hope they will now prove successful.

Mr S. A. Atum:

May I know why the records in your Corporation were not properly kept before? You know these records are very important.

Secretary to the Gaskiya Corporation:

I can't answer that question because I was not there during that period. I think the records have not measured up to the standard expected of the Corporation. I am sure there were records to show, to account for at least part of the overtime that was done.

Mr S. A. Atum:

Mr Chairman, Sir, I have another observation to make. In the case of other Ministries, when the Permanent Secretaries are new in the offices, and have to come to this Committee, they bring other people in, and many files along with them. I see no reason why the Secretary of Gaskiya Corporation today did not do that instead of saying repeatedly that he is a new man in this Corporation. I am not getting satisfactory answers from him at all.

Secretary to the Gaskiya Corporation:

I am sorry, I did not realise the position. I thought if I brought the accounts alone with me, I would be able to answer any questions from the Committee. The point is that I do not know the policy decision at that time. I was told by my predecessor that he did not come with the Auditor's Report. If I am asked to go and bring forth the information, I can do that now.

Mr Chairman:

Going back to the Pensions and Gratuities Reserve, I think the Audit submitted very useful comments in the last line. What are you doing about that?

Secretary to the Gaskiya Corporation:

At the moment, the Corporation could not afford to invest a certain amount when we are short of funds. We are trying as far as we can to meet up these figures.

Mr Chairman:

As the auditor pointed out, if you are asked to pay this gratuity and to meet the liability, what are you going to do?

Secretary to the Gaskiya Corporation:

If we are asked to meet this liability, it would mean that this Corporation would be closed down because this is a gratuity for the staff, and if the staff are all to leave at one time, the corporation would have to close. All the assets would have to be sold by the Corporation and also liabilities met.

Mr Chairman:

Again in the following paragraph, there is a large rise in the number of Sundry Creditors. Though the Auditors said that out of £40,819, £26,000 odd were liabilities against Ministry of Finance, there still remains about £15,000 odd.

Secretary to the Gaskiya Corporation:

These were the debit balances by the Crown Agents of the work that has been given by some of our direct printing given by some of our customers. At that time they didn't pay up and we were asked to pay this amount by the Crown Agents.

Mr Chairman:

What is the position now?

Secretary to the Gaskiya Corporation:

At the moment, these Koran debts have been cleared up because the Ministry of Finance gave us a loan to clear this. We got these Korans back from the people, and sold them ourselves.

Mr Chairman:

Any further observation?

Pages 22 and 23: and if we go back to pages 8 and 9, starting from page 8, what have you to say about the Audit Certificate.

Secretary to the Gaskiya Corporation:

The question of stocks of books and pamphlets has been going on for quite a number of years because of the valuation put on these books by the Corporation. These books were transferred to the Gaskiya Corporation in 1959 from NORLA, and most of these books are slow moving stocks. In the Corporation, they are valued at selling prices less 50 per cent. At the moment also, we have reduced this figure by another 25 per cent; but still, some of them are still in our store.

Mr Chairman:

Any further observation on that?

So are you perhaps contemplating to reduce them further?

Secretary to the Gaskiya Corporation:

If we find that they are not going to be sold at 25 per cent.

Mr Chairman:

Then again on page 8, there is a note where it was stated that there are commitments for extension of plant and building. In your present financial difficulties, why are you expecting to spend money on extensions?

Secretary to the Gaskiya Corporation:

Some of our machines were obsolete and where we cannot get parts for them we have to buy new machines to continue with printing. Extension of building refers to storage of our paper. The old storage was not adequate, so we had to build one more store, and at that time, we were committed to all that.

Mr Chairman:

Any comments in connection with that?

Again on page 9. You have Printing Materials and Parts; You had stock of about £19,000 last year, and this has risen to nearly £32,000. Do you really need all these materials?

Secretary to the Gaskiya Corporation:

Most of the stores were paper and newsprint. The paper was ordered in bulk, and we were anticipating at that time an order for Election Printing. That is why we had a great stock of paper.

Mr Chairman:

Are they in use now? Have you finished with it?

Secretary to the Gaskiya Corporation:

We have finished with this stock and we have ordered more.

Mr Chairman:

Any further observations on that?

I think I have one more, turning to Page 17, Printing and Trading Accounts. We have a figure for Internal Printing amounting to nearly £69,000. What is that?

Secretary to the Gaskiya Corporation:

This is printing of newspapers, Gaskiya and Citizen, and also printing books for sale.

Mr Chairman:

How do you arrive at that figure?

Secretary to the Gaskiya Corporation:

These are work, materials, labour and overheads. We have a small percentage and the printing profit on that figure was transferred to the Departments whether they are Citizen or Gaskiya or both.

Mr Chairman:

Any further observations?

Emir of Abuja:

Mr Chairman, are other publications making a profit?

Secretary to the Gaskiya Corporation:

Yes, Sir. We have two publications—the Commercial Printing and Books and Pamphlets.

Emir of Abuja:

May we know how they are charged?

Secretary to the Gaskiya Corporation:

The material, labour, plus 33 per cent profit on cost.

Mr Chairman:

Any further observations? Perhaps the last question is the accounts for the year ended 31st March, 1963. We should have discussed this account last year, but it was not possible due to the fact that the Corporation had not been able to produce the accounts. Why was that?

Secretary to the Gaskiya Corporation:

At that time, our Chief Accountant was on leave in the United Kingdom and he was the only person in the Corporation who could produce the final accounts. He was in the United Kingdom from June to August.

Mr Chairman:

Normally, leave lasts for three months. Perhaps in the Gaskiya Corporation, they have longer leave.

Secretary to the Gaskiya Corporation:

No, Sir. Always our accounts finish one month after the financial year. We then post the accounts by the end of April and we should have finished posting the accounts by the end of June, but it was at that time the Chief Accountant went on leave. Because the Auditor may have had to ask him some questions, we had to wait until the Chief Accountant came back. Therefore the accounts of the Corporation were published later than they should have been. The one for the last financial year was done in time.

Mr Chairman:

When your Chief Accountant goes on leave, you have to close the accounts section until he comes back?

Secretary to the Gaskiya Corporation:

No, Sir. We do not close the accounts office, when the Chief Accountant is on leave, but the fact is that he is the only qualified man who could do the final accounts.

Mr Chairman:

Perhaps you will see to it that you yourself do not go on leave until the Corporation's accounts are completed.

Secretary to the Gaskiya Corporation:

Yes, Sir, this is noted.

Mr Chairman:

Gentlemen, we have to take the 1964 Accounts in pages 8, 9, 10, 11, and 12.

Page 13:

Alhaji Mustapha Maude Gyani:

I should like the Secretary to the Gaskiya Corporation to explain whether the Corporation was able to pay back some of the loans given to them by the Government:

Secretary to the Gaskiya Corporation:

Is the Honourable Member referring to the loan or the salary advances given?

Alhaji Mustapha Maude Gyani:

Have you paid back any amount out of the grant given to you by the Government?

Secretary to the Gaskiya Corporation:

If it is a grant, we do not need to pay Government back.

Alhaji Mustapha Maude Gyani:

Out of the amount loaned to you by the Government, may I know whether you have been able to pay even say, four out of seven?

Secretary to the Gaskiya Corporation:

The grants here are being given yearly to the Corporation for printing the Citizen and Gaskiya Ta Fi Kwabo. On the question of repayment, we have not been able to refund the money.

Alhaji Mustapha Maude Gyani:

Why do you not try to pay Government back the loan you receive? You always receive a grant. Are you happy when you receive this grant or not?

Secretary to the Gaskiya Corporation:

We are always happy when we receive this grant. This grant for salary advances was given to the Corporation because the Corporation could not, at the time, pay the salary awards and there was trade dispute between the workers and the Corporation. The workers maintained that the Corporation should pay this amount. The Corporation could not pay, so the Government gave a grant of £4,000 to the Corporation to enable them to pay the salary award. The Citizen grant of £15,000 a year has always been paid.

Alhaji Mustapha Maude Gyani:

The question I am going to ask is my final question. Are you prepared to repay these loans or not?

Secretary to the Gaskiya Corporation:

Yes, Sir, we are going to pay when we have the money.

Alhaji Mustapha Maude Gyani:

How long have you received this money?

Secretary to the Gaskiya Corporation:

It is a long time now, Sir.

Director of Audit:

If I may assist, Sir. The grant was made by Government because the Corporation was short of cash. If the Corporation is short of cash, it cannot pay back its loan. The question of the future of Gaskiya finances and also the Corporation is under consideration by Government at the moment. It needs cash to pay workers, but it cannot repay the Government's loan.

Mr S. A. Atum:

Mr Chairman, I know that the Government is giving this Corporation a lot of money, but it seems to me that the Corporation is not doing much to help the Government. First of all, beginning with the sales of Nigerian Citizen—according to the reply given to us by the Secretary of the Gaskiya Corporation, he said that the circulation is not high compared with other national newspapers. I know it is not only the Nigerian Citizen, but also the Gaskiya Ta Fi Kwabo. May I know what steps the Secretary is taking to increase sales? It seems to me that some people in the Corporation are making personal profit instead of the Government.

Secretary to the Gaskiya Corporation:

Mr Chairman, I am not sure, I don't know what he meant by personal profit. On the question of sales, we are naturally anxious to improve. This is a very vast country, and we have limited means to purchase distribution equipment. Therefore it is difficult for us to distribute all our newspapers to all the corners of this vast Region. We have to rely very much on our vendors from different provinces. The other national newspapers referred to have their own fleet of cars and vans all over this country. There is not a newspaper that actually prints and sells makes profits as such. Most of the profits come from advertisements. We do not have advertisement revenue because we do not have the circulation and therefore we produce our papers and sell them at a loss. I repeat, the Corporation is not aware that there is anybody who makes a personal profit.

Mr Chairman:

Pages 14 and 15, 16 and 17, and 18 and 19. And then page 20. Under sundry debtors, you have Ministry of Information, has that been cleared now?

Secretary to the Gaskiya Corporation:

Yes, Sir, they have been cleared.

Mr Chairman:

Then let us go to the observation of the Auditor, starting from page 21. Any observations?

Alhaji Hassan Dallatun Abuja:

Mr Chairman, Sir, paragraph 2(a), Audit observation says: "The main reason for this decrease in profit was the increase in Paper and Materials used. Whilst sales increased by 3 per cent, material usage increased by 59 per cent. We would recommend that the material usage should be investigated by the Corporation's Officials". May I know whether this has been done?

Secretary to the Gaskiya Corporation:

Yes, Sir, a commission was appointed to investigate this material usage and it was found that it was due to spoilage in printing by inexperienced staff. One of our staff who was trained in the United Kingdom has left for the Government and the remaining staff are inexperienced. They used more papers than they actually should. At the moment, the Corporation has got this under control and this is being checked properly every time.

Mr O. Afolayan:

Section (b).

Mr Chairman:

Are you pursuing this question or a separate question? I am not yet satisfied with (a). This increase of 59 per cent is not explained by simple inexperience. It seems to be too much.

Secretary to the Gaskiya Corporation:

I am sorry, Sir, this was what the investigation proved and we found really that the reason was due to spoilage of paper and printing materials. It was agreed that this should be under strict supervision now.

Mr Chairman:

In printing, especially when there is an inexperienced man, it is possible to get wastages like 10 per cent. But nearly 60 per cent is too much.

Secretary to the Gaskiya Corporation:

What actually happened was that some of these books were printed with mistakes and sent to the customers and if these mistakes were detected and they had to be reprinted, it means the whole of that paper and the labour involved has to be destroyed.

Mr Chairman:

My attention was drawn to the fact that this 59 per cent wastage represents an amount of £9,000. I think we are entitled to be suspicious. What are the circumstances leading to this?

Secretary to the Gaskiya Corporation:

Mr Chairman, Sir, that is the only thing we have found out so far; but I am prepared to investigate further to see if there is any other reason. I shall then submit my report to this Committee.

Mr Chairman:

Any further observations on that?

Mr O. Afolayan:

Mr Chairman, Sir, we understand that the Corporation intends to sell its old stocks by reducing the prices to 6 per cent in case of books and pamphlets and 25 per cent in the case of the Quoran. I consider this depreciation suspicious. The Corporation was even asked to re-examine the valuation of this asset but instead, the Corporation refused to do so. Nobody could actually agree that it is the true reflection of trading result for that year. May I, therefore, know why the valuation of these books and pamphlets is so high. And why you have refused to re-examine the valuation of this asset?

Secretary to the Gaskiya Corporation:

As I said earlier, this stock has been transferred from NORLA since 1959 and this is the value we received from the NORLA. Here it is a question of difference of opinion between the Auditor and the Corporation officials. They feel that since this stock is slow moving it should be written-off and the Corporation officials are to see that this is done in one year. But it would reflect a loss of about 5 or 6 years. It is, however, our opinion that reducing these costs each year by a lower percentage and then eventually writing them off if they cannot be sold is a better idea. The question of the Quorans, however, is that the 25 per cent reduction was made so as to sell all the copies of the Quorans we have in the Corporation.

Chairman:

Are you pursuing this question or a separate question? I am not yet satisfied with (a). This increase of 59 per cent is not explained by simple inexperience. It seems to be too much.

Secretary to the Gaskiya Corporation:

I am sorry, Sir, this was what the investigation proved and we found really that the reason was due to spoilage of paper and printing materials. It was agreed that this should be under strict supervision now.

Mr Chairman:

In printing, especially when there is an inexperienced man, it is possible to get wastages like 10 per cent. But nearly 60 per cent is too much.

Secretary to the Gaskiya Corporation:

What actually happened was that some of these books were printed with mistakes and sent to the customers and if these mistakes were detected and they had to be reprinted, it means the waste of that paper and the labour involved has to be destroyed.

Mr Chairman:

My attention was drawn to the fact that this 59 per cent wastage represents an amount of £2,000. I think we are entitled to be suspicious. What are the circumstances leading to this?

Secretary to the Gaskiya Corporation:

Mr Chairman, Sir, that is the only thing we have found out so far; but I am prepared to investigate further to see if there is any other reason. I shall then submit my report to the Committee.

Chairman:

Any further observations on that?

Mr C. Akil-yan:

Mr Chairman, Sir, we understand that the Corporation intends to sell its old stocks by reducing the prices to 6 per cent in case of books and pamphlets and 25 per cent in the case of the Quorans. I consider this depreciation suspicious. The Corporation was even asked to re-examine the valuation of this asset but instead, the Corporation refused to do so. Nobody could actually agree that it is the true reflection of trading result for that year. May I, therefore, know why the valuation of these books and pamphlets is so high. And why you have refused to re-examine the valuation of this asset?

Secretary to the Gaskiya Corporation:

As I said earlier, this stock has been transferred from NORLA since 1959 and this is the value we received from the NORLA. Here it is a question of difference of opinion between the Auditor and the Corporation officials. They feel that since this stock is slow moving it should be written-off and the Corporation officials are to see that this is done in one year. But it would reflect a loss of about 5 or 6 years. It is, however, our opinion that reducing these costs each year by a lower percentage and then eventually writing them off if they cannot be sold is a better idea. The question of the Quorans, however, is that the 25 per cent reduction was made so as to sell all the copies of the Quorans we have in the Corporation.

Mr Chairman:

So, more or less, you have admitted that these stocks are over-valued because you have reduced the value in order to sell them.

Secretary to the Gaskiya Corporation:

They are over-valued, Sir. These books, I may say, were produced by NORLA, thinking they were in demand constantly in this country. It seems that they are not in demand and therefore they are sold at any price we can get.

Mr Chairman:

No, I do not agree with that. You said that you have sold them all out now.

Secretary to the Gaskiya Corporation:

I mean the Quorans, Sir.

Mr Chairman:

Any further observations?

Emir of Abuja:

Mr Chairman, Sir, in view of the answer regarding books and pamphlets, may I know the position of the sales of these books and pamphlets. Are the sales better or worse?

Secretary to the Gaskiya Corporation:

In our 1964-65 accounts, our sales on books and pamphlets have gone up by 85 per cent.

Mr Chairman:

And what about the Quorans?

Secretary to the Gaskiya Corporation:

As I have already said, Sir, the Quorans have been sold out.

Mr Chairman:

Any further observations in connection with that?

Mr Olarewaju Afolayan:

Paragraph 23, Sir. We see on this page that the Production Order for Nigerian Citizen was 7,000 and the waste is 896 copies. This is uneconomical because the percentage of waste over the total production is too high. May I know why the wasted copies were so much?

Secretary to the Gaskiya Corporation:

Yes, Sir, the Production Order said 7,000; but on actual investigation, we found that less than 7,000 copies were printed. The actual number of copies printed was slightly above 6,000. The only thing now is to compare the Order with the actual production. And at present, it has been arranged that only a few copies would be produced extra.

Mr Chairman:

Any further comments? Can you tell us how the internal charge for printing is computed?

Secretary to the Gaskiya Corporation:

As I said earlier, the charge is computed on the material, costs, labour and some overheads. The difficulty in getting proper costing is that we have no qualified costing officer to do this work properly.

Mr Chairman:

Any further comments on either page 22 or 23? Then we go to page 24.

I am going back again to my old question that we were dealing with on the other accounts. There does not seem to be much improvement in this year either. That is Pensions and Gratuities Reserve - paragraph 3(e), bottom of page 24. Have you anything to say?

Secretary to the Gaskiya Corporation:

At the moment, Sir, the Corporation has no sufficient funds to deposit to make up the £29,000, and we are hoping that before the reconstruction, we shall have enough funds to pay the staff who are leaving.

Mr Olarewaju Afolayan:

Mr Chairman Sir, there is a deficit of £14,045 for Pensions and Gratuities and a reserve of £29,000. In the course of reconstruction of the Corporation, many employees will be due for gratuity. May I know what will happen to these people, in view of such a heavy deficiency.

Secretary to the Gaskiya Corporation:

As a matter of fact, there is no deficiency. It is a sign of prudence on the part of the Corporation to have an investment, which will measure up to £29,000. In a commercial undertaking, you reserve some money for investment as a call-up in case of emergency. This is considered good business practice. During the proposed reconstruction of the Company, this money will be able to fulfil our requirements in paying gratuities to the officers who are not going to stay.

Mr Chairman:

Any further observation.

We are still on page 25. Your Auditors feel that your cash position has worsened. Is there any improvement now?

Secretary to the Gaskiya Corporation:

There is only slight noticeable improvement.

Mr Chairman:

Any observations?

Perhaps I will repeat my observation as with the previous account in connection with car advances to staff. You said you have been compelled to give advances to senior staff, May I know whether or not you have explored means of getting these advances for your officials apart from paying out from your capital?

Secretary to the Gaskiya Corporation:

Mr Chairman, I know there are other methods and we are now in the process of negotiating with car firms to arrange hire purchase agreements for our staff. In the meantime, however, we have frozen all advances except salary advances.

Mr Chairman:

Any further observations?

Mr Olarewaju Afelayan:

Under the paragraph for over-time, there are fraudulent claims through the aid of some senior officials in the Corporation. This discrepancy could not have occurred without the assistance of these senior officers. On December 8th, 1964, there was a meeting of the Board of Control of this Corporation and during this meeting, it was discovered that the position had not been improved nor was there any action taken to avoid this unpleasant situation. May I know why no action was taken? If there was any action taken what was the result?

Secretary to the Gaskiya Corporation:

Mr Chairman, I am sorry I have to go back to what I said earlier that in March, 1964, I was not in the Corporation; but I will try to answer the questions. We received this report in October, 1964. After receiving the report, I made enquiries about these officials that are said to have connived with some of the people having these fraudulent claims. I personally tried to get the names of these people involved as was stated on the Audit Report. We found out that they were fraudulent claims, but there is no definite proof to show any criminal intention. We have also checked on all the items involved. We have found some errors but we have not been able to find the actual people who are a party to these claims. I have no document to refer to at this moment. From the time I came to the Corporation, we have devised a system whereby this sort of over-time payment will not occur in the future.

On investigation of some of the figures, we found out that at that time there was this rush of election work where we had to work over-time culminating sometimes in our staff working 24 hours a day. The system has been changed altogether. I am sorry I have no definite written document to help or guide me on this investigation. This matter has been taken up by the Board of Control and I am happy to say that I consider this sort of thing will not occur again.

Mr Olarewaju Afolayan:

Mr Chairman, this question of over-time also occurred at page 26 where it is stated that someone was paid for 2 hours as overtime for working from 10 a.m. to 5 p.m. This is ridiculous. An ordinary farmer would not claim to have done a day's work for working from 10 a.m. to 5 p.m. much less to claim overtime. I would like to have an explanation as to the working hours of the Corporation. Also I would like to know whether the paymaster is solely responsible for payment of overtime without anybody checking the overtime hours done?

Secretary to the Gaskiya Corporation:

Mr Chairman, we have a "clock in" and "clock out" system in the Corporation. At that time, the clock then was not working properly and it has now been replaced by a very good clock. The discrepancy might have occurred when the staff failed to clock in in the morning and only clocked in after breakfast. We start work at 7 o'clock and go for breakfast at 9.30 a.m., return to work at 10 o'clock and close finally at 3 o'clock in the evening. We have no shift work between 10 a.m. and 5 p.m. It might have happened that the person came and clocked in at 10 a.m. and worked to 5 p.m. thus he was working 2 hours overtime.

Mr Olarewaju Afolayan:

On the face of the Secretary's explanation; Mr Chairman, Sir, he has now proved to us that there is a lack of strict control in the Corporation, thus weakening the efficiency of Gaskiya. We recommend stricter control in the Corporation, otherwise the great loss of public funds will continue annually. The more one goes back over these paragraphs in regard to overtime, the more one becomes disheartened. It is observed that somebody has to work for 72 hours out of 96 hours over 4 days. This means that this person is having only 6 hours rest every day. In such a case efficiency must have been reduced and production lowered. I put this to the Secretary that his workers sit down without doing any work and take their money for that. Mr Chairman, I need assurance from Secretary that this situation is being improved.

Secretary to the Gaskiya Corporation:

Actually, we have gone into this question of overtime. We have devised a system different from the old one. Before, if somebody had to do overtime, he would go to the Printing Manager who would sign, that he had done overtime for so and so hours, and no one would bother to check whether he had worked the overtime or not. We have now got a new clock which checks overtime and even if somebody is late, the clock will print automatically red instead of black and thus make it difficult for people to claim overtime for which they did not actually do. At present, overtime has to be approved by two people instead of one and unless there is a collusion between the two people no person can claim overtime for which he has not done. With this new system of authorisation and checking that overtime is in fact done, we think costs will be reduced. At present, I myself check the clock cards with the overtime sheets.

Mr S. A. Atum:

May I know from the Secretary when he got this new clock?

Secretary to the Gaskiya Corporation:

We got it late last year. We started using it in January.

Mr S. A. Atum:

When did you start to work as the Secretary to the Corporation?

Secretary to the Gaskiya Corporation:

It was in November that I took over.

Mr S. A. Atum:

Now I am reading from pages 25 to 26. I think you will agree with what I said about the personal profit.

Secretary to the Gaskiya Corporation:

Probably; but as I haven't got any positive proof, I cannot say.

Mr S. A. Atum:

I believe that the new clock is working accurately?

Secretary to the Gaskiya Corporation:

Yes, Sir.

Mr S. A. Atum:

Together with the chart?

Secretary to the Gaskiya Corporation:

Yes, Sir.

Mr S. A. Atum:

So I hope there will not be such an occurrence again?

Secretary to the Gaskiya Corporation:

We hope not. We are trying.

Mr Chairman:

Any further observations? I think I have one. When you go back to pages 8 and 9, you will see on page 9 a Bank Deposit nearly £5,000, and strangely enough, on the opposite page, I see an overdraft of little over £5,000. This seems to me to be peculiar.

Secretary to the Gaskiya Corporation:

Yes, Sir. That £5,000 Bank Deposit is for commitments with the Crown Agents on certain goods bought. We had to deposit the money at that time and this deposit had been done for a specific period and there is also some money due to be paid to some officers leaving the Corporation at that time and hence these two figures.

Mr Chairman:

Any further observations?

I think this seems to finish the business with the Secretary. Thank you.