



NORTHERN REGION

Public Accounts Committee

January 1960 Meeting

VERBATIM REPORT

For Office Use

KADUNA

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1960

## PUBLIC ACCOUNTS JOINT COMMITTEE (VERBATIM REPORT)

### January 1960 Meeting

The Committee, which met at the Lugard Hall Committee Room No. 1 from 25th to the 30th of January, 1960, consists of the following members appointed by the Northern Houses of Chiefs and Assembly at their 1959 Budget Session:—

ALHAJI UMAR SULAIMANU, O.B.E., M.H.C., Emir of Bedde (Chairman)

MALLAM ALIYU MUSTAFA, M.H.C., Lamido of Adamawa

ALHAJI UMARU, M.H.C., Etsu of Pategi

ALHAJI MUHAMMADU, M.H.C., Emir of Gumel

MALLAM MUHAMMADU TUKUR, M.H.C., Emir of Yauri

ALHAJI SULAIMANU BARAU, O.B.E., M.H.C., Emir of Abuja

MALLAM ABDULLAHI MAI-KANO, M.B.E. M.H.C., Emir of Wase

MR VINCENT I. ORJIME, M.H.A. (Iharev Maseu Nongov)

MALLAM IDIRISU, TAFIDA, M.H.A. (Adamawa Northern Trust Territory North)

MALLAM YAKUBU LAME, MAGAJIN GARI, M.H.A. (Bauchi West)

ALHAJI ABD. ANACE, MAGAJIN GARI, M.H.A. (Kontagora, Wushishi)

ALHAJI SADA NADADA, M.H.A. (Katsina North)

ALHAJI MUHAMMADU, MAGAJIN GARI, M.H.A., (Kazauru)

### Officers of the Committee

MALLAM ABDULLAHI KURE MUHAMMADU, Clerk Assistant (Secretary)

MALLAM IBRAHIM FARI, Interpreter/Translator (Interpreter)

### Reporters

MISS P. M. TAYLOR

MRS V. D. HIBBS

MISS I. A. SOUTHWELL

MRS G. M. NEALE

MALLAM SABO USMAN

MALLAM ABDULMALIK

### Typist

MRS J. R. OBEYA

2. The Lamido of Adamawa, Mallam Aliyu Mustafa, Mallam Idirisu, Tafidan Adamawa, and Mr Vincent Orjime were not able to attend the first day's sitting of the Committee, which sitting lasted from the 25th to 30th January, 1960, but attended the rest of the days. The Emir of Yauri was not able to attend on the first three days, but attended the remainder.

3. The following Permanent Secretaries and other Accounting Officers appeared before the Committee and gave information regarding various queries relating to their Ministries or Offices which were contained in the Accounts referred to in the Chairman's Introductory Address on the first day of business:—

THE ACTING ACCOUNTANT-GENERAL, MINISTRY OF FINANCE (ACCOUNTING DIVISION)  
—(Mr J. Burch)

THE PERMANENT SECRETARY, MINISTRY OF WORKS—(Mr E. Jones, O.B.E.)

- THE ACTING DEPUTY PERMANENT SECRETARY, MINISTRY OF HEALTH—(Mr R. N. Barlow-Poole)
- THE SECRETARY, PUBLIC SERVICE COMMISSION—(Mr H. H. Roemmele)
- THE PRIVATE SECRETARY TO THE GOVERNOR OF THE NORTHERN REGION—(Mr J. H. Smith)
- THE ACTING PERMANENT SECRETARY, MINISTRY OF AGRICULTURE—(Mr J. J. Moore)
- THE ACTING PERMANENT SECRETARY, MINISTRY OF ANIMAL HEALTH AND FORESTRY—(Mr A. C. E. Long, M.B.E.)
- THE ACTING PERMANENT SECRETARY, MINISTRY OF EDUCATION—(Mallam Ahmadu Coomassie, O.B.E.)
- THE ACTING PERMANENT SECRETARY, MINISTRY OF INTERNAL AFFAIRS—(Mr W. M. Bradley)
- THE PERMANENT SECRETARY, MINISTRY OF SOCIAL WELFARE AND CO-OPERATIVES—(Mr Wrench)
- THE ACTING DEPUTY SECRETARY TO THE PREMIER—(Mr P. A. Grier)
- THE ACTING PERMANENT SECRETARY, MINISTRY OF TRADE AND INDUSTRY—(Mr F. C. Mackenzie, M.B.E.)
- THE SECRETARY, NORTHERN REGION DEVELOPMENT CORPORATION—(Mallam Abubakar Tunau)
- THE PERMANENT SECRETARY, MINISTRY OF FINANCE—(Mr J. Taylor)
4. The following officers were also in attendance, throughout the meeting:—
- THE ACTING DIRECTOR OF AUDIT—(Mr M. Skilleter, M.B.E.)
- THE REPRESENTATIVE OF THE MINISTRY OF FINANCE—(Mr L. V. Wailes and Mr R. G. Dewdney).

## PUBLIC ACCOUNTS JOINT COMMITTEE

*Monday, 25th January*

*Committee met at 9.30 a.m.*

**Chairman:** Before we start I should like to welcome all the members. I hope you had a more comfortable journey than I did.

Now I shall run through the work which we have to deal with this week. The accounts to be considered at this Meeting are:—

- (a) The Report of the Director of Audit on the Accounts of the Government of the Northern Region of Nigeria for the year ended 31st March, 1958.
- (b) Statement of the Northern Regional Capital Development Fund for the year ended 31st March, 1957, and the Director of Audit's Report thereon.
- (c) Jos Hill Station Accounts 1957-58 and 1958-59.
- (d) Accounts of the Northern Region Voluntary Agencies Building Loans Fund, 1956-57.
- (e) Third Annual Report of the Northern Region Development Corporation, 1957-58.
- (f) Reports of the Director of Audit on the incomplete accounts of the Northern Region Literature Agency for the years 1955-56 and 1956-57.

As has been done at previous Meetings, sufficient time has been set aside to-day for a preliminary discussion of the work to be undertaken at this Meeting. During the general discussion Members of this Committee may raise any points they wish, or ask for explanations of any matters which are not clear to them. It should also be possible to deal with one or two of the accounts I have just mentioned, either because the Director of Audit had raised no observations on them or for other valid reasons. Should Members then decide that they would prefer to seek further information from the officer responsible for any of these accounts, in all cases as the officer concerned will be appearing before us in connection with the Report of the Director of Audit on the Accounts of the Government of the Northern Region, the opportunity could then be taken to do so.

On the remaining days of this week half an hour has been set aside at the beginning of each day for discussion of the points to be dealt with during the day. This will enable us to ask the Director of Audit about any matters which are not clear from his Audit Report, and, if necessary, to seek his advice on the questions we ask. May I remind Members that we start business each day at 9.30 a.m. We hope to conclude the business of the Meeting on Friday, but if we find that we cannot do so, we shall have a further meeting on Saturday morning at 9.30 a.m.

When the Public Accounts Committee last met, the 1957-58 Accounts of the Northern Region Development Corporation could not be examined because they had not been laid on the Table of the House of Assembly or the House of Chiefs. This has been done now, and we shall examine them at this Meeting. I should like to remind Members that these Accounts are not audited by the Director of Audit, but by a commercial firm, Messrs Panel, Crewdson and Hardy. These audited Accounts have

been scrutinised by the Director of Audit in order that he may be able to advise his Committee on any point which it is thought worthwhile enquiring into further. It is intended that we should deal with these Accounts when the Secretary to the Corporation appears before us towards the end of this Meeting. I understand that the 1958-59 Accounts are completed but only in draft so they will have to be printed and laid on the Table of the House first, and we should then be able to examine them at our next meeting.

We shall not be able to deal with Accounts of the Northern Regional Marketing Board for the period 1st November, 1957 to 31st October, 1958. The Accounts have been completed but their printing has been delayed by the printing dispute in the United Kingdom, and they have yet to be laid on the Table of the Two Houses. We shall, no doubt, be able to deal with these at our next Meeting.

Jos Hill Station accounts are audited by a firm of commercial auditors and here again they have been scrutinised by the Director of Audit in order that he may be able to advise this Committee should any point be not clear.

In regard to the Director of Audit's report, we shall have appearing before us the Permanent Secretaries of the Ministries concerned, except in the case of those offices such as the Public Service Commission or the Governor's Office in which case the executive head will appear. Once again, I am glad to say, the Director of Audit has informed me that action taken by Permanent Secretaries as a result of the issue of the Audit Report has generally been satisfactory. The majority have chosen to submit written replies and these show action has been taken to put right the matters criticised in the Audit Report. To this extent the purpose of the Committee has already been appreciably served because the prospect of appearing before us has prompted these officers to take early action to remove the grounds for criticism. Even so, I think you will agree that we should accept these explanations with a certain amount of caution because many of them do not provide the complete answer required. I should be pleased therefore if Members will ask any questions which occur to them, and not accept the explanations offered too readily, however satisfactory these explanations may seem and I am sure you will have some useful observations to make.

For those of you who are serving for the first time on this Committee, and for the older Members too, I think it might not be out of place for me to outline the procedure which is normally followed when dealing with the Audit Report. When the officer who is appearing before us has taken his seat, we deal with the paragraphs on which he has to furnish further information, one by one. A Hausa translation of the paragraph in the Audit Report is read out—we do not have the English version read out, in order to save time, as Members will have a copy of the Report before them. If a written reply has been submitted, that is then read out in Hausa, and then I will ask for the questions and observations of Members on the paragraph and the written reply. All statements by Members, or by the officer appearing before the Committee, are translated in the Hausa or English as the case may be and Members may wish to pause appropriately if they are making a long statement so that the translator may be as accurate as possible. When Members have made all their observations, and when these have been replied to, and when, if necessary an assurance has been obtained that effective action has been taken to prevent a recurrence of the irregularity, I will generally ask the Director of

Audit whether he also is satisfied—but I would remind Members that the Director of Audit is present in the capacity of an adviser only, and it is really the duty of the Committee to accept or not to accept the explanations given. Having dealt completely with one paragraph, we then go on to deal with the next, and so on until all the paragraphs with which that particular Permanent Secretary is concerned have been disposed of. As we deal with each paragraph, our Secretary records the decision of the Committee on the matter, and at the same time drafts a paragraph for inclusion in our Report. Our last business is to consider, and if necessary amend, and approve these draft paragraphs.

Before we proceed to deal in detail with the Accounts which I mentioned earlier, I would like to ask Members whether they have any general observations, or any questions to ask, and I am sure the Director of Audit will do his best to answer them.

**Alhaji Muhammadu Magajin Gari, Kazaure:** May I ask a question on the Profit and Loss Account of Jos Hill Station.

**Acting Director of Audit:** May I speak there, Mr Chairman. The Permanent Secretary to the Ministry of Finance will be appearing before the Committee later this week and it is the intention then to ask him questions on the Jos Hill Station Accounts. If the Committee agrees, perhaps any questions could be left to that stage when the Committee has the Permanent Secretary before them.

**Chairman:** Any more questions? If no questions then we will start with the Capital Development Fund Accounts. Would the Director like to say anything?

**Acting Director of Audit:** Thank you, Mr Chairman. I would like to point out to the Committee that these are the Capital Development Fund Accounts for 1956-57, and since they were certified by the Director of Audit the Accounts for 1957-58 have also been examined and certified. As a result of this examination of the later accounts I have been satisfied that either matters of importance from these 1956-57 accounts have been satisfactorily settled or that any outstanding points of importance are being actively pursued. In these circumstances I would wish to suggest that the Committee may be prepared to accept the Accounts which are before them now.

**Chairman:** Are the accounts acceptable to the Committee?

**Members:** Yes.

**Chairman:** The next item is the Accounts of the Northern Region Voluntary Agencies Educational Building Fund. Any questions or alterations? So the Members have no questions? I will ask the Director now if he has some explanations to give.

**Acting Director of Audit:** Mr Chairman. The Audit certificate given to these accounts states that there are no points which require the submission of a separate report. That is in fact the position and I have no further observations to add to that remark.

**Chairman:** May I ask a question. Has there been any difficulty in making payments by any of these agencies?

**Acting Director of Audit:** Mr Chairman. To the best of my knowledge and belief, up to the audit of the accounts with which we are concerned here there had been

no particular difficulty. What the position has been since the 31st March, 1957 I cannot say until I have had the opportunity to look at later accounts. That is all, Mr Chairman.

**Chairman:** I hope this is acceptable to Members.

**Members:** Yes.

**Chairman:** The next item we have to deal with is the Report of the Director of Audit on the incomplete accounts of the Northern Region Literature Agency. It is noted the report is headed, 'April 1954 to March 1956'.

**Acting Director of Audit:** Mr Chairman, if you will forgive me for interrupting, I do not wish it to be thought that because we are dealing with the NORLA accounts at this stage that in fact there are not going to be a considerable number of questions to be asked. As Members of the Committee are no doubt well aware from the previous meeting of the Public Accounts Committee, there have been an appreciable number of unsatisfactory feature about the accounting for this Institution and in due course I am quite certain that Committee Members will have some very pertinent questions to ask. However, in regard to the particular accounts before us, which cover the period 1954 to 1956, and 1956 to 1957, whereas it is always unsatisfactory to postpone questions on accounts because information very often gets difficult to ascertain, I should respectfully like to suggest to Committee Members that there are reasons why they may be prepared to accept these accounts now. These reasons are, firstly, the main points referred to in these two reports were largely dealt with as paragraph 23 of the Director of Audit's Report for 31st March, 1957 (which was dealt with at the last Public Accounts Committee meeting—paragraph 17 of the Report). Secondly, in view of the age of these accounts they have little contemporary interest because everything of real importance has been brought forward to the Director of Audit's Report at 31st March, 1959. Finally, as Members are probably aware, NORLA was handed over to the Gaskiya Corporation with effect from the 1st April, 1959 and it would seem preferable therefore that discussion might well await the Director of Audit's final report at the date of the handing over. That is all, Mr Chairman.

**Chairman:** I think some of what the Director has just said is advisable. We should save our breath and ammunition until he has his last report, then we can go at NORLA and ask all the questions we want.

**Alhaji Sada Nadada:** It is true, as the Director of Audit has said, if we begin to ask our questions there will be some which will be very difficult to answer. Therefore it is proper to support the explanation he has given that we should reserve our questions for when we get the final report of NORLA.

**Emir of Abuja:** I think we shall be interested with the Report from the time when NORLA was handed to the Corporation. We shall be more interested in the first year of the Report: that is, I think, the report of 1959-60 and upwards.

**Director of Audit:** 1958-59.

**Emir of Abuja:** Then we shall see whether the organisation will be successful or not. Will the Chairman agree?

**Chairman:** No more observations?

**Etsu Pategi:** No further observations.

**Chairman:** So this report is accepted. That is that for the reports. The next thing is, we go back to the Report of the Director of Audit. We are going to have the Permanent Secretary to the Ministry of Finance (Accounting Division) at 11.00 a.m.

**Report of the Director of Audit on the Accounts of the Government of the Northern Region of Nigeria for the year ended 31st March, 1958**

**Chairman:** Gentlemen, we have here the Acting Accountant General, who has been kind enough to give us written replies to most of the Audit points. Before members start asking questions I wonder whether you have any further comments or statements to make on or about your replies?

**Acting Accountant-General:** Mr Chairman, Sir, as far as the Audit Report itself is concerned, I think that my written replies cover all that I want to say, apart from any questions that the Committee care to put to me. I would however like to refer to the report on last year's meeting, paragraph 3, in which I note that the Accountant-General who was in attendance then promised to supply the Committee with printed or cyclostyled copies of the relevant Accountant-General's report. I must apologise to the Committee, this only came to my notice a few days ago, and I have therefore been unable to carry out this promise. There are over 100 pages to the report and it would have been impossible to get it typed or cyclostyled in time. I do however assure the Committee that in future years they will be supplied. They are all with the Printer now, up to 1958-59.

**Chairman:** Thank you. I will now ask the Secretary to read the first paragraph.

**Secretary:** Paragraph 2. The Accountant-General's written reply to paragraph 2 of the Report of the Director reads as follows:—

“All statements have been passed to the Director of Audit”.

**Chairman:** Perhaps I will explain to you what is going on. We have all got English copies of the Audit Report as well as the replies. There is no need to read the English part. As soon as the paragraph is called the interpreter translates it and the reply into Hausa for the benefit of those who prefer to speak in Hausa, and then Members start shooting questions at you.

Are there any questions or observations?

**Emir of Abuja:** Is the Director of Audit satisfied?

**Alh. Muhd. Kazaure:** Mr Chairman, Sir, I think there is still room for improvement in the submission of these statements. To submit them in December is still too late. The sooner the statements are submitted, the sooner the Director of Audit's Report is written and the sooner it can be considered by this Committee.

**Acting Accountant-General:** I think the Director of Audit will agree with me when I say that the situation has already improved. The 1958-59 statements are with Audit now.

**Alh. Sada Nadada:** Mr Chairman, in paragraph 2 in the last line it has been said by the Director of Audit that there are still some statements which have not been received. May I have the reason why.

**Acting Accountant-General:** They have now been received by the Director of Audit. There is a considerable amount of work involved and we have not had experienced



staff in sufficient numbers, however the staff position has now improved, and the submission of these various accounts and statements should continue to improve as the years go by.

**M. Yakubu Lame:** Mr Chairman, will the Accountant General give us an assurance that in future statements will be submitted in time.

**Acting Accountant-General:** I can assure the Committee we will do our best to submit them within six months.

**M. Yakubu Lame:** Does this assurance suit the Audit Department?

**Acting Director of Audit:** I think it is correct that the 1958-59 statements were submitted earlier, and that certain of the difficulties with which the Accountant General was faced are being resolved, and personally I would be very pleased if these annual accounts could be produced within six months of the close of the Financial year. I am pleased that the Accountant-General has been able to assure the Committee that he can do this as it will be a considerable improvement.

**Chairman:** I hope members will accept the undertaking given by the Accountant General that statements will be submitted within six months. Are there any further observations?

**Emir of Wase:** What we hope is that he will fulfil his promises, not as has been done with last year's report.

**Acting Accountant-General:** I will certainly do my best.

**Chairman:** Next paragraph.

**Secretary:** Paragraph 3. The Accountant-General's written reply to paragraph 3 of the Report of the Director of Audit reads as follows:—

“1955-1956 report has been published.

1956-57 report has been published.

1957-58 A statements have been typed and passed to the Director of Audit”.

**Chairman:** Has the Committee any comments?

**Alhaji Sada Nadada:** I think, Mr Chairman, all this shows some delay on the part of the Accountant-General, but with regard to the reply he has given to the Committee regarding paragraph 2, I hope in this connection that the Chairman will inform the Accountant-General that in future we hope that all such delays will not occur again.

**Acting Accountant-General:** I think, Mr Chairman, that we have been working extremely hard to get these financial reports up to date, and it is not down in the written reply here that 1958-59 reports have been passed to the Director of Audit, and they are also with the Government Printer and awaiting printing, which brings us almost right up to date.

**Chairman:** Any further comments?

**Alhaji Muhammadu (Magajin Gari, Kazaure):** Yes, Sir. Last year the Accountant-General gave an assurance that he would do all he could in his power to get the Financial Report earlier, but this assurance was not kept up.

**Acting Accountant-General:** Basically the reason is, as I said earlier, the lack of experienced staff. The officer who has normally been responsible for these particular

reports was on leave, and then when he returned he sent in his resignation straight away, and I had to put another officer on the job, who had not got as much experience. I can assure the Committee, however, that we are up to date now, and I hope that we will stay that way.

**Chairman:** Is the Director of Audit satisfied with that?

**Acting Director of Audit:** Mr Chairman, it is a fact that the position has been considerably improved, and in that regard I am satisfied.

**Chairman:** I hope the Members, too, are satisfied.

**Members:** Yes.

**Chairman:** Next paragraph.

**Secretary:** Paragraph 4. The Accountant-General's written reply to paragraph 4 of the Report of the Director of Audit reads as follows:—

“Errors too late for adjustment admitted. All other items adjusted. (See Annexure I)”.

**M. Yakubu Lame M/G.:** The Committee would like to know from the Accountant-General whether errors brought to his notice before the closing of the accounts are accounted for.

**Acting Accountant-General:** Provided they were notified in good time, all adjustments could be made.

**M. Yakubu Lame M/G.:** Can fresh instructions be issued to Sub-Treasurers that any error should be reported to the Accountant-General?

**Acting Accountant-General:** There is a standing instruction to that effect in Departmental Orders, but it must be realised by the Committee that on our Establishment of some 260 2nd Class Clerks we have only got, I think I am correct in saying, forty who are 2nd or 3rd Class Clerks. All the rest are either Ungraded Clerks or temporary staff. We have over 120 temporary people, and the standard of their work is not as high as it should be. I regret that until the standard and the experience of my staff improves I cannot in all honesty give the Committee an assurance that this style of error will not recur.

**Chairman:** Is there anything you can suggest to improve the standard of so large a number of lowly-trained staff?

**Acting Accountant-General:** We actually have a training officer in the Accounting Division. He holds classes for newly-appointed clerks, but unfortunately due to the substantive Accountant-General's continued absence from this country due to illness, and because Mr. Wailes is re-writing Financial Instructions, I have had to take the training officer off the training duties to do more important work. As soon as I possibly can I intend to put him back on those duties.

**Chairman:** Any further observations? Would the Director of Audit like to say anything?

**Acting Director of Audit:** Mr Chairman, there are two problems here. One is to stop mistakes being made, and the Accountant-General has given his explanation in that regard. The second is to endeavour as far as is practicable to put these errors right before the accounts for the year are closed. I think it is true to say that if the Accountant-General were notified of these errors before he closed his accounts, the accounts would

be correct. The number of errors set out in the Annexure to the Audit Report are considerable. It is a problem, but perhaps the Accountant-General may reconsider the routine for endeavouring to get these errors corrected before the accounts are closed.

**Chairman:** To an earlier question I think the Accountant-General replied that if any mistake is noticed in good time he will correct his accounts. How long, say, would be required in order to put things right?

**Acting Accountant-General:** Provided we are notified, we are prepared to adjust up to the final day of closing.

**Chairman:** Members would not be so much concerned if the errors were not as numerous as they are. In accordance with the replies so far received, it seems to me that there is every prospect of these things recurring every year. That would hardly satisfy the Committee. Nor would it satisfy the Director of Audit.

**Acting Accountant-General:** I can only assure the Committee that I will look into the present system and see whether any adjustment can be made to improve the situation.

**Chairman:** I hope this will satisfy the Director of Audit?

**Acting Director of Audit:** Mr Chairman, I think the Committee may accept the Accountant-General's assurance.

**Chairman:** I think the Members will accept that. We can perhaps take paragraphs 5 and 6 jointly.

**Secretary:** Paragraphs 5 and 6. The Accountant-General's written reply to paragraph 5 of the Report of the Director of Audit reads as follows:—

“The present position is as follows:—

	1955-56	1956-57	1957-58
(a) Outstanding from Sub and Local Treasuries ... ..	117	127	285
(b) Outstanding from other Regions ... ..	—	97	319
(c) Mislaidd in T.H.Q. ... ..	6	7	11
(d) Totals ... ..	123	231	615

The figures shown as totals above were agreed with Audit on 14th January, 1960. Efforts continue to recover these outstanding vouchers and where it is apparent that a missing voucher is completely lost the signatures of all officers who signed the original voucher are being obtained together with a certificate that there was no fraud, Sub/Local Treasurers, are now empowered to refuse to accept any further vouchers from spending officers who have failed to return original paid vouchers without good reason”.

The Accountant-General's written reply to paragraph 6 of the Report of the Director of Audit reads as follows:—

“The Director of Audit has agreed and Permanent Secretary, Ministry of Finance has given approval for the amounts to remain included in the accounts unsupported by vouchers. (Page 44 of file FD. 1066 dated 16th January, 1960 refers)”.

**Chairman:** Any comments from Members?

**Emir of Abuja:** Yes, Mr Chairman, this Committee would like to know whether the Accountant-General is satisfied with his control system, and if not, what steps he intends to take.

**Acting Accountant-General:** I think, Mr Chairman, that once the effects of the circular mentioned in my reply to Paragraph 5 are felt, the situation should be very much better. The Circular was issued in November, and we have not yet had time to see the results of it, but providing the Sub and Local Treasurers carry out the instructions contained therein, I think that Departments will start to return their figures when they find they will not get anything else to pay until they do. Regarding (b), Outstanding from other Regions, it is a point that I intend to raise at a Conference that the Accountant-General from all the Regions and the Federation are holding early in March, and I will see if we can get something sorted out about these outstanding vouchers.

**Alhaji Muhammadu (Magajin Gari, Kazaure):** Mr Chairman, Sir, last year this Committee gave a recommendation to the Government to surcharge the person responsible for not returning a voucher. But the Government did not approve this recommendation, but gave instructions that payment should be withheld from any Department where there are any vouchers outstanding. Can we hear from the Accountant-General how often these powers were used?

**Acting Accountant-General:** To my knowledge those powers have not been used at all to date. We re-issued this Circular to try and enforce the return of vouchers, and I think perhaps that it will be better from now on.

**Etsu Pategi:** Mr Chairman, Sir, may we know why this power of withholding was not exercised?

**Acting Accountant-General:** The authority and the actual application is done at certain local Treasury levels, and not from Headquarters. I do know for a fact that the Sub-Treasurer, Kaduna, has already started acting upon this, and he is finding that the vouchers are coming in very much better since we introduced it. It is very difficult in some of the smaller stations where we probably have only a First-Class Clerk in charge for him to enforce a ruling such as this with a very senior officer. But I am hoping in the near future, as we have had some new appointments to the Grade of Accountant, to start touring with some of my experienced officers, and I intend to specifically instruct these officers that where a junior clerk is having trouble he must take the matter up with the defaulting officer. Should the trouble still continue, I would then take it up from Headquarters.

**Chairman:** Any further comments? Would the Director of Audit like to make any remarks?

**Acting Director of Audit:** Mr Chairman, if I read the feelings of this Meeting correctly, Members are concerned in regard to the continued question of large numbers of outstanding payment vouchers, and they may consider suggesting to the Accountant-General that these new powers should now be adequately enforced, particularly in view of the fact that each outstanding payment voucher may conceal an irregularity. That is all, Mr Chairman.



Of the thirty-seven queries still outstanding against this Division, twenty-nine are in connection with personal emoluments and in many cases has involved reference to the Federation for replies. All the queries are being actively pursued”.

**Chairman:** Has the Committee any observations? Perhaps the Director of Audit has any comments?

**Acting Director of Audit:** On these particular paragraphs, Mr. Chairman, I have nothing to add to what is said in the Audit Report.

**Chairman:** I think Members seem to appreciate the steps you are taking. Next Paragraph.

**Secretary:** Paragraph 11. The Accountant-General's written reply to paragraph 11 of the Report of the Director of Audit reads as follows:—

“Instructions have been issued to all Sub and Local Treasurers that these registers must be brought up to date forthwith and be correctly maintained in future (171/Vol. 3/193/PAD dated 28th November, 1959. Inspections will be made as and when officers are available for such duties”.

**Chairman:** Any observations?

**Emir of Abuja:** Mr. Chairman, Sir, with regard to the date of the Audit Report, I think that the instructions issued by the Accountant-General were issued late.

**Acting Accountant-General:** Mr. Chairman, I must admit that the instructions were issued late. I have no real explanation to offer. As far as the statement that inspections will be made as and when officers are available, I quite appreciate the necessity for these Registers to be maintained up to date. My touring accountants will receive strict instructions to ensure that they are brought up to date.

**Chairman:** Any further comments?

**Emir of Wase:** Would the Accountant-General give an assurance to the Committee that in future all such accounts will be brought up to date?

**Acting Accountant-General:** When I have the necessary staff, I can give that assurance. It is very difficult, sitting in Kaduna, to issue instructions, but when you have no officers available to go touring you cannot guarantee that these instructions are being carried out. We have two new appointments notified. They will arrive next Monday, but at the same time due to promotion in other Ministries we stand to lose three accountants. We will still be seven accountants short, however, I did intend to send two officers touring with effect from March.

**Chairman:** Any further observations?

**Alhaji Muhammadu (Magajin Gari, Kazaure):** With regard to these instructions, I think it is preferable to have them published so that they can be checked.

**Chairman:** What have you to say to that.

**Accountant-General:** I do assure the Committee that as soon as the Audit Reports are received in future I will personally see that all instructions are carried out.

**Chairman:** We will rely on the assurance of the Accountant-General. I think the Committee may be prepared to accept the Accountant-General's assurance.

**Secretary:** Paragraph 12. The Accountant-General's written reply to paragraph 12 of the Report of the Director of Audit reads as follows:—

“The position is as follows:—

<i>Project No.</i>	<i>Date Received</i>	<i>Date sent to Audit</i>	<i>Remarks</i>
Development of Land Resources Project 61.12.046	4-4-59	7-5-59	Returned by Audit with comments on 20-6-59. Statements redrafted and all queries answered and returned to Audit on 22-9-59.
Bovine Pleuro-Pneumonia Project 61.12.046	4-8-59	28-9-59	All the statements were redrafted in on 20-6-59. Statements redrafted and all queries answered and returned to Audit on 22-9-59.
Bovine Pleuro-Pneumonia Project 61.12.017	4-8-59	28-9-59	All the statements were redrafted in this office in order to conform with Audit requirements.
Poultry Disease Investigation Project 61.13.015	8-8-59	28-9-59	All the statements were redrafted in this office and forwarded to Permanent Secretary Ministry of Animal Health and Forestry and were held up for two weeks before they were returned duly signed.
Manual Training Programme 61.61.047	24-8-59	9-11-59	The statements were incorrectly prepared and they were therefore redrafted and handed to the Accountant, Ministry of Education for the signature of the Permanent Secretary. The Permanent Secretary was away on conference. Further delay was due to the Architect's Certificates not being issued for over a period of seven weeks after a request has been made. The certificates were received on 6/11/59 and the statements forwarded to Audit on 9/11/59.
Range Management Project 61.13.078	—	—	No return necessary”

**Chairman:** Any observations?

**Alhaji Abdu Anace:** Yes, Mr Chairman. It is very much appreciated that in the Report the Accountant-General or the Ministry of Finance has invited the attention of the Ministries of Agriculture, Animal Health and Forestry and Education to the necessity for the early preparation of outstanding claims and the prompt and regular submission of claims in future. Could the Accountant-General inform us whether they accepted this invitation.

**Acting Deputy Accountant-General:** May I answer this one. These systems are somewhat unfamiliar to the Ministries concerned. They have been used in the past for such things as Colonial Development Welfare Schemes. The whole system on accounting and rendering returns for the ICA are quite different from the Colonial Developments Welfare Schemes. It is a fairly involved system of documentation and the basic difficulty has been that the Ministries did not know what to do and did not understand it; as you can see from the remarks here we had quite a lot of trouble before we got the returns correctly prepared by the Ministries, but now that we have got the procedure going and the Ministries have produced their first returns we should not have anything like the first trouble in future.

**Chairman:** Are the members satisfied.

**Members:** Yes.

**Acting Director of Audit:** One of the basic difficulties in a situation of this nature is that responsibility is divided in regard to the preparation of statements. Very often each side waits for the other to act first, and as a result nothing is done for some time. Whilst there has been some delay in the past and whilst the position has now improved, the Accountant General may be prepared to accept the fact that as Chief Accounting Officer to the Government he is primarily responsible in seeing that there is no delay to avoid the difficulties of this divided control.

**Chairman:** Any further comments?

**Acting Accountant-General:** I am quite prepared to accept that Mr Chairman.

**Secretary:** Paragraph 18. The Accountant-General's written reply to paragraph 18 of the Report of the Director of Audit reads as follows:—

"The system has been reviewed and it is not considered that there are any defects therein. The matter is entirely the responsibility of the Ministry concerned and NRA Circular No. A13/1959 has been issued reminding Permanent Secretaries of their responsibility."

**Chairman:** Any observations?

**Alhaji Sada Nadada:** There is no observation from this Committee but what I have to say is that it is disappointing that overpayment is being made from Government funds, surely precautions should be taken to avoid it. What I suggest is that the Accountant-General should exercise more powers in the scrutiny over his work because there is a lot of criticism with regard to these over-payments from the Director of Audit, and the Accountant-General should realise that the work of the Director of Audit can not go smoothly without the work of the Accountant-General going smoothly too.

**Accountant-General:** Mr Chairman, I cannot agree more, but I can tell the Committee this that I am shortly putting up a system to Government whereby my office will be responsible for the centralised payment of all salaries in the Northern Region. In working out the details of this new system this particular point will be safeguarded.

**Chairman:** Any comments?

**Members:** No comments.

**Acting Director of Audit:** It is in fact correct as the Accountant-General states in reply that the primary responsibility lies with the Ministry concerned, but I have



felt for some time that perhaps the system in sub-treasuries could be so arranged that these mistakes could be prevented at that level. Whether or not this question should be pursued depends on how long it is going to take to implement the new procedure for payment of salaries. Perhaps the Accountant General could provide some information as to when this new system is likely to come into operation.

**Acting Accountant-General:** Mr Chairman, provided I can get Government sanction and the necessary machinery, I am hoping to introduce the system with effect from the 1st June.

**Acting Director of Audit:** In that case Mr Chairman, perhaps the Committee may consider that it is not necessary to proceed with the topic of what help Sub-treasuries can give to stop this particular type of overpayment.

**Chairman:** Any further comments. I take it that this is accepted.

**Secretary:** Paragraph 19. The Accountant-General's written reply to paragraph 19 of the Report of the Director of Audit reads as follows:

"Declaration forwarded to Director of Audit under memorandum No. 902/1/Vol. 9/173 PAC dated 23rd July, 1959."

**Chairman:** Any comments.

**Emir of Abuja:** Mr Chairman, we should like to know whether the Accountant-General gets the declarations later or earlier.

**Acting Accountant-General:** These are received from the Federation and all I can say is that as soon as they are received by me they are forwarded to the Director of Audit.

**Chairman:** I think the question is whether it is possible to get them earlier.

**Acting Accountant-General:** If the Federation could prepare them earlier then presumably we would get them sooner than July as we did last year. I will take the matter up in March at this Conference which I am going to attend.

**Secretary:** Paragraph 20. The Accountant-General's written reply to paragraph 20 of the Report of the Director of Audit reads as follows:—

"The system was amended by Accounting Circular No. B. 32 of 1958.

Additional clerks for the purpose of a supervised check have been included in the Advance Proposals for 1960/61."

**Chairman:** Any comments? We have seen that according to the reply of the Accountant-General he has prepared for 1960/61, can the Accountant-General tell us what he is doing now.

**Acting Accountant-General:** We have a temporary system working at the moment but it is not as fully complete as when we have one special clerk for that specific duty.

The Estimates Committee have approved the five additional clerks and I am going to introduce them into the larger sub-treasuries such as Kaduna, Kano, Zaria, Maiduguri and Jos.

**Chairman:** Any further comments?

**Emir of Abuja:** We want assurance whether something is being done to introduce a perfect system.

**Acting Accountant-General:** The temporary measures that I have introduced are a safeguard but where a clerk, as in these cases which are mentioned there, is prepared to go to jail for a large sum of money there is very little we can do with a system to prevent it.

**Chairman:** Any further comments?

**Acting Director of Audit:** Mr Chairman, it is quite correct to say that where there is collusion you cannot stop these occurrences. I am not quite clear on whether in fact within present limitations the temporary arrangements are as good as can be provided.

**Acting Accountant-General:** As far as I am aware, Mr Chairman, since the introduction there have been no repetitions. I say as far as I am aware.

**Chairman:** Well I think that seems to be the lot. We have come to the end of our question for today, but we will have some more for you tomorrow.

*Sitting adjourned at 1.10 p.m. until 9.30 a.m. tomorrow.*

PUBLIC ACCOUNTS JOINT COMMITTEE

Tuesday, 26th January, 1960

*The Committee met at 10.00 a.m.*

**Chairman:** I will continue from where we left off yesterday and as usual, I will now ask the Secretary to read the paragraph concerned.

**Secretary:** The Acting Accountant-General's reply to paragraph 63 reads:—

“Suitable instructions have been issued to the Secretary to the Premier for transmission to Residents who convene Boards of Survey. (Accounting Division letter No. 284/Vol. 29/78/PAC dated 24th November, 1959 refers).

A Board of Survey was properly held at Biu Local Treasury but the report was misplaced in this office. It has since been forwarded to Director of Audit.

The omission of the value of cheques from the Report of the Board held at Kaduna Sub-Treasury was drawn to the attention of the Board who regretted and rectified the omission.”

**Chairman:** Well, any observations or comments?

**Emir of Abuja:** We would like to know whether the Board of Survey is now working satisfactorily.

**Acting Accountant-General:** Mr Chairman, Sir, we have to rely on the Boards which are convened by Residents. They are normally held at the Financial Year end and we intend this year to send a reminder in early March so that these Boards will not be overlooked again, and I trust that at this Financial Year end the Boards will be satisfactory.

**Chairman:** The instruction that was given by the Accounting Division of the Ministry of Finance dated 24th November, seems to be rather late because the Accountant-General has difficulty in receiving the reports earlier.

**Acting Accountant-General:** Mr Chairman, Sir, there is little point in issuing the instruction earlier because Boards are not held until the 1st of April of the ensuing financial year and I hope with such a recent instruction together with a reminder in March, there can be little doubt of the Boards of Survey being held correctly.

**Mr Chairman:** May the Acting Accountant-General explain whether this instruction had to be given annually or whether there are special days of having Annual Boards of Survey provided in the Standing Order?

**Acting Accountant-General:** Mr Chairman, Sir, there is a Standing Instruction contained in a Chapter in Financial Instructions. In the past we have merely included a paragraph in our end-of-year call circular giving the requirements to the various Ministries and Heads of Departments. This year we will send a specific instruction on Boards of Survey.

**Chairman:** Any comments?

**Acting Director of Audit:** Mr Chairman, Sir, I think the Committee should be informed of the fact that there are other Boards of Survey on Cash during the year apart from these Annual Boards, so that any instruction issued would normally be of assistance to the other Boards.

**Chairman:** I hope this is acceptable to Members.

**Members:** Yes.

**Chairman:** Next paragraph.

**Secretary:** The Acting Accountant-General's written reply to paragraph 24 reads:

"Of the nine imprests referred to one was a special Imprest for £600 which was not required to be reimbursed until after 31-3-58. It was subsequently retired correctly.

A second was for £1,500 issued to the Commissioner in the United Kingdom. Some difficulty has been experienced in regard to financial arrangements in the Commissioner's Office and during recent months visits have been made by the Permanent Secretary and two accounting officers of this Ministry whilst on leave. It is hoped that the Commissioner's Office will be placed on a Sub-Accountant basis and that this system will prove more satisfactory.

The remaining seven Imprests for £194-2s-2d were mostly issued to Catering Rest Houses run by part-time Lady Supervisors. All except two were completely retired in April, 1958. The remaining two were not completely retired until September, 1958 due in the first place to the lack of experience of the Imprest Holder, despite the assistance of a Sub-Treasurer, and secondly owing to the time lag in correspondence before adjustments could be effected."

**Chairman:** Any observations?

**Alhaji Muhammadu, Magajin Garin Kazaure:** We would like to know whether all the Imprest Holders are now keeping the accounts correctly.

**Acting Accountant-General:** As far as I am aware, they are. But without a Touring Accountant, I cannot confirm.

**Mallam Yakubu Lame:** What instructions were issued to the Imprest Holders regarding the keeping of the Imprest Accounts?

**Acting Accountant-General:** Standing Instructions are contained in the Financial Instructions and at the close of the Financial year circular instructions are always issued to Imprest Holders about the necessity to retire their Imprests on 31st March. Mr Chairman, I would like to add that regarding the £1,500 Imprest issued to the Commissioner in the United Kingdom, it has now been placed on the Sub-Accountant basis and one of my accountants who was on leave in the United Kingdom started a new system.

**Alhaji Muhammadu, Magajin Garin Kazaure:** We would like to know from the Accountant-General whether the seven outstanding Imprests have now been retired.

**Acting Accountant-General:** Mr Chairman, I am afraid, I cannot assure the Committee on that, but I understand that the majority of them were.

**Chairman:** Any other questions?

**Alhaji Muhammadu, Magajin Garin Kazaure:** Yes, Mr Chairman, we would also like to know whether those Imprests will be closed on the 31st of March this Financial Year.

**Acting Accountant-General:** Mr Chairman, I can only rely upon the Imprest Holders acting on my instructions but I cannot guarantee.

**Emir of Abuja:** Would it not be possible to issue another reminder to these Imprest Holders before the close of the financial year, say in February, next month?

**Acting Accountant-General:** The instructions contained in my year-end circular are also sent out to each Imprest Holder to the fact that the Imprests must be retired on the 31st of March. Applications for new imprests for the new Financial Year must be received in my Office by the third week in March. This also ensures that they will not receive any new Imprest until the old is retired. More than that, Mr Chairman, I do not feel I can do.

**Chairman:** Any observations?

**Alhaji Sada Nadada:** I have observed that there are Provincial Accountants designated. May we know what are their duties?

**Acting Accountant-General:** I think the Member is referring to the Public Works Department. Provincial Accountants and they have got nothing to do with me.

**Alhaji Sada Nadada:** I thought those Provincial Accountants are under your jurisdiction, that is why I was putting the question to you for explanation.

**Acting Accountant-General:** I think the Member is confusing when we did once have a team of accountants when the Public Works Department cadre would have come under my jurisdiction but that is now finished.

**Alhaji Muhammadu, Magajin Garin Kazaure:** I think, Mr Chairman, there is one point we would like to put to the Accountant-General and that is in connection with the £1,500 Imprest which has not been retired and I think it is right if he makes more effort to see that this amount is retired by the end of this Financial Year.

**Acting Accountant-General:** I fail to see what other references I can make now, apart from a personal tour round the Northern Region to try and see each Imprest Holder: and as they are upwards of 250 of them scattered over the Northern Region, I do not think this would be practicable.

**Chairman:** I think Members are not trying to put a question to the Accountant-General that his arrangements for the future are unsatisfactory. I think we are all trying to bring home to the Accountant-General our concern of what has taken place, and trying to express it clearly to him that we are somewhat concerned, and that the earlier the better that he should do something. Of course he seems to be doing something actively so I think I should suggest to Members that we wait for the next Audit Report and in the next Report I hope the Accountant-General will not give us any opportunity of discussing a similar matter. As I said yesterday, we always rely upon the assurances of the Accountant-General. So if there are not any comments, I will ask the Secretary to read the next paragraph.

**Alhaji Muhammadu, Magajin Garin Kazaure:** Mr Chairman, Sir, will it not be possible for the Administrative Officers to help in this matter, that is to see that all imprests were retired before the 31st of March?

**Acting Accountant-General:** There is one point, Mr Chairman, Catering Rest Houses have been specifically mentioned. They are directly under the control of Provincial Offices. Whether a further approach to these Provincial Offices will bear any

fruit, I honestly do not know. I can however, assure the Committee that no new imprests are issued until the old ones are retired. I feel that there is very little more that I can do.

**Chairman:** Any observations?

**Acting Director of Audit:** Mr Chairman, I appreciate the explanations of the Acting Accountant-General and have sympathy with his views. In-as-much-as it is impossible to stop a man stealing money despite the best instructions in the world, it is sometimes difficult to make everybody with Imprests retire them on time. But the Committee has indicated that perhaps the system might be tightened up. With regard to the particular point of Catering Rest Houses, I see we sent a letter, that is the Audit Department, in March, 1959, suggesting that the Permanent Secretary to the Ministry of Internal Affairs should be approached on this point, but as far as I can see, nothing happened as a result of that letter.

**Acting Accountant-General:** I understand that the Ministry of Internal Affairs is trying to re-organize their accounting system of Catering Rest Houses and presumably the question of Imprests will come within this investigation. I will however, make a point of taking the matter up with that Ministry.

**Chairman:** Are the Members satisfied?

**Members:** Yes.

**Chairman:** Next paragraph.

**Secretary:** The Accountant-General's written reply to paragraph 26 reads:—

“(1) The discrepancy between the balances of the Federation of Nigeria and this Region has been reduced to £22 15s 6d. The account has been very carefully examined in this Region and it is believed that the error now lies in the books of the Accountant-General, Federation of Nigeria, who has been given details of all entire entries which passed through our books. A reply is awaited.

(11) The balance due to this Region from the Director, Posts and Telegraphs, was analysed in January, 1957, and a detailed claim supported by vouchers submitted, no effective action has been taken on this claim by Posts and Telegraphs. The effective period of this account was from 1st April, 1952, until 31st March, 1956, but it was not until December, 1954, that Posts and Telegraphs rendered their first account to this Government. Copies of all entries in our General Ledger Account have been furnished to Posts and Telegraphs and the claim referred above was in fact a detailed analysis of the balance due this Region. The Posts and Telegraphs Department sent a senior Officer to visit this office in July, 1959, with view to clearing up this account and all our records were made available. Little was achieved however as the Posts and Telegraphs Department did not seem to be able to separate their account with this Region from that with the Accountant-General, Federation of Nigeria. It is intended that a senior officer of this Ministry will visit Lagos in the very near future to clear up this long outstanding account”

**Chairman:** Any observations?

**Alhaji Muhammadu, Magajin Garin Kazaure:** Since this matter regarding the Posts and Telegraphs Account has been outstanding for some years, we think that something more effective than the present procedure should be done.

**Emir of Pategi:** I think something more should be done because this account has been outstanding for a very long time. It is the wish of this Committee that this account should be settled before the end of this Financial Year.

**Acting Accountant-General:** The account outstanding so far as we are concerned in the North is definitely clear. On the side of the Posts and Telegraphs their account is far from clear. We made an analysis of our balances very adequately three years ago and all these analyses were forwarded to the Posts and Telegraphs, Lagos, and we have now got the Accountant-General of the Federation investigating on our behalf, and the Posts and Telegraphs are being made to understand what we are doing. All we can do further is to send a senior officer to Lagos to stay there until he gets a reply from the Posts and Telegraphs, and this we propose doing within the next months.

**Chairman:** Have you considered approaching the Federal Minister of Finance for his help in this matter?

**Acting Accountant-General:** Yes, Mr Chairman. The Accountant-General, Federation of Nigeria is part of that Ministry and he is investigating on our behalf now.

**Chairman:** Any further observations?

**Mallam Yakubu Lame:** In his written reply, the Acting Accountant-General said that the error lies in the books of the Accountant-General of the Federation, and we would like to know whether this error will not be reflected in his accounts.

**Acting Accountant-General:** The only place it would be reflected in our accounts is where it will show a slight difference in balances and since writing this reply, the Accountant-General of the Federation has admitted his error and corrected it by adjustments.

**Chairman:** We will now continue to the next paragraph.

**Secretary:** Paragraph 27. The Accountant-General's written reply to paragraph 27 of the Report of the Director of Audit reads as follows:—

“The amount of £2,109-18s-1d has now been cleared and will be reflected in 1959-60 accounts”.

**Chairman:** Any comments? Then I think we should congratulate the Accountant-General! Next paragraph.

**Secretary:** Paragraph 28. The Accountant-General's written reply to paragraph 28 of the Report of the Director of Audit reads as follows:—

“Of the 119 dormant balance referred to 96 were cleared by 31st March, 1959. A further 12 have been cleared in 1959-60 accounts. The remaining 11 are still under investigation”.

**Emir of Gumel:** There is only a small number remaining compared with the ones to date.

**Chairman:** Perhaps I could ask one small question. What is the main difficulty in clearing these outstanding advances?

**Acting Accountant-General:** The main difficulty, Mr Chairman, is the age of the advances, and having to delve right back finding vouchers and correspondence, and then contacting the responsible officers. As the Committee is aware, we have had a Special Investigation Section going, and I am sincerely hoping that before they finish on the 31st March this account will be completely cleared.

**Alhaji Muhammadu, Magajin Garin Kazaure:** Mr Chairman, Sir, apart from what the Accountant-General has just said, we should like to know whether he has any procedure for dealing with the dead accounts.

**Acting Accountant-General:** Mr Chairman, all subsidiary accounts are scrutinised monthly by a senior officer. Any accounts that have had no movement on them for some considerable time are then taken out and investigated.

**Acting Director of Audit:** Mr Chairman, I see that in March, 1959, there were ninety-three dormant balances. Perhaps it is not quite fair to produce these figures because the Accountant-General has not had time to study them, but is this before or after this scrutinising procedure was instigated?

**Accountant-General:** This procedure has only been instigated this current financial year.

**Chairman:** Any more comments?

**Members:** No.

**Chairman:** Next paragraph.

**Secretary:** Paragraph 29, The Accountant-General's written reply to paragraph 29 of the Report of the Director of Audit reads as follows:—

“(a) *Richard Costain Limited.*—The debit balance of £4,138-17s-3d has been reduced by a credit of £3,211-10s-8d from Accountant-General, Federation of Nigeria. It is hoped that the remaining £927-6s-7d will be cleared in a similar manner.

(b) *Erection of Army School.*—This account has now been cleared.

(c) *Public Works Department (E.C.N.) Sokoto.*—This account has not yet been cleared but Ministry of Works has been asked to assist. It is thought that stores or services were supplied and that payment was credited to Revenue. Investigation continues.

(d) *Miscellaneous.*—The debit balance on this account has been reduced to £14-6s-0d. Investigation continues.

(e) *Suspense.*—The debit balance on this account is actually £145-13s-11d reduced by certain credits to £90-8s-11d. The item of £145-13s-11d date back to 1950 and is connected with a personal advance account still under investigation. Currently a reply is awaited from Federal Accountant-General in regard to this item and it is thought that he holds a corresponding credit. The whole of this account is receiving the personal attention of an Accountant”.

**Emir of Abuja:** Mr Chairman, we want an assurance from the Acting Accountant-General that there is likely to be no similar occurrence.

**Acting Deputy Accountant-General:** Mr Chairman, we can give that assurance.

**Chairman:** Next paragraph. I think paragraphs 30, 31, 32, and 33 seem to be very similar, and it would be much easier for us to take them together.

**Secretary:** Paragraphs 30, 31, 32 and 33. The Accountant-General's written reply to paragraph 30 of the Report of the Director of Audit reads as follows:—

“1956-57. Laid on the table of the House of Assembly and the House of Chiefs in August, 1959”.

The Accountant-General's written reply to paragraph 31 of the Report of the Director of Audit reads as follows:—

“The two statements have since been forwarded to the Audit.”

The Accountant-General's written reply to paragraph 32 of the Report of the Director of Audit reads as follows:—



"1956-57—Published on page 157 of Gazette No. 16 dated 26th March, 1959."

The Accountant-General's written reply to paragraph 33 of the Report of the Director of Audit reads as follows:—

"1956-57. Laid on the table of the House of Assembly and the House of Chiefs in August, 1959.

1957-58. Forwarded to Audit on 23rd July, 1959".

**Chairman:** Would Members like to make any comments? If not then next paragraph.

**Secretary:** Paragraph 34: The Accountant-General's written reply to paragraph 34 of the Report of the Director of Audit reads as follows:—

"The balance as at 31st March, 1958 has been examined and all bar £3,342-10s-6d identified. Work continues on this analysis."

**Mallam Yakubu Lame:** Mr Chairman, we want to know whether this sum of £3,342-10s-6d will not be a loss to the Regional Government.

**Acting Accountant-General:** Mr Chairman, this will not be a loss to the Regional Government. It is in fact warrants which were issued prior to April, 1954, by various Departments which we have been unable to break down between the various Departments due to loss of old files and records. But apart from the correct breakdown, they are a correct charge against the accounts of the Northern Region.

**Emir of Abuja:** Mr Chairman, we want an assurance from the Accountant-General that he is considering the clearing of the account.

**Acting Accountant-General:** Mr Chairman, now that I know the true position on the account, I will take steps to clear it.

**Alhaji Muhammadu, Magajin Garin Kazaure:** Mr Chairman, can the Accountant-General say when he expects this account to be cleared?

**Acting Accountant-General:** Provided, Mr Chairman, that I can get the necessary authority from the Ministry of Finance, this account should be cleared before the close of this financial year.

**Chairman:** Do you expect that you will have any difficulty in getting the necessary authority?

**Acting Accountant-General:** That Mr Chairman, depends on the Director of Audit.

**Acting Director of Audit:** At this stage, Mr Chairman, the Director of Audit would not commit himself!

**Chairman:** I think this satisfies the Members.

**Members:** Yes.

**Chairman:** Next paragraph.

**Secretary:** Paragraph 35. The Accountant-General's written reply to paragraph 35 of the Report of the Director of Audit reads as follows:—

"The annual returns for 1957-58 have been audited and forwarded to the Secretary of State. The balance on deposit and the amounts due to and from the Secretary of State in respect of the various schemes have been analysed to the satisfaction of the Director of Audit."

**Alhaji Muhammadu, Magajin Garin Kazaure:** Is it not possible for the Accountant-General to produce the accounts earlier?

**Acting Deputy Accountant-General:** Mr Chairman, the accounts normally close in July or August in the year following the 31st March. We cannot prepare these returns immediately we close the accounts, as they must be fully audited first. In fact these returns to the Secretary of State are due before the 30th November in the following year, eighteen months later, and in view of the necessary delay awaiting the auditing of the accounts, I do not think we could improve much on the date of submission of these returns.

**Chairman:** When do you expect to produce the statement for 1958-59?

**Acting Deputy Accountant-General:** The controlling factor there is when we receive the last audit query on vouchers, misallocations, and that type of thing. I understand that the Director of Audit has almost finished his Report on the 1958-59 accounts, and we should be able to start preparing these returns very shortly. They are not very difficult of lengthy things to prepare, providing one has got all the information and queries.

**Mallam Yakubu Lame:** Can the Director of Audit comment?

**Acting Director of Audit:** Mr Chairman, this seems to be an example of a circle, because yesterday the Committee asked the Accountant-General to try and get his accounts more up-to-date. When his accounts are more up to date, my audit will then become more up-to-date. When my audit is up-to-date, the Colonial Development and Welfare Scheme Statements can be produced more promptly. So perhaps the Committee is prepared to accept this assurance that these statements will in future be considerably earlier in appearance, because of yesterday's assurance that the Annual Accounts will be produced so much earlier.

**Chairman:** Any more question? well, thank you very much, I think that is the lot, and we are looking forward to seeing you at the next Public Accounts Committee with fewer questions to answer! I understand from the Secretary that you also have some questions to ask?

**Acting Accountant-General:** Mr Chairman, there is just one. In the past, before the Accountant-General's Department was integrated with the Ministry of Finance, whilst your Committee was interviewing other Departments and Ministries, a representative from both my Division and the Finance Division attended with a watching brief. My Permanent Secretary has requested me to ask you whether you would be agreeable to a member from my Division attending during that period. We would then watch the interests of both the Accounting Division and the Finance Division. The Permanent Secretary himself will attend to answer to you on the Audit queries on the Finance Division.

**Acting Director of Audit:** If I may advise the Committee, I think the suggestion might well be accepted under present conditions.

**Chairman:** What are those conditions?

**Acting Director of Audit:** Before, Sir, you had two separate Departments, the Financial Secretary's Office and the Accountant-General's Department. You now have a Ministry of Finance. Considering the requirements demanded by the Committee

from these offices, I feel that perhaps one representative of the Ministry of Finance should suffice. Perhaps if the Committee feel that they should accept this arrangement provisionally and see how it works out in practice, that might be the best compromise.

**Chairman:** Does the Committee accept this?

**Mallam Yakubu Lamé:** We accept this, because we have had representatives at previous Meetings.

**Alhaji Muhammadu, Magajin Garin Kazaure:** Mr Chairman, what is the procedure in other Regions?

**Acting Director of Audit:** I regret to say that I do not know, but I should imagine it is similar to what is being proposed here.

**Chairman:** Does the Accountant-General know the position in other Regions?

**Acting Accountant-General:** I am afraid not, Mr Chairman.

**Alhaji Sada Nadada:** This is due to the various amendments effected in the Constitution. That has brought all these changes.

**Chairman:** I think there is nothing to be feared in this suggestion. I do not think it would do any harm, and I am sure it will do a lot of good, because even before, Members will remember that we have always had representatives from the Ministry of Finance and the Accountant-General tucked in the corner when we have been asking question of Departments and Permanent Secretaries, and on more than one occasion they have proved very useful to us. So I would recommend to the Committee that it should accept this.

**Members:** Accepted.

**Acting Accountant-General:** Thank you very much, Mr Chairman.

**Chairman:** That concludes our day's work until 9.30 tomorrow.

*Committee adjourned at 12.00 noon until tomorrow.*

## PUBLIC ACCOUNTS JOINT COMMITTEE

Wednesday, 27th January, 1960

The Committee met at 10.15. a.m.

### MINISTRY OF WORKS

**Chairman:** We have in front of us the Permanent Secretary, Ministry of Works to an answer our questions. We would have the written reply to paragraph 61; but we feel that this concerns the Ministry of Health much more than the Ministry of Works so I think we should skip over this one and then deal with it when the Permanent Secretary of the Ministry of Health comes in.

**Secretary:** Paragraph 67: 1. The Permanent Secretary, Ministry of Works written reply to paragraph 67:1 is as follows:—

“This excess was due to the fact that the Crown Agents did not meet indents which had been placed early in the financial year until the last two months of the financial year. Goods ordered on indent are paid for by the Crown Agents on delivery to ship in the United Kingdom. There may, therefore be a lapse of some months before the goods are received in Kaduna and are available for issue against the vote for the project on which the stores are to be used.”

**Chairman:** I think we should have quite a number of items to deal with. I think the best approach would be to deal with them one by one. I will now therefore deal with this one and if we have any observations and questions to ask and having got a reply we will go to the next one. Before I ask members to make observations or comments I would like to ask the Permanent Secretary whether he would like to supplement his written answers.

**Permanent Secretary:** You are referring to paragraph 67(1). I think this is a thing which happens quite often when we order materials against a vote and the materials do not arrive until it is too late to use them for the jobs for which they are purchased.

**Chairman:** Would members like to make any observations?

**Emir of Abuja:** Mr Chairman, I think if a liability is known such a thing would not have happened.

**Permanent Secretary:** Sometimes it is necessary to order stores before we get the vote of charge for a particular job in order to expedite the job and therefore we order against a vote and then the liability is paid for. For instance we are now hoping to get a water system in Kaduna; but the money for the job have not yet been granted and necessary materials must be ordered before hand.

**Emir of Abuja:** Mr Chairman, I think before ordering the materials the Permanent Secretary should get an estimate of the articles to be ordered, and the totals sum would be taken in the liability before indenting for the article:

**Permanent Secretary:** Yes, I presume that in this case there was no item when we ordered the materials, if there was a head of item then we take a liability when we are ordering the materials, but sometimes it is an advantage when we know a scheme is coming off and we have not got the money but we know the money is coming, and therefore, we order the materials beforehand to speed up the scheme and charge the materials to the store.

**Chairman:** Any more observations?

**M. Yakubu Lame:** I think before the goods arrive the Permanent Secretary knows of the amount of vote of charge and therefore liability should be taken before the goods arrive.

**Permanent Secretary:** We do not take any liability because we hope to get the money and as soon as we get the money we re-imburse the sum, which is under £1,000, which is a nominal sum.

**M. Yakubu Lame:** Mr Chairman, the amount to be spent on the job should be known before the material arrives.

**Mr Hibbs (Acting Finance Officer):** I think the members might be confused about these subheads. If the members would care to look into the estimate under this subhead they will find purchase etc. £200,000 less estimate £100,000 and in the actual estimate column of the estimates for that year they will find the sum of £100,000. Mr Chairman, when stores are ordered they are ordered against the unallocated store and the stores cannot be issued against the job until they are actually in Kaduna and issued to that job, so that the sum shown is merely a holding vote to cover any stores which have been ordered on the unallocated store but have not arrived, or to cover any increase in the unallocated stores holding.

**Acting Director of Audit:** If I may interrupt there, Mr Chairman, I think perhaps there is some confusion as to the real point behind Item I in the Audit Report. I should imagine that no one doubts that what is properly chargeable to those subheads has been so charged. I think the crux of the matter is that there is a certain amount provided on the subhead and the system should be that the amount on the subhead should first be increased by application for additional provision—i.e., it is not an "*ex post facto*" rectification of something which has already been spent, and then found out at the end of the financial year. I think perhaps at this stage, since this is only Item I, it might be pointed out that in regard to most of these eighteen items there is no question, as far as I can see from the Audit point of view, of money not having been properly spent on the vote of charge intended. The crux is why is the vote control on the estimate not such that additional provision could be sought before more was spent on this subhead than was shown for the subhead.

**Emir of Abuja:** Mr Chairman, we have nothing to add to what the Director of Audit has said, than an amount of money amounting to thousands of pounds was overspent without authority. While the Director of Audit has confirmed that all this money was spent in the proper way, why is it that the officer in charge of this vote spent all this money without getting authority first. This shows improper vote control in his Department. That is what we want explained.

**Chairman:** We are waiting for an explanation.

**Permanent Secretary:** You are waiting for explanation of the 18 items, or are we not going through them one by one?

**Chairman:** I do not quite follow you.

**Permanent Secretary:** He wants me to give an explanation for the whole 18 items, nevertheless we have explained to you why we have overspent each item, although we started off item by item.

**Chairman:** We have not finished with Item I. Each item is a case of overspending, although we are at the moment only dealing with one of them; if we are not satisfied with the answer to one of them perhaps we could repeat the same question on the others. If they satisfy us perhaps this question will not have to be repeated. At the moment we have not had a satisfactory explanation even for the first item. It is the duty of the Legislature to provide the funds and approve the Estimates; and they expect you to be within that limit; and if you want to go further than that you will have to ask for permission before doing so, and it seems to us that this permission has not been asked and you have both books as guidance which will remind you if the votes are exhausted, and before you overspend it you put up an application for extra funds; so this is the point.

**Permanent Secretary:** Right, Mr Chairman, go back to Item 1. I mentioned that there is no loss of funds, there is no loss of expenditure. The sum of £136,581 was purchased in stores and the stores were available, they came here and then they were issued after the financial year, out to the various jobs.

**Chairman:** Any observations?

**Emir of Abuja:** Mr Chairman, Sir, I only ask for an assurance from the Permanent Secretary that his control of books will in future be used in the control of expenditure properly.

**Permanent Secretary:** Yes, we always try to do that but the point is this I am telling you now there is no loss of funds. Goods were purchased but we cannot guarantee early delivery and if the delivery comes before the end of the year before we can count the costs, that is not our fault.

**Mr Vincent Orjime:** Mr Chairman, I think the question is not whether this money is lost but why this money was used without authority. That is the question which, Mr Chairman, we still need an answer.

**Permanent Secretary:** I think there is still some confusion as to the actual meaning of this subhead, under Unallocated Stores Account. We, the Ministry of Works, included the sum of £100,000 as provision against this subhead in the 1957-58 estimates, and for the huge regional stores which we operate in Kaduna we order huge stocks of material of all kinds to carry out development programmes, which are held here in Kaduna for issue to the jobs when required. It is necessary that we keep stocks at an agreed level in the store which are not immediately required for any particular job. In order to keep these stocks we must order in advance. We cannot guarantee the date that the Crown Agents in the United Kingdom will order and deliver to Kaduna, there must be a lapse of perhaps several months. When the Crown Agents place these goods on the ship on our behalf we have to pay. Although we have paid there is still this period of transit from the United Kingdom to Kaduna before we can often see and use the stores. When the stores are received in Kaduna we then, if required, issue the stores to the jobs that require them, otherwise the balance may be held in store. I think Mr Chairman, that now the members will have a better understanding of what we mean by unallocated stores. They will understand that it is necessary for us to order stocks quite a long time in advance even before they are required, or even jobs started before they are approved by Legislature. If we do not hold the stocks that we consider necessary, and order in advance, then there will be inevitable delays in the development programmes.

This figure of £136,000 shown as excess is reflected by stores which we hold in the stores organisation here on the 31st March. These stores would be cleared or issued in the following financial year. I hope that this has explained the situation to the members.

**Emir of Pategi:** We have heard all the answers given by the Permanent Secretary, Ministry of Works, but what is most important is that the Permanent Secretary should give an assurance to the Committee that in future such things should not happen.

**Permanent Secretary:** Mr Chairman, it is inevitable that we get discrepancies like this on such large stocks, as we hold, of about £800,000 but it is my intention whilst I am here to reduce stores stock and ask the firms to hold stocks on our behalf and it will take us sometime to do this but when it is done it is hoped there will not be any more audit queries like this.

**Acting Director of Audit:** Mr Chairman, in an endeavour to try and save the Committee's time, I should like to once again point out that everyone here understands the fact now that they know how the excess arose; it is, perhaps, a technical excess. I think what the Committee have been asking all along is not how the excess arose, which is explained in the written reply, but why in cases where funds become near exhaustion additional provision is not sought to keep the amount provided in step with the amount spent on the subhead. In other words, we are not dealing with reasons why, but legal authorities for spending money. It does not matter whether we are talking about stores or transport and travelling. If the amount on a subhead is to be exceeded, legal authority must be obtained first in accordance with the Law, and the system should be such that permission is first sought. In the particular case of Item 1, the excess is indeed technical. Some of the others are not technical excesses. I think perhaps if we concentrated on the question of legal authorities rather than reasons why, it would clear this paragraph probably more quickly and, therefore, save the Committee's time.

**Chairman:** I think I would like to say one or two things on behalf of the Committee. The Permanent Secretary has just said that he would make attempts to reduce his stores and perhaps persuade the firms to hold large stocks. It is never the wish of this Committee to press the Permanent Secretary to keep his stores as small as possible. That is emphatically no. He can keep as large a store as he likes and order as much as he likes, provided that he stays within the limit of the law. That is, what has been authorised in the Estimates, and if he wants to go further than that he can do so, provided he has the right and the legal authority. He would have the stores there, all right, to show that there is nothing wrong but the point is that has he got the legal authority before he did so? The point that the Committee is trying to impress on the Permanent Secretary is not that these stores are losses, or that they are improper or anything like that about the technical side, but why the Permanent Secretary did not attempt to get the legal authority before ordering these materials. And the assurance the Committee is trying to get from the Permanent Secretary is that in future when he has exhausted his votes and wants more supplies he can only do so by asking for permission first and getting that permission.

**Permanent Secretary:** Well, Mr Chairman. I agree with what you say and what the Acting Director of Audit has said, that we should have asked for legal authority,

that is understood. But being human beings we always err and every possible effort in future will be made to keep a close watch on these votes—but I cannot guarantee that someone will not slip up.

**Chairman:** Well, I hope that is acceptable to Members.

**Members:** Accepted.

**Chairman:** Then the next item.

**Secretary:** Paragraph 67 (2). The Permanent Secretary, Ministry of Works' reply to paragraph 67 (2) reads:—

“This subhead was for the purchase of petrol for re-sale to officers. Purchases could not be closely estimated but expenditure would be reflected by revenue. This method of supplying petrol to officers is no longer operated.”

**Permanent Secretary:** Well, Mr Chairman, I thought we had dealt with the lot now.

**Chairman:** Any observations or comments?

**Emir of Abuja:** The only observation is that additional provision should be obtained.

**Permanent Secretary:** Mr Chairman. I understood that I had given a blanket answer to the whole of sixty-seven. In other words, we are sorry we did not ask before. We hope to do better in future.

**Acting Director of Audit:** If I may advise the Committee on this point. All items here, with few exceptions, are in fact covered by the Permanent Secretary's assurance and they may feel that it could be accepted throughout the paragraph.

**Mr Orjime:** May I ask, Mr Chairman, whether these excesses will reflect on the next financial year's vote?

**Acting Director of Audit:** Mr Chairman, by and large there is no excess on the Heads concerned because savings have been found from other subheads and the excess in these cases has usually been vired.

**Secretary:** The Permanent Secretary, Ministry of Works' reply to paragraph 67 (2)-(18) reads:—

“*Paragraph 67 (2)*—This subhead was for the purchase of petrol for re-sale to officers. Purchase could not be closely estimated but expenditure would be reflected by revenue. This method of supplying petrol to officers is no longer operated.

*Paragraph 67 (3)*—The excess expenditure was caused by a misclassification of Kaduna S.I.V. EAR, 20969 of March, 1958 for £849.

*Paragraph 67 (4)*—The provision was exceeded but total expenditure remained within the approved estimated total cost of £7,500.

*Paragraph 67 (5)*—The excess under this subhead was due to the recruitment of thirty-five senior roads development staff and the resulting increase in touring, together with increases in motor transport allowances and Catering Rest House charges.

*Paragraph 67 (6)*—This subhead is one of five providing for maintenance of plant and vehicles. For practical purposes these subheads are grouped together and although there was an excess of £3,545 under Head 280, subhead three, there was an overall saving of £4,329 under the other four subheads.



*Paragraph 67 (7)*—The excess was due to a misclassification which has been adjusted in 1958-59 accounts.

*Paragraph 67 (8)*—The work was underestimated by £4-10s-0d.

*Paragraph 67 (9)*—The work was underestimated by £3-1s-9d.

*Paragraph 67 (10)*—The work was underestimated by 1s-2d.

*Paragraph 67 (11)*—The excess was due to a misclassification which has been adjusted in 1958-59 accounts.

*Paragraph 67 (12)*—The excess expenditure was within the approved estimated total cost of £50,630.

*Paragraph 67 (13)*—The work carried out included modifications to the existing building such as flooring, new partitions, air conditioning and complete redecoration in addition to construction of the new extension. The original estimated total cost of £53,000 was revised to £45,000 which proved to be too conservative an estimate.

*Paragraph 67 (14)*—Due to a clerical error no liabilities were taken for indents for laboratory equipment, furnishings and air conditioning equipment. The actual expenditure against the indents and in respect of work carried out by the Nigerian Joinery Company was greater than estimated and resulted in the excess expenditure. In view of the large programme of work carried out by the Divisional Engineer, Kaduna, and the consequent demands made on the clerical staff cases of this nature will occur from time to time. It is felt that an isolated instance such as this does not reflect adversely on the system in use.

*Paragraph 67 (15)*—The excess expenditure was within the approved estimated total cost of £11,000.

*Paragraph 67 (16)*—The excess was caused by an erroneous debit of £373-3s-10d on Maiduguri Treasury Payment Voucher No. 280 of August 1957. Ministry of Works Adjustment Voucher No. 1617/57-58 was returned by the Ministry of Finance, Accounting Division as too late for adjustment.

*Paragraph 67 (17)*—The excess was partly due to a misclassification on £4,462-10s-3d which has been adjusted in 1958-59 accounts. Increased Motor Transport Allowances and Catering Rest House charges which were not foreseen resulted in actual excess of £375.

*Paragraph 67 (18)*—The excess was due to a misclassification of expenditure which has been adjusted in 1958-59 accounts.

All excesses were covered by forms NRF. 1 which were supported by further detail in writing when required.

All applications were approved by the Supplementary Estimates of the Government of the Northern Region of Nigeria, 1957-58."

**Chairman:** Well, I suggest to the Committee that we accept the blanket answer from the Permanent Secretary, unless Members have different questions to ask.

**Members:** No further questions.

**Secretary:** Paragraph 68. The Permanent Secretary, Ministry of Works' reply to paragraph 68 reads:—

"The Provincial Engineer, Plateau Province, reported on 5th April, 1959, a suspected fraud which involved the payment for laterite, ordered for miles 40 to 93, Jos-Wamba Road, which was not supplied. The Police were requested to carry out

investigations and subsequently brought successful convictions of conspiracy to defraud against an Inspector of Works and a Foreman, both of the Ministry of Works. Two contractors were also convicted although an appeal on behalf of one contractor to a higher court was successful. The appeal of the Inspector to the High Court was dismissed but his appeal to the Federal Supreme Court was upheld, the conviction was quashed and the Inspector acquitted. The Inspector's contract was terminated. A Board of Enquiry was convened. The estimated loss was 5,402½ cubic yards of laterite, the cost of which was £1,215. The whole of the loss is against Federal funds. The Board found the Inspector of Works responsible for the loss but stated the opinion he had been duped by more astute men and recommended that no further action should be taken against him. Certain comments and criticisms made by the Board are the subject of correspondence between the Ministry of Finance and this Ministry".

**Chairman:** Would Members like to make any comments?

**Emir of Wase:** I think, Mr Chairman, the answer given to this paragraph is satisfactory.

**Chairman:** Is it accepted?

**Members:** Yes.

**Secretary:** Paragraph 69. The Permanent Secretary, Ministry of Works' reply to paragraph 69 reads:—

"The Director of Audit's comments on the Unallocated Stores Accounts (No. PZK. 15/481 of the 28th July, 1959) were received in August, 1959. Replies have been made to the majority of the points raised and those outstanding are being pursued, though considerable research and adjustment, particularly with the Federal Government is involved. An additional report by the Director of Audit (No. PZK 15/536 of 4th January, 1960) was received early in January, 1960, and the comments are being examined and will receive priority attention."

**Chairman:** Would Members like to make any observations?

**Mr Orjime:** Mr Chairman, I should like to ask why has this thing slept so long?

**Permanent Secretary:** Mr Chairman. I think I can answer the query. The Unallocated Stores up here was Federal until the 1st October, 1957, and there are still a lot of outstanding queries to be settled between the Federation and the Regional Government.

**Chairman:** Any more?

**M. Yakubu Lame:** We should wait for the reply to the Director of Audit's additional report.

**Chairman:** Next paragraph.

**Secretary:** Paragraph 70. The Permanent Secretary Ministry of Works' reply to paragraph 70 reads:—

"There are no records to show that Annual Boards of Survey were held in the Regional Mechanical Workshops, Kaduna, before September 1957 and consequently the discrepancies were not discovered. It is regretted that no satisfactory explanation can be given. However, an Annual Board of Survey was

held on 11th November, 1959, the Report of which has been submitted to the Director of Audit and this Ministry will ensure that regular Annual Boards are held in future.

**Chairman:** Perhaps Members may not wish to pursue the matter any further, since the Permanent Secretary has given an assurance. Next paragraph.

**Secretary:** Paragraph 71. The Permanent Secretary, Ministry of Works' reply to paragraph 71 reads:—

“By arrangement with the Commissioner of Police a section called the Ministry of Works Security Guard with an establishment of one Sub Inspector, one Sergeant, one Corporal, one Lance Corporal and seventeen Police Constables assumed duty on 1st October, 1959. The delay in establishing this force was due to the difficulties experienced in recruiting candidates with the required background and qualifications and it is still not up to full strength. The duties of the guard are to ensure the security of the entire area of the Ministry of Works, Yard Kaduna. Except in cases of emergency the guard will take orders only from the Sub-Inspector or N.C.O., in charge. The guard will be on duty day and night and have powers of arrest and search.”

**Chairman:** Any comments?

**M. Idrisu Tafida:** Mr Chairman, can the Permanent Secretary tell us whether this arrangement is effective or not?

**Permanent Secretary:** Well, Mr Chairman. It costs Government a lot. Just compare the salaries of these people with the losses and work it out for yourself.

**Chairman:** The point is, is it effective, does it stop the stealing?

**Permanent Secretary:** I gather there has been one case since.

**Chairman:** And has that been exposed satisfactorily?

**Permanent Secretary:** Mr Chairman, there has been a loss of some sheets of glass in store which we suspect is due to theft. The Police are still investigating.

**Chairman:** Any more?

**Alhaji Muham madu:** Mr Chairman, Sir, we should also like to know whether test checks are being carried out at the gates in order to prevent further losses.

**Permanent Secretary:** They are, Sir. I suspect, Mr Chairman, some of the losses are due to the lorries being checked in and out but the waggons are not checked in and out. They are emptied and locked and go out. We had the same thing in the Federation. Well, now the waggons are not locked until they past the gate.

**Alhaji Sada Nadada:** Mr Chairman, I understand here that the security is not in full strength yet because candidates with the required background and qualifications are not found. May we know what the suitable background and qualifications are which cannot be found at the moment?

**Permanent Secretary:** Mr Chairman, the recruitment is done by the Commission. At the moment we have a Sub-Inspector and Sergeant at the moment.

**Secretary:** Paragraph 72. The Permanent Secretary, Ministry of Works' reply to paragraph 72 reads:—

"The Ministry of Finance letter, reference No. FD. 2646/20 of 6th May, 1959, instructed that the 1959 Annual Board of Survey should make specific recommendations regarding the action that should be taken as to the surpluses and deficiencies. The comments made by the 1959 Board of Survey were:—

"Since the new ledgers tally, according to our check, with the physical stores and in view of the fact that the storekeepers responsible for the discrepancies have been punished, the Board recommend that this matter be allowed to lapse as no useful purpose would be achieved by further investigation."

The Storekeeper and ledger clerk were sentenced to one month imprisonment for stealing Government property. The Permanent Secretary, Ministry of Works, authorised the write-off of the losses as agreed by Director of Audit letter reference No. S. 1173/9 of 8th October, 1959. Paragraph 2 of Ministry of Finance letter reference FD: 2646/20 of 6th May, 1959, stated:

"I am also to say that it is agreed that at this stage it would be impracticable to reconstitute the old records and that further investigation of them, may, therefore be abandoned."

*(Permanent Secretary pointed out before the translation was read that two lines had been omitted from the written reply. These have been inserted above).*

**Chairman:** Any observations? Accepted? Then next paragraph.

**Secretary:** Paragraph 73. The Permanent Secretary, Ministry of Works' reply reads:—

"It is considered it would be a great advantage to Government to 'pool' all transport at present on charge to other Ministries and for this Ministry to operate the pool. The question of taking over all transport and plant and to operate same together with our own transport and plant under a "Plant Hire Scheme" has been discussed in great detail. As a result of the consultations with all parties concerned, including the Director of Audit, it was decided that the scheme, including a central transport pool, should be deferred for the time being."

**Chairman:** Any observations? It seems here in your reply you and the people whom you consulted have all agreed that this idea of a pooling of Government transport together is quite a good one but again you state that the scheme should not be started right away. Why?

**Permanent Secretary:** Well, Mr Chairman, I personally was not in this discussion but after appearing in front of the Public Accounts Committee this morning I think I am against it because there would inevitably be more audit queries if we 'pooled' all the transport. *(Laughter).*

**Chairman:** Any further observations?

**Acting Director of Audit:** Mr Chairman, I wish to correct a possible ambiguity in the last sentence of the written reply, which is in case my name is taken in vain. I think it was the idea of the Plant Hire Scheme which the Director of Audit suggested it was not the right time to introduce. As far as I am concerned the problem mentioned in the Audit Report of the uneconomic use of vehicles still obtains.

**Chairman:** Any more observations?

**Ministry of Finance Representative:** Mr Chairman. The first sentence of the answer. I hope Members will not take that to mean that all people consulted considered the scheme an advantage. The Ministry of Finance consider that the disadvantages far outweigh the advantages of the scheme. The main disadvantages we consider would be the administrative and accounting arrangements, which would be enormous.

**Acting Director of Audit:** Mr Chairman. Is the last comment on the Plant Hire Scheme or on pooling vehicles under the Ministry of Works, or both, may I ask?

**Ministry of Finance Representative:** Mr Chairman, on the vehicle pool.

**Chairman:** If no further observations the next paragraph.

**Secretary:** Paragraph 74. The Permanent Secretary, Ministry of Works' reply to paragraph 74 reads:—

"The Provincial Engineer, Bornu Province, has taken steps to improve the situation and the Director of Audit has been informed of progress made. This Ministry shares in the common difficulties in maintaining efficiency due to the shortage of well trained stores and clerical staff."

**Chairman:** Any observations?

**Alhaji Abdu Anace:** Mr Chairman. I should like to ask whether we can have a brief summary of the progress made, which the Director of Audit has been informed of?

**Permanent Secretary:** Mr Chairman. The Provincial Engineer wrote to the Director of Audit commenting on all the points which had been raised in the inspection in April, 1959 and as we have received no further comments from the Director of Audit we assume that the Provincial Engineer's explanations and comments were acceptable.

**Alhaji Muhammadu, Magajin Garin Kazaure:** Mr Chairman. We should like to have another assurance from the Permanent Secretary that the effective steps taken to improve the situation will continue.

**Permanent Secretary:** I do not know the answer, Mr Chairman, to this particular query. But there is one point. Since I have returned to the North I find that although in the past the custom was for the Native Authority to do all the work and keep the stores on behalf of the Government and the Federation, nowadays there is a tendency for the Native Authority to divorce themselves from the Regional Ministry of Works and we are having trouble at the moment in Maiduguri because the Native Authority want the Regional Ministry of Works to go out of the Yard. The thing is this. We want a directive on this because when we apply to the Ministry of Finance for funds to build our own stores they say there is no need as we can use the Native Authority Yard. We not only need a directive on this but there are many other discrepancies cropping up. We must decide whether the Ministry of Works will do the works or are the Native Authorities going to continue to do them.

**Chairman:** Any further observations? Thank you very much. That is the lot.

**Permanent Secretary:** Thank you very much, Mr Chairman.

#### MINISTRY OF HEALTH

**Chairman:** We now have before us the Acting Permanent Secretary for the Ministry of Health. The procedure is that I call the paragraph, and then instead of

reading it in English the Secretary reads it in Hausa, because we have not got Hausa copies, but all of us have English copies so he will read the Hausa part and then read the answers for the paragraph concerned, again in Hausa, and then after that Members would perhaps like to make observations and then wait for their advice.

**Secretary:** Paragraph 54. The Permanent Secretary's written reply to the paragraph reads as follows:—

"The excess expenditure of £1,977-18s-2d was the part cost of Crown Agents Indent No. M. 35/57 for £5,540 for four Ambulances placed under the authority of Financial Secretary No. FS. 1600/S. 30/166 of 11th April, 1957, pending the write-off of four Ambulances. Only one Ambulance was actually written off that year, and the fact that special approval for the release of funds had not been obtained was overlooked. The excess was authorised by the release of funds of £1,978; under release warrant No. FD. 577/609 dated 2nd July, 1959."

**Alhaji Muhammadu, Magajin Garin Kazaure:** Mr Chairman, Sir, we should like to know from the Permanent Secretary what is the present procedure for making sure that the reserve provision is not spent without authority.

**Acting Deputy Permanent Secretary, Ministry of Health:** We have taken note, Mr Chairman, of what happened this time, and we hope it will not occur again.

**Mallam Yakubu Lame:** Are we to take this as an assurance, Mr Chairman?

**Acting Deputy Permanent Secretary, Ministry of Health:** Yes, I think we can give that assurance, Mr Chairman.

**Chairman:** Well, I think the Members are satisfied.

**Members:** Yes.

**Secretary:** Paragraph 55. The Permanent Secretary's written reply to this paragraph reads as follows:—

"Although a detailed written reconciliation was not kept, reconciliations had in fact been carried out. A more satisfactory system of reconciliation has been put into effect and which was agreed after discussion with the Audit Department."

**Alhaji Sada Nadada:** If there were no written records, I wonder how the accounts were followed up for reconciliation?

**Acting Deputy Permanent Secretary, Ministry of Health:** Mr Chairman, reconciliations were in fact made, but no records to that effect were made at the time they were made. It has now been corrected, and records are being kept showing that the reconciliations have actually been carried out.

**Emir of Wase:** If the former system has been corrected, then I think there is no need of further questions.

**Alhaji Muhammadu, Magajin Garin Kazaure:** Can the Acting Permanent Secretary give some details of the procedure adopted now?

**Acting Deputy Permanent Secretary, Ministry of Health:** Accounts are reconciled monthly with the Treasury in a method approved by the Audit Department.

**Chairman:** Next paragraph.

**Secretary:** Paragraph 56. The Permanent Secretary's written reply to this paragraph reads as follows:—

"(a) Of the amount owing at 31st March, 1958 of £12,508-5s-11d, £5,593-3s-4d was recovered up to 31st March, 1959.

(b) *Present Commitments*—A new method of checking has been introduced in order that further increases in the sums owing may be avoided. It is as yet early to comment with any degree of assurance on the effectiveness of the measures introduced, but it would seem that present commitments are being met without excessive delay, and old debts are being reduced.

(c) *Long Outstanding Debts*—Action was recently commenced to effect settlement of those sums relating to 1954-55. It is necessary in every case to produce certified true copies of the relevant S.R.Vs and M.I.S. This it will be appreciated involves considerable research into old records, and necessitates much additional work.

(d) The first N.A., account to be investigated is that of the largest single debtor—Kano N.A. The grounds for settlement have already been established and it is hoped to have this account effectively cleared by the end of the current financial year. A visit has already been made by an Accountant of this Division to Kano N.A., in connection with this debt but settlement cannot be effected until the return of the Wakilin Asibiti from the House of Representatives, Lagos in February next.

(e) For comparison the total outstanding at 31st March, 59 was £12,889-13s-0d. Although this is a large figure, the sales to N.As., have considerably increased each year and payment for the stores supplied at the end of the year would not be made until the following year.”

**Mr Vincent Orjime:** We understand that a practical move has been made to recover money from Kano N.A. But what about the other N.As.?

**Acting Deputy Permanent Secretary, Ministry of Health:** Mr Chairman, the accounting staff has only recently become adequate for us to send accounting staff to Native Authorities to check the outstanding account, and we started with Kano N.A., because they have an outstanding advance of over £2,000. But as long as the staff position permits, we hope that the accountant will continue to visit all N.As., with very large outstanding accounts, and we have a tour planned for him in the month of February.

**Mr Vincent Orjime:** Mr Chairman, have we any chance of recovering this money before the next financial year?

**Acting Deputy Permanent Secretary, Ministry of Health:** If the Member refers to the coming financial year ending the 31st March, 1960, I am afraid there is very little hope of recovering more than a small amount, because the N.As. also are nearing the end of their financial year, and I suspect they might well not have sufficient funds to meet it, and they would have to apply for supplementary funds. It is possible that that may not be able to be done before the 31st March this year. In respect of Kano, Mr Chairman, as the accountant has already visited there; we are hopeful that some of the money at any rate will be paid before the end of the financial year.

**Mr Vincent Orjime:** May we know whether money will be given to N.As., if they have not paid their dues? Will other money still be given to them although they have not yet paid their former dues?

**Acting Deputy Permanent Secretary, Ministry of Health:** Mr Chairman, it has been considered in the past whether we should not refuse medical supplies to those Native Authorities which have large amounts of money outstanding, but it has always

been considered that that would prove a great hardship to sick and eleven people, who might even die as a result of medical supplies being refused. I might say, Mr Chairman, that another method was considered in the last few months, that is, that Native Authorities should place on deposit with Medical Stores a sum of money prior to their receiving stores. This system has been considered by the Accountant-General and by the Audit Department and by the Ministry of Finance, and there are arguments both for and against, but the Ministry of Finance finally came down against a deposit system. We are therefore reduced, Mr Chairman, to sending out reminders, which seldom do any good, or to personal visits by accountants, which we hope to start.

**M. Yakubu Lame:** May I know whether this system will reduce further accumulation of debts in the future?

**Acting Deputy Permanent Secretary, Ministry of Health:** I understand from the Chief Pharmacist in charge of Medical Stores that most of the current supplies are being paid for. The trouble is caused by outstanding debts from previous financial years, and I suspect the reason is because of the bills being lost in Native Authority Treasuries in many cases.

**Mr Vincent Orjime:** Mr Chairman, I do not know whether money is given to those Native Authorities according to their financial strength, or whether any Native Authority is given any amount it asks for.

**Acting Deputy Permanent Secretary, Ministry of Health:** Is the Member referring to Medical Stores?

**Mr Vincent Orjime:** Yes.

**Chairman:** I think the question is not clear.

**Mr Vincent Orjime:** What I mean is whether the supplies are given to them according to their financial strength. There are some Native Authorities who may take more than they can pay for. I do not know whether the Ministry will try to check on that.

**Acting Deputy Permanent Secretary, Ministry of Health:** Mr Chairman, before the Native Authority head of the Medical Department orders these stores, he should certify that there is sufficient money in the Vote to pay for them. I am afraid there is no one here at the Kaduna end who is able to say whether that certificate is correct or not.

**Chairman:** Any more questions?

**Alhaji Muhammadu, Magajin Garin Kazaure:** Mr Chairman, we want to know whether the Permanent Secretary is making sufficient efforts to recover the very long outstanding debts.

**Acting Deputy Permanent Secretary, Ministry of Health:** Mr Chairman, Sir, I have already said that we are doing what I consider to be the best arrangements possible, that is to send round accountants personally to check up why the Native Authorities are not paying their Bills. I have in mind also, Mr Chairman, to recommend one other method to the Minister on his return, i.e., we pay to the Native Authorities large sums as grants to Native Authority Dispensaries and we must withhold those grants until such time the Native Authorities are able to pay the outstanding amounts. I do not know whether Members will like to comment on this suggestion.



**Mallam Idirisu, Tafidan Adamawa:** Mr Chairman, Sir, those grants are issued to Native Authorities for capital developments, I think it would be better for the Government to pay the grants and after that the Ministry of Health is to press for the outstanding debts.

**Acting Deputy Permanent Secretary, Ministry of Health:** Mr Chairman, there is an outstanding amount of £1,000 in the Adamawa Native Authority and if the Tafida of Adamawa can render any help personally with the Native Authority Councillor of Finance in Yola to recover this sum, he would have done a very good thing for my Ministry.

**Chairman:** Any more observations?

**Emir of Abuja:** Mr Chairman, I think in view of the explanations of the Acting Deputy Permanent Secretary, we should accept his assurances.

**Chairman:** Next paragraph.

**Secretary:** The Acting Permanent Secretary's written reply to paragraph 57 reads:—

*"Paragraph 57—Arrears of Revenue—Hospital Fees:*

	£	s	d	£	s	d
Total outstanding at 31-3-58	...	...	...	3,347	1	2
Amount written-off 56-57	...	...	...	1,409	11	0
Amount written-off 57-58	...	...	...	362	6	10
Amount written-off 30-9-59	...	...	...	314	15	9
Balance outstanding	...	...	...	1,260	7	7

*Note—(1) Amount approved for write-off for year ending 31-3-57 by Ministry of Finance £1,426-3s-4d. Director of Audit recommended final figure to be adjusted to £1,409-11s-0d.*

*(2) Amount approved for write-off for year ending 31-3-58 by Ministry of Finance £470-15s-8d reference No. FD. 397/S.2/Vol. 3/301 of 22-12-59. Revised schedule forwarded under ACC/48/Vol. 10/90 dated 29th December, 1959. asked for a revised figure to be approved of £362-6s-10d.*

*(b) Of the above figures, those relating to the Nursing Home, Kaduna are as follows:—*

	£	s	d
Outstanding at 31-3-58	528	12	7
Collected or written-off to 31-3-59	210	6	1
Outstanding at 31-3-59	318	6	6

*(c) Comparable figures at 31-3-59 show a considerable decrease of approximately £1,000.*

Total O/S at 31-3-58 ... .. £3,347-1s-2d

Total O/S at 31-3-59 ... .. £2,321-13s-2d.

*(d) Regarding the issue of bills at the Nursing Home better results and closer control will now be achieved as the Almoner now has his own Office and an additional clerk obtained. The fact that patients are billed does not ensure however*

that bills will be paid promptly. The greatest difficulty was experienced for bills issued in 1955 prior to the revision of the Hospital Ordinance, when many debtors refused to pay their bills believing that all charges for Medical treatment had been abolished."

**Chairman:** I think Members be a bit confused. This Interpreter is not translating what we have since this reply is circulated, there has been a correction and he is now reading from the corrected copy.

**Chairman:** Any observations.

**Alhaji Abdu Anace:** Since there have been outstanding arrears, can the Acting Permanent Secretary say whether or not any efforts have been made to collect anything from these arrears because it is essential that if any collections are not made, there is still the hope for a repetition of such things.

**Acting Deputy Permanent Secretary:** Mr Chairman, Sir, I would like to say again, that the Ministry is conscious of these things and is doing its best to collect them. In many cases it is very difficult because many of the patients attending hospital gave fictitious names and addresses. But basically one of our difficulties is that to trace up these old debts and bad debts, there is a conflict of duty for the Medical Officer. His time is limited and his primary duty is to cure the sick in the hospital and to go out visiting Native Authority dispensaries in all areas. He has very little time to trace up these debts, and if he does not at the moment in many places there is no one else to do it. Again, Mr Chairman, we are conscious of this and we have put into the Estimates for next year posts of four Executive Officers for the large hospitals. Two of these men Mr Chairman, are training at the University College, Ibadan, one is in training at Jos and one is in training in the Ministry here in Kaduna. We are hopeful, Mr Chairman, that when they finish their training and posted to the large hospitals, they will be able to relieve Medical Officers of this type of work and as such more of these outstanding debts will be collected.

**Chairman:** Any further observations. What we are very much worried about is that there are Private Practitioners who have their Nursing Homes and things like that, they could not just think of running their Nursing Homes and hospitals on the present basis as you are running the Government hospitals, for example you supply food to the patients and you cure them and you do not seem to have all the revenue due to you and if the Private Practitioners follow up in this way, it will not take long before the undertaking collapses. We are conscious that the Regional Government is not regarding the Medical Department as a profit-making department but the little that she expects to get from the Department, I think, she should get it.

**Acting Deputy Permanent Secretary:** Yes, Mr Chairman, I do take your point and we will do our best.

Mr Chairman, very few dental fees I understand are included in the outstanding debts. I agree that large proportion do come from Nursing Homes but even there, the push from the top, from the Officers in charge of the Nursing Homes, is necessary and there is still the difficulty in collecting the outstanding debts.

**Chairman:** Any further observations.

**Mallam Yakubu Lame:** We do not know whether the balance as shown as at 30-9-59 of £1260-7s-7d will be written-off.

**Acting Deputy Permanent Secretary:** Some of this Mr Chairman, will be recovered as revenue. I am afraid we have only a proportion to write-off but I do not know exactly what proportion of that sum to be written-off.

**Chairman:** Are Members satisfied?

**Members:** Yes.

**Chairman:** We can now accept the assurances of the Acting Permanent Secretary. Next paragraph.

**Secretary:** The Acting Permanent Secretary's written reply to paragraph 58 reads as follows:—

“PARAGRAPH 58.—CAPITATION FEES—NIGERIAN RAILWAY

(a) *Agreements with Nigerian Broadcasting Corporation and Nigerian Railway—*

The Executive Council authorised the Minister to enter into negotiations for new agreements. Due to proposed changes in the Hospital Fees Ordinance which are not yet finalised, negotiations started in April, 1959 with the Nigerian Railways have only just been completed and a new draft agreement was forwarded for acceptance on the 15-1-60. When it is accepted similar agreements will be drawn up for both the Nigerian Broadcasting Corporation and Electricity Corporation of Nigeria.

(b) *Outstanding Capitation Fees Nigerian Railway, 1957-58—*Approximately £15,000 is still outstanding for the year 1957-58 and also 1958-59. The Nigerian Railways on 12th July, 1958 declined payment in view of Legal Notice No. 83 Gazette No. 29 of 1955 in which hospital fees were cancelled in General Hospitals. After much correspondence, on the 12th June, 1959 the General Manager informed us that his Chief Accountant would arrange payment. To date payment has not been received but I am endeavouring to have payment effected before 31st March, 1960.”

**Chairman:** Any comments?

**Emir of Gumel:** Since payment is being awaited, there is no need for any further comment.

**Chairman:** Next paragraph.

**Secretary:** The Acting Permanent Secretary's written reply to paragraph 59 is as follows:—

“*Paragraph 59—Loss of £52-9s-4d—*A completed report (TR. 146) was submitted to the Accountant General on the 26th August, 1959. A copy of the Court Proceedings was forwarded to the Accountant-General on the 27th April, 1959. The completed TR. 146 (Report on Loss of Government Funds) was held up due to the Officer who was concerned with the case being on leave.”

**Chairman:** Any comments.

**Alhaji Muhammadu, Magajin Garin Kazaure:** Information of this loss Mr Chairman was received in June 1958 but it was not reported to the Accountant-General until 26th August, 1959, I think there is a long delay in reporting the theft to the Accountant-General.

**Acting Permanent Secretary:** It was reported Mr Chairman, but unfortunately the report was not followed up and the completed report on Treasury Form TR. 146

was not completed due to the fact that the Officer who would have completed the report had gone on leave and the report could not be completed by him until his return.

**Alhaji Muhammadu, Magajin Gariñ Kazaure:** It appears therefore, the Officer has been on leave for a complete year and one month.

**Acting Permanent Secretary:** No, Mr Chairman. I am afraid the completion of the full report was overlooked as a result of the Officer being on leave until our attention was drawn by the Ministry of Finance that the report was not made that we completed the Form.

**Etsu Pategi:** Who was responsible for this neglect of not reporting this loss?

**Acting Permanent Secretary:** I am afraid Mr Chairman this is an error in the Office.

**Mallam Yakubu Lame:** I think we should accept the explanation of the Permanent Secretary since the ruling contained in the Financial Instruction will be followed up in future.

**Chairman:** Next paragraph.

**Secretary:** The Acting Permanent Secretary's reply to paragraph 60 reads as follows:—

*“Paragraph 60—UNICEF Drugs and Equipment—A register of receipts and issues of these stores has been kept by the Chief Pharmacist since 1st January, 1959.”*

**Chairman:** Any observations.

**Members:** No.

**Chairman:** Next paragraph.

**Secretary:** The Acting Permanent Secretary's written reply to Paragraph 61 read as follows:—

*“Paragraph 61—Accident to Ambulance—The accident occurred 52 miles from Bauchi and the Medical Officer i/c Bauchi was first notified late at night, many hours after the accident, by which time it was too late to take immediate security measures. The driver and passengers were taken to Jos and Bauchi hospitals soon after the accident for Medical treatment. The Ministry of Works were requested next day to remove the vehicle. There is little doubt that the missing parts were removed during the night. Those concerned have had their attention drawn to their responsibility to secure crashed vehicles against theft.”*

**Chairman:** Any observations?

**Emir of Gumel:** It is clear that the theft was due to the neglect of those people who were responsible for the vehicle, it is their responsibility to look after the vehicle and if that has been done those parts would not have been removed within seven days.

**Acting Deputy Permanent Secretary:** Indeed someone should have been put to guard the vehicle but if you put yourself in the position of the Medical Officer, this was reported to him late at night and he had to deal with the casualties involved and he then reported to the Ministry of Works to tow away the crashed vehicle and no doubt he thought that could be done within a matter of hours. As a matter of fact it took seven days and the Medical Officer concerned did not know. We are however circularising all Medical Officers to make them aware of this fact and to note it for the future.

**Chairman:** Any further observations?

**Etsu Pategi:** Did the person to whom the Medical Officer reported to remove the damaged vehicle give any reasons why it was delayed for seven days?

**Acting Deputy Permanent Secretary:** I am afraid, Mr Chairman, I have no knowledge of that.

**Chairman:** When the matter was reported to the Medical Officer, he was to ask the Ministry of Works to do something about the ambulance, did the Medical Officer leave the matter at that without taking any precaution just before the Ministry of Works took over the ambulance?

**Acting Deputy Permanent Secretary:** Mr Chairman, the vehicle was badly damaged and it could not be removed without the proper equipment for towing the vehicle and the Ministry of Works had to provide that equipment before it was towed and left with the Ministry of Works.

**Chairman:** My point is not that. The ambulance crashed and then it was reported to the Medical Officer, well if I were in position of the Medical Officer, the first thing I would do is just to make sure of putting a guard before the matter, if reported to the Ministry of Works to go and collect the rubbish. It would have been the responsibility of the Ministry of Health entirely so long as the people from the Ministry of Works have not come to collect the vehicle.

**Acting Deputy Permanent Secretary:** You are quite right. I agree with you and that is why we are circularising to all Medical Officers about this matter so that this will not happen again in future.

**Chairman:** So you now admit that the necessary precautions have not been taken.

**Acting Deputy Permanent Secretary:** Yes, Mr Chairman, I admit.

**Chairman:** Any further comments or questions.

**Members:** No.

**Chairman:** Well, I think that is the lot. Thank you. We now adjourn until tomorrow 9.30 a.m.

*The Committee adjourned at 1.50 p.m. until 9.30 a.m. tomorrow.*

PUBLIC ACCOUNTS JOINT COMMITTEE

Thursday, 28th January, 1960

The Committee met at 10 a.m.

PUBLIC SERVICE COMMISSION

**Chairman:** We have here the Secretary of the Public Service Commission. Before we make any observations or ask you any questions, the translator will read both the Audit query and your reply in Hausa. We do not read the English version as we all have copies. When we have heard the translations the members may wish to make some comments.

**Secretary:** Paragraph 42. The Secretary, Public Service Commission's written reply to paragraph 42 reads as follows:—

"In the first place it has to be admitted with regret that there is no valid excuse in exculpation for the two errors which occurred in firstly allowing the vote on Subhead 8 to be exceeded, and secondly in providing for that excess by the device of an adjustment voucher instead of following the correct procedure and seeking additional provision under Sub-head 8.

It may perhaps be said in explanation that the first error of excess expenditure arose because the accounts of this office at that time were under the immediate supervision of insufficiently experienced staff in the person of a junior unconfirmed Third Class Clerk, whereas the appropriately graded officer for such a responsibility is considered to be one in the executive class. Subsequently various officers of the executive grade have been made available for this duty of supervising the office accounts, and it is considered that staffing in this manner should avoid any repetition of that incident of a vote being exceeded in that way.

As regards the second error in contravention of F.I. 104 through the device of the adjustment voucher, it is greatly regretted that this occurred; by way of explanation it can only be said that the officer who signed the voucher did not contravene the F.I. 104 deliberately but by oversight, as the two subheads concerned appeared to be very closely related."

**Chairman:** Do Members wish to make any observations?

**Emir of Yauri:** I think we would like to know if the Secretary of the Public Service Commission has got any further comments to make.

**Secretary to the Public Service Commission:** Mr Chairman, all I would like to confirm to the Committee is that a very close watch is being kept on every Subhead of expenditure. As an example of this, we have now reached a position in the Office where there is a very small balance of stationery left for this year, and to ensure that there is no repetition of this error the Executive Officer has brought this to the notice of the senior staff and application will be made in the appropriate fashion to seek approval for extra funds.

**Chairman:** I think in view of your detailed reply and your assurance that things will be watched very closely in the future, members will perhaps accept the reply.

**Members:** Yes.

## GOVERNOR'S OFFICE

**Chairman:** Members, we have now before us the Private Secretary to His Excellency and I will ask the Secretary to read the paragraphs, and members will perhaps wish to comment on your replies.

**Secretary:** Paragraph 36. The Private Secretary to His Excellency the Governor's written reply to paragraph 36 reads as follows:—

"The sum of £1,971-18s-10d was debited to the vote in April 1957 by an Adjustment Voucher in favour of the Nigerian Railway Corporation. The debt was fixed mileage charges for His Excellency's train for the period June 1953 to May 1955. Through an oversight no bill was presented.

The Bill from the Nigerian Railway Corporation was presented direct to the Accountant-General for settlement. The Private Secretary was unaware either that the bill had been presented or settled as the regular monthly reconciliation of vote records was not being correctly carried out.

The misclassification of £1,868-9s-11d concerned expenditure incurred by the overhaul of a Government House car and the purchase of a new car. No over expenditure was incurred as a result.

The failure to detect these amounts due to inadequate monthly reconciliation of accounts is much regretted. This is now being carried out and warrants are used for railway journeys so that liabilities can be accepted in the D.V.A.E. book."

**Chairman:** Any comments? It seems that this is acceptable to members. Next paragraph please.

**Secretary:** Paragraph 37. The Private Secretary to His Excellency's reply to paragraph 37 reads as follows:—

"Owing to a misunderstanding in this office, all vouchers relating to Head 264, Subhead 24 for 1957/58 were forwarded to the Nigeria Police Office in Kaduna for action by them and no attempt was made in this office to carry out the required monthly reconciliations. It is agreed, however, that such should have been taken in this office particularly as the Accountant-General's statements in respect of Head 264 Subhead 24 for December 1957 and January 1958 clearly indicate that the misclassifications occurred in the latter month."

I have to confirm that regular reconciliations are now being made in the approved manner."

**Chairman:** Any observations?

**Members:** No.

**Chairman:** It seems therefore that we have to thank the Private Secretary to His Excellency, and I think that members would like me to congratulate him for giving a very lucid reply to the Audit queries. Thank you.

## MINISTRY OF AGRICULTURE

**Chairman:** We have here, the Permanent Secretary to the Ministry of Agriculture, and I hope members may wish to make comments on your written replies as we go along. First paragraph, please.

**Secretary:** Paragraph 21. The Permanent Secretary, Ministry of Agriculture's written reply to paragraph 21 reads as follows:—

"In July, 1958 the Executive Council issued instructions for the creation of a strategic grain reserve of 7,000 tons. Crop prospects for that year were not good

and it was, therefore, necessary to investigate what effects the purchase of a large quantity of grain would have upon the availability of supplies, the normal channels of trade and prices. This investigation was completed by November. As the cheapest time for buying grain is in the months of December and January to put these contracts out to tender at this time would have inevitably caused delays and possibly a considerable increase in the price would have resulted. The Ministry of Finance was therefore asked to waive the provision of Financial Instruction 1010 to permit negotiated contracts. On referring the proposal to the Northern Region Tenders Board it recommended that the authority of Executive Council should be sought for this procedure. A memo was submitted to the Executive Council and its approval obtained on the 2nd of December, 1958."

**Chairman:** Any observations?

**Emir of Yauri:** Any further comments from the Permanent Secretary?

**Permanent Secretary, Ministry of Agriculture:** I think that we have set out all the facts in our reply. This paragraph in the Director of Audit's Report is something like a scorpion—there is a sting in the tail, but the bulk of the paragraph does not refer to the Ministry of Agriculture at all, of course. The position was frankly that we had to buy this corn at this time of the year, December. There was no time to put out the contract to tender. This matter had been put to Executive Council and Executive Council had agreed. As it was a matter of Government policy, I cannot see what more we could add to that. I presume that the purpose of the Committee is to see that Government funds are spent as economically as possible. Had we waited and put this contract out to tender, we would have had to spend a lot more money, and this Committee would not approve that.

**Alhaji Abdu Anacé:** There is no harm in saying that the money has been used in the incorrect way and that the contract should have been put out to tender.

**Permanent Secretary, Ministry of Agriculture:** Unfortunately it was impossible to do it through the normal process of tender. However, this year it has been done through tender, and tenders have been awarded to certain contractors for the supply of this corn.

**Acting Director of Audit:** Mr Chairman, I would just like to confirm that the Permanent Secretary's view that paragraph 21 is of general application agrees with my own. Perhaps the paragraph more correctly refers to the general policy in connection with negotiated contracts. In regard to his own particular sentence, which occurs at the end, and which refers to him, the Committee may be prepared to accept his written reply.

**Chairman:** I think it is accepted.

**Members:** Yes.

**Chairman:** Next paragraph.

**Secretary:** Paragraph 43. The Permanent Secretary, Ministry of Agriculture's written reply to paragraph 43 reads as follows:

"This Ministry was not responsible for Head 257 in 1957-58 estimates. The excesses, however, arose for the following reasons. The responsibility for fisheries was transferred from the Ministry of Trade and Industry to the Ministry of Agriculture in May, 1957. The provision under the Ministry of Trade and Industry



subheads fourteen, fifteen and sixteen was transferred *in toto* to the Ministry of Agriculture under Special Warrant J. 1/1957-58 of the 28th May, 1957. Before this transfer took place there was expenditure under these three subheads which was not subsequently adjusted to the Ministry of Agriculture head. The amounts involved are very small but nevertheless, except in the case of Local Transport and Travelling, are covered by unexpended balances under Head 248 Ministry of Agriculture for that year. All sums were approved in the 1957-58 Supplementary Estimates."

**Chairman:** Would members like to make any observations?

**Alhaji Muhammadu Kazaure:** Mr Chairman, I think that if there had been a proper reconciliation system with the amount of expenditure this could have been avoided. We would like to know from the Permanent Secretary whether he is now reconciling his departmental vote accounts with the Treasury accounts.

**Permanent Secretary, Ministry of Agriculture:** If I may say so, this query would be more properly directed to the Permanent Secretary, Ministry of Trade and Industry. It was not my responsibility and was passed over to me. The Accountant-General might have seen that any expenditure incurred previous to the transfer was notified.

**Emir of Yauri:** May we know if the representative of the Ministry of Finance has any comment to make.

**Representative of Ministry of Finance:** Mr Chairman, I think this confusion arose because the original vote was transferred to another Head under a different number. The debits on the original Head were also transferred, therefore the Ministry of Agriculture would not have known of them. It was the responsibility of the Ministry of Trade and Industry who transferred them.

**Permanent Secretary, Ministry of Agriculture:** The same object might have been achieved if such expenditure as had been incurred had been dealt with by the Ministry of Finance.

**Representative of the Ministry of Finance:** Mr Chairman, Votes are controlled by Permanent Secretaries, it is up to the Permanent Secretary, and not the Ministry of Finance. In this case, the debits were to the Ministry of Trade and Industry and not the Ministry of Agriculture.

**Acting Director of Audit:** Mr Chairman, what the Committee appear to be getting at is whether the Ministry should have discovered this excess from their own records before the accounts for the year were closed. The accounts for 1957-58 were closed in August 1958. These three subheads were transferred to the Ministry of Agriculture in May 1957. Month by month the Accountant-General notifies Officers Controlling Votes as to how much has been spent on each subhead and how much is left. What I am confused about at the moment is how, if these subheads were transferred in May 1957, irrespective of who spent the money, why the system broke down. The Permanent Secretary, Ministry of Agriculture should at all times have been able to tell how much had been spent on these three subheads. If he could not, then something went wrong with the system; if he could, then he was at fault in not applying for additional provision before the accounts were closed, irrespective of who spent the money. Perhaps the

Representative from the Ministry of Finance could explain to the Committee how these accumulated totals on subheads are notified to the officers controlling votes, and whether, in this particular case, the normal procedure did not obtain.

**Representative of the Ministry of Finance:** Mr Chairman, Ministries are sent a schedule of payments debited to their votes in tabular form, the total for that particular month and also a running total for the year. I think that what is not understood in this case is that at the beginning of the year these votes were described as Head 257, subheads 14, 15 and 16 under Ministry of Trade and Industry. I think I am right in saying, and perhaps the Permanent Secretary could confirm this, that when the subheads were transferred to the Ministry of Agriculture they were transferred under a different number, and only the total amount on the subhead was transferred to the new subhead numbers. The expenditure which had previously been made on the old subhead numbers was not also transferred, and therefore that expenditure would remain under a vote controlled by the Permanent Secretary, Ministry of Trade and Industry. Schedules in respect of those votes would be sent to the Ministry of Trade and Industry, therefore the Ministry of Agriculture would not know of those debits. Perhaps the Permanent Secretary, Ministry of Agriculture would confirm that this is the correct position.

**Permanent Secretary, Ministry of Agriculture:** What I want to know is what are we going to do next time this happens.

**Acting Director of Audit:** I hesitate to spend any more of the Committee's time. The Annual accounts show the expenditure on a subhead controlled by the Ministry of Agriculture when these accounts are published by the Ministry of Finance. Can the representative from the Ministry of Finance inform the Committee when the transfer which he is referring to took place?

**Representative from the Ministry of Finance:** Mr Chairman, I cannot say when the transfer took place, I am quoting from my own knowledge of the system and not from actual fact.

**Acting Director of Audit:** Mr Chairman, if I may advise the Committee, in these circumstances, in view of the confusion involved, perhaps the answers could be accepted as they stand.

**Chairman:** Any more observations? I think this explanation will be accepted.

**Members:** Accepted.

**Chairman:** Next paragraph please.

**Secretary:** Paragraph 44. The Permanent Secretary, Ministry of Agriculture's written reply to paragraph 44 reads as follows:—

“There has been considerable delay in clearing up the loss of funds at the Lowlands Experimental Farm at Shendam, which has been largely due to the fact that the police have mislaid their case file on two occasions. Full particulars of the case have, however, now been forwarded to the Ministry of Finance and to the Director of Audit with recommendations as to the disciplinary action which should be taken against the persons responsible.”

**Emir of Yauri:** Has the Permanent Secretary any further comments?

**Permanent Secretary, Ministry of Agriculture:** If there is any particular point which members would like clarified, we have more information here. In fact we have

at least twenty dates written down and a very detailed explanation. If there is any particular point, I am only too anxious to help members.

**Chairman:** The enquiry was held in early 1958 and it was waiting until December 1959. I was wondering why the Ministry did not pay up any report.

**Permanent Secretary, Ministry of Agriculture:** It might be helpful if I asked Mr Tournay whom I brought along with Mr Mackellar in case they could help, Mr Tournay has a schedule to show each step, when and why it was taken.

**Acting Director of Audit:** If I might assist the Committee, I am sure that they do not necessarily wish to hear a chronological history of this particular case. Perhaps the matter could be disposed of by what the Chairman asked, i.e., an intermediate report was not put up to the Accountant-General when delay was taking place. If the Committee is given too many dates it may perhaps be confused on this particular question.

**Permanent Secretary, Ministry of Agriculture:** Well, of course, far be it from me to confuse the issue. But briefly, we were asked to convene a Board of Enquiry on the 5th March, 1958. We appear not to have put in a report immediately, which we should have done, and which I think was an error on the part of the Ministry. In fact, we received a report from the Resident on 18th June, 1958. We were not satisfied with the quality of the investigations and asked that a further report be made. This was not received until January 1959.

**Chairman:** Any further comments?

**Members:** No.

**Chairman:** Thank you very much and that seems to be end of our questions.

#### MINISTRY OF ANIMAL HEALTH AND FORESTRY

**Chairman:** We have here with us the Acting Permanent Secretary, Ministry of Animal Health and Forestry. For his information, the procedure is that I ask the translator to read paragraph by paragraph all the queries concerning your Department in Hausa, and then he again reads the replies in Hausa. There is no need to ask the Secretary to read the English copies, as all of us have those with us.

**Secretary:** Paragraph 45. The written reply of the Permanent Secretary, Ministry of Animal Health and Forestry, to this paragraph reads as follows:—

“Excess expenditure of £1,650-9s-2d on Subhead 65, Vaccines and Equipment, of Head 250, Veterinary had not been authorised by 15th March, 1959.

This sum was authorised by supplementary provision approved under the Northern Region, 1957-58 Supplementary Appropriation Law, 1959. The law was not presented to the Legislature until August, 1959, so that the expenditure was still unsupported by provision in March, 1959 when the Director of Audit completed his examination of the accounts.

The excess arose from an indent on the Crown Agents for drugs in 1957-58 in anticipation of financial provision in 1958-59. Approval was obtained for this, but in the event the bill for the drugs was submitted before the end of the 1957-58. After a long dispute with the Ministry of Finance on how the sum should be accounted for, this Ministry submitted its application for additional provision.”

**Emir of Yauri:** May we have further explanation from the Acting Permanent Secretary?

**Acting Permanent Secretary, Ministry of Animal Health and Forestry:** To put it in a nutshell, the drugs were required and were ordered from the Crown Agents with the intention of paying the bill in the following financial year, because there is usually a long time-lag between the bill and the order. In fact the bill for the goods was received quicker than we expected, and it was paid in the same year as the drugs were ordered. Then as the financial year closed we were unable to transfer it to the Vote in the following year, which was the original intention and we found ourselves in the awkward position of having overspent the Vote of the year in which the drugs were received. So we had to ask for an extra allowance for the previous financial year. In actual fact, the Ministry was at fault in paying the bill in the previous financial year instead of waiting for the coming one.

**Chairman:** The point is: Why did you not ask for a supplementary expenditure?

**Acting Permanent Secretary, Ministry of Animal Health and Forestry:** In fact we did of course eventually ask for a supplementary expenditure, but not until we had committed ourselves to the expenditure.

**Chairman:** I think the whole purpose of supplementary expenditure is not to incur the expenditure or to make payment before you have had the authority. To overspend a vote without such an authority is illegal.

**Acting Permanent Secretary, Ministry of Animal Health and Forestry:** I agree. I am afraid that that is what happened in this particular case. The bill was paid immediately it was received without realising that the Vote would not stand it, rather than waiting a month or two until the following financial year.

**Chairman:** This brings me to another question. If when making orders you put in the liabilities to your book, you should realise the situation. You should have known the position and whether your vote could stand it or not.

**Acting Permanent Secretary, Ministry of Animal Health and Forestry:** I believe the fault arose when the indent was given to the Crown Agents, as it was not taken as a liability against that year's Vote because it was intended to pay it in the following year, and therefore for once the Crown Agents produced the goods rather rapidly and the bill, and a mistake was made by paying it in the year for which allowance had not been made, which led to this confusion and the request for the supplementary expenditure. When we sent in the indent we should have informed the Crown Agents that payment would be made in the 1958-59 financial year, which we did not do.

**Acting Director of Audit:** Mr Chairman, in fairness to the Acting Permanent Secretary I should like to point out to Members that this question of forward-indenting is not unique as far as this Ministry is concerned. For instance, the Government Printer forward indents. If you have the same Subhead year after year, and supplies take time to obtain then any wise person will have to think ahead about getting those supplies. Be that as it may, whatever method is adopted it should remain within the authorisations given on Subheads, and perhaps in this case and in similar cases it would be wise to take a liability at the time the indent is put in, and at the same time request supplementary provision with an explanation that the likelihood would be that it would not be used. Perhaps the Committee may like to suggest to the Permanent Secretary that something on these lines might be considered should this situation arise again.

**Chairman:** Do you agree with that?

**Acting Permanent Secretary, Ministry of Animal Health and Forestry:** Yes certainly.

**Chairman:** Next paragraph.

**Secretary:** Paragraph 46. The written reply of the Permanent Secretary, Ministry of Animal Health and Forestry, to this paragraph reads as follows:—

“Vote control accounts at the Ministry of Animal Health and Forestry were not being properly reconciled with the Accountant-General’s schedule of expenditure.

The accounting system generally, and in particular the difficulty which has been experienced in carrying out regular reconciliation with Treasury schedules, has caused concern in this Ministry for a long time. This has resulted in a complete examination with a view to an overhaul of the system. The Adviser on Organisation and Methods has been consulted and he will shortly begin a detailed survey to consider the practicability of certain proposals worked out by this Ministry.

Briefly, these proposals are:—

- (a) that the present system of provincial returns should be abolished. It is the form of these returns as well—as the form of ledgers kept at Headquarters—which presents the difficulty over the conciliation;
- (b) the present D.V.A. book kept in the Province should be amended slightly and have added to it a duplicate sheet for each page. The original of each page would be extracted when the month’s accounts were closed and sent to Headquarters. This would take the place of the present returns;
- (c) the original pages would be filed in Headquarters, thus providing, *inter alia*, an exact copy of the provincial accounts in the best form for reconciliation with Treasury tabulations;
- (d) that the only other ledger which need be kept at Headquarters should be one showing only allocations of funds made by officers to whom control of votes is delegated by the Permanent Secretary.

When the Adviser on Organisation and Methods has completed his survey, final proposals will be submitted to the Permanent Secretary, Ministry of Finance for approval of the Accountant General and the Director of Audit.”

**M. Yakubu Laine:** We would like to know whether at present a reconciliation is carried out.

**Acting Permanent Secretary, Ministry of Animal Health and Forestry:** I would like to make a preliminary remark by stating that this matter unfortunately was not brought to my observation when I took over this Ministry, and the whole of the Ministerial staff—the Permanent Secretary, the Assistant Secretary, and the Senior Executive Officer—have all changed since June of last year. I just point this matter out to try to explain that lack of continuity in staff often makes these matters difficult to keep sight of, and the Ministry on its own was starting to look into the whole of its accounting system, which we decided was not satisfactory, without in fact realising that it had already been commented on in this Report. We are now in the middle of a process of revising the system, so that we can get a more firm check on expenditure and correct reconciliation. You will realise that before we change the system basically, we have to get the authority of the Accountant-General and the Director of Audit, and at the moment the reconciliations are carried out but we find they are very late and we have no great confidence in the complete accuracy of them. It is for that reason that we are trying to introduce this new system as soon as practicable.

**Alhaji Muhammadu, Magajin Garin Kazaure:** Mr Chairman, what are the Acting Director of Audit's views on this proposal?

**Acting Director of Audit:** Mr Chairman, I am of course very glad to see that positive steps are in hand. As far as I can see, the proposals are on the right lines, and when they are finalised and sent to the Treasury and my Department for consideration, I am sure that that very little alteration will be needed, and both the Treasury and ourselves will do our best to see that the system is a sound one.

**Secretary:** Paragraph 47. The written reply to this paragraph by the Permanent Secretary, Ministry of Animal Health and Forestry, reads as follows:—

“At paragraph 47 of his Report on the 1957-58 Accounts the Director of Audit commented adversely on the accounting by the then Director of Veterinary Services of funds provided by the Northern Region Development Corporation in 1955 and 1956 for the Kaduna Poultry Investigation Centre. As was apparently the practice at the time, the funds were provided direct to the Veterinary Department by the Corporation for the establishment and the initial recurrent costs of the project. It was not until 1957-58 that funds were provided in the Government estimates in the ordinary way. The accounts for the project were closed in 1958.

The Director made three comments:—

- (a) that it was not possible in all cases to relate purchases or stores to the stores records;
- (b) that a sum of £845-18s-6d was shown in the accounts unsupported by vouchers; and
- (c) that insufficient consideration was given to the accounting arrangements before the project was undertaken.

#### STORES.

The state of the stores brought to light by the audit examination has now been remedied. A room with dexion shelving has been provided, and records are now kept properly. A senior officer has spent a considerable time organising the store with the advice and assistance of an officer of the Ministry of Works Regional Stores. Provision for a proper storekeeper has been included in the Draft Estimates for 1960/61.

#### £845-18s-6d UNSUPPORTED BY VOUCHERS

It has now been established that this sum was made up as follows:—

	£	s	d
(i) Installation of intercommunications system		5	0 0
(ii) Reimbursement to Government of pay allowances, etc., of staff at the Centre for which the Development Corporation was initially liable	357	5	10
(iii) Pay and allowances of junior officer attending a special training course at Vom		11	15
(iv) Purchase from a United Kingdom bookseller of technical literature required at the Centre	421	17	0
(v) Purchase in the United Kingdom of minor items of electrical equipment		50	0 0
	£	845	18 6

All expenditure has been accounted for and was necessary for the project. Receipts, however, are not available for all items.

- (i) the £5 paid for the intercommunications system was paid to an individual who drew up the wiring plan of the system. No receipt obtained from this person, and it is not now possible to get one. The endorsed cheque on which payment was made, however will be obtained, and forwarded to the Director of Audit in due course;
- (ii) the payment to the Treasury in respect of pay and allowances, etc., of staff took place when it was decided that staff should be paid by Government direct in the same way as other staff, and not direct from the Centre's bank account. Reimbursement was made from the account later. Receipts for the reimbursed sums were obtained at the time but have been mislaid. Details are now being sought from the Treasury's records, and will be forwarded to the Director of Audit in due course;
- (iii) a receipt should have been obtained from the junior officer attending the training course at Vom who received the £11-15s-8d. This officer is still in the service of Government and a receipt will be obtained and forwarded to the Director of Audit in due course;
- (iv) the technical literature for which £421-17s-0d was paid is at the Centre and is included in the Centre's official book list. No receipts or invoices for these books are available;
- (v) a receipt has been obtained from Messrs A. J. Snelgrove for the electrical equipment bought for £50. This has been forwarded to the Director of Audit.

#### ACCOUNTING ARRANGEMENTS:

It is accepted that the accounting arrangements for the project were not satisfactory and that there was no adequate supervision from Headquarters. The Committee may be assured that such a state of affairs will not be permitted to arise again."

**Emir of Abuja:** In view of the explanations given by the Acting Permanent Secretary; and also of the assurance in the last paragraph, I think the Committee may accept this:

**Emir of Yauri:** Before we accept it, may we know how the £845-18s-6d was spent, and the details?

**Chairman:** This amount is made up of installation of intercommunications system, reimbursement to Government of pay allowances, etc., etc., as explained and detailed in the written reply, and I think it has been stated that receipts have been obtained for some of these and that other receipts will be obtained in future, and forwarded to the Director of Audit.

**Emir of Abuja:** May we have an assurance that a voucher for £5 will be obtained?

**Chairman:** I think that assurance has already been given and if no further comments, I will then say that is all and thank you.

**Permanent Secretary, Ministry of Animal Health and Forestry:** Thank you very much, Mr Chairman.

## MINISTRY OF EDUCATION

**Chairman:** We have here the Acting Permanent Secretary, Ministry of Education. The procedure is that I would ask the Translator to read the translation of the Audit Queries first in Hausa and your replies also in Hausa. There is no need to ask the Secretary to read the English parts because we all have copies of these. First paragraph.

**Secretary:** The Acting Permanent Secretary's written reply to paragraph 48 reads as follows:—

“The excess expenditure referred to has now been cleared in the supplementary budget of 1957-58. The method of payment of grants has now been modified and it is considered that the expenditure control is now much more effective since all vouchers are now signed by Provincial Education Officers or the Finance Officer in the Ministry.”

**Chairman:** Any more observations from Members?

**Alhaji Sada Nadada:** Mr Chairman, I wonder if the Permanent Secretary could put more light to his explanation with regard to this over expenditure.

**Acting Permanent Secretary:** Mr Chairman Sir, the system previously used was estimated claims are being presented to the Sub-treasurers in each Province by the Management of Schools and the Sub-treasurers used to prepare vouchers in payment. This system was found to be not good enough because of the rapid expansion of schools and as such it was not possible to make an exact estimates of the needs for the grants to the Primary Schools and Teacher Training Schools. The system now in use is that each Provincial Education Officer is authorised to make estimate accurately and to sign vouchers for the payment of these grants. This system will make it possible for the Education Officer to get everything under control.

**Mallam Yakubu Lame:** Would this system prevent further over-expenditure?

**Acting Permanent Secretary:** That is what we hope. If the Provincial Education Officers got everything under their control, I would think that they will not authorise the opening of more schools until they are sure that this has been properly approved.

**Chairman:** Any more questions?

**Emir of Wase:** I wonder, Mr Chairman if the Permanent Secretary could give an assurance to the Committee that this system will work well and that further over expenditure would be avoided.

**Acting Permanent Secretary:** We can give this assurance. But it should be understood Mr Chairman, Sir that there is also the pressure of opening and expansion of education. We give an assurance that we will not approve any expenditure for any expansion until we are sure that we can get the funds.

**Chairman:** This is acceptable to Members.

**Members:** Yes.

**Chairman:** Next paragraph.

**Secretary:** The Permanent Secretary's written reply to paragraph 49 reads as follows:—

“On receipt of the Audit Report of February 1959 an Assistant Executive Officer, experienced in the maintenance of Government Accounts, was posted to



the Scholarship Board in an effort to improve the position. All Vouchers are now signed by the Secretary to the Scholarship Board. The Adviser from the Organisation and Method unit of the Premier's Office has also been called in."

**Chairman:** Any observations.

**Emir of Abuja:** We want an assurance that reconciliation is being carried on.

**Acting Permanent Secretary:** Yes, Mr Chairman, this is being done.

**Chairman:** Any more?

**Alhaji Muhammadu Magajin Garin Kazaure:** Mr Chairman, we would also like to know from the Permanent Secretary, whether the cards for controlling payments to scholars are being written up properly.

**Acting Permanent Secretary:** Yes, Mr Chairman, they are being written up properly now and I would like to add that one important factor in making the Scholarship Board work under certain disadvantages was the fact that previously they were working in a very small congested office. We have now got a new office for the Scholarship Board and in addition to that we have called in an Officer from the United Kingdom, who came in some months ago and he reported some suggestions and advice to the Government and we are now carrying those advice.

**Chairman:** Any more?

**Mallam Yakubu Lame:** May we know something about this Officer's advice and what he has done.

**Acting Permanent Secretary:** Mr Chairman, the Adviser on Organisation and Method came in and made some primary investigation for improvements to the system of control and the working of the Scholarship Board and his comments are now being carried out. At the same time, I would also like to add that the new Adviser on Organisation and Method is going to have a look and see whether everything is alright.

**Chairman:** Perhaps one more question. The Audit Report was issued in February 1959 and up till January 1960, the Director of Audit has had no any reply from you. Is there any reason for such a long delay?

**Acting Permanent Secretary:** We were waiting to see whether there would be anything we could do about the report from the Director of Audit before we could send our reply and that is the reason for the delay, Mr Chairman.

**Chairman:** I think this is acceptable to Members, then next paragraph.

**Secretary:** The Permanent Secretary's written reply to paragraph 50 reads as follows:—

"It is regretted that this return has not been submitted. This is due to the fact that no regular system of returns from the eighty-five officers controlling votes in the Ministry had been instituted. Further delays were caused by frequent changes of Staff in the Finance Division of the Ministry. Steps have been taken to ensure that a proper system of returns is instituted."

**Chairman:** Any observations?

**Tafidan Adamawa:** Mr Chairman, may we know whether all these eighty-five Officers are Revenue Collectors.

**Acting Permanent Secretary:** Mr Chairman, Sir, a large number of them are Revenue Collectors and most of them are Provincial Education Officers who usually ask for this information and these returns are always being sent to the Ministry here in Kaduna.

**Mallam Yakubu Lame:** Mr Chairman, may we know how far the outstanding balance at 30th September, 1958 have been cleared.

**Acting Permanent Secretary:** As I said in my reply, steps are being taken to recover the arrears but there are few sections such as Purchases and Trade Centres which are very small compared with what is obtained, but again, steps have been taken.

**Chairman:** One more. Why, steps have not been taken earlier, to institute a proper system.

**Acting Permanent Secretary:** Well, Mr Chairman, most of this revenue come from School Fees and it was difficult to collect school fees and at the same time the officers who are responsible could only take as a last resort to report to the Ministry when fees were not collected. However, instructions have now been issued that informations should be forwarded to the Ministry regularly when fees are not collected.

**Acting Director of Audit:** Mr Chairman, I would like to ask one question, and that is when I may expect the Return due on 30th September, 1959?

**Acting Permanent Secretary:** We shall reply as soon as possible.

**Chairman:** How soon.

**Acting Permanent Secretary:** Mr Chairman, it would depend on policy. We shall try to get this as quickly as possible.

**Chairman:** Are Members satisfied.

**Members:** Yes.

**Chairman:** Next paragraph.

**Secretary:** The Permanent Secretary's written reply to paragraph 51 reads as follows:—

“Action has now been completed on the report of all the Boards. Authority principle has been received for the loss of the steel rods valued at £135-2s-4d and loss of tools valued at £35-11s-2d to be written off. Two stock Verifiers have now been appointed. One has been at Bukuru Trade Centre since June and all stores are in the process of being examined and errors in the stores ledgers are being rectified.”

**Chairman:** Any comments?

**Alhaji Sada Nadada:** Mr Chairman, we would like to know why there is the delay in appointing the Board of Survey.

**Acting Permanent Secretary:** The delay was not in respect of appointment of the Board of Survey, but was due to taking action on the report of the Board of Survey. This was due to the fact that the matter was complicated because in one case it involves about 500 different kinds of steel rods with different sizes and that would need careful checking.

**Chairman:** Any more? This is acceptable to Members. Thank you very much this seems to be the lot.

#### MINISTRY OF INTERNAL AFFAIRS

**Chairman:** Well, Gentlemen, we have the Acting Permanent Secretary to the Minister of Internal Affairs before us and for his benefit I will explain the procedure. What we do is I would ask the Translator to read the Audit queries in Hausa and then read your replies also in Hausa. There is no need to read the English parts because we have all got copies of these. And the first paragraph.

**Secretary:** Paragraph 62. The Acting Permanent Secretary, Ministry of Internal Affairs' written reply to paragraph 62 reads:—

“WITH THE present system of management of Catering Rest Houses, where the responsibilities of each post are not definitely defined, it is not unlikely that such losses will occur from time to time. In general, Rest Houses are run well and very few complaints regarding the facilities they provide are made, but by trying to define the duties and responsibilities of the various posts other problems which may well be insoluble will arise. In the majority of cases, manageresses are employed on a part-time basis and it is unlikely that they will wish to continue if their duties were defined to include pecuniary responsibility for all cash and stores.”

**Chairman:** Any observations?

**Alhaji Muhammadu:** Mr Chairman, Sir. We should like to know whether a contract could be signed and whether they could be made to accept the full responsibilities.

**Acting Permanent Secretary, Ministry of Internal Affairs:** The present position is, Sir, that the people who are employed in the Rest Houses are employed by the Rest House Committee and not by the Government. I have searched through all the files which are available to me and the only instruction that I have been able to find was issued in 1950, which stated that Rest Houses would be run by Rest House Committees, under the general direction of Residents. My Ministry has advised all Rest House Committees that they should engage people upon contract and a suggested contract has been sent to them, but such a contract does not define, it merely states (the one we have suggested) that you are engaged as “such and such” (i.e. a cook, steward, manageress, etc.) but the duties of the cook, steward, manageress have not been definitely defined. The difficulty is that, of course, the manageress should, if the thing was run on a commercial basis, be made responsible ultimately but we cannot insist. For instance, at Ilorin, the Manageress was approached and asked, will you be responsible for everything, and she said, “No.” I am prepared to run the catering and see that the rest house is properly run but the clerk is responsible for the cash and stores and if I am to be responsible I shall need to be paid double what I am paid now.” The majority of losses have been due either to clerks concerned or stewards, etc., making out false vouchers, etc., and in fairness to the manageresses I should like to say that these ladies do this work—it is often very difficult to persuade them to do it—and whilst very capable of running the catering side and looking after the chalets they have no experience of government accounting and are dependent on the clerks.

**Chairman:** Any more observations?

**Alhaji Muhammadu:** Can we take it that the clerks are the people responsible for the stores and the cash in the rest houses, or the manageress? Who will be responsible?

**Acting Permanent Secretary:** The clerks certainly receive the money and are supposed to pay it into the Treasury. As regards the stores, the responsibility so far as I am aware, has not been defined by the Rest House Committees but I would like to recall to you, Sir, that it is the Rest House Committees who run the rest houses, not the Ministry of Internal Affairs.

**Mr Orjime:** Mr Chairman, if nobody is actually responsible for the stores, who looks after them? Who is held responsible if something is missing?

**Acting Permanent Secretary:** Normally, I can only speak, as I say because we are not responsible for the day to day running, from my experiences as a District Officer, in these matters, the Manageress usually keeps the key and issues them together with the clerk. There are very few losses indeed of stores except where people get in through the windows and take away things such as mattresses. The losses which the Director of Audit I think, can tell you, to which he refers are losses of cash.

**Mr Orjime:** It is good as it is now that nothing is lost from the stores, but in the case where something is lost, whom are we going to hold responsible?

**Acting Permanent Secretary:** Well, Sir, the person who controls the stores; and who controls the store is for the Rest House Committee to say, not for this Ministry.

**Mr Orjime:** Mr Chairman, we have been told that the Rest Houses are not run by the Ministry of Internal Affairs and that it is run by a special committee. To whom is that committee responsible?

**Acting Permanent Secretary:** Well, Sir, the answer to that is, as I told you at the beginning, the only directive that I have been able to trace is that the Rest House is run by a Committee under the general direction of the Resident. So the answer to that, I would suggest, Sir, is the Resident.

**Mr Orjime:** Does the Acting Permanent Secretary want to tell us here now that we are querying him on a matter with which he is not concerned?

**Acting Permanent Secretary:** Sir, I would not say that, because the Rest Houses are in the portfolio of my Minister, but not the day to day management of them. What is required, if I may say, is for someone to say—possibly this Committee—how Rest Houses should be managed.

**Chairman:** Don't you find this situation very confusing?

**Acting Permanent Secretary:** I find it extremely confusing.

**Mallam Yakubu Lame:** Could you have the contracts revised whereby a mention could be made of the duties of each member of the staff attached to the Catering Rest Houses.

**Acting Permanent Secretary:** Sir, we could do that. The only doubt I have about doing that is, as I have expressed here, if you try and define the duties and responsibilities other problems will arise and at the moment the problems are where will you get the people to manage the Rest Houses from. At the moment all the Rest Houses except two are managed by the wives of government officers or the wives of people working in commerce. When we tried to suggest that these people should take on greater responsibilities we have been told they are not prepared to do it for the money they are paid. They do not make their living out of it. What we are attempting to do is, when we can get suitable people, to train them up to take over so that it will be their career to run Rest Houses. We have got one girl here at Kaduna who has been appointed Rest House manageress in training. We have got one at Jos. I circularised all Rest House Committees enquiring if there was anyone on their staff whom they considered would be suitable for training. We have one man, the clerk in Kontagora, who is now attached to Zaria for training and I propose after he has been trained and subject to the Minister's approval, and I think I am correct in quoting him, to post this man, who has just gone to Zaria, to Potiskum to take over from a Mr

William's who is a retired pensioner. At Gusau there is Aliyu Sokoto who is in charge of the rest house there. If we get more and more people in charge of rest houses to make their career out of it I think it will be, and must be, possible to define the duties more closely. If you are asking my opinion, the ideal from the Government point of view would be if the rest houses could be taken over by some company, as has been done in Kano, by the Nigeria Hotels. In all probability no company would agree to do it and it is hardly necessary for me, I am sure, Gentlemen, listening to so many people like myself, that Government officers when they enter into business propositions do not seem to run them very well.

**Chairman:** Any more comments.

**Acting Director of Audit:** Mr Chairman, I would like to say that I sympathise with the situation outlined by the Permanent Secretary. From the short term point of view, would it be practicable to have, say, an officer of executive grade standard employed by the Ministry to be employed in each rest house to do the checks on cash, etc.?

**Acting Permanent Secretary:** Well, Sir, that is an answer I cannot give you because really it is a matter of policy, but I feel myself that Government may under present circumstances when there is a shortage of that class of officer, feel that they would be better employed doing something else, and to stand such losses as there are.

**Chairman:** At the moment, perhaps it seems that the losses are small but if these people realise that they can get away with it I think the situation would be very lamentable.

**Acting Permanent Secretary:** Sir, I do not think you should take such a jaundiced view of the human race. It has not happened in many of the rest houses. You employ a clerk and normally he is honest. It is only on certain occasions that thefts occur. I can recall two at the moment which have happened in the last six months. If the clerk was employed by the Government or the rest house the chances are the same.

**Acting Director of Audit:** Mr Chairman, the last loss I recall to mind was about £500 in Ilorin. Under Government accounting routine there is a system of cross checking but in rest houses no one takes the responsibility to supervise these clerks or check the cash. Although it is a question of opinion whether Government would agree that executive grade officers could be better employed on other duties, my suggestion is only put forward as a possible solution.

**Chairman:** Would you like to say anything else.

**Acting Permanent Secretary:** If you are suggesting a solution, Sir, it is another suggestion to put all the people employed in the rest house in the estimates, but so far as I am aware Government has been against that so far because at the moment Government is all the time saying they are not Government employees although they do handle government cash and stores.

**Mr. Orjime:** Mr Chairman, I believe when they say they are not government employees they have been made to understand so by the Permanent Secretary because the Permanent Secretary was trying to say he was not responsible for the rest houses. In fact I think the losses occurred because the Ministry of Internal Affairs has been going very easy on that matter. They make the workers there, the clerks, etc., believe that there is nobody behind them. And in fact they were going unchecked and that is a state of affairs which will continue until the Permanent Secretary realises that he has

a responsibility there. The excuse that the day to day running of the rest houses is not his responsibility is just like the Permanent Secretary, Ministry of Education coming here and telling us that the day to day running of a school is not his responsibility. Anyway we believe something will be done and there will be some improvements.

**Acting Permanent Secretary:** May I say, Sir, that with great respect I refute the remarks made there that I am not interested in the running of the rest houses. May I also say, Sir, that the matter of rest houses employees has been referred to the Ministry of Finance this year, who again confirmed, as originally put up by the Financial Secretary before the Ministry of Finance was formed, that these people are employed by the rest house committees and not by Government.

**Acting Director of Audit:** I think perhaps, Mr Chairman, if I may interrupt that Members may feel that the facts of the situation have been set out fully and may therefore wish to consider any recommendations they think can usefully be made when their Report is being considered.

**Chairman:** Would the representative from the Ministry of Finance want to say anything?

**Representative of the Ministry of Finance:** I think, Mr Chairman, the only point where the Ministry of Finance comes into this matter is that the Financial Secretary and Permanent Secretary Ministry of Finance have persistently refused to allow rest house employees to be civil servants—Government servants. I am not able to say precisely why they have taken that attitude but it is probably for that very reason, they did not think they ought to be government servants and would then become pensionable in the same way as normal Ministry employees. May I also add, Mr Chairman, that on the question of losses, the Permanent Secretary has said that manageresses are reluctant to take responsibility for cash. I do not think that is quite the point. The attitude of the Ministry of Finance is that the manageresses ought to supervise the person who is responsible for the cash and that is apparently not being done at the moment. That is the reason why the losses occur, because the person responsible for the cash is not supervised. I would suggest that it should not be a difficult matter to arrange for somebody, whether it be the manageress or an executive officer to check the officer who is responsible for the cash and not leave him entirely to his own devices.

**Chairman:** Well, I think we have discussed the matter in detail and most of the facts have come to light, so I would suggest to the committee that we accept the suggestion of the Director of Audit and suggest something in our Report. We have all agreed, including the Acting Permanent Secretary, that the situation at the moment is not satisfactory. Is that acceptable?

**Members:** Yes.

**Chairman:** Next paragraph.

**Secretary:** Paragraph 63, 'The Permanent Secretary, Ministry of Internal Affairs' written reply reads:—

"An instruction had been issued, some considerable time before the theft occurred, to the Staff of the Information Division of this Ministry, stating that only Stores Staff were allowed within the Stores. In addition, there is a large notice displayed at the entrance to the Store stating:—

'YOU ARE NOT ALLOWED IN THIS STORE -BY ORDER. THIS APPLIES TO BOTH SENIOR AND JUNIOR STAFF'. The keys of the

Stores are controlled by the Senior Stores Assistant and after office hours they are locked in the safe by the Cinema Officer. The present Stores accommodation is inadequate and it is difficult to exercise the strict control that is required. However, within the limited accommodation available, it is considered that all possible steps have now been taken. A request has been made to the Ministry of Finance for funds to construct a new Store. Although they are supervised closely, thefts by Stores labourers cannot be entirely avoided unless a physical search is carried out every time a labourer leaves the Store. This is not a practicable proposition."

**Etsu Pategi:** How many Storekeepers are there?

**Acting Permanent Secretary:** There are two storekeepers.

**Alhaji Muhammadu:** Mr Chairman, Sir, in his reply the Permanent Secretary said that 'thefts by Stores labourers cannot be entirely avoided unless a physical search is carried out every time a labourer leaves the Store. This is not a 'practicable proposition'. We want to know why this is not a practicable proposition?

**Acting Permanent Secretary:** I understand it would offend the susceptibilities of the Moslem labourers if we made them get undressed.

**Chairman:** Are they all Moslems?

**Acting Permanent Secretary:** They are mixed. I cannot say. They are certainly all Northerners. I would possibly, if may, say that one labourer under suspicion put something out which they thought he would take and he did. That is how we caught him.

**Chairman:** But they cannot if he takes the thing, if you just approach him he will deny it.

**Acting Permanent Secretary:** We were on very firm ground then, but if the Committee wishes to recommend this it will best be to do it in its report. I personally think it would cause rather a lot of trouble.

**Chairman:** Any further comments? I understand that since the last Audit Report you were going to make certain arrangements and even now there has been again another theft.

**Acting Permanent Secretary:** There was a theft, Sir, from the stores while the Board of Enquiry was sitting and the matter was referred to the Board of Enquiry, but since then no further thefts have occurred from the Store. There have been thefts from the Yard.

**Chairman:** The theft is a theft, whether it is in the Store or in the Yard, it all concerns government property. If we are advising measures they should not only include stores but the yard in it.

**Acting Permanent Secretary:** We have asked for funds to erect a fence round the Yard as well as to build a new store, Sir.

**Chairman:** In the meanwhile is anything being done?

**Acting Permanent Secretary:** Yes, Sir. We had a watchman and as things were stolen we changed the watchman. *(Laughter)*.

**Chairman:** Does that check the thefts?

**Acting Permanent Secretary:** No. It does not seem to do so. As I say, we employed these watchmen, as soon as a theft happens we try to get a new one but we hope if we get a fence it will make the thefts more difficult.

**Mr Orjime:** In the reply here we have been told that notice has been placed in front of the stores to this effect: "YOU ARE NOT ALLOWED IN THIS STORE—BY ORDER. THIS APPLIES TO BOTH SENIOR AND JUNIOR STAFF." I think that is another way of saying that those who are not members of the stores staff have access into the stores both during and after working hours. That is a way of denying that allegation here.

**Acting Permanent Secretary:** No, Sir, we are not denying that, Sir. What we are saying is that this notice was put up and the orders were issued to all members of the Ministry before these thefts occurred but if the Storekeeper did not see the order carried out or report that it was not carried out you will appreciate that neither the Chief storekeeper nor myself can sit outside the store all day to see that it is. I have asked for any cases to be reported to me and will take strict action against anyone who disobeys the order.

**Chairman:** Any further comments?

**Mr Orjime:** Now, that these same people who look after the stores are now asked to accept the responsibility of the lost articles, who then is to be held responsible? This order has been placed there indicating that they should not allow anyone into the stores, who is to be held responsible?

**Acting Permanent Secretary:** Well, I can see no answer, Sir. It is the Board of Survey who is to be held responsible. It was the report of the Board of Survey. I cannot say whether or not it was done by one of the people employed in the Stores.

**Chairman:** I hope there is no more question?

**Acting Permanent Secretary:** Thank you gentlemen for listening to me with such patience.

#### MINISTRY OF SOCIAL WELFARE AND CO-OPERATIVES

**Chairman:** We have now before us the Acting Permanent Secretary to the Ministry of Social Welfare and Co-operatives. For your information our procedure is that the translator first reads out the Audit query in Hausa and then reads your reply also in Hausa. He does not read the English because we all have these copies.

**Secretary:** Paragraph 64. The written reply of the Acting Permanent Secretary of the Ministry of Social Welfare and Co-operatives to this paragraph reads as follows:—

"The Director of Audit, in paragraph 64 of his Report for 1957-58, has pointed out that there is a contingent liability of £76,616-7s-7d in respect of Government guaranteed bank overdrafts of Co-operative Societies at 31st March, 1958.

Of this amount £39,094 was in respect of purchasing advances where there is bound to be some carry-over, because in the Riverain Provinces the produce season overlaps the financial year and in the more Northerly Provinces, societies' accounts with Licensed Buying Agents are not always cleared by 31st March. In fact, at 31st March, 1958, purchasing advances to societies in Ilorin and Kabba Provinces accounted for £20,984, approximately 27 per cent of the total sum outstanding.



By 31st July, 1958, the purchase advance overdraft had been reduced to £15,414-3s-0d, out of which £12,437-2s-5d was being used in Ilorin and Kabba Provinces.

The pre-season loan overdraft of £37,522-8s-2d at 31st March, 1958, was all owed by societies in Katsina, Sokoto and Zaria Provinces. By the end of May, 1958, it had been reduced to £25,833-2s-3d. In a few cases this overdraft was due to hardship caused by poor crops, but more generally because money had reached members who were not genuine farmers and who had misused the loans. It is difficult to prevent this because it is physically impossible for Co-operative staff to supervise all payments to individuals, more especially as the staff has always been below the authorised strength.

Assistant Registrars and junior staff constantly hurry societies which have been slow in repayment but, especially in the more Northerly Provinces, little money remains in the hands of individual members after 31st March, and only small amounts can be repaid.

The financial position of some of the societies in arrears cannot be regarded as sound until they have paid the major part of their outstanding loans. A number of them were not granted financial assistance by the Ministry of Social Welfare and Co-operatives in 1958-59.

As regards audit the continual and rapid increase in the number of registered societies has thrown a great strain on the Audit section of the Co-operative Division. There is an Assistant Registrar permanently assigned to this duty and the number of Inspectors at his disposal has been gradually increased. It must be admitted, however, that with the staff available, audit has been unable to keep pace with the expansion of the movement and response to the widespread demand.

At 30th September, 1959, the carry-over remaining from 31st March, 1958, was £4,379-12s-9d and it is hoped this overdraft will finally be liquidated before 31st March, 1960."

**Alhaji Muhammadu, Magajin Garin Kazaure:** Paragraph 4, Mr Chairman, Sir. The Acting Permanent Secretary said that in a few cases this overdraft was due to hardship caused by poor crops, but more generally because money had reached people who had misused the loans and were not farmers. We want to know what is being done to stop giving money to people who are not farmers.

**Acting Permanent Secretary, Ministry of Social Welfare and Co-operatives:** These loans are issued to the Societies, Mr Chairman, and not to the individuals. They are issued to the Societies by the Assistant Registrar, on the authority of the Minister, and the Committee Members of the Society issue individual loans to individual persons. The staff of the Co-operative Division in the field is constantly educating the Committee Members to restrict the issue of individual loans to genuine farmers, and not to non-farmers. It is not possible for the staff of the Co-operative Division to supervise the issue of every single individual loan to every individual person. They can only supervise it to the Society.

**Alhaji Abdu Anace:** Mr Chairman, Sir, I find this very hard to understand. On whose recommendations are those loans issued to the farmers? Is it the Committee who recommends them, or is it the Assistant Registrar who is supervising?

**Acting Permanent Secretary, Ministry of Social Welfare and Co-operatives:** It is the Committee Members who decide on the individual issue of individual loans to farmers. Government merely issues the loan to the Society. The individual loans are by the Committee members.

**M. Yakubu Lame:** But Mr Chairman, I think it should be the duty of the Registrar to see that loans go to genuine farmers.

**Acting Permanent Secretary, Ministry of Social Welfare and Co-operatives:** It is not possible for the Assistant Registrar to supervise the issue of every single individual loan. There may be anything from 25,000 to 40,000 people in his area expecting an individual loan. It is the duty of the Committee Members of the Society to ensure that the loans are distributed fairly to genuine farmers.

**Chairman:** I have another question which perhaps may clear the situation. These loans given to the Societies—have they got any strings attached to them as conditions? What I mean is—are they given the loans to do what they like with them? For example, to organise a big dance!

**Acting Permanent Secretary, Ministry of Social Welfare and Co-operatives:** Mr Chairman, the loans are issued to be spent on farming purposes, to be used for the hire of labour on the farms, the purchase of manure or superphosphates, or hire of a tractor or cattle and plough, anything for farming purposes, and certainly not for organising a dance!

**Chairman:** What is worrying the Committee here is that they understand that some of the money goes to people who are not genuine farmers. We are suggesting to you that a way should be found of stopping them.

**Acting Permanent Secretary, Ministry of Social Welfare and Co-operatives:** Ways and means are already being considered by my Minister, and one of the methods which he is considering to introduce is that no future loans will be issued to a Society until they have expelled non-farmers from being members of the Society.

**Alhaji Abdu Anace:** That is fair enough, Sir.

**Emir of Yauri:** Is there any means of enforcing these Committees who are issuing the loans to individuals to repay the loan?

**Acting Permanent Secretary, Ministry of Social Welfare and Co-operatives:** If a Committee is unable to persuade individual members to return their loans, they can of course, take civil action in a court of law. In addition, the Society can declare a dispute under the Native Authority Co-operative Society Law, section 54, and if a dispute is declared, the Registrar is enabled by law to appoint an arbitrator, and the arbitrator will investigate this dispute. His decision must be complied with as though it was an order of a court of law. One of the difficulties that do occur is that some people have been taken to court and have been ordered to repay their loans, but they have not had the money. The court often orders them to refund £1 a month or some such sum on a total loan of, say, £100, and the money is refunded for two or three months and then the person forgets to do it any more.

**Emir of Yauri:** In that case, would it not be advisable to make the Committee pay the loan, as they are responsible for giving out these loans, knowing fully that the individual concerned is not a farmer?

**Acting Permanent Secretary, Ministry of Social Welfare and Co-operatives:**

The Committee is responsible for paying the loan, but very often the Committee itself has not sufficient money to repay the loan itself.

**Chairman:** Thank you very much. That is the end of our questions.

*Sitting adjourned at 2.25 p.m. until tomorrow morning at 8.30 a.m.*

PUBLIC ACCOUNTS JOINT COMMITTEE

Friday, 29th January, 1960

Committee met at 9.00 a.m.

PREMIER'S OFFICE

**Chairman:** Gentlemen, we have here before us the Acting Deputy Secretary to the Premier. For your information, the procedure is that I will ask the Translator to read the Audit Query in Hausa and then again read your written reply also in Hausa. I would not ask him to read the English version because we have all got copies of these.

**Secretary:** The Acting Secretary to the Premier's written reply to paragraph 38 reads as follows:—

“The excess expenditure under these Heads and Subheads was approved by the Legislature in the Supplementary Estimates of the Northern Region, 1957-58. The reasons for these excesses of expenditure are as follows:

- (1) 222 1. *Personal Emoluments*.—£137 was overexpended due to lack of reconciliation. Requirements were under estimated.
- (2) 222 2. *Local Transport and Travelling*.—The amount of £14 odd was a Railway transport charge which was not during the financial year brought to account in the Departmental Vote Expenditure Account Book and was not later reconciled with the Treasury.
- (3) 222 3. *Office and General*.—Owing to the Increase in size and responsibilities of the Premier's Office, furniture and books were purchased and postal and telegraph expenses rose. The record of expenditure was inaccurate and there was no reconciliation.
- (4) 222 5. *Labour*.—Drivers overtime was charged to this vote; the D.V.E.A. Book was wrongly completed and only too late was the excess revealed.
- (5) 222 6. *Premier's Residence*.—Overexpended by 11s-4d.
- (6) 222 20. *Northern Region Contribution to Pilgrim Company*.—An air conditioning unit costing £360 was bought for Premier's office and wrongly charged against this vote instead of against Sub-head 18 which provided money this purpose.
- (7) 222 5. *Commissioner's Residence*. This over expenditure was due to misallocation between sub-head 5 and sub-head 12 (installation of Commissioner's lift). An adjustment voucher to correct this was not taken to account in the Treasury. The money was spent on the Commissioner's lift.
- (8) 230 2. *Local Transport, and Travelling*.—This over-expenditure of provincial votes was mainly caused by lack of staff with experience at the time of integration so that reconciliation was inadequately done. Charges arising from railway transport were not accounted for until after the end of the year.
- (9) 230 6. *Extra Services, Assessments, etc.*—The record of expenditure was inaccurately kept and reconciliation was not carried out.

- (10) 230 7. *Temporary Buildings*.—As for sub-head 6 above.
- (11) 230 11. *Disturbance Allowance*.—After integration the staff transfers were not immediately and accurately recorded so that the over-expenditure was revealed too late.
- (12) 230 16. *Electric Light sets*. "These were ordered in the previous financial year but came to account in 1957-58."

**Chairman:** I think it would save us a lot of time if we take all the twelve items together as all of them have a similar nature. Any observations?

**Mallam Idirusu Tafidan Adamawa:** We would like the Secretary to tell us why he spent the money without authority—in the first instance.

**Acting Deputy Secretary to the Premier:** Mr Chairman, Sir, this is true, but I would try to explain. Although they are over-expenditure, authority was given by the Legislature later on the Supplementary Estimates. The main reason, Sir, for these mistakes was that it was in that financial year—two years ago—that the Civil Secretary's Office was amalgamated with the Premier's Office and that caused a lot of disorganisation because the Civil Secretary's Office was still working for part of the financial year and the rest of the year became Premier's Office. It was not properly organised at the very beginning of the year.

**Alhaji Muhammadu, Magajin Garin Kazaure:** According to the Acting Deputy Secretary to the Premier's reply, the over-expenditure was mostly due to lack of reconciliation, we want to know whether a proper system of reconciliation is now being carried out.

**Acting Deputy Secretary to the Premier:** Yes, Sir, Mr Chairman, we send every month the Executive Officer, Finance, with our Pay Clerk to the Treasury with our books for reconciliation and we hope this year we will not have over-expenditure.

**Chairman:** Any more questions? Well, the previous question and your reply regarding the over-expenditure was that over-expenditures was later covered by authority from the Legislature; well, such a situation would hardly satisfy the Members of the Committee. I think what is required is that you should not incur any excesses *before* you have secured the authority, without that then your over-expenditure, will be illegal.

**Acting Deputy Secretary to the Premier:** Yes Sir, I think I should say that although we have overspent this particular subhead, we have enough money to cover it in other subheads and we have asked for permission from the Ministry of Finance to transfer money from one subhead to another, but they preferred we consolidate our over-expenditure in this Supplementary Estimates rather than given us individual permission for each subhead.

**Chairman:** I had the impression that this was done after you have already incurred the expenditure.

**Acting Deputy Secretary to the Premier:** Yes, that is true Mr Chairman.

**Chairman:** That will not save you from the Audit Query.

**Acting Deputy Secretary to the Premier:** No, Sir, Mr Chairman.

**Chairman:** Any further comments?

**Alhaji Sada Nadada:** What type of books does the Secretary use to check such an over-expenditure.

**Acting Deputy Secretary to the Premier:** Could we have the question again, please Mr Chairman?

**Alhaji Sada Nadada:** What type of books do you keep to which will stop such over-expenditure?

**Emir of Yauri:** I do not think the fault lies with the books.

**Acting Deputy Secretary to the Premier:** Yes, it is true the fault does not lie with the books, but with the officer concerned.

**Mr Vincent Orjime:** I think the Accountant-General usually keeps a record of what you spend and how much is left for you to be spent at the end of every month. Do you then take notice of this at all.

**Acting Deputy Secretary to the Premier:** Yes, Sir. If you look at my explanation here you will see that we failed to take account of this reconciliation. It is our mistake. We did not reconcile our books that is the reason basically for this over-expenditure two years ago.

**Emir of Abuja:** We would like to know whether the position has improved since that time.

**Acting Deputy Secretary to the Premier:** Sir, everything is in the hands of God, we move so quickly from job to job. Also I would wish to confirm to Sarkin Abuja that we are now better. I cannot altogether say that we are as good as he would wish us to be, and we are doing our best.

**Emir of Abuja:** We want further assurance from the Acting Deputy Secretary to the Premier.

**Acting Deputy Secretary to the Premier:** Well, Sir, I can assure you that we do reconcile now every month. But I would find it impossible to promise that we will not make mistakes.

**Chairman:** Any comments? Let us go to the next paragraph. I think we could take paragraphs 39 and 40 together.

**Secretary:** The Acting Deputy Secretary to the Premier's written reply to paragraphs 39 and 40 reads as follows:—

*Paragraph 39.*—"The Senior Resident, Jos, reports that he wrote twice to every person from whom an undercollection was made. He considers that no further recoveries can be made after so long an interval since the majority of those concerned have either moved from Jos or have not replied at all."

*Paragraph 40.*—"The Resident, Ilorin, reports that he has managed to recover a total of £75-10s 0d from those who were asked to pay too little. This is in the circumstances commendable. He does not consider that any further collection will be effective."

**Chairman:** Any comments?

**Mallam Idirisu Tafidan Adamawa:** Mr Chairman, paragraph 40. I think this Committee's wish is that the money should be pursued further before authority for write-off is sought.

**Acting Deputy Secretary to the Premier:** Mr Chairman, Sir, as I have said in my reply, the Resident, Jos, reports that it would be very difficult to make any further recovery as most of the people concerned have moved away.

**Chairman:** I think the Member who asked the question made mention of paragraph 40.

**Acting Deputy Secretary to the Premier:** Yes Mr Chairman, I spoke to the Resident, Ilorin, who said that he had managed to collect £18 and he has also said that he cannot apply force. Those people who were able to pay, they only paid because they were either honest or because they disliked a letter from the Provincial Office.

**Mallam Idirisu Tafidan Adamawa:** Well how did he manage to get the £18?

**Acting Deputy Secretary to the Premier:** He wrote them letters, Sir.

**Chairman:** Any further observations?

**Alhaji Sada Nadada:** What are the future arrangements made to stop such arrears of payment?

**Acting Deputy Secretary to the Premier:** I think, Sir, that those responsible for the motor licensing are aware of the new rates.

**Emir of Wase:** It is the opinion of this Committee that before any steps are taken with regard to the write-off of this amount you should again stress upon the Residents that some money should in one way or the other be obtained.

**Acting Deputy Secretary to the Premier:** Yes, Sir. We will do that but I would like to add that we cannot force these people to pay because it was the mistake of the Nigeria Police.

**Chairman:** I think the Committee is not against the idea of the write-off but that if persuasion is carried on for a little while at least some money may be obtained into the purse of the Government.

**Acting Deputy Secretary to the Premier:** Alright, Sir, we will tell the Residents.

**Chairman:** Any more observations.

**Emir of Wase:** Yes, Mr Chairman, I agree with your views that if further approach is made to the Residents, more money will surely come to the purse of the Government.

**Chairman:** Next paragraph.

**Secretary:** The Acting Deputy Secretary to the Premier's written reply to paragraph 41 reads as follows:—

"The Ministry of Finance, over a long period, has requested this office to cause the list prepared by the Board of Survey on the Ministerial Quarter, 1, Clifford Avenue to be checked against the inventory kept in the quarter. No action has been taken all this time owing to oversight, inefficiency and changes of personnel. One attempt was made in 1959 but the Minister had gone to Mecca and the house was locked. A second attempt was made this week but the Minister was again on tour. However the situation has now come to light and the check will be made immediately the Minister returns to Kaduna".

**Chairman:** Any comments.

**Mr Vincent Orjime:** Mr Chairman, Sir, who is responsible for this inefficiency and oversight.

**Acting Deputy Secretary to the Premier:** I am afraid that is a very difficult question, Sir. I am responsible for everything that happens in the Office.

**Chairman:** So you have your man who is responsible.

**Mr Vincent Orjime:** It then appears therefore, that no sufficient supervision is given.

**Acting Deputy Secretary to the Premier:** Yes, Sir, this is a very long story which was in connection with the House occupied by the Madawakin Ilorin several years ago.

**Emir of Yauri:** So you were not then responsible.

**Acting Deputy Secretary to the Premier:** Mr Chairman, Sir, this file in front of me is filled up with the story.

**Alhaji Muhammadu Magajin Kazaure:** Mr Chairman, could we have an assurance from the Secretary to the Premier that similar delay will be avoided in future?

**Acting Deputy Secretary to the Premier:** Yes, Sir. I am afraid that no Senior Officer in the Premier's Office knew about this business until last week. It came to my notice last week and I found that the whole file has been going to and fro and nobody cared to do anything about it. I then immediately sent, as soon as I found this situation, an Executive Officer to the house to check the furniture but the Minister was in Lokoja with the Premier. We still have not managed to check the house and we cannot do that if the Minister is not in the house. I very much regret this delay has been going on for two years now.

**Chairman:** You realise that it has been going on for two years and you realise that the Director of Audit and the Members of this Committee are pressing on this matter, I hope you will do something as soon as possible.

**Acting Deputy Secretary to the Premier:** Yes Sir, I personally will guarantee that this list will be checked within the first week of February.

**Chairman:** Any more observations.

**Members:** No, Sir.

**Chairman:** I think since there are no further comments that is the lot, thank you.

#### MINISTRY OF TRADE AND INDUSTRY

**Chairman:** We have, Gentlemen, before us the Acting Permanent Secretary to the Minister of Trade and Industries and for your information our procedure is that I would ask the Translator to read the particular Audit Query in Hausa and then your replies also in Hausa. I would not ask him to read the English parts because we have all got copies of these. First paragraph.

**Secretary:** The Permanent Secretary to the Minister of Trade and Industries' written reply to paragraph 65 reads as follows:—

*“Paragraph 65.—The reason for the excess expenditure was a misclassification which took place outside this Ministry. This was pointed out to the Ministry of Finance, Accounting Division, letter (F. 24/G/141) on the 21st August, 1958, and it was expected that the error would be put right at its source. It did not become clear that action should originate in the Ministry of Trade and Industry until letter No. FD. 2307/S. 1/23 dated the 5th February, 1959 was received from the Ministry of Finance. An application for additional provision was then submitted, but authority was not given until the 17th April, 1959, i.e., until the following financial year.*

*“The basic reason is therefore that the Ministry did not expect to have to initiate action to rectify an error which took place outside itself, an error which had been pointed out to the Ministry of Finance”.*

**Chairman:** Would Members like to make any comments.

**Mallam Yakubu Lame:** We would like to know whether any reconciliations are now being made to rectify these errors?



**Acting Permanent Secretary, Ministry of Trade and Industry:** The error was actually detected in August 1958 and I reported to the Ministry of Finance and we heard nothing from the Ministry of Finance until 5th February, 1959 and now the error has been rectified.

**Mr Orjime:** Has this particular error been rectified now, Mr Chairman.

**Acting Permanent Secretary, Ministry of Trade and Industry:** Yes, Sir, Mr Chairman, it has now been rectified.

**Representative of Ministry of Finance:** Mr Chairman, Sir; as my Ministry is concerned with this, I wish to defend it. This misclassification was detected in November, 1957 and the accounts for November 1957 were sent to the Ministry of Trade and Industries in approximately February, 1958. We issued two circulars in 1958, one in February and one in June, calling for adjustment vouchers extending up until the 30th June for the last one to be received in our Ministry. The latter circular also called on Ministries to reconcile their accounts with us, investigate any discrepancies and prepare any Journal Vouchers which may have arisen. As the March 1958 accounts were signed by the Accountant-General on the 2nd August and the Ministry of Trade and Industry did not notify us of this discrepancy until the 21st of that month, it was impossible to make any adjustment. I would also add that it is the responsibility of the Ministry concerned to put up any necessary adjustment voucher.

**Acting Permanent Secretary, Ministry of Trade and Industry:** I can only say, Mr Chairman, that there is a great deal of work in the Ministry and it is not always possible to do these checkings immediately. One is always a little in arrears with work; it was, however, pointed out, even if it was too late for the 2nd August, date given by the Ministry of Finance.

**Chairman:** Any more observations? I hope the Permanent Secretary has realised now that whenever he has to do something for another Department, if I may put it that way, it is best to do it in time. I think in your reply you said that this mistake originated from outside the Ministry.

**Acting Permanent Secretary, Ministry of Trade and Industry:** Yes, Sir.

**Chairman:** If I understood you correctly, you seem to reply on the Ministry of Finance to initiate action for you.

**Acting Permanent Secretary, Ministry of Trade and Industry:** No, Sir. We did not expect the Ministry of Finance to initiate action but the Ministry who originated the voucher. I think it was the Ministry of Works. We expected action to be initiated there, where the error originated, not in the Ministry of Finance.

**Chairman:** Well, what we are trying to point out at the moment is that when you inherit this kind of work, you inherit it with its trouble and you are expected to take the step of correcting all the old mistakes you have made. I hope this is now clear.

**Acting Permanent Secretary, Ministry of Trade and Industry:** Yes, Sir, it was realised and action was taken.

**Chairman:** Any further observations? If not then next paragraph.

**Secretary:** Paragraph 66. The Acting Permanent Secretary, Ministry of Trade and Industry's reply reads:—

“On the vesting of the Nigerian Ports Authority on 1st April, 1955 the responsibility for marine vessels was assumed by Regional Government. In this

Region responsibility for managing the Marine Renewals Fund fell to the Ministry of Trade and Industry, but the vessels continued to be operated and maintained by the Authority (later by the Inland Waterways Department of the Federal Ministry of Transport) and have been under the control of the Residents of the riverain Provinces.

The records which became available to the Ministry were sketchy and inadequate, and voluminous correspondence has taken place in an endeavour to bring the records up to an acceptable standard.

So far as is known there was no positive requirement to maintain a Register until the coming into force of the Director of the Operation of the Marine Renewals Fund which were received in August, 1958. The proper carrying out of the Ministry's responsibility required, however, that a proper record should be kept and every effort was made to do this, but it proved difficult to get the information required. Constantly changing information was provided, and the remoteness from Kaduna has made it difficult to get full and accurate information. The Register is however now in being and has been checked by the Audit Department."

**Chairman:** Any observations?

**Alhaji Muhammadu:** Mr. Chairman, Sir, we would like to know from the Acting Permanent Secretary that the Register is now complete and accurate.

**Acting Permanent Secretary, Ministry of Trade and Industry:** Mr Chairman, the Register was complete and up to date a year and a half ago when the last Audit query was settled. It is now complete and up to date. It is corrected year by year.

**Acting Director of Audit:** Mr Chairman, I am not quite prepared to accept the statement that it is complete. However, since a copy of the written reply was not made available to me I cannot state what the exact position is. But perhaps the Committee would be prepared to leave it with the assurance from the Acting Permanent Secretary that in his opinion it is up to date.

**Chairman:** I think that is acceptable to Members.

**Members:** Yes.

**Chairman:** Well, thank you very much. That is the lot.

#### DEVELOPMENT CORPORATION

**Chairman:** Gentlemen, we have here before us now the Secretary of the Northern Region Development Corporation. We have also the Annual Report of the Corporation, which has been with the Members for some time and perhaps you wish to make some observations on the report.

**M. Yakubu Lamé:** Yes, Sir, on Item 2, page 62. We want to know how much of the principal and interest shown in item 2 is collected. How much of it was collected?

**Secretary, N.R.D.C.:** Mr Chairman, Sir, I have a balance sheet here which you may like to see. (copies of the sheet were handed to Members, etc.) The only outstanding now is from five persons. All the others have been paid up and we have stated the reasons why these are still outstanding.

**Acting Director of Audit:** Perhaps, Mr Chairman, Members would like to have a more detailed explanation of the one large debt which is under Kano Citizen's Trading Company since the note itself is not sufficiently explanative. In particular, how it is expected that this money will not be lost to the Corporation.

**Secretary, N.R.D.C.:** Well, it is secured, the loan and the interest. They have the cash in the bank at the moment but negotiations are going on with the Directors of the Kano Citizen's Trading Company and when the business of taking up ordinary share capital instead of loans is finalised we shall make sure the principal and interest is paid up to date.

**Chairman:** On page 61 of the Report, paragraph 4, it is stated that payments made to Government Departments or Native Authorities in advance of actual expenditure and held on temporary deposit have been verified by certificates of deposit. Does the Corporation make these payments or loans with a specific object—for particular things?

**Secretary, N.R.D.C.:** Yes.

**Chairman:** Then how could you make sure that these loans or money or payments were used for the purpose for which they were intended?

**Secretary, N.R.D.C.:** Sir, the number of Advance Accounts in operation has been reduced to the minimum and so has the size of the imprest accounts operated by the following authorities: N.R.D.C. Officers, Ministry of Agriculture in connection with cotton seed and fertilizer stores, Kano Native Authority for the plant, etc. which operates there. All things are certified by the senior officer of the body operating the imprest and covering vouchers must be attached. I would also add that advances to the Commissioner for Northern Nigeria in the United Kingdom and the Crown Agents for Overseas Governments and Administrations have been repaid.

**Chairman:** Has the Acting Director of Audit got anything to say in connection with this one?

**Acting Director of Audit:** If I may, I would be grateful if the Secretary could confirm to the Committee that, apart from the deposit accounts he has mentioned, that is to him—advance accounts—there are no others outstanding.

**Secretary, N.R.D.C.:** No others, Sir.

**Chairman:** Then, page 73 of the report. Column 6. Would the Secretary give us further explanations as to what is meant by this profit or loss contributable to the Corporation?

**Secretary, N.R.D.C.:** These loans and advances include loans or grants made to the Ministry of Trade and Industry, Agriculture or to a scheme operated by the Corporation. In the case of the Ministry of Trade and Industry we were advised by the Director that he had no authority to accept any responsibility for losses and that any such losses would have to be accepted by the Corporation. These figures, Sir, will vary from year to year depending on whether the scheme made a profit or a loss, and in time it is possible that all these losses will be recovered. In accordance with normal accountancy practice, however, it was decided to make a reserve for any losses to date. From this explanation, Sir, it will be seen that write-off action cannot be taken until it is finally decided that a scheme is not a commercial proposition and is wound up accordingly. In this event a correct statement would be prepared and presented to the Corporation Members for authority to write-off the losses incurred.

**Chairman:** Well, this seems to me either a unique or odd arrangement. If you give a loan to somebody you expect him to pay you back in full, whether he incurs a loss or a profit. What have you to say to that?

**Secretary, N.R.D.C.:** That is what we try to do now, Sir. They are not for any specified period, any loan we issued can be recovered in course of time.

**Chairman:** I think if you issue a loan to somebody, if this body just incurs a loss or something of the sort, it does not concern you, you do not have to show it in your statements. If the loan is shown in your statements one would assume it is your own loss rather than a loss to the body to which you gave the loan.

**Secretary, N.R.D.C.:** I think the position is, Sir, that the Corporation has made, in the main, loans to the Ministry of Trade and Industry, and the Corporation understands that these are loans, but the Ministry of Trade and Industry has informed the Corporation that it cannot guarantee to return these loans if losses are made. If you see the term used here is 'unsecured loans' and there is no actual security on the loan at all. It is possible, I think, that one could argue about this term 'loan'. It is used for lack of a better one but Trade and Industry has informed us that the Corporation will have to bear losses on these schemes or the profits will accrue to the Corporation, and it seems to us, in fact, that the ownership of these schemes remains with the Corporation. We have queried this position ourselves and this is the information that we have been given by Trade and Industry themselves.

**Chairman:** Well, if the ownership remains with the Corporation I think you should not call it a loan.

**Secretary, N.R.D.C.:** Yes, the trouble is that it is not being operated by the Corporation. They have paid out the money to an agent. In the case of these Trade and Industry ones they are not being operated by an agent, they are being operated by Trade and Industry. I think this position is being brought to a close because the Corporation is taking back all these schemes under its own wing.

**Chairman:** Any further comments?

**Alhaji Abdu Ance:** Mr Chairman, with regard to the loans given to the local people, I believe when such loans are given there is always an agreement for security that has to be signed, and when one fails to pay back some of his properties are to be sold and the money recovered to the Corporation. Does not that condition apply to such schemes as are now before the Committee?

**Secretary, N.R.D.C.:** I do not know whether we would be allowed to sell out the Ministry if they had incurred losses. (*Laughter*) I think this applies to the schemes, here. As far as individual loans are concerned we have separate forms which they fill in and we are satisfied that we will get our money back.

**Acting Director of Audit:** I think, Mr Chairman, that perhaps the point of the Committee has probably been made, that the word 'loans' is perhaps rather misleading in this context and that if it is necessary to produce similar accounts it may be possible to rephrase it to make the position more clear.

**Chairman:** What do you say to that?

**Secretary N.R.D.C.:** Yes, I would agree. We are in process of reorganisation now and I hope that will be kept in mind, Sir.

**Chairman:** If there are no more observations, then I will say thank you very much and that is all.

## • MINISTRY OF FINANCE

**Chairman:** I think there is no need for me to introduce the Permanent Secretary for the Ministry of Finance, because he has been an old customer of ours for some time. I think there is no need also for me to explain to him the procedure, as it is already known to him.

**Secretary:** Paragraphs 13-17. The written reply of the Permanent Secretary to the Ministry of Finance to these paragraphs reads as follows:

"All expenditure incurred in 1957-58 which was not covered by the 1957-58 Appropriation Law, 1957, received covering approval in the Northern Region 1957-58 Supplementary Appropriation Law, 1959, which was passed by the Regional Legislature in August, 1959.

(2) Owing to pressure of work a pamphlet on the Control of Expenditure has not been issued. Financial Instructions are being revised and brought up to date and these, when available, will give all officers a much clearer account of what is required in this respect than can be gained from the present out-dated Instructions. The issue of the pamphlet may not therefore be necessary.

(3) Before the enactment of the Control and Management of Public Finances Law, 1958, approval for additional expenditure on any subhead was given either by exercise of the power of virement or by the Joint Standing Committee on Finance. At each session of the Legislature the Committee embodied its actions in a Report which was approved by Resolution of the Houses. Expenditure which lead to an excess on the total appropriated for any Head by the Appropriation Law required in addition legislative sanction by means of a Supplementary Appropriation Law.

(4) Since the Control and Management of Public Finances Law, 1958, came into force on 1st August, 1958, the Joint Standing Committee on Finance has no part in the system of financial control, and it has ceased to exist. The ultimate authority for expenditure which leads to an excess on a Head is still a Supplementary Appropriation Law. Additional expenditure which is offset by savings, so that no excess is caused on the total for a Head, can be authorised by the power of virement. In addition, Section 11 of the Control and Management of Public Finances Law permits the Minister of Finance to authorise unforeseen expenditure which is not provided for in an Appropriation Law, or which will cause an excess on any Head up to a limit of £250,000, in anticipation of the approval of the Regional Legislature.

(5) The lack of control exercised by a number of Ministries and Departments over their votes, which leads to excesses being incurred without authority, causes me considerable concern. In the larger Ministries Finance Officers have been appointed, and this will, it is hoped, lead to a closer control being exercised. In all cases unauthorised excesses are incurred, full explanations are required before where covering approval is given, and where weaknesses in financial control is evident, the Accounting Officer concerned is advised on the need for measures to rectify them.

(6) Many Ministries have been able to quote substantial savings from their Personal Emoluments Subheads largely because of unrealistic estimating under these subheads. Accordingly I have issued a circular (F.D. 3200/46 of October, 1959)

in connection with the preparation of the Draft Estimates for 1960/61, which sets out a procedure designed to produce more realistic estimates for these subheads, and which will thus reduce greatly the prospect of finding savings, other than genuine, from such subheads."

**Chairman:** We are dealing with paragraphs 13-17, and what has just been translated covers these paragraphs. The matter is now open for discussion. In paragraph 2 of his reply the Permanent Secretary said that Financial Instructions are being revised. I am sure these will take some time, and I am wondering what the Permanent Secretary intends to do to put matters right in the interim period.

**Permanent Secretary, Ministry of Finance:** Mr Chairman, I am glad to be able to inform you that the work on the new Financial Instructions is going ahead very well. We have at least five chapters in draft, and I should say that within two to three months the work should be completed. We have put one officer on to it full-time work, and then it is just a matter of printing and issuing. If the Committee thinks that will be adequate, it perhaps will not be necessary to issue a separate circular on the matter. If the Committee would like something done as an interim measure, I will do it, but I can assure the Members that long before you meet again the new Financial Instructions will be issued to all public offices, and will be in operation.

**Chairman:** My object in asking his question is that in paragraph 2 of the reply the last sentence says that the issue of a pamphlet may not be necessary. If this is not issued, and new Financial Instructions are being revised, my fear is that in the interim period everything may not go well. Are you satisfied that everything will be all right?

**Permanent Secretary, Ministry of Finance:** I do share your concern, Mr Chairman, over the present lack of control of public expenditure, and I do agree that the sooner specific instructions are issued the better. If it would help at all, Mr Chairman, we could have the particular chapter of the draft Instructions cyclostyled and circulated as soon as it is finished, which should be a matter of weeks.

**Chairman:** Normally, assurances from Permanent Secretaries satisfy this Committee, if they tell us that they are satisfied that matters are going on smoothly. We do not necessarily ask for a written explanation or for extracts of Instructions, and if you can tell us that there is no need for concern over the situation as it is, and that you are quite satisfied with the situation, then I think this is all the Committee requires.

**Permanent Secretary, Ministry of Finance:** I cannot say that I am satisfied with the control of votes as it is at present exercised and I hope these Instructions are made in a typed form and issued as soon as they are ready.

**Chairman:** Another point I would also mention regarding these revised Instructions, I hope in these revised Instructions there is something that would restrict or, if possible at all, something that would stop unauthorised expenditure.

**Permanent Secretary, Ministry of Finance:** There is very much the case Mr Chairman, that is one of our main intentions and if I may say in mitigation that people in Government offices and many people in outstations have not had copies of the authorised instructions which were issued by the Central Government some fifteen or more years ago. They have usually a large file of odd instructions which have come through us from time to time, so it is very much appreciated that the issue of our own Financial Instructions is overdue.

**Chairman:** Perhaps the next question is a bit unfair but you could answer a bit. In the revised instructions what is being said about unauthorised excesses?

**Permanent Secretary, Ministry of Finance:** Surcharge the responsible officer unless there are mitigating circumstances, Mr Chairman.

**Chairman:** Any observations. I want to remind Members that we are dealing with paragraph 13-17 altogether.

**Alhaji Abdu Anace:** Quite a number of the votes are overspent without authority even when savings from other subheads are quoted which is not a good procedure of accounting.

**Permanent Secretary, Ministry of Finance:** I agree in general Mr Chairman, as I have said in paragraph 6, it is becoming increasingly popular to over-estimate your advance proposals and draft Estimates and the amount you are going to need on Personal Emoluments because it is very difficult to check on this. For example if someone on a salary of £1,000 goes and someone on £600 is taken on, there is a saving of £400 right away. As I have said in paragraph 6 we are trying to tie this up and will call upon Ministries to deduct from the total under the Personal Emoluments subhead the amount by which they think they will fall short, so that we shall get a more realistic estimate of the Personal Emoluments and so it will make it much more difficult to use that subhead, which is so far the most popular subhead for the purpose of quoting savings.

**Chairman:** Well, that is all very well but the facts remain that there is the excuse of using that subhead. Has the Permanent Secretary conceived the possibility of keeping the Personal Emoluments subhead entirely out of the purpose of being used for savings?

**Permanent Secretary, Ministry of Finance:** That would of course, Mr Chairman be a complete answer but the situation might arise whereby if the power did not exist that perhaps an unnecessary approach to the House might have to be made. It may, for example, take the case where in the financial year a vote like Transport and Travelling just goes over by say £100 or so, which is still a small excess to be cleared and it is convenient to have that power in order to clear without having to go through the process of obtaining additional provision in the Supplementary Estimates. It is a device which is used by the United Kingdom Treasury at home. I would very much appreciate instructions from the Committee that these powers must be exercised very very strictly in future. These powers, Mr Chairman, are of course, conveyed to the Minister of Finance by the Governor-in-Council and in practice their exercise is delegated to me by my Minister. I am sure if this Committee expresses concern my Minister would direct me to be more strict in future.

**Chairman:** Any further observations?

**Members:** None.

**Chairman:** The next paragraph.

**Secretary:** Paragraph 22. The Permanent Secretary, Ministry of Finance's written reply reads as follows:—

“Instructions have been issued that all contracts for locally produced food-stuffs for the inmates of institutions must, unless authorised by the Permanent Secretary of the Ministry concerned, be awarded for a year at a time. This will

prevent the division of such contracts into small amounts so as to avoid reference to a Tenders Board. The instructions also forbid the division of any class of contract for this purpose, and state that a wilful infraction of this rule may lead to disciplinary proceedings. Ministry of Finance (Finance Division) circular No. FD. 2/196 refers."

**Chairman:** Any comments?

**Members:** No comments.

**Chairman:** I think the Committee is satisfied with this. The Members will see that the Permanent Secretary's written reply has included 52 and 53 together. The two things are entirely different and they should not be taken together. The Committee will notice that paragraph 8 refers to paragraph 52 and paragraph 9 to paragraph 53.

**Permanent Secretary, Ministry of Finance:** I must apologise, Mr Chairman. It would have been clearer if I had put paragraph 52 with 8 and paragraph 53 with 9.

**Secretary:** Paragraph 52. The Permanent Secretary, Ministry of Finance's written reply reads as follows:—

"The excess on the subheads of the Financial Secretary's Head of the Estimates for 1957-58 have all received covering approval either by exercise of the power of virement or in the Supplementary Appropriation Law, 1957-58."

**Chairman:** Any observations?

**Emir of Yauri:** I am wondering Mr Chairman whether I can raise the item of Catering Rest Houses as it is included under Item 9.

**Chairman:** If it is in connection with the excess incurred.

**Emir of Yauri:** It says "Loss on Catering Rest Houses"—Item 9.

**Permanent Secretary, Ministry of Finance:** I can explain how the excesses arose, Mr Chairman, from the accounting point of view, not from the management point of view. We charge all expenditure in connection with Catering Rest Houses to an advance account and issue money from that account in a very careful way. These accounts are given by the Catering Rest Houses on demand to the Ministry of Internal Affairs of the money they spent and at the end of the year the net loss or net profit is credited to revenue or debited to expenditure which is what has happened in this case; and it is really very difficult to estimate closely and also to know exactly how much the excess is going to be until all the accounts come in from the various Rest Houses throughout the Region, but I think the system we do operate does stop extravagance as much as possible by paying out the money when needed rather than let everybody know they have a block allocation which they can spend as they like.

**Chairman:** I am not clear how this loss on the Catering Rest Houses got amongst these items. I assume that it is here not to reflect the loss rather than this loss was debited to an expenditure vote which could not stand it, so although it said a loss I think what is meant is an excess. But I am on very slippery ground, being amongst all these financial experts and need not expose myself.

**Permanent Secretary, Ministry of Finance:** It is a token vote which we put in the estimates and it is shown as such on a footnote so that members are aware that only



an estimated vote of £10 is put in for that year. It is one of those things that are difficult to estimate, but I would point out that it was a total of £316 for all the Rest Houses for that year.

**Chairman:** So we are still back to our interesting topic of unauthorised expenditure. Any comments?

**Alhaji Sada Nadada:** Mr Chairman, may we ask to know why additional provision was not asked for before the subheads were over-spent.

**Permanent Secretary, Ministry of Finance:** That, Mr Chairman, is because of the token vote. It is an indication that we do not really know how much to put in and also that we do not expect it to vary much and the fact that the House passed the expenditure as a token vote does mean that it was understood that it was to be a loss. We may just have easily made a £200 profit. We do not know the exact amount until after the end of the financial year and perhaps this year I might be better advised to put in about £1,000. The small one in fact lose and the big ones, like Kaduna, make a profit. We try and work the charges, Mr Chairman, for accommodation and food, to ensure that we just about to break-even, we do not want to make a big profit and we do not, naturally, want to make a big loss. I think the smallness of that figure shows that the charges have been fairly accurately estimated.

**Chairman:** I think the member has not mentioned Item 9 specifically. I think he has asked a general question. Is that so?

**Permanent Secretary, Ministry of Finance:** Well, I think if you look at most of these closely, Mr Chairman, they relate to charges raised by bodies really outside the control of the Regional Government. Certainly Items 1, 2, 3, 7 and 8 may quite easily be so, and 10 is a misallocation; 11 is one of those difficult ones, but quite half are charges raised by the Crown Agents that had not come to us until after the accounts closed; 19 was a misclassification and likewise 10 which is a refund which has to be adjusted in the next financial year.

**Chairman:** Any more observations? The point is that the members are not asking to stop other bodies incurring expenditure. The point is that when these excesses come to be known we should take steps to get authority first before incurring these expenditures before we do so. To incur expenditure first and then ask for the authority afterwards, this I think is not in accordance with the law.

**Permanent Secretary, Ministry of Finance:** I would say that in the case of this, Mr Chairman, it has been pointed out earlier that we were changing over from the old Finance Committee system for the control of public finance, and I think I am right in saying that during that year we thought it would be possible to convene a last meeting of the Regional Joint Standing Committee on Finance to clear these excesses during the calendar year, 1958. We have now got the controls working properly and can only say we hope that this situation will not occur again. They were in fact cleared in the supplementary budget issued subsequent to this Report.

**Chairman:** Perhaps the Permanent Secretary will appreciate that this Committee is put in a very embarrassing position by seeing errors which are made by Ministries which cannot be expected to be experts on finance, and these Ministries look for advice to their Ministry of Finance, and if the Ministry of Finance itself just makes similar

mistakes, and in large numbers like that, what are the Committee expected to say to the Ministry of Trade and Industry, for example?

**Permanent Secretary, Ministry of Finance:** As I have said, Mr Chairman, it is really a question of the fact that quite a lot of these items are demands for payment from other Governments, including the Secretary of State and these take rather a long time to get sanction. As I have said, the two major items are, firstly the millions of pounds invested in London. Investments have to be sold to finance developments from time to time and if there is a loss on this sale, it has got to be charged to some Head, Mr Chairman, and there is no House of Assembly there ready to sanction it. We have at least been honest in charging the loss to the correct head instead of hiding it under the General Investments account. Mr Chairman, the excesses which are detailed here, as things are at the moment, if it was a matter of urgency could be authorised under Section 11, by the Minister, of the new Control and Management of Public Finance Law. As I have explained, for quite a time it was thought that the old Finance Committee would be available to deal, as we used to do in April or May, with authorising excesses of this nature in advance of approval. Then in the interim period, when we were changing, these went on and unfortunately at the time when the Director of Audit was writing his Report, this escaped notice.

**Chairman:** I hope Members will be satisfied in drawing the attention of the Permanent Secretary to the fact that we expect a much better show from the Ministry of Finance.

**Acting Director of Audit:** Mr. Chairman, I think in fairness to the Permanent Secretary I should say that I agree with him that many of these items are almost impossible to estimate. If I understand the feeling of the Committee correctly, however, they are not so much concerned with eventual authorisation as the Ministry using their vote control records to apply for authority at the earliest possible time. The last sentence of paragraph 52 of the Audit Report says that "many of the above items are not subject to close estimation or control, but it appears that in some cases the need for additional provision might have been recognised in time for it to have been sought before the end of the financial year."

**Chairman:** The next paragraph.

**Secretary:** Paragraph 53. The Permanent Secretary, Ministry of Finance's written reply reads as follows:—

"A review of the powers of virement was undertaken and the only changes recommended and approved by the Governor-in-Council were:—

- (a) for the Minister of Finance to create new Subheads by virement in the Recurrent Estimates, and
- (b) for the Minister of Works to be given powers of virement and of revote over works in the Capital Expenditure Estimates.

The latter powers were never exercised by the Minister of Works and at his request, they were subsequently withdrawn by the Governor-in-Council, and the Minister of Finance authorised to continue to exercise them. It is intended to include details of the revised virement powers in the Memorandum accompanying the Fourth Supplementary Estimates 1958/59."

**Chairman:** Any comments?

**Permanent Secretary, Ministry of Finance:** Mr Chairman, you might like to hear one example of using savings on the Personal Emoluments subhead we mentioned earlier. We had a sugar cane scheme in Iforin Province which had to be surveyed. Due to insufficient staff in the Survey Division of the Ministry of Land and Survey and as a matter of urgency and to have it done quickly for the benefit of the Northern Region, this survey has been done by private surveyors and this was only possible when this power of virement was used by creating new subheads under Personal Emoluments savings. I quote this only as an example.

**Chairman:** I think you want to keep this power as a second string to your bow. It is intended to include the details of the revised virement powers in the memorandum accompanying the Supplementary Estimates 1958-59, and I hope that this will have a full explanation and in detail. The next item is Jos Hill Station, Accounts 1957-58 and 1958-59.

**Permanent Secretary, Ministry of Finance:** Can the Accountant-General go now?

**Chairman:** Yes, and how does Jos Hill Station come under your portfolio? I thought it would be under the portfolio of Ministry of Internal Affairs.

**Permanent Secretary, Ministry of Finance:** I am willing to hand it over. Jos Hill Station is rather a different Rest House in its day to day affairs and its detailed running is in the hands of a Committee. Government concern with Jos Hill Station is financial in view of Government investments by means of loans.

**The Emir of Yauri:** Why is it running at a loss?

**Permanent Secretary, Ministry of Finance:** We have this situation in mind and I must say it has not improved. The situation is that why do the people leave Jos Hill Station and go to the Catering Rest House? Generally I have asked the Resident, Plateau, to produce proposals regarding the rates of charges and also to include in the Estimates proposals for kitchen equipment and refrigerators and also how to meet these short term measures. We have also abolished local leave special rate. So, Mr Chairman, those are the short term measures for the moment. My Minister thinks the long term solution is to bring Jos Hill Station and the Catering Rest House under one management and Sir Rex Niven, Commissioner on Special Duties, has been asked to put forward some proposals whereby they can be run under one management.

**Chairman:** Any further comments?

**Permanent Secretary, Ministry of Finance:** No.

**Chairman:** The Permanent Secretary, Ministry of Finance is our last item in our paper today unless the Director of Audit will dig up some work for us, this seems to be the end of our interviews with your Heads of Departments, except should the Director of Audit have anything further to say.

**Acting Director of Audit:** No.

**Chairman:** If you look at the last paragraph of our Secretary's programme for this meeting, it says, we shall finish our work today or tomorrow. If today, we have to come back sometime later in the evening. If we say today the Secretary shall have to

draft the report for us and this will make the work of the Secretary very difficult. So, I would like to suggest to Members that we allow him this evening to complete his report, and then we meet in the morning, read it, and sign it, and bring the meeting to an end. Will Members like to comment on this?

**Members:** What time tomorrow?

**Emir of Abuja:** 9.30, to give the Secretary more time to compile his report.

**Chairman:** The 9.30's have it.

*The Committee adjourned at 1.30 p.m. until 9.30 a.m tomorrow.*

PUBLIC ACCOUNTS JOINT COMMITTEE

*Saturday, 30th January, 1960*

**Draft Report**

*The Committee met at 9.30 a.m. to consider the draft Report of their Meeting which was approved and directed to be printed for laying on the Table of the Houses at their next Meeting.*