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PUBLIC ACCOUNTS JOINT COMMITTEE SESSION, 1963-64
MINUTES OF PROCEEDINGS: FIRST MEETING

Monday, 3rd June, 1963

MEMBERS PRESENT

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

Alhaji Muhammadu Tukur, O.B.E., Emir of Yauri Alhaji Abdullahi Maikano, Emir of Wase
Alhaji Umaru, Etsu Pategi Mr Olarewaju Afolayan
Alhaji Muhammadu, Emir of Gumel Alhaji Ibrahim Yakubu
Alhaji Sulaimanu Barau, O.B.E., Emir of Abuja Mallam Muhammadu Mustafa Maude Gyani

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

Mr Chairman:

Well, gentlemen, I see that we now have a quorum so I think we should start. May I first welcome Honourable Members, and in particular our new Member, Mallam Muhammadu Mustafa Maude Gyani.

The Committee last met in September 1962, that is about three months later than is usual. This Meeting, I am pleased to say, is on time and will bring our work quite up to-date. As the quantity of work which comes before the Committee nowadays is increasing because of expanding Governmental activities, it is more important than ever that Meetings are held on time. Delayed Meetings mean not only that some of the accounts we examine are old, hence are of less practical interest, but also that the number of days required for Members' attendance is increased because of the need to clear arrears.

I hope you all have had your copies of the Secretary's letter dated 6th May, 1963 which lists the accounts which will be considered at this Meeting. As the list is a long one I will not read it out. The main items are the Director of Audit's 1961-62 Annual Report and several public corporation accounts. And since Members have sometimes complained in the past that they have either not received, or were not given sufficient time to study, these accounts before the meeting I hope that this time you received your copies safely and in good time, and have brought them along. If any sets are not complete I am sure our able Secretary will be able to assist you, so please ask him when you have an opportunity. One document which you may not have been given is the printed version of the Accountant-General's 1961-62 Financial Report. This contains all the Northern Nigeria 1961-62 annual accounts. Please also ask him about this if you have not got it.

Until the first Ministry representative appears before us at 11.00 a.m. we shall have a general discussion. During this period will Members please raise any points they wish or ask for explanations of anything which is not clear. Similarly, on the remaining days one hour has been set aside at the beginning for discussion of the points to be dealt with during the day. It is difficult to forecast just how much time is needed for these general discussions and no doubt we shall find that sometimes one hour is too short and at other times more than sufficient. As before the Director of Audit will be available during these periods to give us the benefit of his advice, particularly as regards possible questions to ask on the accounts. We start each day at 9.30 a.m. except on Friday when the time is 9.00 a.m. I hope we shall finish our work on Monday next and consider our Report on the Tuesday. Speaking about next Monday, on that day for the first time in the history of this Committee we shall be dealing entirely with public corporation accounts, five in all. Although half an hour has been allocated to each Secretary it is impossible to forecast at this stage how much actual time will be needed and the programme will have to be modified as we go along. In regard to a sixth corporation, the Marketing Board, its Secretary has not been asked to appear before us. I propose to deal with its accounts immediately after these opening remarks and if it is found that Members have substantial questions to ask on the accounts, and which cannot be answered to our satisfaction by the Director of Audit, then we will consider whether or not to ask the Secretary of the Marketing Board also to appear before us. The Director of Audit has no observations on these particular accounts.

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 cases of those Offices which are not responsible to a Minister, in which case the Executive Head of the Office will appear. The Accountant-General will appear on behalf of the Permanent Secretary, Ministry of Finance, to answer questions on purely accounting matters. The Director of Audit has informed me that in many cases Permanent Secretaries have chosen to submit written replies, copies of which have been or will be circulated to Members of this Committee. In most cases these replies show that action has been taken to put right the matters which were criticised in the Audit Report. As I have said on previous occasions this shows that the Committee has already to some extent served its purpose, because the prospect of appearing before us has prompted these Officers to take early action to remove the grounds of criticism. Even so, I think you will agree that we should accept these explanation with a certain amount of caution because, as in previous years, 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.

To refresh your memories, and especially for the benefit of those of you who are serving for the first time on this Committee I will outline the procedure we normally follow 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 should 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 into Hausa or English, as the case may be, and Members may wish, if they are making a long statement, to pause appropriately 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 the effective action has been taken to prevent the recurrence of an irregularity, I will generally ask the Director of Audit whether he also is satisfied—but once again I would advise 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.

Members will also have seen in the Schedule that some Accounting Officers have to answer on accounts other than those dealt with in the Audit Annual Report. These are mainly Fund Accounts and I propose we deal with these when the appropriate Permanent Secretary is before us in connection with the Audit Annual Report. Details of these accounts are set out in our Secretary's letter of 6th May, 1963, and I hope Members received their copies of the accounts together with a copy of the Director of Audit's certificate, and of any Audit report, with that letter.

Finally, in regard to the accounts of the several public corporations which we are to examine, I suggest that, apart from those of the Marketing Board, Members should have a look at them between now and next Monday and we will decide what questions to ask each Secretary when we have our general discussion on that morning. Have Members any observations, or any questions to ask? If not, we will now deal with the Marketing Board Accounts for 1960-61.

The Committee then considered the 1960-61 accounts of the Marketing Board.

REPORT OF THE DIRECTOR OF AUDIT ON THE ACCOUNT OF THE GOVERNMENT OF NORTHERN NIGERIA FOR THE YEAR ENDED 31ST MARCH, 1962

Paragraph 3: Accountant-General's Financial Report.—Printed copies of the Financial Reports of the Accountant-General for the years up to and including that ended 31st March, 1961, have now been received. It is understood that the Financial Report for 1961-62 has been completed and is awaiting printing.

Reply.—The Accountant-General's Financial Report on the accounts for the year ended 31st March, 1962 was printed and distributed in February, 1963.

Paragraph 4: Losses of Public Funds and Stores brought to notice since the last Report are detailed at annexures IIIA and IIIB respectively. There are thirty-nine cases involving public funds, two more than in each of the two previous Reports; no fewer than thirty of these were notified during the last six months. Similarly of the twenty-nine store losses twenty relate to the second half of the year under review. Whether or not this marked increase in the rate of incidence has any real significance will be revealed during the ensuing months. In order to minimise the amounts lost by embezzlement it is most important that systemic weaknesses should be remedied as soon as practicable and, in this connection, the need to process loss cases with the minimum of delay is paramount. There has been some improvement in this respect in most Ministries but unfortunately the same cannot be said of the Accounting Division of the Ministry of Finance which is the co-ordinating authority for cases involving losses of funds. Eighteen instances have been observed of delays of between three and eleven months in Treasury Headquarters. Of some significance were two additional cases, in the first of which it took two years from the date of loss was first reported until the issue, recently of a circular on a revised system of local revenue control. The second involved a delay of five months between an Audit request for action to prevent a repetition of that particular type of loss and the issue of the necessary instruction. Another two cases, involving only the Accounting Division itself, are referred to at paragraph 65. Loss cases of particular interest are specifically referred to in this Report under the Ministries concerned.

Reply.—Due to staff shortages, sickness, leave, pressure of work, etc., it was necessary to put an inexperienced officer on to the task of processing losses of funds cases, and unfortunately this resulted in some delay. All of the eighteen cases mentioned by the Director of Audit have now been brought up to date.

In the first of the two cases which receives particular mention it is agreed that it was two years after the loss was first reported that a circular was issued revising the system of local revenue control. It is pointed out however that in the first place it was several months before all the relevant information was available and secondly some difficulty was experienced in reaching agreement as to what the revised procedure should be.

In the second case it is agreed that in April 1962 the Director of Audit requested action to prevent a repetition of this type of fraud. At the same time as this request was made the Director of Audit agreed that such action should be deferred until after a further report had been received from the Board of Enquiry. Due to the absence on leave of the principal witness in the case the Board of Enquiry was not able to submit a further report until November 1962. When this became apparent it was decided not to wait any longer and the instruction referred to was issued on 1st September, 1962.

The two cases involving only the Accounting Division are dealt with in my reply to Paragraph 65.

Annual Abstract Account

Paragraph 5: Errors of Classification.—The Account as rendered includes many errors of classification which either were not adjusted when brought to notice, or were brought to the attention of the Accountant-General too late for adjustment in the Accounts of the year. Errors which require adjustment in the Accounts of a subsequent year are being kept in view. Those errors which affect Heads of Revenue or Expenditure or Below-the-Line Accounts, and which

are of not less than £50 in amount, are shown in Annexure I to this Report. While the number of items in the Annexure is still greater than the number in the relevant Annexure to the 1959-60 Report there is a welcome improvement over the position reflected in the Report for 1960-61.

Reply:—The position of the misclassifications shown in Annexure I is as shown below and the attachments to this sheet. Where adjustment is necessary and possible this has been done and the remaining misclassifications are too late for adjustment.

These errors of classification would be considerably reduced if from year to year the Heads in the Estimates were kept constant.

Annexure I

A. } All errors are admitted but are too late for adjustment.

B. } With the exception of AQK-653/61-62—£265 which has been adjusted on A.V. NRT. 1067 March, 1963.

C. Affecting Fund Accounts and admitted by Accounting Officer.

1961/62 Query No.	Amount £ s d	Remarks
K.645	591 9 0	Adjusted A.V. NRT 431 January, 1963
K.645	371 19 5	Adjusted A.V. NRT 430 January, 1963
K.645	1,823 12 0	Adjusted A.V. NRT 429 January, 1963
K.645	243 9 10	Adjusted A.V. NRT 76 March, 1962
TEM.1/23	200 0 0	Adjusted MJV 20/2 July, 1962
TEM.1/23	20,888 11 10	Adjusted A.V. NRT 557 November, 1962

D. Affecting Fund Accounts and not yet admitted by Accounting Officer.

1961/62 Query No.	Amount £ s d	Remarks
K.84	75 0 0	Adjusted A.V. NRT 1064 March, 1963
K.84	97 7 6	Adjusted A.V. NRT 561 December, 1961
K.166	332 5 0	Adjusted A.V. NRT 280 March, 1963
K.235	332 5 0	Adjusted A.V. NRT 745 March, 1963
K.279	98 15 0	Adjusted A.V. NRT. 561 December, 1961
K.235	80 0 0	Adjusted A.V. NRT 1053 March, 1963
K.279	62 10 0	Adjusted A.V. NRT 1062 March, 1963
K.279	50 0 0	Adjusted A.V. NRT 345 July, 1962
K.279	100 18 6	Adjusted A.V. NRT 346 July, 1962
K.279	88 0 0	Adjusted A.V. NRT 345 July, 1962
K.317	233 11 0	Adjusted A.V. NRT 279 July, 1962
K.233	103 5 0	Adjusted Lagos AV 564 March, 1962
K.356	264 10 0	Too late for adjustment
K.356	695 10 7	Adjusted A.V. NRT 358 January, 1963
K.406	107 17 0	Adjusted A.V. NRT 1051 March, 1963
K.378	198 7 6	D. of A agrees no adjustment necessary
K.378	1,143 11 5	Adjusted A.V. NRT 228 August, 1962 and 557 November, 1962
K.84	97 6 3	Adjusted A.V. NRT 561 December, 1961
K.84	60 19 9	Adjusted A.V. NRT 561 December, 1961
K.63	2,353 2 9	Adjusted A.V. 1052 March, 1963
K.145	144 0 0	Adjusted A.V. NRT 1066 March, 1963
K.145	1,809 17 2	Adjusted A.V. NRT 1063 March, 1963
K.145	51 6 0	Adjusted A.V. NRT 658 March, 1962
K.352	1,200 0 0	Adjusted A.V. NRT 269 July, 1962
K.644	60 0 0	Adjustment not necessary P.V. and R.V. debited and credited to same Head in same financial year
K.644	60 0 0	

K.644	...	...	...	272	0	0	Adjustment credited to Kano P.V. 6095 March, 1962 and 2407 June, 1962
K.644	...	...	...	200	0	0	Adjusted A.V. NRT 2139 March, 1962
TEV.42/89	...	...	...	149	17	6	Adjusted A.V. NRT 56 October, 1962
K.325	...	...	...	276	15	0	Adjusted A.V. NRT 636 October, 1962
K.377	...	...	...	130	16	5	Adjusted A.V. NRT 262 March, 1962
K.377	...	...	...	150	0	0	Too late for adjustment.
K.475	...	...	...	122	0	0	Adjusted A.V. NRT 635 February, 1963
K.633	...	...	...	76	0	0	Adjusted A.V. NRT 2223 March, 1962
K.629	...	...	...	6,000	0	0	Adjusted A.V. NRT 1049 March, 1963
TSF.1/433	...	...	...	167	0	8	Over expenditure covered by Third Supplementary Estimates, 1961/62

Outstanding Vouchers.—The present position regarding outstanding Payment Vouchers for the 1961-62 Account is as follows:—

	No.	Amount		
		£	s	d
(a) Payment Vouchers outstanding against Northern Sub-Accountants	343	229,302	15	7
(b) Payment Vouchers outstanding against Treasury Headquarters	124	333,829	4	8
(c) Payment Vouchers outstanding against Inwards Accounts	68	10,253	4	7
TOTAL	535	573,385	4	10

The position for earlier years as at 31st January, 1963 is as follows:—

1955/56	...	...	...	...	...	42
1956/57	...	...	...	...	...	122
1957/58	...	...	...	...	...	353
1958/59	...	...	...	...	...	217
1959/60	...	...	...	...	...	207
1960/61	...	...	...	...	...	607

There is little hope of any substantial impression being made on the earlier years' figures now and when nothing further can be done, permission will be sought for these items to stand in the accounts unvouched.

A Circular letter was sent to all Sub/Local Treasurers in December 1962 pointing out the necessity for stricter control on the recovery of outstanding vouchers.

Paragraph 7: Audit Queries.—At the 1st November, 1962, satisfactory replies to queries raised on the Accounts of the Accountant-General had not been received as follows:—

Up to and including	...	...	...	...	1958-59	194
					1959-60	171
					1960-61	381
					1961-62	498
						1,244

In addition there were at that date 108 queries necessarily awaiting audit Verification. The continuing decrease in the total number of outstanding queries compared with that mentioned in the Audit Reports for previous years is mainly due to the fact that less queries are being issued allied to a firmer application of the policy of abandoning replies to long outstanding queries when it becomes apparent that little practical purpose will be served by pursuing them.

Reply Paragraph 7: Audit Queries.—The position regarding outstanding queries at 24th May, 1963 is as follows:—

Year Up to and including	Number outstanding in Audit Report	Number outstanding at 24th May, 1963
1958/59	194	163
1959/60	171	150
1960/61	381	305
1961/62	498	330
	1,244	948

In addition there were 133 queries awaiting audit verification which if accepted by the Director of Audit will reduce the total number outstanding to 815.

Paragraph 9: The new procedure for dealing with Audit Queries which was introduced in October 1962 is working satisfactorily and has reduced delay in the settlement of queries. When the system has been in operation for a few months longer the improvement should be even more apparent.

Paragraph 10: Statutory Revenue.—The accuracy of the figures for statutory revenues appearing under Head 209 has been accepted provisionally pending confirmation by the Director of Federal Audit of his Verification of the details. With reference to paragraph 12 of the previous Report, the figures advised by the Director of Federal Audit for statutory revenues in the year ended 31st March, 1961, do not entirely agree with those incorporated in the corresponding Northern Nigeria accounts. The matter has been referred to the Accountant-General.

Reply Paragraph 10: Statutory Revenue.—The figures for Statutory Revenue for 1960/61 have now been agreed with the Director of Audit.

The figures for 1961/62 have also been agreed subject to certain discrepancies which have been adjusted in the following financial year.

Reply Paragraph 11: Reimbursements.—The five subheads under Head 208 to which no reimbursement was credited are as under:—

	£
<i>Sub 6: Oilseed Development and Marketing.</i> —Reimbursement from Northern Region Development Corporation	32,000
<i>Sub 8: Hydrological Survey.</i> —Reimbursement Federal Government	9,000
<i>Sub 10: Fibre Crop Growing and Harvesting.</i> —Reimbursement from Northern Region Development Corporation	500
<i>Sub 14: British Leprosy Relief Association.</i> —Leprosy Instructors	2,715
<i>Sub 22: Reimbursement from Her Majesty's Government.</i> —Northern Cameroons Trust Territory Agency Services	30,000
	74,215

2. Subheads 6 and 10 were claimed but the Northern Region Development Corporation had no funds to meet the claims.

3. Subhead 8 has been received, in 1962-63 together with a similar amount for 1960-61.

4. Subhead 14—the sum of £891-8s-4d has been received in 1962-63 in respect of this item, this being the reimbursement of the salary, etc. of only one instructor for part of the year. There had originally been two instructors involved.

5. Subhead 22: this reimbursement has still not been received as difficulties have arisen in the preparation of the claim which have been under discussion with the United Kingdom authorities.

6. The expenditure incurred and reimburseable by the Northern Region Development Corporation in 1960-61 and 1961-62 has and will not be received as the Corporation has no funds available.

Paragraph 12: Control of Receipt and Licence Books.—Financial Instructions require that every officer having in his charge receipt and/or licence books will render a monthly return showing items used during the preceding month, and on hand. In 1958 the Accountant-General issued detailed instructions regarding the procedure to be followed. Failure to render these returns promptly not only causes unnecessary correspondence but may also help to conceal misappropriations of revenue. The responsibility for seeing that all returns are correctly rendered rests with the Sub/Local Treasurers to whom the revenue collectors' account. Despite repeated reminders the Local Treasurer, Oturkpo, has not rendered his own returns since June, 1961, and for the Divisional officer since April, 1961. In addition the Sub-Treasurer, Jos, has failed to forward returns for various revenue collectors in Jos and Bukuru, the Sub-Treasurer, Katsina for Katsina, the Local Treasurer, Potiskum, for Potiskum, and the Sub-Treasurer, Zaria for Zaria and Shika, all for varying periods from February, 1962, onwards.

Reply.—Whilst responsibility for seeing that all returns are correctly rendered rest with Sub/Local Treasurers these returns are generally rendered to Director of Audit direct and only when he fails to obtain satisfaction does he contact this office. Machinery exists and is put into action in having such reported omissions rectified.

The returns mentioned as outstanding have all been received.

Paragraph 15.—I agree with the Director of Audit and it is evident that the majority of Ministries still do not realise the importance of regular reconciliation of their accounts with the Accountant-General. Of the seven Ministries that signed the certificate four were only able to send Executive grade officers.

I should be grateful for any assistance that the Committee can give to impress on Ministries the importance of regular reconciliations. For my part the Accounting Division will continue to remind Ministries and also render all assistance and advice in helping them to reconcile.

Paragraph 17: Cost of Revenue Collection.—The formal declarations in regard to the proportionate cost of collection of Customs and Excise Duties and Income Tax for the financial year 1961-62 were not received until October 1962 and January 1963 respectively. They have both been seen by the Director of Audit.

The agreed procedure for paying over the Estimated Cost of Collection of Customs and Excise Duties has unfortunately been overlooked since 1959/60 as a result of which we have since been paying the actual cost on receipt of the Declarations which are not received until the financial year following that to which they refer. However additional provision is being included in the 1962/63 Supplementary Estimates to cover all amounts due to date.

The underpayment of £7,304 to the Federal Government in respect of Cost of Collection of Income Tax in 1960/61 was settled in March, 1962.

Paragraph 18: Pensions Registers.—These take the form of cards for individual pensioners. No postings to cards have been made for 1960-61 and 1961-62 so there has been no reconciliation with the corresponding charges to the Pensions and Gratifications Votes for these years. Confirmation is still awaited that the postings for the period 1st October, 1954, to 31st March, 1958, have been similarly reconciled: this particular matter was mentioned at paragraph 27 of 1959-60 Audit Report.

Reply.—Pensions records have been posted and reconciled for the four years period 1958-62; 1962-63 is now receiving attention and the work is rapidly being brought up to date.

Because of the extreme difficulty which would now be experienced in completing and reconciling the manually posted 1954-58 accounts permission has been granted to abandon this work.

Paragraph 19: The unsatisfactory standard of the Treasury examination of retiring awards, regarding which adverse comment was made in the 1959-60 Audit Report, subsequently improved but recently it has again deteriorated. The incidence of error in the papers submitted for Audit is notable and the Accountant-General has been asked how he intends to rectify the position.

Reply.—I am sure the Director of Audit will agree that there has been a very considerable improvement over recent months and I hope he will have no further cause for complaint in future.

The work of the Pensions Branch has recently been closely examined by senior officers of the Accounting Division and also by the Organisation and Methods Unit. Various improvements have been made to the procedure and other recommendations are in process of being implemented. It has also been possible to strengthen the Branch by posting to it more experienced and capable officers. There would therefore appear to be no reason why the present improved standards should not be maintained.

Paragraph 20: Family Passages Grants.—An examination of officers' personal record cards in August, 1962, disclosed a number of apparent overpayments, together with numbers of missing cards and a considerable number which had not been posted up to date. A large proportion of the incomplete postings appear to relate to Crown Agents charges in respect of passages arranged in the United Kingdom. The Accountant-General has been requested to investigate and his reply is awaited.

Reply.—Of the 18 overpayments reported by the Director of Audit 9 have now been recovered or proved not to be overpayments. The remaining 9 are still under action.

All cards are now present and it appears were so at the time of the Audit inspection. It seems that the cards were housed in two cabinets and a clerk failed to draw the attention of the inspecting Audit Officer to the second cabinet.

The system for recording payments of Family Passage Grants was re-examined recently and the procedure reorganised. Crown Agents vouchers are now being posted as soon as they are received instead of waiting until all other accounting processes have been completed. There is a back-log of old vouchers to be posted but these should be completed shortly.

Paragraph 21: Government Guarantee of Loans to Purchase Motor Vehicles.—A new agreement between Government and U.D.C. has been negotiated and provision has been made for the termination of a hire purchase agreement on the occasion of an officer leaving the service.

Statement of Assets and Liabilities: Assets

Paragraph 22: Cash: Treasuries—£218,676-17s-11d—*Banks*—£1,466,852-15s-6d: *Fixed Deposits*—£300,000.—The reports of the Boards of Survey as at 31st March, 1962, on the Treasury Chests at Ganye and Kaduna (Central) have not been received. An explanation has been sought from the Accountant-General in regard to the latter. Due to a misunderstanding on the part of the Divisional Officer no Annual Board was held at Ganye.

Reply.—The failure to hold Boards of Survey on the Kaduna Central Account and at Ganye Local Treasury was due to oversight on the part of the convening authority (F.I. 2203 refers). In the former case the convening authority is the Permanent Secretary Ministry of Finance and in the latter the Provincial Secretary. In the case of Ganye this was probably due to the Local Treasury only recently being opened.

In March 1963 a system of sending a telegraphic reminder to all convening authorities was introduced and it is intended to continue this system in future years.

Paragraph 23: Bank Reconciliations: Sub-Accountants.—A number of the bank reconciliation statements examined indicate a degree of failure to comply with Financial Instructions. One such instruction requires accounting officers to ensure that all sums paid into bank accounts are promptly brought to account in the cash book. Statements received from the Sub-Treasurers, Jos and Zaria, show that some lodgements to banks covering 1960 and 1961, and amounting to £56-2s-8d (Jos) and £91-11s-2d (Zaria) had not been posted to the relevant cash books by 31st March, 1962. In the case of Kano Sub-Treasury, lodgements to bank amounting to £706-6s-3d over the period March to October, 1961 had not been entered in the cash book by 31st December, 1961. Cases were also noted of payments appearing in the bank statements but not in the cash books: Financial Instructions require all disbursements to be promptly charged in the accounts. At the 31st March, 1962, payments amounting to £671-8s-2d covering an unstated period appearing in the Jos Sub-Treasurer's reconciliation statement had not been posted in the cash book, and similarly £634-13s-1d in the Kano Sub-Treasury cash book.

Reply Paragraph 23: Bank Reconciliations: Sub-Accountants.—The bank reconciliations statements for Jos, Kano and Zaria as at 31st March, 1962 have been received and all the items referred to by the Director of Audit have now been cleared.

In March 1963 a circular was issued to all Sub/Local Treasurers on this subject advising them of the necessity of clearing outstanding items within a reasonable time of their appearing. A circular was also issued in March to all Ministries and Departments advising them of the necessity of presenting bank paying-in slips to Sub/Local Treasurers immediately after paying Revenue direct to the bank.

As stated in the answer to another paragraph, it has recently become possible to post officers to touring duties and it is intended that all stations will be inspected by experienced officers at frequent intervals. Such inspections will prevent situations such as this arising as they are mainly the result of inexperience.

Paragraph 24.—In accordance with Financial Instructions bank reconciliations must be carried out weekly and at the end of the month, the Annual Board of Survey at Jos Sub-Treasury convened as at 31st March, 1962, reported that it was unable to prepare a bank reconciliation until 12th May, 1962, when an unresolved difference of £71-13s-11d was disclosed. A certificate of balance for 31st March, 1962 given by one Bank Manager showed a balance of £26,506-1s-10d in favour of the Kano Sub-Treasury but without further explanation, the Board of Survey report showed a balance of £30,506-1s-10d. Another unsatisfactory feature in the Zaria reconciliation was two cheques totalling £124 issued by the Zaria Sub-Treasurer early in 1960, still not presented for payment by the 31st March, 1962. Those matters have been referred to the Accountant-General and his reply is awaited.

Reply Paragraph 24.—The unresolved difference of £71-13s-11d in the bank reconciliation of Jos Sub-Treasury has since been cleared.

The difference of £4,000 at Kano Sub-Treasury was due to a remittance on 31st March, 1963 not cleared until 2nd April, 1963.

The two cheques at Zaria Sub-Treasury issued in 1960 were cleared on the 18th January, 1963. The delay in presentation for the payment must be put down to the carelessness of the then Sub-Treasurer who has since retired from the Service.

Paragraph 25: Special Funds: Personal Advances—£324,815-1s-2d.—This figure has more significance as a liability rather than an asset because it represents a debit balance on a statutory Public fund, that is a fund established under Section 14 of the Control and Management of Public Finances Law, 1958. The debit balance has been in existence for some years but it is gradually being reduced. In particular because Motor Vehicle advances are no longer granted to Government officers. Included in this amount are:—

- (a) *Motor Vehicle Advances. Dr. £700,339-0s-3d.*—Examination of these particular accounts disclosed that at 31st March, 1962, at least 90 were dormant in that their balances had remained unchanged since 31st March, 1961, or before.
- (b) *Bicycle Advances Dr. £42,383-8s-8d.*—At least 109 dormant balances dating back to 1956, were noted as at 31st March, 1962.
- (c) *Salary Advances: Dr. £11,126-0s-1d.*—384 dormant balances were noted dating as far back as 1957.
- (d) *Dishonoured Cheques: Dr. £3,438-16s-3d*—of this sum 92 cheques totalling £3,286-4s-7d still remained uncleared at 31st August, 1962, these included 10 amounting to £415-19s-9d dated before 31st March, 1961. At the date of the previous Report 44 cheques totalling £1,298-16s-2d remained uncleared at 31st October, 1961, including 6 from the previous Financial year. The Accountant-General's attention has been invited to this increase.
- (e) *Independence Celebration Advances: Dr. £2,047-8s-3d net.*—The corresponding figure at 31st March, 1961, was £2,592-17s-3d net. The Accountant-General states that he is experiencing difficulty in obtaining the required information necessary to clear these accounts.

Reply Paragraph 25 Special Funds: Personal Advances: £324,815-11s-2d.

- (a) *Motor Vehicle Advances: Dr. £700,339-0s-3d.*—Of the 90 balances dormant since 31st March, 1961-79 have been cleared completely and the remainder are being cleared by normal instalments.
- (b) *Bicycle Advances: Dr. £42,383-8s-8d.*—68 dormant balances remain the oldest of which dates back to 1958. All are being vigorously pursued.
- (c) *Salary Advances: Dr. £11,126-0s-1d.*—132 salary advances have been cleared and action is continuing on the remainder.
- (d) *Dishonoured Cheques: Dr. £3,438-16s-3d.*—Of the 92 cheques totalling £3,286-4s-7d remaining uncleared at 31st August 1962 only 4 totalling £345-3s-6d remain, one dated October, 1959, one January 1960 and two December, 1960. The first one amounting to £275-15s-0d is likely to be cleared in the near future as the drawers property has been attached by a Court Order and is being sold.
- (e) *Independence Celebration Advances: Dr. £2,047-8s-3d net.*—Investigation is still being pursued on these which at the 28th February, 1963 amounted to £1,628-12s-0d net. Great difficulty is being experienced as the advances were made at short notice and it was not possible to make accurate records. Many daily paid staff have left the service and are difficult if not impossible to trace. The matter is still being pursued with the Ministries concerned but it may eventually be necessary to write off an irrecoverable balance.

Paragraph 26: Footnote (b) Sinking Fund Assets: £418,278-10s-3d.—The Sinking Fund established in accordance with the Loans (Amendment) Law, 1961 was not included as a footnote due to an oversight and I wish to apologise to the Committee for this omission.

Paragraph 27: General Funds: Revenue Equalisation £2,365,106-0s-0d.—The accounts were gazetted on 21st February, 1963 and laid before the Legislature on 6th March, 1963.

Paragraph 28: General Funds: Capital Development £650,540-1s-11d.—The accounts for the years ending 31st March, 1961 and 1962 have now been submitted to the Director of Audit.

Paragraph 29: Renewals Funds.—The position is as follows:—

Accounting Division gazetted	..	..	..	..	..	..	21-3-63
Marine Division gazetted	...	...	...	...	...	...	11-4-63
Printing and Stationery gazetted	...	...	...	...	...	...	9-5-63
Ministry of Works Machinery sent for publication in gazette on	...	...	...	...	...	...	21-5-63

Paragraph 30: Renewals Funds: Ministry of Works (Water Supplies) £194,114.—The accounts of the Funds have been sent for publication in the Gazette. Work is proceeding on a New Register of Assets by the Ministry of Works but it will not be completed for at least another six months.

Paragraph 31: Special Funds: Native Treasuries Reserve.—The final statement of account was gazetted on the 27th December, 1962.

Paragraph 32: Special Funds: Native Authorities Motor Vehicles Insurance: £52,268-1s-6d.—The Statement for the Financial year ended 31st March, 1962 is still with the Director of Audit. That for the year ended 31st March, 1961 was gazetted on the 29th January, 1963 and laid before the Legislature on the 7th February, 1963. The statements for the years 1958-59 and 1959-60 were gazetted on the 1st March, 1962 and will be laid before the next meeting of the Legislature by the Minister for Local Government.

Paragraph 33: Special Funds: Voluntary Agencies—£18,780.—The accounts of the Fund were gazetted on the 28th February, 1963 and laid before the Legislature on the 15th February, 1962.

Paragraph 34: Special Funds: Northern Nigeria Staff Housing—£28,154-0s-7d.—The accounts of the Fund were gazetted on the 9th May, 1963 and laid before the Legislature on the 29th April, 1963.

Paragraph 35: Clearance Funds: Treasury—£4,472,281-18s-0d net.—This is a large balance compared with that at 31st March, 1961 (£565,720-8s-3d) and is mainly attributable to a temporary deposit of the proceeds of Federal Government Treasury Bills amounting to £3,950,916-2s-1d. Also included in the net balance of this Fund are—

- (a) A credit of £202,956-5s-0d being the balance on the Riot Damage Fund established under the Riot Damage Law, 1958, in connection with the riots which occurred in Benue Province in 1960. An Order made by the Minister of Finance on the 21st November, 1961, under the Law directed that payments should be made as soon as possible in accordance with the Riot Damage (Allotment of Compensation) Order, 1961. The Accountant-General has been requested to state what accounting arrangements have been made to implement the Order to enable an audit of the Fund to be effected. A reply is awaited.
- (b) Credit balances totalling £24,026-2s-4d representing deposits with the various Courts. Confirmation has been sought from the Accountant-General that reconciliation of all these balances with the individual accounts maintained by the Courts has been effected at the 31st March, 1962. It was also necessary to invite attention to a number of dormant items amounting to £237-3s-5d which should apparently be transferred to Revenue in accordance with Financial Instructions.
- (c) A credit of £11,853-0s-10d representing various deposits held by Sub-Accountant. In February, 1961, general proposals were made to the Accountant-General for improving control over these deposits by effecting half-yearly reconciliations with the corresponding station accounts, but no reply has been received. At the same time a considerable number of long-outstanding balances were referred for clearance details. Interim replies only have been received.
- (d) A debit balance of £230,000 representing a loan made to the Northern Nigeria Development Corporation on the 7th November, 1961, and repayable within a maximum period of twelve months from the date of payment. The Accountant-General has requested repayment in a letter dated the 23rd November, 1962.

Reply: Paragraph 35: Clearance Funds: Treasury—£4,472,281-18s-9d:

- (a) A deposit account was opened and a levy of £2-11s-0d per head which was raised on 183,952 taxpayers was credited thereto as and when it was received. The total amount collected as at 31st March, 1962 was £411,621-5s-0d out of which the sum of £208,666-11s-0d had been paid as compensation. By the 28th February 1963 there remained a balance of £20,551-8s-0d on the Fund. The collection of the levy and its subsequent disbursement was made by the Provincial Secretary Benue Province and this Ministry is now in communication with that officer for the purpose of reconciling the accounts and winding up the fund. The Director of Audit has commenced proving the receipts side of the Fund.
- (b) Reconciliation of the balances with the various courts has been effected as at 31st March, 1962. The dormant items amounting to £237-3s-5d have, with the courts' agreement been transferred to Revenue.
- (c) The proposals made by the Director of Audit were accepted and reconciliations take place at intervals of at most six months, sometimes more often. All station accounts other than Kaduna have been reconciled up to 30th September, 1962. Proposals have been put forward to clear all outstanding items on the Kaduna account of over five years standing.
- (d) The loan of £230,000 was repaid by the Northern Nigeria Development Corporation in April, 1963.

Paragraph 36: Clearance Funds: Other Governments—£1,220,121-2s-3d.—Included in this amount are credit balances of £820,926-7s-1d, £17,358-1s-10d and £387-4s-5d as well as a debit balance of £39,879-14s-7d representing the settlement accounts with the Federal, Western Nigeria, the West Cameroon and the Eastern Nigeria Governments respectively. According to the latest available information reconciliation statements have been prepared for

Eastern and Western Nigeria to 31st March, 1962, West Cameroon to 30th September, 1961, and forwarded to the Governments concerned. Replies confirming acceptance of these statements are awaited. In the case of the Federal Nigeria Government reconciliation has been effected to 31st March, 1960, but several matters arising from the reconciliation remain to be cleared. The Accountant-General has been requested to confirm the position reported above and to advise further progress.

Reply: Paragraph 36: Clearance Funds: Other Governments—£1,229,121-2s-3d.—Reconciliation statements have been forwarded to the other Governments as follows:—

Federal Government up to 31st March, 1962

Eastern Nigeria up to 30th November, 1962

Western Nigeria up to 31st December, 1962

Southern Cameroons balance agreed and account closed.

There is little trouble in reconciling the Eastern and Western accounts but the Federal account is a continuing source of trouble due to its size and also to the delay of several months in the production of the Federal accounts. However, a new system of settlement with the Federal Government will very shortly be introduced and our dealings with that Government will then be very largely on a month-to-month cash basis. This will reduce the size of the settlement account very considerably and will greatly facilitate reconciliation.

Paragraph 37: Footnote (a) Public Debt Liabilities—£14,517,704-5s-8d.—The error, for which I apologise to the Committee, was due to the omission of £1,966,037-0s-10d being the balance outstanding on the United Kingdom Exchequer Loan.

Paragraph 60: Key Security.—There have been a series of cases recently which indicate that officers are paying insufficient attention to the Financial Instructions regarding the custody of security keys, which instructions require that such keys should not leave the key-holder's personal possession not only to prevent their being stolen but also to save their being copied. These instructions require, also, that any officer who suspects that keys or locks in his charge have been interfered with should remove the contents of the safe or security cupboard concerned and report the circumstances to the Accountant-General. In one case, £25 was abstracted from a safe, the keyholder of which suggested in his report that one of his house servants could have had access to the safe keys in question. Clearly, he had not kept these keys on his person as required by regulation although there had been two previous cases where money had been removed from the same safe.

In another case, a burglar removed both safe and office keys which the keyholder had left on a chest of drawers. The keys were found after the contents of the safe (£54-2s-11d) had been abstracted. Here again the officer had not taken adequate steps to keep his keys in a secure place. In a third case, an officer reported that her handbag, containing safe keys had been stolen from her bedroom. The keys were not found and the safe was opened forcibly: fortunately nothing was missing. A fourth case involved a double loss. In January, 1962, cash totalling £25-5s-0d was stolen from a safe, the key to which the officer concerned admitted leaving in his house on several occasions. The keyholder made good the loss but, although the safe must have been compromised. No report was made nor any request for the wards of the lock to be changed. Earlier, a locking bar had been fitted but because no padlock was available locally it was not brought into use. At the time of the second loss (£15-18s-5d, June, 1962,) once again the officer concerned admitted to leaving the key in his house when he went out. The Accountant-General has been asked both to remind Accounting officers of the procedure to be followed when security keys are compromised or lost and to agree with this office the steps officers could reasonably be expected to take to safeguard them.

Reply.—A Circular (Northern Nigeria Accounting Circular A1/1963) was recently issued to all senior officers on the subject of Payment Procedure, Security of Cash, and Custody of Public Money in general. Paragraph 7A(a) of that Circular reads as follows:—

- (a) Every keyholder is personally responsible for the safe custody of his key and for ensuring that his key does not become illegally duplicated. If there is a suspicion of a key having been compromised this office must be informed immediately."

Safe custody of keys is largely a matter of commonsense in regard to taking reasonable precautions and we must to a large degree depend on individual officers displaying such commonsense.

Paragraph 61: Sub/Local Treasury Checking of Revenue Collector's Records.—An inspection of the Provincial Court, Maiduguri, in July 1962, revealed that the cash book had not been posted for over a month. In addition since February, 1962, the Registrar had not, as is required, submitted both his return of unused receipts with his cash book at the same time to the Sub-Treasurer for cross checking. Revenue collected up to 31st March, 1962, was not paid into chest until 30th April, 1962, and it is probable that subsequent collections were used to make this payment: the Registrar had no satisfactory explanation for a cash deficiency of £227-1s-0d. Had the Sub-Treasurer insisted on the correct procedure being followed it is unlikely that there would have been any comparable loss of funds, and he seemed to consider that his responsibilities were over once he had forwarded to Treasury Headquarters a monthly return showing the dates on which his revenue collectors submitted their accounts. A Financial Instruction lays down quite clearly that, unless there are exceptional circumstances, the intervals between production of revenue collectors' accounts to Sub-Treasurer should not be greater than one month. A Treasury Circular also requires unused receipts to be checked against the cash book at the time of paying-in. Furthermore the procedure in Treasury Headquarters for dealing with the returns from Sub/Local Treasurers mentioned above seems to be inadequate in that apparently no action is taken until revenue collectors are seen to have failed to submit their books for examination over a period of three months. All these points were recently brought to the attention of the Accountant-General and his reply is awaited.

Reply.—Provided the appropriate Financial Instructions and Accounting Circulars are followed by Sub and Local Treasurers, then any cash deficiency on the part of a Revenue Collector must be detected within a month. There is always the possibility of Sub and Local Treasurers failing to adhere strictly to the laid-down system, however, and to safeguard against this they are required to submit a monthly return to the Accounting Division by the 7th of the month showing the dates of which they checked Revenue Collectors cash books in the previous month.

It is regretted that a certain amount of slackness has crept into this system and, as a result, it has not achieved its object. However, the system has recently been overhauled and immediate action is now being taken on any Sub or Local Treasurer who fails to render his return on the due date. In addition, the returns, when received, are now subject to the scrutiny of a more senior officer than it was possible to employ on this work hitherto.

The Director of Audit has been informed of the foregoing.

Paragraph 62.—Late in August, 1962, the then Senior Resident Sokoto, advised the theft of £1,300 from the Motor Licensing Office. The subsequent Board of Enquiry found the loss to be £1,544-14s-6d but this figure is not final. The Board criticised the District Officer (Provincial Office) for failing to ensure that the instructions to the revenue collector to pay all cash received into bank daily, and to submit his accounts to the Sub-Treasurer for examination weekly, were being followed. It also criticised the Sub-Treasurer for not reporting in writing to the Provincial Office that the revenue collector had failed repeatedly to produce his accounts for checking on the due date. The Board gave examples of payments into bank during May and June, 1962, and stated that the revenue collector's accounts had been checked in the Sub-Treasury only four times during the period April to August, 1962. Also, it appears that on one occasion the Sub-Treasurer issued receipts for £400 more than had been paid to bank and on another for £1,700 more. Early in November, 1962, the Accountant-General asked the Sub-Treasurer for an explanation which is awaited. Similar Principles apply to this case as in the Maiduguri loss referred to in the previous paragraph.

Reply.—The clerk in the Sub-Treasury, Sokoto responsible for checking Revenue Collector's Cash Book claims that he reminded the Motor Licensing Clerk many times regarding his repeated failure to bring his cash and receipt books for checking weekly as instructed. When this did not produce results he reported the matter verbally to the Executive Officer in the

Provincial Office on at least four occasions. He also claims that he reported the matter to his Sub-Treasurer and asserts that the District Officer in the Provincial Office was aware that the Motor Licensing Clerk was in arrears. It was this same Treasury Clerk who discovered the loss when the cash and receipt books were produced for checking on 23rd August 1962. However there is nothing in writing to substantiate this clerk's assertions.

All Sub and Local Treasurers have again been reminded of the need to treat procrastination by Revenue Collectors with suspicion and the necessity to report to the most senior officer available when procrastination occurs.

The amount of the loss has not yet been finalised as the Provincial Secretary does not agree with the Board of Enquiries figures or calculations. The source of the Provincial Secretary's own figures is however open to some doubt and this is still being pursued.

The allegation, by the Board of Enquiry, that the Sub-Treasurer had issued receipts for more than had been paid to the bank by the Revenue Collector is not substantiated. It is not known how the Board arrived at this conclusion but the Sub-Treasurer's cash book and bank reconciliations for April to August 1962 have been checked and scrutinised and a deficiency has not been revealed. A Board of Survey checked the Sub-Treasury on 29th September, 1962 and did not discover any deficiency. It is thought that the Board of Enquiry must have misunderstood the position in some way. Part of the Motor Licensing Revenue was paid to the Sub-Treasury in cash and not to the bank at all and this was possibly overlooked by the Board.

Paragraph 63.—In November, 1962, a Treasury examination of the Provincial Engineer, Zaria's revenue accounts, maintained by the latter's Chief Clerk, revealed considerable short payments into chest. The touring Senior Accountant found a loss to revenue of £284-7s-0d comprising several amounts dating back to July, 1962. A Board of Enquiry has been convened, but it is clear that there has been both a lack of proper supervision in the Provincial Engineer's office and an indifferent examination of these accounts in the Sub-Treasury.

Reply.—Reference to Paragraph 64 will reveal that as a result of a report by the Director of Audit in July, 1962 it became necessary to remove the then Sub-Treasurer, Zaria from his post. His successor in office had an extremely difficult time rectifying the muddle left by his predecessor. He reports that both he and his Chief Clerk constantly badgered the Provincial Engineer's Revenue Collector to submit his accounts for checking but was met with persistent evasion and procrastination. It was not until mid-November, 1962 that he decided to report the matter to higher authority and he then reported to a Senior Accountant, Ministry of Finance and Provincial Engineer. Prompt action was taken by these two officers and the deficiencies discovered.

The attention of all Sub and Local Treasurers has *again* been drawn to the necessity for treating failure by Revenue Collectors to submit their accounts for checking with suspicion and the need to report the matter to the most senior officer available, (rather than the actual Revenue Collector) if it is not rectified promptly.

There was also some lack of supervision on the part of the Provincial Accountant, Ministry of Works and this has been drawn to his attention.

All but some £10 of the amount lost was recovered from the responsible officer.

Paragraph 64: Zaria Sub-Treasury.—An inspection of this Sub-Treasury in August, 1962, disclosed that adequate accounting control was not being maintained. In the case of vouchers outwith the Treasury and represented by Cash Order Forms the receipt portions of several of the latter did not state the amount of the relevant payment, and others had not been receipted; the receipts on a large number of Cash Order Forms in respect of salary payments had been made out gross and not for the amount of the actual cash or cheque received. Some 150 entries in the Cash Book were supported only by Cash Order Forms and many of the relevant payment vouchers had been outstanding for excessive periods. The purpose of the paper money Register nullified because entries were made when the cheques were paid to the bank and not on the date they were received; also the numbers of the receipt vouchers under which these amounts had been brought to account were not quoted. The Station Deposit Account was found to be incomplete and no reconciliation had been effected with the balances on the Accountant-General's statements. Revenue Collector's cash books were not being submitted for checking

at regular intervals as is required. Forty-four cheques prepared on the 30th and 31st March, 1962, were still in the hands of the Sub-Treasurer at the date of inspection. A number of items appearing in the bank reconciliation for July, 1962, could not be verified as neither the Cash book for the 30th and 31st March, 1962, nor a number of exhausted cheque books, could be produced for examination. A reply to the inspection report was recently received: this indicated that urgent steps had been taken to rectify the most important shortcomings.

Reply.—The Audit inspection referred to actually commenced on 11th July, 1962 and as a result of information passed directly to this office by the Director of Audit, a team of senior officers (Two Senior Accountants and a Senior Accounting Assistant) was immediately despatched to Zaria Sub-Treasury on 17th July, 1962 and remained for several days.

The then Sub-Treasurer who was approaching retiring age and has since retired was relieved of his post and replaced by a Senior Accounting Assistant who stayed at Zaria for almost a month until an officer of the correct grade was found to replace him. This to the detriment of duties at Treasury Headquarters.

A further inspection visit was made by a Senior Accountant on 18th August, 1962 and again on 9th October, 1962 and 15th November, 1962 to 21st November, 1962.

The Director of Audit's Inspection report dated 23rd October, 1962 was not received until 30th October, 1962 and a reply was sent on 26th November, 1962.

A further visit was paid by a Senior Accountant on 18/19 January, 1963 and the retiring Accountant-General also made a visit at the same time.

Further errors and discrepancies (not losses) were discovered by a Board of Survey at 31st March, 1963 particularly with the bank reconciliation and a team consisting of an Accountant and Two Accounting Assistants was despatched during April, 1963.

There is no doubt that the Sub-Treasurer who has now retired allowed things to get into a very considerable muddle and the present Sub-Treasurer has had a very difficult task in restoring efficiency and discipline. Progress has not been as fast as would have wished but the position has improved and continues to improve. It has recently been possible to post an Accountant to touring and inspecting Sub/Local Treasuries and the beneficial effects of these inspections are already apparent. In a few months time it is hoped to post a second Accountant to these duties and also have the four larger Sub-Treasuries (Kaduna, Kano, Jos and Zaria) inspected at regular interval by Principal and Senior Accountants from Headquarters. Zaria Sub-Treasury will be inspected again in the near future.

Paragraph 65: Loss of Cash.—Further to paragraph 4 above, the Accounting Division of the Ministry has failed to pay due regard to the rapid processing of two cash loss cases which involve its own staff. In the first the Sub-Treasurer, Kano, reported, early in May, 1962, that he suspected a loss of £130 in respect of four unreceipted but paid payment vouchers found in the possession of his main Cashier.

Two months later the Accountant-General asked the Sub-Treasurer how the open cheques concerned passed out of the Cashier's custody; a further seven weeks elapsed before the Accountant-General sent a reminder. This produced a reply which disclosed conflicting statements from the Cashier, from the previous Cashier, and from the Chief Clerk. A reply to a letter from this office at the end of October, 1962, which suggested a departmental investigation to determine whether cheque security procedure was adequate at the Sub-Treasury is still awaited. The second reported by Sub-Treasurer, Kaduna, to the Accountant-General early in June, 1962, involved a loss of £396 7s 9d in respect of remittances not brought to account. The report was made available to this office at the end of October, 1962, this disclosed that the embezzlement was effected by the well-known method of substituting incoming cheques for cash and removing the latter. It could have been avoided by a strict control of the paper Money Register. This register was not written up as and when paper money was received but prior to payment into bank thus nullifying the entire object in keeping it. Both cases revealed systemic weaknesses which could possibly obtain in other Sub-Treasuries and which because of this should have received immediate processing in Treasury Headquarters. A similar incorrect use of a paper money Register is referred to in the preceding paragraph in connection with Zaria Sub-Treasury.

Reply.—Owing to staff shortages, sickness, pressure of work it was necessary to put an inexperienced officer onto the work of processing loss cases in Treasury Headquarters and this unfortunately resulted in the delays mentioned.

The first loss mentioned occurred at Kano and all Sub and Local Treasurers have since been reminded of the dangers of not safeguarding signed cheques and of allowing too many members of the staff to enter the cashiers cage.

The second loss occurred at Kaduna and it is agreed that the then Sub-Treasurer should have ensured that the Paper Money Register was properly maintained and controlled. The Sub-Treasurer at the time had been involved in a fatal motor accident and was before the court on a very serious charge. He was then an extremely worried man and has since left the service.

In connection with the loss at Kaduna a circular letter was sent to all Sub and Local Treasurers reminding them of the current procedure in regard to cheque remittances, and later, after discussions with Director of Audit, the system of disposing of cheques was revised. It is hoped that the present system will prevent a recurrence of this type of fraud.

ANNEXURE II

Authorities for Expenditure from the Consolidated Revenue Fund—1961-62

<i>Estimates</i>	<i>Law No.</i>	<i>Appropriation or Supplementary Appropriation Law Passed by</i>		<i>General Warrant Signed</i>
		<i>House of Assembly</i>	<i>House of Chiefs</i>	
Original	25/1961	9th March, 1961	30th March, 1961	4th April, 1961
1st Supplementary ...	43/1961	4th October, 1961	12th October, 1961	16th October, 1961
2nd Supplementary ...	1/1962	19th March, 1962	7th April, 1962	11th April, 1962
3rd Supplementary ...	12/1963	12th March, 1963	30th March, 1963	1st April, 1963

Mr Chairman:

I think we can start again gentlemen. We have here the Accountant-General to give us explanations with regard to the Audit report, and concerning his Ministry. The first paragraph we are going to deal with is paragraph 3. We have a written reply from him and I wonder whether Members will like to ask for any further explanations. Paragraph 3—any comments?

Emir of Yauri:

Being a member of this Public Accounts Committee from the very start, I know that the main complaint each year is the failure of the Accountant-General to furnish the report of the year under review. This is the first time that this has been done and I think we should congratulate the Accountant-General.

Mr Chairman:

I think this is the general opinion of the Committee. Any comment? The next paragraph is 4. Any observations as regard paragraph?

Alhaji Ibrahim Yakubu:

Mr Chairman, my question on this is whether the Accountant-General has now arranged to have an experienced officer to take over the responsibility of processing losses of funds. In my opinion, Sir, this is a matter which requires utmost priority. For, obviously unless losses of funds are processed promptly not only will it not be possible to discover the methods through which funds were lost but also it will not be in order to arrange to avoid a recurrence of the loss, also it is bad for staff morale. May we know what steps have been taken.

Accountant-General:

It has been possible to appoint an experienced officer to process the losses of funds and I have also been able to strengthen that part by posting a number of officers such as an Accountant and an Accounting Assistant, Grade I. In addition due to improved recruitment of

accountants we have been able to send an Accountant out on tour. On the principle "Prevention is better than cure" this is the best solution.

Alhaji Ibrahim Yakubu:

May we therefore take it that we have the assurance of the Accountant-General that delays in implementing new procedures to safeguard public funds as referred to in the 3rd paragraph of his reply have now been abolished.

Accountant-General:

Yes, Sir, I should also like to point out that paragraph 3 of my written reply is badly worded. It was not the intention to suggest that the Director of Audit caused the delay. The delay was entirely the fault of our staff. They should have taken action on this at the earlier stage.

Mallam Maude Gyani:

Will the Accountant-General please tell us whether the experienced officer who will be processing losses of funds will be responsible to see that early action is taken.

Also would the Accountant-General tell us where these funds were lost?

Accountant-General:

I am afraid Mr Chairman, I do not understand the first part of the question.

Mustafa Maude Gyani:

Would the Accountant-General please tell us whether the experienced officer he said would do the work will see that it is carried out according to his best ability.

Accountant-General:

Yes, Mr Chairman, I have got the experienced officer who is now sitting near me.

Mallam Mustafa Maude Gyani:

Would the Accountant-General again assure the Committee that no more delays will occur in submitting these reports?

Accountant-General:

I think, Mr Chairman, we can give that assurance before this Committee.

Mr Chairman:

As a result of getting this experienced officer, are you in a position to tell us that delays have now diminished?

Accountant-General:

I think, they have now diminished, Mr Chairman.

Mr Chairman:

Do you think that these delays are avoidable?

Accountant-General:

I think they are avoidable, Mr Chairman. An inexperienced officer who has not the knowledge of the whole history of these cases often does not know what to do and what is urgent and does not know what to do to overcome it. That was the cause in this case. These cases occur not due to negligence but inexperience.

Mr Chairman:

So it is avoidable and we will hope that it will be avoided in future.

Accountant-General:

I do hope so.

Mr Chairman:

Director of Audit, you are the witness! *(Laughter)*.

The Emir of Abuja:

Can the Accountant-General tell us whether this marked increase in losses is still the same? And if so would he also tell us what he has done about it?

Accountant-General:

The number of these losses is on the increase and the effective action we have taken is to strengthen this particular section which we have now done and also by sending people on tour much more often and frequently.

Mr Chairman:

Any further comments?

Emir of Abuja:

I think the Accountant-General said that he has strengthened this section, could he tell us the 'strength' of the Section before and now?

Accountant-General:

At the time of these losses, the work was done by one officer who also had other duties. Now we have one Principal Accountant, one Accountant, one Accounting Assistant, Grade I and one Touring Accountant which we hope to increase to two or three of that number shortly. I think, Mr Chairman this is a very considerable strengthening.

Alhaji Ibrahim Yakubu:

One more question, Mr Chairman. The Accountant-General has explained that the incidence of losses is on the increase, I wonder whether in his opinion these increases were responsible entirely due to wrong procedures as opposed to staff quality.

Accountant-General:

I am afraid, Mr Chairman, it is difficult to say without analysing the files. But on the whole I would say that the nature of the losses occurring now shows that they are committed by more determined people who are really a criminal type as against somebody who has an opportunity and is tempted by it.

Alhaji Ibrahim Yakubu:

One further question on this, Sir. I would like to know whether the one Senior Accountant who has been charged with the responsibility of processing these losses has also been charged with the responsibility of studying and analysing methods by which these losses were incurred.

Accountant-General:

Yes, Mr Chairman.

Mr Chairman:

Any further observations? Well, the third paragraph of your written reply seems to me to show that you had a remedy by which to avoid accounting weaknesses, but this remedy was not implemented for one reason or another till September, 1962 and a lot of things would have happened between April and September which would have been prevented if that instruction had gone out. That makes me to ask the question whether accounting weaknesses are immediately corrected?

Accountant-General:

When accounting weaknesses are appreciated, they are immediately corrected. But in this case the officer was inexperienced and did not realise the nature of the situation, and the position was further complicated by several changes in the personnell doing the job. If I remember quite rightly, three different officers filled that post during the space of five months.

Mr Chairman:

What about the fraud? It was at the request of the Director of Audit that action should be taken to prevent this type of fraud and I have the feeling that nothing had happened. It was possible that something might happen between April and September, but if that particular things was done the fraud would have been prevented and then there would have been no opportunity for anybody to repeat it.

Accountant-General:

I agree Mr Chairman and I hope with more experienced officers, we shall set it all right.

Mr Chairman:

Any further comments?

Director of Audit:

Mr Chairman, in fairness to the Accountant-General, I think I should point out for the information of Committee members that in the vast majority of cases of loss of funds Financial Instructions provides an adequate accounting procedure. What happens is most Ministries do not observe it, so the Accountant-General sends out circulars reminding Ministries that they are not observing the laid-down procedures. Although the touring accountants from the Accountant-General's office will do a lot of useful work, the main remedy lies with the Accounting officers in Ministries carrying and observing the rules laid down. In the case referred to in the third paragraph of the written reply, the rules laid down are quite clear. When the Accountant-General issued his circular in September, 1962 it did no more than point out that the rules are there for observance. Thank you Mr Chairman.

Mr Chairman:

Paragraph 5. Any comments?

Alhaji Ibrahim Yakubu:

Mr Chairman, I would like to know from the Accountant-General what steps have been or are being taken to stabilise Heads and Subheads. I ask this question because early this morning the Director of Audit told us that a good number of these errors of misclassifications are due to the changes of heads and subheads.

Accountant-General:

Mr Chairman, on the whole, they have not been stabilised. I have recommended that they should be, as far as is possible for the Finance Division to do it.

Alhaji Ibrahim Yakubu:

Mr Chairman, I appreciate Sir, that new Heads and Subheads are all the times being created but a number of government expenditure items must by their nature be kept all the time under specific Heads and Subheads.

Accountant-General:

Mr Chairman I agree. Certain Subheads remain the same, Subhead 1-2-5, but in the larger Ministries, there may be well over hundred Subheads which change year by year. It will be much more convenient to us if we put them together. I intend recommending this proposal again this year.

Alhaji Ibrahim Yakubu:

Do I understand the Accountant-General that he prefers it to remain as at present?

Accountant-General:

I prefer that Subhead numbers remain the same.

Mr Chairman:

Any further comments? It seems to me that there appears to be some delay in at least correcting some of the misclassifications. The Audit queries regarding misclassifications issued in November, 1962, at the latest why has it taken so long to correct some of them?

Accountant-General:

Mr Chairman, these are not votes under our control, and much of the delay is on the part of the Ministries.

Mr Chairman:

Is there any means of clarifying this position? Is it possible at all?

Accountant-General:

By pressing Ministries harder and also by pressing my own people.

Mr Chairman:

Are you doing that at the moment?

Accountant-General:

Yes, Mr Chairman.

Mr Chairman:

Is there any room for improvement?

Accountant-General:

Yes Sir, there is always room for improvement.

Mr Chairman:

Any further comments?

M. Maude Gyani:

What I want to ask the Accountant-General is that I heard that mention was made of misclassifications mainly in the Ministries. Are there any means whereby you can do it so that it may run smoothly?

Accountant-General:

If the misclassification is the Ministry's vote, then it is up to that Ministry to adjust. We possibly can do it quicker in our office but the trouble is confusion. We find there may be a double adjustment if the Ministries and the Accountant-General's office, adjusted at the same time.

M. Maude Gyani:

What I want to ask is that is there any way whereby you can work hand in hand with other Ministries so as to remedy all these misclassifications?

Accountant-General:

It is the Ministries' responsibility Mr Chairman, We have no power to debit a Ministry's vote. The Estimates passed by the Legislature lay down who is the accounting officer for that Head. Only that officer or his representative is allowed to incur any debits in that Subhead and that includes a debit by adjustment.

Mr Chairman:

I think what the Hon. Member is trying to put across to you is that why don't you put your heads together with the accounting officer of Ministry concerned to devise means and ways of avoiding these things.

Accountant-General:

Mr Chairman, we do not know where the misclassification lies until either the Ministry or the Director of Audit informs us. If the Ministry informs us they should be taking action at this stage. If it is the result from an Audit query then that is passed to the Ministry who should take immediate action.

Alhaji Ibrahim Yakubu:

I wonder, Sir, if the accountant-General has any responsibility with Permanent Secretaries in reporting about short comings of their accounting officers based purely on the quality of the returns received from the Ministries.

Accountant-General:

Mr Chairman we do not receive any returns from Ministries. We supply the Ministries with information of the state of their votes, and also give them detailed information of all debits to those votes. It is the duty of that Ministry to examine our statement which is supported by copies of duplicate vouchers and to adjust immediately any misclassifications which they may discover in those statements.

Mr Chairman:

Any further observation? (No). Then the next paragraph is 6—Outstanding Vouchers. Any comments?

The Emir of Abuja:

Mr Chairman, I have noticed from the written reply of the Accountant-General that there is still an increased number of missing vouchers from Sub-Treasuries. I wonder if the Accountant-General could explain to us what is the present position with regard to these outstanding vouchers as they are becoming worse in the Sub-Treasuries.

The Accountant-General:

Mr Chairman, Sir, the duty of collecting outstanding vouchers lies with the Sub-Treasurer. As a good Sub-Treasurer he must have very few vouchers outstanding. But a Sub-Treasurer who is not efficient or energetic has more outstanding vouchers. In this period two of the larger

Sub-Treasuries—that is Zaria and Kano—deteriorated from efficiency, and this was later rectified, not only in outstanding vouchers. In one case the Sub-Treasurer retired and in the other case he was transferred. The other place for outstanding vouchers is in Treasury Headquarters. The number of vouchers goes up each year and unfortunately the accommodation in use is still the same. We now house 3,000,000 vouchers in a space for an original holding 1,500,000. This makes it very difficult to check these vouchers.

Mallam Maude Gyani:

Mr Chairman, will the Accountant-General tell us how he could discover the outstanding vouchers he mentioned at Kano and Zaria?

The Accountant-General:

Mr Chairman, Sir, when we received them from the Sub-Treasuries they are examined by us supported with lists. Later on they are examined by the Director of Audit and any discrepancies are also pointed out.

Mallam Maude Gyani:

Mr Chairman, Sir, consequent upon the report about these vouchers are they going to be written-off or what?

The Accountant-General:

Mr Chairman, there is no question of loss. So far as we know the expenditure incurred was in order but we cannot be sure.

Alhaji Ibrahim Yakubu:

Mr Chairman, Sir, this is the second time in our meetings we have pressed about these payment vouchers in connection with substantial or possible losses, and the Accountant-General has now suggested to us that there could be no question of losses. I am sure that it will interest us to know what steps have been taken on this fact that there are no future recurrence.

The Accountant-General:

There is no report of any loss.

Alhaji Ibrahim Yakubu:

Mr Chairman, I think the Accountant-General has got to get those vouchers before him, whether there was a fraud or not.

The Accountant-General:

Mr Chairman, my Ministry and other Ministries have accepted these charges and may have not reported any loss.

Alhaji Ibrahim Yakubu:

I think you will probably agree that most frauds are carried out under known-votes and as far as I can see, and I am sure you can correct me, only vouchers themselves can detect the truth that payments have been made to the right person for the right quantity, etc.

The Accountant-General:

Not altogether, Mr Chairman. There is always the duplicate voucher, that admittedly does not have a full signature or receipts, so it will not normally reveal bogus payments.

Alhaji Ibrahim Yakubu:

For practical purposes you are saying that a duplicate voucher is as good as the original?

The Accountant-General:

No. No. What I was saying is that if we have not got the original voucher, we are without complete information. We have a duplicate copy which is a very great help but the main difference is that duplicate vouchers have no full signatures and receipts. That is all—only the original has full signatures and receipts.

Alhaji Ibrahim Yakubu:

You seem to suggest that the duplicate vouchers could be accepted in Kaduna even though some payments may be incurred in the wrong direction.

The Accountant-General :

Mr Chairman, duplicate vouchers could show to whom the payment has been made, but it cannot prove the correct person has been paid. Normally, when payments are made to the wrong person, the correct person raises complaint.

Mallam Maude Gyani:

Mr Chairman, in some cases some Sub-Treasurers either die or are changed, then may we know what the Accountant-General is doing with regard to vouchers outstanding—are they going to be written off? Or are they going to remain in the name of the Sub-Treasurer concerned.

The Accountant-General:

The outstanding vouchers are not outstanding against the Sub-Treasurer's name, they are outstanding in the Sub-Treasury concerned. And if the Sub-Treasurer changes or has been transferred, his successor will be responsible for collecting all outstanding vouchers; not only those before he comes but also those outstanding in his tenure of office.

Alhaji Ibrahim Yakubu:

I think that from our discussion with the Accountant-General with regard to the question of these original vouchers, it is clear that he appreciates the great importance of the original vouchers; particularly in this case as the present report of the Director of Audit shows that more than two and a half times as much money is unvouched this year as was reported last year. I would like Sir, if I may be allowed, to refer to the paragraph immediately following 1959-60 and 1961. In the Accountant-General's written reply—where he says "There is little hope of any substantial improvement on the earlier years", Mr Chairman, may we have some indication of what might be the situation regarding those vouchers covering many years ago for example 1958-59?

The Accountant-General:

Mr Chairman, we have written numerous letters on those old vouchers. We think that if they still exist, they will have been produced by now, or alternatively, if they do exist then they are mis-filed in the mass of three million of these Vouchers.

M. Maude Gyani:

Mr Chairman, what I want to know is that if you sent a circular out what do you do about it?

The Accountant-General:

Mr Chairman, the circular letter was a reminder to certain Local Treasuries. They must adhere strictly to laid down procedure. Apart from that, we do write separately to Sub-Treasuries on their outstanding vouchers.

Mr Chairman:

This circular letter has it produced any impression or any result?

The Accountant-General:

Mr Chairman, the circular went out at the end of December last year, and it is too early to say if there are any effects on the vouchers. When we know the outcome we will do something about it.

Mr Chairman:

Going back to the question asked by the Honourable Member, which I think has not been satisfactorily answered, what we are trying to find out is that these vouchers have been outstanding for quite a long time, since 1955. The question is that what steps are you preparing to take to write them off? or say what? (*Laughter*).

The Accountant-General:

Mr Chairman, sooner or later we will be applying to the Ministry of Finance for permission to allow outstanding vouchers to stand charged in the accounts.

Mr Chairman:

If this permission is granted, how are you going to satisfy your conscience that there will be no fraud?

The Accountant-General:

Mr Chairman, we cannot say exactly what will happen.

Alhaji Ibrahim Yakubu:

Mr Chairman, the Accountant-General has once emphasised his lack of accommodation, at least no sufficient accommodation for the volume of papers that his Ministry has to handle. I remember that this was given to us last year as an excuse with regard to the Sub-Treasury in Jos. And we strongly recommended that the position should be rectified. I wonder what progress has been made and how much the Accountant-General has taken into consideration in discussing his problem with the authorities concerned.

The Accountant-General:

Mr Chairman, the Sub-Treasury, Jos, acquired three extra rooms this morning. *(Laughter)*.

Director of Audit:

Mr Chairman, with your permission, I may say Audit are occupying some of the Accountant-General's accommodation. If the Committee finds new accommodation for us, I am sure the Accountant-General could well use the rooms we are now in.

Mr Chairman:

Are you sure you are not supposed to have accommodation in the Ministry of Finance?

Director of Audit:

Mr Chairman, we have to be near them but not in with them.

Mr Chairman:

Any further observations?

Mr Olarewaju Afolayan:

The Accountant-General said that he issued a circular letter in December 1962. May I know whether this circular has achieved the desired effect? Or whether it should be a progressive result.

The Accountant-General:

Mr Chairman, this is a progressive business. We send out circulars at intervals and these afterwards result in increased efficiency, but after a time there is some sliding back. The only answer is to keep a watch. We should be very careful at the first sign of back-sliding and remind them again.

Alhaji Ibrahim Yakubu:

Mr Chairman, I think the Chairman asked this question and it was answered by the Accountant-General that it was too early to decide its effect. The main point is that it seems to have taken too long; even the Accountant-General will agree that a circular issued in December last year should not have to take such a long time as six months to show its significance.

The Accountant-General:

The circular went out on the 24th of December and its first effect will be felt on the January vouchers. We must of necessity have many vouchers outstanding. There are monthly wages sheets and monthly salary vouchers. The last of the January vouchers would not normally arrive in Kaduna until well into March, then the follow-up on the outstanding vouchers would follow after that. The number of vouchers outstanding immediately after receipt of the accounts runs into several hundreds every month. The vast majority of these are collected later.

Alhaji Ibrahim Yakubu:

Mr Chairman, it seems to me that it is a very long time between January to March as was suggested by the Accountant-General that salaries and wages for January which normally should be paid in various stations to employees of the Government during the month in question. I would further imagine that salaries and wages sheets should be ready during the current month. Is the delay normally caused by the voucher having been held back for a time?

The Accountant-General:

The delay is rather deliberate. If new vouchers should be sent immediately after the end of the month then we have an enormous increase in the numbers of vouchers outstanding. The Sub-treasury hold the vouchers for a time during which time they are collecting outstanding vouchers from each station. The longer they can hold the vouchers the more they can collect. When they do send them in they arrive packed in bundles in numerical order and tied with

string. We find that vouchers sent in separately always run the risk of being mis-filed and these considerations have balanced one against the other sending them out monthly with many vouchers outstanding or sending them in a week, or so later with fewer vouchers outstanding. It does not affect the accounts which are prepared from the Cash Book duplicate vouchers.

Alhaji Ibrahim Yakubu:

I understand this is the procedure laid down. I think that the longer they remain in various stations, the more chances there are of them being lost. I am not sure but I imagine that all the Government employees concerned are quite aware that they should send in their original vouchers to Sub-Treasuries at pre-determined intervals possibly—at the end of each month. If this is so, I should think that it would be easy for these to be sorted out and arranged in numerical order ready to be sent to Kaduna with a view to avoid as much potential loss as possible.

The Accountant-General:

Mr Chairman, It should be remembered that the basic error lies with the Ministries. They are the people who keep the vouchers and not the Sub-Treasurers.

Alhaji Ibrahim Yakubu:

With our discussions with the Accountant-General everything must be set out to make us more informed of where the trouble lies or how he may suggest to the Government corrective measures within a possible time.

Mr Chairman:

At the moment we are not so much concerned with those who keep the vouchers but as to who loses them.

The Accountant-General:

In the outstations Mr Chairman, the vouchers are lost by the Ministries representatives. In Headquarters here the vouchers disappeared, I wouldn't say lost, through lack of space to work in. The main part of the store was part of equipment building the rest of which was condemned and pulled down. They are terribly overcrowded and it is impossible to work with efficiency there.

Alhaji Ibrahim Yakubu:

Would it be right to say that the Ministries' representatives in the outstations who lose their vouchers do so because they are required to send them to the Sub-Treasurer on a pre-determined interval after the signature of whoever received the money, and if this is so then would it not be advisable to include in the standing instructions or General Orders that vouchers must be handed over to the Treasurers when they are finished with.

The Accountant-General:

That is already in the standing instructions and Sub-Treasurers have the authority to refuse to accept any more vouchers from the Ministry who refuse to return outstanding vouchers. It is a very hard condition to impose and it is inconvenient to lots of people.

Mallam Maude Gyani:

All I want to say is that there is a circular letter sent by the Accountant-General to Sub-Treasurers in December 1962, in this circular it include 1955, 1956, 1957, 1958, 1959, 1960 and 1961 outstanding vouchers. Would it be advisable if I suggest that something should be done about the failure to send these vouchers from the Ministries? I will suggest that a circular letter be written as a reminder almost every now and then and not to leave it until the end of the year. Anybody who fails to adhere to the contents of this circular should be told in plain terms what rules are provided against such culprits. One more point is that if those concerned still fail to send their vouchers to the Sub-Treasurers they should be brought before a disciplinary committee.

Director of Audit:

May I interrupt to inform Members that in 1959 this Committee recommended that when there was an outstanding voucher its charges should be reversed. In 1960 they accepted the fact that this will not work on practical grounds that is because of hardship. The Committee then recommended that Sub-Treasurers should not pay out new vouchers when there were old ones

outstanding in a particular Ministry, and I feel that this is where the trouble really lies. The Committee may wish to consider requesting the Accountant-General to follow that up again so that Sub-Treasurers are reminded of the existence of this Committee's recommendation and enforce it with more vigour. In my view Mr Chairman this can be the only practical solution.

Mr Chairman:

Any further observations?

The Accountant-General:

Mr Chairman, Sub/Local Treasurers already have these authorities. They are very junior officers and is difficult for them for example to refuse vouchers from Provincial Secretaries, but with the recommendation of this Committee behind them it would put them in a very much more strong position and I myself will welcome it.

Mr Chairman:

By the way, have you got an alternative suggestion that perhaps may be better than this one?

The Accountant-General:

I think this proposal is the best we can think of at the moment Mr Chairman. If it is inconvenient to the Ministries then they will have to do something about it.

Mr Chairman:

Any further comments? Thank you very much, that is all for today. I think I should warn you that if we fail to finish with you tomorrow by 2 O'clock it is possible we continue till we do finish, or perhaps have a break and come back in the evening.

Committee adjourned until 9.30 a.m. on Tuesday 4th June, 1968.

PUBLIC ACCOUNTS JOINT COMMITTEE
SESSION, 1963-64

MINUTES OF PROCEEDINGS

Tuesday, 4th June, 1963

MEMBERS PRESENT

Alhaji Umar Sulaiman, O.B.E.,	Emir of Bedde, <i>in the Chair</i>
Alhaji Umaru, Etsu Pategi	Mr Olarewaju Afolayan
Alhaji Muhammadu, Emir of Gumel,	Alhaji Ibrahim Yakubu
Alhaji Sulaimanu Barau, O.B.E., Emir of Abuja	M. Maude Gyani
Alhaji Abdullahi Maikano, Emir of Wase	Emir of Yauri
Mallam Aliyu Mustafa, Lamido of Adamawa	

The Director of Audit, Mr M. Skilleter, M.B.E., accompanied by his Deputy in attendance:—

MINISTRY OF FINANCE—ACCOUNTING DIVISION

Mr Chairman:

Well I think we can start now gentlemen? Paragraph 7:

Will members like to make any observations?

Emir of Abuja:

Mr Chairman, About the number of the outstanding vouchers in May 1963. May we know if the figure of 948 was agreed with the Director of Audit?

Accountant-General:

Mr Chairman, Yes the same number. We cannot give the exact date it was agreed.

Mr Chairman:

Any further observations?

Mr Afolayan:

Mr Chairman, the Accountant-General has told us about the outstanding queries, he even said that there are now about 133 queries still awaiting the Director of Audit. May I ask from the Accountant-General what vigorous steps he is taking to settle the remaining queries for the 1958-59 financial year?

Accountant-General:

Mr Chairman, one senior officer or an accountant or senior accountant has been made personally responsible for each of the queries which appeared in the report. They are making a personal approach to each Ministry. Unfortunately many Ministries will not assist in this. But we continue to press them.

Mr Afolayan:

Mr Chairman, do Members understand that he will not be able to answer the queries which are now outstanding?

Accountant-General:

No! Mr Chairman. We have not given up these queries, and by making a senior officer responsible we hope to reduce them.

Mr Chairman:

Any further observations? Paragraph 9

Any comments? Has the new procedure started to produce any effect?

Accountant-General:

Yes, Mr Chairman, the effect should be more marked in the next few months.

Mr Chairman:

Then would you note that down and let us know in our next meeting.

Accountant-General:

Yes, Mr Chairman.

Mr Chairman:

Paragraph 10. Any comments? Any observations?

Mr Afolayan:

Mr Chairman. The Accountant-General said that the figures for 1961-62 have been agreed subject to certain discrepancy. Members will be pleased to know the discrepancy. This is necessary in view of the fact that Members of this Committee watch more closely whether a similar discrepancy will occur in the nearest future or not?

Accountant-General:

Mr Chairman, the particular discrepancy was due to a misallocation of one large sum of £700,000 which appeared in the Federal accounts at the end of the 1961-62 Financial year too late for inclusion in our accounts. Any anything which appears towards the end of each financial is often too late to be included in the North account until the following year. If we keep our account open longer then we will delay everything including the production of our report.

M. Maude Gyani:

Mr Chairman, can the Accountant-General please tell us whether he can suggest means to improve such delay.

Accountant-General:

The trouble is that if the Federal account is delayed there is nothing we can do about it.

Mr Chairman:

Any further observations? Paragraph 11.

Emir of Abuja:

Mr Chairman Sir, as regards Sub-head 22, Will the Accountant-General give us more explanation on the reimbursement from Her Majesty's Government.

Accountant-General:

This paragraph Mr Chairman was originally put down for the Finance Division and the Under-Secretary, Ministry of Finance, has submitted a full report.

Accountant-General:

Sub-heads 6 and 10 Mr Chairman, the Northern Nigeria Development Corporation has money to reimburse. The Ministry of Finance on the 1st of June this year has waived the claims against the Development Corporation, that is against Sub-head 6.

Alhaji Ibrahim Yakubu:

I have one small point Mr Chairman. Sub-head 22. Your reply seems to suggest that accounts were being prepared in respect of the claims under this Sub-head. In fact it further said that relevant papers which I assume are to account for this claim on the Sub-head are with Director of Audit. The last sentence was cancelled are there any accounts involved if so where are they?

Accountant-General:

The papers referred to Mr Chairman are correspondence from Under-Secretary Ministry of Finance with Director of Audit.

Director of Audit:

The position as regards this reimbursement Mr Chairman is set out at length in the Permanent Secretary's written reply which he will go through before this Committee on Saturday morning, and this explains what has gone wrong with making these claims and what is the present position. It is correct in fact to say that so far no account has been prepared.

Alhaji Ibrahim Yakubu:

If there is any account due to be prepared under this Sub-head when can this be expected to be ready.

Accountant-General:

It depends upon how soon the agreement is reached between the United Kingdom and the Northern Government on what it is and that is why I am unable to say when the account will be ready.

Director of Audit:

What the Permanent Secretary, Ministry of Finance said in his reply is that it is very possible that no account will be prepared and that the claim will be settled by negotiation between this Government and the United Kingdom Government.

Mr Chairman:

Any observations?

Mr Olarewaju Afolayan:

Under paragraph 6 of the Accountant-General's reply we can see that there is a lot of expenditure incurred and by Northern Nigerian Development Corporation. The Accountant-General has already included in his written reply that this fabulous amount will not be received, because according to him, the Corporation has no funds. May I ask whether he is suggesting that these moneys should be written off. If yes, why? and no, how?

Accountant-General:

Mr Chairman, there is no question of write-off. What has happened is that we spent this money on the authority of the Legislature and at that time we thought that the Corporation will pay us the equivalent amount. Unfortunately the Development Corporation has been unable to do so. We have now been authorised to drop the claim.

Mallam Maude Gyani:

Mr Chairman, I have not intended to ask any question but because of the reply Accountant-General has given I will ask this question. Is there no way at all to get the money from the Development Corporation?

Accountant-General:

Mr Chairman, the Development Corporation has no money.

Mallam Maude Gyani:

Is there any provision made to get any from them?

Accountant-General:

I cannot say this Mr Chairman.

Mallam Maude Gyani:

Does it therefore mean that the Corporation will not exist? Then how can we develop our country?

Accountant-General:

I am sorry Mr Chairman, we have to ask the Development Corporation.

Mr Chairman:

Paragraph 12.

Emir of Abuja:

In the written reply of the Accountant-General he said that the responsibility for seeing that all returns are correctly rendered rests with the Sub/Local Treasurers to whom the revenue collectors account. May I know what action has been taken to stop the delay from Sub/Local Treasurers?

Accountant-General:

Mr Chairman, this is a continuing problem and we cope with it by continually reminding the Sub/Local Treasurers of their responsibilities. The instructions on the subject are both in Financial Instructions and Accounting Circulars, and only by continually reminding Sub/Local Treasurers and watching can we ensure that Sub/Local Treasurers are prompt and do not allow any fault on the part of Revenue Collectors.

Emir of Abuja:

Mr Chairman, the Accountant General in his reply said that the returns mentioned as outstanding have all been received. May we know what he did with the returns.

Accountant-General:

We examine them.

Alhaji Ibrahim Yakubu:

As there seems to be quite number of these cases at outstations and the fact that by their nature receipts and licence books can be concealed and misappropriation of funds take place can the Accountant-General inform us as a matter of interest what disciplinary action has been taken during the year in order to check this bad practice?

Accountant-General:

Mr Chairman, in cases where it is proved that a Sub-Treasurer was negligent disciplinary action is taken for example a loss which occur in Ilorin which I think is referred to in this report the Sub-Treasurer and his assistant were both downgraded in rank.

Maude Gyani:

Is it possible for the Accountant-General to send some sort of congratulatory letter to those who work well so that others could see and copy?

Accountant-General:

Where negligence is involved we do always consider disciplinary action and where it is justified we recommend to the Public Service Commission.

Alhaji Ibrahim Yakubu:

Mr Chairman, I think my honourable Colleague is asking if you will consider sending a letter of appreciation where you consider that some extra or better work has been carried out.

Accountant-General:

That is one of the instructions we have given to the touring Accountant. Last month, as a result of the report of the Touring Accountant, I sent a letter of commendation to the Provincial Secretary of Bornu Province because it was considered the Sub-Treasurer is one of the best.

Mr Chairman:

In your written reply you said that these returns are generally rendered to the Director of Audit direct and also in your reply to a certain number you said that you too receive these returns and scrutinize them and if you go as far as scrutinizing them I feel that you too are responsible as the Director of Audit. And you say in your reply that even if you find something wrong you will have to wait until the Director of Audit raises the matter for you to investigate. I thought perhaps it would be proper for you to do something without waiting for the Director of Audit.

Accountant-General:

We only scrutinize our own forms, that is, Sub/Local Treasuries, and it is only these that we scrutinize in detail. The Director of Audit receives returns from all the Revenue Collectors. The Sub-Treasurer himself prepares Form No. 7A that is the other form which is represented in our books as shown in that return which is forward to the Accounting Division and is checked there. We can keep an immediate check on the Sub-Treasurer's books and the Sub-Treasurer can keep an immediate check on the Revenue Collectors, but the Director of Audit can keep complete control of all in his books. When a Revenue Collector other than a Sub-Treasurer fails to forward the returns to the Director of Audit then the matter is notified to me by the Director of Audit and I then take it up with the Revenue Collector concerned.

Alhaji Ibrahim Yakubu:

Mr Chairman, will the Accountant-General confirm that he gets no copies of the returns from Revenue Collectors apart from his own?

Accountant-General:

We used not to, Mr Chairman. As a result of this Audit paragraph, we have recently amended the system and we have issued instructions to Revenue Collectors and Sub-Treasurers to notify the Accounting Division as well. These instructions were drafted within the last fortnight.

Alhaji Ibrahim Yakubu:

Mr Chairman, it seems to me that a better system of control might be kept for the immediate movements of these returns. If the division concerned, between the two, that is the Director of

Audit and that of the Accountant-General who actually and physically deal with these returns is to receive the returns direct and control the appropriation in outstations.

Accountant-General:

I think we shall examine the proper way with the Director of Audit if he agrees, Mr Chairman.

Mr Chairman:

Any observations?

Emir of Abuja:

May we know why these cards have not been posted for a long time?

Accountant-General:

Mr Chairman, I do not follow this question.

Mr Chairman:

I think we are dealing with paragraph 17 and the Emir of Abuja is reading paragraph 18.

Emir of Abuja:

Oh! I see.

Mr Chairman:

In your reply, you said that the under payment of this amount was rectified in March. Have you informed this fact to the Director of Audit so as to avoid further audit queries?

Accountant-General:

Mr Chairman, I cannot trace that it has been notified according to my files.

Mr Chairman:

Perhaps then, you can examine that and inform him accordingly if it has not been done.

Accountant-General:

It should be done, Mr Chairman. I agree.

Mr Chairman:

Any further comments?

Emir of Abuja:

In the written reply by the Accountant-General he said that pensions records have been posted and reconciled for the four years. May we know why the records have not been posted for a long time.

Accountant-General:

This question was raised last year, Mr Chairman, and I am afraid, I cannot say why they have not been posted in time, but I will take up the necessary steps to see that they are done now.

Alhaji Ibrahim Yakubu:

With the assurance of the Accountant-General in bringing the work up to date, that is the 1962-63 accounts, do you anticipate that there will be no audit queries on this particular account next financial year?

Accountant-General:

I anticipate that there should be no queries on account of delay and Mr Chairman, I can see no reason why they cannot be brought up to date. I am not in a position to say why they were not done in the past.

Alhaji Ibrahim Yakubu:

This seems to raise the question as to who was responsible in ensuring that the postings were being kept up to date and who therefore should say now why they were not posted to up to date.

Accountant-General:

Well Mr Chairman, I would possibly say my predecessors who have all retired. I can see no reason why they should not be kept up to date.

Director of Audit:

Mr Chairman, last year, in January, the Accountant-General's predecessor informed the Committee that the postings were not up to date due to the inexperience of his senior and junior staff (*laughter*) he went on to say that the staff position has improved recently and all are engaged on the work full time, and that the position should improve.

Accountant-General:

In the case of the accounts for the year 1961-62 postings were done in a matter of about two weeks. That is the whole year's postings. I can see no reason why they should not be done now.

Chairman:

Any further observations?

M. Maude Gyani:

I have got a question of pensions. I would like the Accountant-General to explain why pensions take such a long a time to be paid and in some cases, some people do not even receive them.

Accountant-General:

They do, Mr Chairman. But in cases where pensioners die, naturally they do not. (*Laughter*).

M. Maude Gyani:

But Mr Chairman, there are some Voluntary Agency teachers who do not receive pensions and I would like to know why they do not get pensions?

Accountant-General:

I'm afraid Mr Chairman, this is a matter for the Permanent Secretary Ministry of Education to answer.

Emir of Yauri:

Well, M. Maude Gyani you will have to wait for the Permanent Secretary, Ministry of Education.

Mr Chairman:

Any further observations?

Alhaji Ibrahim Yakubu:

Mr Chairman, the Director of Audit told us yesterday that there are about 30 per cent of these calculations coming before him wrongly. What steps have been taken to ensure that the position will be improved?

Director of Audit:

May I make a correction, Mr Chairman? The 30 per cent referred to was for the period mentioned in this Report; the position now is about 1 per cent errors.

Mr Chairman:

Any further observations? In your reply you said it has been possible now to post more experienced people and capable officers to this section. Are there any prospects of these newly posted officers remaining in these offices?

Accountant-General:

We all hope so, Mr Chairman, but you will appreciate that there is also the question of promotions and transfers which may result in their being posted away.

Mr Chairman:

Any comments?

Alhaji Ibrahim Yakubu:

Mr Chairman, how much is involved in the remaining nine cases of claims which has not been recovered? When can repayments be expected fully?

Accountant-General:

We have not got the exact estimate, but I would say about £200, and I can confirm this figure later on if you wish.

Alhaji Ibrahim Yakubu:

Do we take it then that the nine cases represent those officers who are still in the Government Service and from whose emoluments deductions can be made?

Accountant-General:

Not all of them, Mr Chairman. Some of them had retired and we are trying to recover these from their retiring benefits. I regret to say that one is dead.

Mr Chairman:

What were the causes of these overpayments?

Accountant-General:

In most cases, Mr Chairman, they were due to the Crown Agents paying the full passage money in respect of an officer's children without reference to us and we are left with the trouble to recover the excesses.

Mr Chairman:

Has any thing been done to stop this sort of thing?

Accountant-General:

If we are notified in good time, Mr Chairman, there is no real harm done and we can recover everything from the Officer concerned.

Mr Chairman:

Even from the one who is dead? (*Laughter*).

Accountant-General:

We got it from him before he died. But in some exceptional cases, we recover these excesses from the deceased's estates.

Alhaji Ibrahim Yakubu:

It seems to me, perhaps that this is a case for the Accountant-General to examine the procedure more extensively as he has just said "if we are notified in time".

Accountant-General:

If you look at the last paragraph of the written reply, that is what we have done recently. The officers who deal with family passage grants are now posted to the leave and passages section and they receive information regarding passages. This did not happen before and there is much closer liaison now.

Alhaji Ibrahim Yakubu:

Does it mean then that you can spot an overpayment within a month of its taking place?

Accountant-General:

It should be within a fortnight now.

Alhaji Ibrahim Yakubu:

Fairly good.

Emir of Yauri:

Mr Chairman, I find it very difficult to understand why there should be overpayments at all? The Crown Agents make these payments on our behalf.

Accountant-General:

That used to be the system, which we have recently revised and it is working fairly satisfactorily. We were under pressure from other Ministries to introduce the internal bookings, we rejected it for a long time. The matter was raised again about five years ago and my predecessor agreed to the alteration of the system without realising the difficulties involved in the situation. A wife can present herself to the Crown Agents and the Crown Agents will book her passage without referring back to us here in Kaduna. Whereas previously her husband had to receive permission from us. An officer may not have sufficient money to his credit to pay for his passage and that of his family, and so when the Crown Agents book the passage, the Officer then owes Government the difference between his entitlement and the total cost of the passage, and providing we know that immediately, then we can recover the difference within a matter of a week or so.

Mallam Maude Gyani:

Could the Accountant-General please explain how these cards are missing? Because in the first paragraph of your reply you said that the cards are missing. How do you know about this?

Accountant-General:

I can only suggest that the clerk stuck them up somewhere and they could not be found.

Accountant-General:

Mr Chairman, if I may be permitted to add few things to this. What I am informed by the clerk concerned was that what actually happened was when the Audit inspecting officer inspected some of the cards and listed those he had not inspected as being missing. Had he asked the Treasury Clerk where the other cards were, he should have been told. He did not. That is what I was informed.

Mr Chairman:

This seems to me the fault of the Audit Department.

Accountant-General:

I do not think so, Mr Chairman, I think if the Treasury Clerk was intelligent enough, he should have produced all the cards.

The Director of Audit:

If I had been the Treasury clerk I would also have told my officer the same thing. Whether it is true or not, is a different matter.

Accountant-General:

Of course, but I have qualified my statement by saying that that was what I was informed.

Mr Chairman:

Before we leave this matter, these cards that have not been examined, would you say that they are now available for examination?

Accountant-General:

They are all available, Mr Chairman for inspection.

Alhaji Ibrahim Yakubu:

Are these bookings being carried out by your division in Kaduna or by the Crown Agents?

Accountant-General:

By the Crown Agents, Mr Chairman.

Alhaji Ibrahim Yakubu:

I would suggest that the wives should contact their husbands when the children are coming out and leave it with the officer in Nigeria to contact the division, so that, for obvious reasons, bookings can be made with the Nigeria Airways.

Accountant-General:

The Crown Agents make bookings by Nigeria Airways where possible.

Alhaji Ibrahim Yakubu:

Mr Chairman, I may be wrong entirely, but for the sake of foreign exchange, or if you like, say the sterling balance of Nigeria. If efforts are made here with the Nigeria Airways, perhaps it will be better. The Crown Agents make the payments in the United Kingdom, do they not?

Accountant-General:

Mr Chairman, I would like to have a look into this.

Mr Olarewaju:

With this in view, may I know from the Accountant-General whether these nine cases are overpayments or whether they are improved not to be overpayments. And of these nine cases how many of them are overpayments?

Accountant-General:

Mr Chairman, three of these cases were not overpayments and the wording of the Audit queries explain how they are incurred. In the case of the others which were not overpayments, their explanation is that no overpayments have been incurred.

Mr Chairman:

Any further observations?

Mallam Maude Gyari:

Mr Chairman, I would like to suggest to the Accountant-General that he should improve the situation before our next meeting.

Accountant-General:

Mr Chairman, we will do that.

Mr Chairman:

Any further comments? (No). Then I think we have to suspend the meeting for a short brek and during this period we can discuss the question of how we are going to finish our business with the Accountant-General today.

Suspended for 10 minutes.

Mr Chairman:

I think that we have more than a quorum so we can start.

Paragraph 21: Any observations?

Alhaji Ibrahim Yakubu:

Mr Chairman, whether or not the Government has in this particular instance lost any money? It should be noted by us that the new agreement has been drawn up, but before then some officers have left the service with this original guarantee.

Accountant-General:

I am not aware of any case Mr Chairman.

Alhaji Ibrahim Yakubu:

Mr Chairman, are steps being taken to recover the money?

Mr Chairman:

The Government has had the agreement for such a long time, and I wonder if this amendment will affect the agreement that has been made for some months ago.

Accountant-General:

No! I do not think that it will affect the agreement of the Government.

Alhaji Ibrahim Yakubu:

Mr Chairman, if I ask whether or not a sufficient strong case has been put to U.D.C. about reviewing all other existing agreements which did not contain this amendment. This was an abnormal situation and I think that U.D.C. should know all about the fact that Government wanted to have the whole agreement reviewed. If anything has been done to this effect, I suggest that we should be enlightened about it.

Accountant-General:

It is a three-sided agreement between U.D.C., Government, and the party taking out the loans.

Mr Chairman:

Well if all other parties have agreed, I do not think the U.D.C. should refuse to agree. But if one on the other side of the corner of the triangle refuses to agree, then there will be a problem but if one cancels the agreement I do not think it worthwhile of the Government to side with the other party.

Accountant-General:

We can put it to the law officers Mr Chairman, If you wish.

Director of Audit:

Mr Chairman, if I may assist. It is a question of law between Government and U.D.C. and the officers, and Government cannot alter the hire-purchase agreement without the consent of the officer concerned. There are many officers who signed the old agreements, about 1,000.

Alhaji Ibrahim Yakubu:

Mr Chairman, I am sure that this is a point for the law officers, but I should imagine, however that with such an obvious anomaly such as this which concerns each party or parties concerned then it is up to all of them to ignore to modify the existing agreements.

Director of Audit:

Mr Chairman, in this matter the Accountant-General to a great extent does what he is told by the Permanent Secretary and if members so wish the question may be put to the Permanent Secretary, when he appears before the Committee on Saturday morning. It is really a policy matter.

Mr Chairman:

We will put the question to him. Any further observations?

Director of Audit:

Mr Chairman, may I ask the Accountant-General to remind his Permanent Secretary about this point?

Accountant-General:

Yes, certainly.

Mr Chairman:

Any further observations? Paragraph 22. Any observations?

Alhaji Ibrahim Yakubu:

Mr Chairman, only a small suggestion. If in the opinion of the Accountant-General it is necessary to remind the convening authority for arranging to undertake a Board of Survey, then I suggest that a time be set aside every year during which these reminders will go out pointing out the individual Board of Survey so that this Committee is not likely to complain in future about not carrying out a Board of Survey. A lot can be concealed from the Accountant-General and other interested parties if the Board of Survey on Government properties is not carried out at regular intervals.

Accountant-General:

Mr Chairman, we issue a circular in early February each year. I will in future include a paragraph on the point the Hon. Member has indicated. The telegram I mentioned in my second paragraph is a reply to this additional one and I will continue to see to this matter.

Emir of Abuja:

Mr Chairman, in view of the last paragraph, we would like to know from the Accountant-General whether there has been a Board of Survey this year?

Accountant-General:

All Boards of Survey were held with the exception of the Shendam Local Treasury. That may or may not have been held, I do not know. But we are making enquiry.

Mr Chairman:

Any further comments?

Paragraph 23. Any observations?

Olarewaju Afolayan:

Mr Chairman, going back to the evidence from the Director of Audit before the Members of this Committee, there is a degree of failure by some Accounting Officers with special reference to Financial Instructions. Will the Accountant-General say that all Bank Statements have been received? I just want to point out that to the Accountant-General.

Accountant-General:

They have, Mr Chairman.

Mr Olarewaju Afolayan:

It is in order to receive this but it is quite a different thing to receive it in time. As far as my observation is concerned cases of carelessness have been coming often and often to these Members of Committee from the Sub-Treasurers of Kano, Jos and Zaria. May I suggest to the Accountant-General to take drastic measures against these Sub-Treasurers. Unless something drastic is done such cases will be coming to us again. That is all I have to suggest.

Accountant-General:

Mr Chairman, these stations were then handled by inexperienced officers. The state which they got into was not either laziness or idleness but inexperience. We have changed all the Sub-Treasurers in these three places. In addition they have been inspected by Senior Officers. The state of affairs has improved considerably in all these places.

Alhaji Ibrahim Yakubu:

It has come to me as a surprise that in places like Kano, Zaria and Jos inexperienced officers were posted to handle the stations, in the first place, but it is nice to know the position has now been rectified. I must admit that I should have thought it would have been the obvious to post experienced officers there. It will appear from the Audit report that these stations were two years out of balance or out of reconciliation whichever the Accountant-General chooses. I am sure that we will no doubt have his assurance that this will not happen again.

Accountant-General:

Mr Chairman, the number of experienced officers is limited. We have lost quite a number of our more experienced officers in recent years. At the moment we have the following posts vacant. Deputy Accountant-General is vacant and 2 out of 4 Principal Accountants posts are vacant. 3 Senior Accountants are also vacant. Of the Accountants themselves, three-quarters of them are new. We are now recruiting more Accountants but it does take them some time to acquire the background knowledge of a well experienced Accountant, and that is not something I can cure by circulars or disciplinary action. We can only require time to do this. We are at present in a happier position on staff. We are attempting to tour these places much more efficiently. Touring Accountants are visiting the smaller Sub/Local Treasurers and larger places like Kano, Jos and Zaria will be visited by a team of more senior officers.

Alhaji Ibrahim Yakubu:

I appreciate that all along the position regarding sorting out and establishing priorities could not have been altogether forgotten, and I think that this must have been the case with the Accounting Division.

Accountant-General:

With this matter of priority we did consider that any normal competent Accountant should be able to tour these places.

M. Maude Gyani:

Mr Chairman, I will like to ask the Accountant-General three questions. In the first place, when did you assume duty as Accountant-General?

Accountant-General:

1st April, this year.

M. Maude Gyani:

This is a very reasonable excuse and has answered the other questions I want to ask. Despite that I will like to see that you take more vigorous measures to recover the loss at these three stations.

Accountant-General:

There is no money lost.

M. Maude Gyani:

As you said that you are new on this post, is there any measure that you intend to take whereby the position will be rectified?

Accountant-General:

Yes, Mr Chairman. As I said, the Sub-Treasurers were changed in these places and in addition we will be sending two senior officers to tour these places.

Emir of Wase:

Mr Chairman, in these three places, it would have been better to have more qualified Accountants. Even though the Accountant-General has given us an assurance that he is going to see that the senior Accountant is touring these places. But in places like Zaria, Kano and Jos it would have been better if he can post a very competent Accountant there. If a competent Accountant is not posted to these stations before sending a touring Accountant there, this will mean that something very bad might go wrong there. But if you have a competent Accountant in a station this will relieve the duty of the touring Accountant, for example, if the touring Accountant would have to stay for two or more nights, he will then stay for just about a night.

Accountant-General:

Mr Chairman, I agree that it is a question of priority again. Kano has been up-graded to Senior Accountant now, a Senior Accountant is there now and there is a new Sub-Treasurer at Zaria and also at Jos.

Emir of Wase:

I hope that the standard of these places will be raised to the status of Kano in the long run.

Accountant-General:

It depends on the amount of business done there. The busiest Sub-Treasury of all is Kaduna. It has a Principal Accountant who is competent enough. The next is Kano which has a Senior Accountant, then Jos with an Accountant, Zaria with a Senior Accountant, then other places such as Maiduguri, Sokoto and Ilorin have Accounting Assistants Grade I, that is equivalent to Executive Officer, and so on down the scale to some places like Ganye where they have a part-time clerk.

Alhaji Ibrahim Yakubu:

Jolly good!

Mr Chairman:

Any further comments?

Mr O. Afolayan:

Some officers have been posted to touring duties and in accordance with the Accountant-General's statement he said that these will minimise the situations which have been caused by some inexperienced officers. My observation on this particular point is that this job is a very delicate one and one wonders why some inexperienced officers have been placed to do such delicate jobs. Mr Chairman, Sir, may I suggest that this Committee recommends the implementation of the training scheme of indigenous accountants, for I think this is the only way to minimize the complaints always brought about by the Accountant-General.

Accountant-General:

Mr Chairman, this is a matter of experience which a man can only acquire with time.

Alhaji Ibrahim Yakubu:

Am I right in saying that you have programmes whereby junior accounting staff are coached and put through training courses?

Accountant-General:

We have three training schemes in Kaduna which provide courses for Ungraded Clerks, we have also courses to train people who enter into the Executive Class for accounting work and there is also an Accountant in Training Course lasting three years and on the successful completion of that course, they are appointed as accountants; and from there upwards it is a matter of the man acquiring experience.

Mr Chairman:

Any further observations? Then paragraph 24. Any comments?

Alhaji Ibrahim Yakubu:

It seems also that Boards of Survey for some reason or other were prepared to disregard bank certificates of reconciliations as certified by the bank managers. I think this practice should be considered by you so that a precedent of this nature is not created.

Accountant-General:

Mr Chairman, Board of Surveys do not often employ people with accounting knowledge. We may get an agriculture officer or a superintendent of works to be members of such boards who have no any knowledge of accounting.

Alhaji Ibrahim Yakubu:

May I humbly suggest that in all cases, or if this is not possible or practicable in all practicable cases, at least one member of every Board of Survey should have certain amount of accounting experience or education included.

Mr Chairman:

The honourable Member is not suggesting that every Chairman of such Board of Survey should be an accountant but rather he was, putting it across that at least one member of the Board of four—at least one of them should have some accounting knowledge and he went on to say whether this could be practicable.

Accountant-General:

Apart from the Ministry of Finance, outside Kaduna the only Ministry which has accountants is the Ministry of Works. They have one accountant each in the bigger stations and I think in most places they have accounting assistants.

Mr Chairman:

I should think that in every Ministry outside Kaduna they have accounting sections or financial sections. Take for example the General Hospital at Kano, they have I think their financial branch and so with the Ministry of Agriculture and so also with the Ministry of Education.

Accountant-General:

They have Accounting Assistants, even so they are better than to have people who have no knowledge at all. The convening of Boards is the affairs of the Finance Division but I will certainly pass that on to them. Mr Chairman, I am informed that a circular is in process of preparation in consultation with the Director of Audit on convening these Boards and I will recommend this point to the Under-Secretary of Finance.

Mr Chairman:

Then we hope this circular would also go to all the Provincial Secretaries as well.

Director of Audit:

I think in this respect it may possibly be better if Financial Instructions are amended. At the moment it says "Shall consist if possible of three officers and not less than two". If required it could be amended to show that where possible at least one of the officers should have some accounting experience. That will probably be better than a circular, because this book is with all officers in the public service.

Accountant-General:

Mr Chairman, this may be possible in larger stations that is to require an accounting officer to be a Board Member, but is not possible to make this a flat and rigid rule. Many smaller stations have Accounting Assistants.

Mr Chairman:

But we can say "when it is possible".

Alhaji Ibrahim Yakubu:

I can only say that it should be possible to say that one member at least should have a certain amount of accounting experience if even this means arranging a rotation of your own officers throughout the country.

Accountant-General:

The Director of Audit would object very strongly on this.

Director of Audit:

It is a point of principle that someone should not check his own books and Treasury Boards of Survey should not include Treasury Officers.

Alhaji Ibrahim Yakubu:

Would it be better for some one from the Audit staff outside to come into the membership to assist?

Director of Audit:

That also is prohibited under the Audit Law. I am not permitted any executive power. In fact Mr Chairman it would probably be better to say that an officer with accounting experience should be included "where possible" that is where it is practicable.

Mr Chairman:

Any observations?

Mr Afolayan:

In the last statement of the Accountant-General he stated that the delay in presentation for payment must be due to the carelessness of the Treasurer who has since retired from the service even this is a very grievous carelessness, the Accountant-General may be so generous not to take any action on such retired officer and leave the officer unpunished. May I know what disciplinary measures he is taking on such an officer as far as his gratuity is concerned?

Accountant-General:

Mr Chairman, no disciplinary action has been taken against the officer. He served the Government well for thirty years. The fault was due to old-age and he was not the man he was. He could not help it and I think it would not be fair to punish him.

Mr Chairman:

I think that is setting a bad precedent if you make people realise that they can get away with anything once they think they could be considered on the basis of old-age. More especially since the older people now hold key-posts.

Accountant-General:

Mr Chairman, but not in this case, the man was just too old for the job.

Mr Chairman:

Any further comments? Now the said sum of £71-1-11 has been cleared, what was the cause of it?

Accountant-General:

I am not certain Mr Chairman whether these were just a combination of cheques which were not presented, and queries were added to it.

Mr Chairman:

Why did you not investigate it as soon as you received the report?

Accountant-General:

The Sub-Treasurer was pressed to clear the debits Mr Chairman by some quite a number of letters. They should have been cleared earlier I agree. And at the last question I stated that this Sub-Treasurer was inexperienced.

Mr Chairman:

Any questions?

M. Maude Gyani:

What is going to happen now since the man is dead?

Accountant-General:

I think the Member is referring to Jos and Minna cases, in which case there was no loss.

M. Maude Gyani:

I am talking about Zaria Sub-Treasury's loss which amounts to almost £124. Is the money going to be written-off since the man has retired?

Accountant-General:

Mr Chairman, there was no loss. Both cheques have been cleared. These cheques were issued by the Sub-Treasurer and were not cashed. If they have never been cashed, the money will still be with the Government.

Mr Chairman:

I am beginning to wonder whether the Accountant-General has any routine for scrutinizing the report of the Board of Surveys.

Accountant-General:

They are examined when they arrived in the Accounting Division, and long outstanding items are taken up.

Mr Chairman:

Any comments?

Alhaji Ibrahim Yakubu:

Mr Chairman, Sir, Without going into deep details of the queries and replies, I think it would be in order to say that we have noticed on the replies a certain amount of progress within

a comparatively short period, which I think, the Accounting Division should be commended for. I would like, however, to add that if in so short a period so much progress can be made, this would seem to suggest that, all things being equal, standard can be maintained at a high level, and if this is the feeling of the Accountant-General we can look forward to a better report next time. I think however, that we should express our serious views in regard to personal emoluments advances being dormant, whereas presumably most of the debtors are still in the Government Service.

Turning to the question of dishonoured cheques, I would suggest that this should be considered seriously. It seems here that a total of well over £3,000 have been dishonoured and I would like the Accountant-General, if possible, to tell us if he himself is satisfied with the security measures regarding the acceptance of cheques on behalf of the Government.

Accountant-General:

Mr Chairman, in regard to dishonoured cheques—Members are probably aware that Government officers in certain circumstances, are allowed to cash cheques in Sub-Local Treasuries. When a cheque is cashed in Sub-Local Treasuries, the Sub-Treasurer does not know the state of an officer's account. There are limits on the amount which an officer can cash, but if even this is exceeded by a very little amount, the bank will dishonour the cheque. Similarly, cheques are accepted by Catering Rest Houses and Motor Licensing Authorities and here again, the Sub-Treasurer will not be in a position to know the state of the person's account. As soon as a cheque is dishonoured, the person who drew that cheque is "blacklisted" and is not allowed to cash any further cheque through Government sources. In the case of Government officers, all cases are reported to the Public Service Commission for disciplinary action.

Mr Chairman:

I would think that the police would be interested in such cases?

Accountant-General:

Mr Chairman, it would only become a criminal offence where a person presents a cheque knowing fully well that it is going to be dishonoured. Many officers assume, perhaps, too hopefully, that their accounts are in funds, and often is not their fault because a payment of salary or allowance may be late. All these cases are considered by the Public Service Commission. Not all of these cases of dishonoured cheques are due to lack of funds, but a large portion of these cases are due to mistakes in preparing these cheques.

If a person makes a mistake in the figures or puts a wrong date, the bank will still dishonour the cheque.

Alhaji Ibrahim Yakubu:

I was going to say that, Sir, whether the Accountant-General has made provision for ascertaining from the banks of those officers' cases that could go to the Public Service Commission, and in addition whether it could be practicable to consider reviewing these limits that officers can personally cash at the Treasury with the cheques against their accounts in the bank. If it is considered that the limit are a bit too high at this stage perhaps.

Accountant-General:

Mr Chairman, An officer is allowed to cash in any one month a sum which does not exceed one half of his gross monthly emoluments.

Director of Audit:

For the information of the Committee, this could normally only take place in a non-banking station that is where there is no bank, and the officer concerned must have cash, for example, touring officers.

Alhaji Ibrahim Yakubu:

Which means none of these cases then reflects the cases of officers drawing from stations where a bank exists?

Accountant-General:

There are the additional cases where an officer is posted to a non-banking station and his salary is being paid at his original station where there is a bank, for example, a cheque in Jalingo

can be cashed at the Sub/Local Treasuries as there is no bank there. Then an officer who is on tour away from his station can also cash his cheque from the Government Treasury.

Mr Chairman:

Any comments? If my information is correct, there still remains about £252 dormant advances. Is there any prospect of clearing these?

Accountant-General:

They are being worked upon, Mr Chairman. We are making a very effective impression on them.

Mr Chairman:

But that seems to block my question. I said, is there any prospect of getting rid of them?

Accountant-General:

Yes, Mr Chairman, we hope to clear them, except one odd or two.

Mr Chairman:

Any further observations?

M. Maude Gyani:

What about somebody who is dead?

Accountant-General:

Then we have to debit his estate. We are not allowed to raise debts on coffins! (*Laughter*).

Mr Chairman:

Could we know whether the Accountant-General has any routine in his office to ensure that these dormant advances could be prevented in the future?

Accountant-General:

All these advances are kept in individual records which are examined monthly.

Mr Chairman:

I do not appreciate the lack of reduction on the Independence Celebration Advances.

Accountant-General:

Mr Chairman, there was a very great difficulty in clearing these advances as they were authorised at a very short notice, and advances were opened which involved all Government employees. All these advances were opened at the same time and the most trouble lies on advances in respect of daily-paid employees and their records are kept by Ministries not by us and it takes a lot of time before we can get the information we require.

Mr Chairman:

Are you sure the records kept in the Ministries are accurate?

The Accountant-General:

I am not, Mr Chairman.

Mr Chairman:

What are you doing about it?

The Accountant-General:

Mr Chairman, the staff records and books of the daily paid employees are kept by the Permanent Secretaries. We do not keep the records of daily paid employees.

Mr Chairman:

I appreciate that, but knowing that the records are not accurate, I thought something must be done.

The Accountant-General:

Mr Chairman, the only thing that can be done is to improve the staff efficiency of all Ministries.

Mr Chairman:

Any further comments? (No).

The Emir of Abuja:

One point, Mr Chairman. Mr Chairman, people who were given these advances the majority are now unemployed; are these advances going to be written off—or how? Because some of them may be earning less amount and some are unemployed.

The Accountant-General:

It will probably be necessary to write off some, but not all.

Mr Chairman:

Any further comments? (No). Then the next paragraph is 26. Any observations?

Alhaji Ibrahim Yakubu:

Mr Chairman, Sir, We were told earlier this morning that the Sinking Fund assets and liabilities shown are incorrect. Can the Accountant-General enlighten us on this?

The Accountant-General:

I am not sure on that.

The Director of Audit:

Mr Chairman, I have a copy of a letter from the Central Bank dated February 1963 and it says "If the auditors are satisfied and sign the Certificate the accounts and certificate of Sinking Funds will be forwarded."

Mr Chairman:

What is the date of the letter?

The Director of Audit:

February 1963, so it is not possible for the Accountant-General to say precisely how much the amount should be until we get the certificate.

The Accountant-General:

Mr Chairman, the letter does not refer to any statement.

The Director of Audit:

Mr Chairman, until we get the Central Bank's Certificate on the accounts of Sinking Funds, we will not know the exact amount.

Mr Chairman:

Are you sure this has not been received?

Alhaji Ibrahim Yakubu:

Mr Chairman, may I suggest that the Accountant-General should try and detain the statement of the amounts of the Development Funds as at 31st March, from Lagos.

The Accountant-General:

We have received the statements of the accounts up to November and we wrote back to Lagos to send us these statements up to 31st of May.

The Director of Audit:

Mr Chairman, we also are trying to find out what is happening.

Mr Chairman:

Any further comments?

Alhaji Ibrahim Yakubu:

Mr Chairman, may I suggest to the Accountant-General that he should see that in future these statements are received as soon as possible more especially on this particular account in so far as it affects the Northern Nigerian Government?

The Accountant-General:

Mr Chairman, we do not control the Central Bank and they are governed by the Northern Nigeria Government. But we will continue to press them.

Mallam Ahmadu Maude Sidi Gyani:

I have a question on one paragraph in the Accountant-General's reply where he says "I apologise to Members for this omission." Does this mean that the Accountant-General apologises to us for sending our money to Central Bank? (Laughter).

The Accountant-General:

Mr Chairman, for this figure the Director of Audit requires a Certificate from Central Bank and we have sent many reminders for this Certificate, Mr Chairman.

Mr Chairman:

Apology is accepted. Any further comments? (No). Then paragraph 27. Any observations (No). Paragraph 28 (No).

Paragraph 29. Any comments?

Alhaji Ibrahim Yakubu:

Mr Chairman, I have only two questions, Sir. The sum of £430,828 shown against the interest balance of investments and adjustments accounts. Does this figure include any new interest or investment of any nature?

The Accountant-General:

Yes, Mr Chairman. It is a rule of the Fund that all interest must be reinvested ?

Alhaji Ibrahim Yakubu:

Is there any of these three columns to show the market value as at 31st of March, 1962 on this statement No. 12 to which we can refer to our statements for the year ending 31st of March, 1961 as laid before us during our previous meeting?

The Accountant-General:

The third column is the valuation on the 31st of March, 1961.

Alhaji Ibrahim Yakubu:

This does not agree.

The Director of Audit:

Mr Chairman, If I may say so, the column was originally right but is not now working properly as the Honourable Member correctly said; and the fact is that it does not now mean much. I feel it would be better to explain it fully or delete it entirely because as it stands it is misleading.

The Accountant-General:

I feel we had better drop this column entirely as it is misleading in this case and does not allow for additional investment for the year.

Mr Chairman:

Well any further observations? (No). I think we should have a break for ten minutes. Committee suspended for ten minutes.

Chairman:

The Committee resumes.

Paragraph 28. Any observations?

Director of Audit:

Mr. Chairman, I want to point out that I have not got the Statement of Loans as far as I know for 1961-62?

Accountant-General:

Mr Chairman, I agree that the loan statement has not been sent yet. I will look into it myself.

Chairman:

Any comments? Paragraph 29.

Mr Chairman:

I am sorry my attention has been drawn by the Director of Audit that we have to consider the accounts. We are now considering the Capital Development Fund Accounts for the year ended 31st March, 1960. Any observations? So I take it that it is accepted.

Paragraph 29. Any observations?

Alhaji Ibrahim Yakubu:

Mr Chairman, only to suggest that this should be received in time so that we can have a look at it during our meetings in future.

Mr Chairman:

I hope that this is noted?

Accountant-General:

Mr Chairman, I will deal with it.

Mr Chairman:

Paragraph 30. RENEWALS FUNDS: Any comments?

Alhaji Ibrahim Yakubu:

Mr Chairman, I remember last year we talked about this Register of Assets. This year, the reply says that it should be received under six months' time. I suggest that steps be taken to improve on the time indicated.

Accountant-General:

Mr Chairman, this register is not a Ministry of Finance's Register, it is a Ministry of Works' Register.

Mr Chairman:

Any further observations?

Paragraph 31. SPECIAL FUNDS: NATIVE TREASURIES RESERVE: No statement has been furnished. Any comments?

Alhaji Ibrahim Yakubu:

As in paragraph 29, Mr Chairman.

Mr Chairman:

Paragraph 32. There is an account for this one. Any comments?

Olarewaju Afolayan:

Mr Chairman, in this special fund what I just want to know is the cause of the delay?

Accountant-General:

Mr Chairman, this fund is handled by the Ministry for Local Government. And you may request the Permanent Secretary, Ministry for Local Government the cause of the delay.

Alhaji Ibrahim Yakubu:

They control the investment. Do they know they control the investment?

Accountant-General:

Yes, Mr Chairman, the control of investments is entirely in hands of the Ministry for Local Government.

Alhaji Ibrahim Yakubu:

Then I take it that due notice should be taken of the various depreciations in the market value of the investment and perhaps these are being closely watched. We have no previous statement to compare and see, but it seems only those investments in which there are substantial amounts of losses are shown in this particular statement.

Accountant-General:

Mr Chairman, if you look at the market price column you will see that it is generally approaching redemption. Overseas investments are dealt with by the Crown Agents. They have discretion to buy and sell overseas investments. They work through a firm of expert stockbrokers and they know far more about stocks and shares than we do here.

Mr Chairman:

Paragraph 33. Statement of Voluntary Agencies.

Mr Olarewaju Afolayan:

On page 7 of this report, I see that the United Native African School, Kano, according to this statement they still have £2,500 outstanding. To my knowledge, according to the terms of agreement, payment is automatically due after 31st December of the following year. May

I know what steps have been taken against this school which failed to pay about two instalments.

Accountant-General:

The United Native African School has not started paying yet, but the matter is being pursued and the Ministry of Education has taken it up with the Mission's headquarters in Lagos.

Director of Audit:

If that is U.N.A. Kang, they paid that instalment in Lagos in April, 1962.

Mr Chairman:

To whom?

Director of Audit:

To this Government, through Lagos Treasury. It will appear in 1962-63 accounts.

Mr Chairman:

Any further observations?

Paragraph 34. Any observation? I wonder if the Director of Audit has any comment to make.

Director of Audit:

Mr Chairman, the only thing about this particular statement is how it was tabled in April 1963.

Accountant-General:

I am sorry, this has not yet been laid on the table of the Legislature. That is a mistake.

Mr Chairman:

Paragraph 35. Any comments?

Do you think that we can now expect you to produce an account that can be audited.

Accountant-General:

Mr Chairman, not at the moment, we are still trying to get information from the Commissioner of Benue Province. The collection of revenue was done by the Provincial Secretary, and we have not received information on what was happening. We are pressing hard about this.

Mr Chairman:

Does that imply that you are eventually going to produce something in the near future?

Accountant-General:

Yes, Mr Chairman.

Mr Chairman:

Paragraph 36. Any observations?

Alhaji Ibrahim Yakubu:

The Accountant-General made mention in his written reply about a new system. I wonder if he can tell us something about this new system and whether or not a date has been fixed to introduce this.

Accountant-General:

Mr Chairman, basically, the new system is that we will settle this monthly on a cash basis. The Accountant-General of the Federation proposes to open three offices in the North. The settlement will be between officers of Northern Treasuries and that of the Accountant-General of the Federation. This will reduce the work with the Accountant-General of the Federation considerably. I intend visiting Lagos next week to see the Accountant-General of the Federation. I have already received his proposals which I intend discussing with the Director of Audit and if this system is agreed to we hope to start on the 1st of August. The Federal officers are already in the North to start.

Mr Chairman:

Any further comments?

Paragraph 37. Any comments?

Paragraph 60. Any observation on paragraph 60?

Mr Olarewaju Afolayan:

There are 4 or 5 cases here now but the Accountant-General has just compiled all these cases together by saying that he has issued a circular on all. I think all these should be dealt with one by one.

Accountant-General:

Mr Chairman, I think the Director of Audit has stated the point that there is an increasing tendency for people to be careless, and a circular was issued to cover all the points.

Mr Chairman:

Any further observations?

Alhaji Ibrahim Yakubu:

Mr Chairman, I just want to ask the Accountant-General if there exists a key register and if so whether the instructions regarding this are laid down anywhere in case of the slightest suspicion the key concerned should be destroyed and the duplicate removed and a new key substituted.

Accountant-General:

Mr Chairman, a circular was issued four or five years ago to all senior officers on the subject of security. It was recently brought up-to-date and reissued early this year. A personal copy was issued to every officer. And to every other officer who is required to handle money or holds a key. There is a section dealing with the responsibility of keys. It deals at great length on the security of keys. There is also provision in the new Financial Instructions for action to be taken if a key is lost, or compromised, or if there is any fear that it has been copied. I think this instruction is a continuing one.

Mr Chairman:

Any further comments?

Any comments on paragraph 61?

Emir of Abuja:

There is delay in sending out circulars and as regards the system mentioned in the reply in the second paragraph may we know what system is adopted in headquarters.

Accountant-General:

The problem here is the same as we have already discussed. We have reissued revised instructions to Sub/Local Treasurers on the checking of keys and a lot of this will continue.

Mr Chairman:

Any further observations?

Paragraph 62. Any further comments?

Alhaji Ibrahim Yakubu:

Mr Chairman, is any disciplinary action taken against the Sub/Local Treasurer?

Accountant-General:

Mr Chairman not yet as the case is not yet finished. He has been removed away from that station.

Mr Chairman:

But when he moved I think he moved with his crime?

Accountant-General:

It is not the Sub/Local Treasurer who has committed the crime but it was due to his negligence.

Mr Chairman:

Has the loss been estimated?

Accountant-General:

It has not been known yet but it is estimated at about £1,500.

Mr Chairman:

So you encourage your Sub-Treasurers when they embezzle money of about £1,500, and you only stop their allowance of about £120 per annum?

Accountant-General:

The Sub-Treasurer is only guilty of negligence. He is not the one who embezzled the money. It is the Motor Licensing Authority clerk who embezzled the money. It may interest Members to know that Motor Licensing will now be taken over by the staff of the Accounting Division. This will prevent losses of this nature as they will no longer be revenue collectors.

Mallam Maude Gyani:

I will only like to advise the Accountant-General that drastic measures should be taken about losses of money, such as that of Bornu Province.

Alhaji Ibrahim Yakubu:

It seems to me that District Officers appear to know something about these various misappropriations and unseemingly the responsibility in this particular case is being passed on. I would like to know Sir, if in the case in question, the Provincial Secretary had been informed and no action has been taken on the person concerned.

Accountant-General:

Mr Chairman, all Licencing Officers are under the control of the Provincial Administration. In this case the Motor Licencing Officer, Sokoto, was under the control of the District Officer, Provincial Office and he should have ensured that payments were made regularly by the Motor Licencing Officer but he did not do so. The Senior Resident Sokoto was fully aware of this as in his report on the loss he stated that he considers the District Officer, Provincial Office, responsible, among others. The Senior Resident recommended disciplinary action but until we know the state of the loss, whether recovery or surcharge, final disciplinary action cannot be taken.

Alhaji Ibrahim Yakubu:

I wonder whether it would be possible to consider in Provincial Headquarters and Divisional Headquarters, making the Residents and District Officers in rotation responsible for checking the payments due from Revenue Collectors in to Treasuries and Sub-Treasuries. This would seem, Sir, to have the advantages of counter checking, as it were, the work of any District Officer.

Accountant-General:

I think, Mr Chairman, you will find that the Secretary to the Premier would resist this proposal very strongly on the grounds that the District Officers are already overworked in their stations and it can only be done at the expense of other duties.

Mr Chairman:

Perhaps you can take up that matter with the Secretary to the Premier. Any further observations?

Accountant-General:

Yes, Mr Chairman, this particular District Officer has accepted the responsibility.

Mr Chairman:

Any further comments?

Mr Chairman:

Have you received the reports of the Board of Enquiry?

Accountant-General:

I have not yet. We are not certain if the Board convened has even sat. We have written for further information from the Ministry of Works; perhaps the Director of Audit may have further information?

Director of Audit:

All I know is that the instructions for convening the Board went out in December last year and that seems to be the last anybody has heard about it.

Mr Chairman:

Any comments?

Alhaji Ibrahim Yakubu:

I think, Sir, there seems to exist a system of apathy in revenue collectors not presenting the proceeds on their books and seemingly senior officials at even the status of Provincial Accountant have been proved guilty of lack of supervision, and I can only suggest that for the benefit of efficiency and advantages that in our final report we emphasise this permit in general terms.

Accountant-General:

In the latest instructions to Sub-Treasuries and Local Treasuries we have warned them to treat any delay by revenue collectors with greatest suspicion. If the paying-in is delayed by two or three days then they must report that to the most senior officer available. If nothing happens quickly, then they must report to the Provincial Secretary.

Mr Chairman:

In this particular case who are responsible for convening this board?

Accountant-General:

The Provincial Secretary, Zaria, Mr Chairman.

Mr Chairman:

Any further observations? Paragraph 64. Any observations?

Alhaji Ibrahim Yakubu:

In this paragraph, Sir, as in the next one, it seems that the instructions regarding proper keeping of the paper money register are not being closely followed. This attitude Sir, must be regarded as a potential source of losses. I would like to know if the Accountant-General could kindly tell us what steps have been taken to safeguard the situation.

Accountant-General:

Mr Chairman, such negligence cannot be detected here on the spot, but that is why we are sending out teams of touring officers and also touring accountants as far as possible. They are expected to examine every aspect of the Sub/Local Treasurer's work. A frequent inspection so that such a state of affairs should not arise again.

Mr Chairman:

Can we now know whether each of this specific errors or omissions has been corrected?

Accountant-General:

They have now been corrected, Sir.

Mr Chairman:

Any further comments? Finally paragraph 65. Any observations?

Emir of Abuja:

May we know whether the paper money register has been kept properly?

Accountant-General:

Yes, Mr Chairman.

Alhaji Ibrahim Yakubu:

My last question, if I may, Sir, is whether in the opinion of the Accountant-General, adequate safeguards have been provided to avoid recurrence of these cases earlier mentioned, and if in addition processing of loss cases in all stations in addition to Headquarters is now being handled by senior and experience officers?

Accountant-General:

Yes, Mr Chairman. The losses of all these are the responsibility of senior officers of the Ministries concerned, and with the strengthening of that particular section in Headquarters we are able to follow the case up more vigorously.

Mallam Maude Gyani:

In this paragraph 65, it contains many things, which I think unless the Accountant-General is readily aware of these, things will not go on smoothly.

Accountant-General:

Yes, Mr Chairman. Things are going smoothly now.

Mr Chairman:

Any further observations?

Alhaji Ibrahim Yakubu:

I would like to thank the Accountant-General and his colleagues. (MR CHAIRMAN: I think before thanking the Accountant-General, perhaps the Director of Audit has something to say).

Director of Audit:

Sir, I have admiration for the Accountant-General myself; I have nothing to say.

Alhaji Ibrahim Yakubu:

I would like to thank the Accountant-General, not only for his patience in answering and satisfying all our questions, but also in presenting before us reasons why we should believe that future accounts will be much better than have been rendered in the past—in fact not only accounts but accounting procedures, and also to thank him for his various assurances. We look forward to seeing them put into operation without undue delay.

MINUTES OF PROCEEDINGS

Wednesday, 5th June, 1963

MEMBERS PRESENT

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

Alhaji Umaru, Etsu Pategi

Alhaji Mohamadu, Emir of Gumel

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

Alhaji Ibrahim Yakubu

Alhaji Abdullahi Maikano, Emir of Wase

Mr V. I. Orjime

Mallam Aliyu Mustafa, Lamido of Adamawa

M. Maude Gyani

Alhaji Muh. Tukur O.B.E., Emir of Yauri

Mr Olarewaju Afolayan

The Director of Audit, Mr M. Skilleter, M.B.E., accompanied by his deputy in attendance.

Governor's Office

Mr Chairman:

Gentlemen, we have the Private Secretary to His Excellency. We have not got his written reply with regard to Audit queries, but I feel that there is a misunderstanding because he has sent a reply to the Director of Audit instead of to our Secretary. I will like to remind him of our Secretary's letter and I think that a copy has been sent to him in which the Secretary requested him and others as well that they were welcome to furnish a written reply at least a week before they are due to appear before the Committee. And he went further to say that he would be grateful to have sixteen copies of each reply and in addition a copy of this reply should be sent direct to the Finance and Accounting Divisions of the Ministry of Finance and two copies to the Director of Audit. I am going into this in detail in order to avoid such future repetition. Would you like to reply to this?

Private Secretary to the Governor:

I am sorry, I read the wording of paragraph 4 of your Secretary's letter, which I think it is not quite clear. It says "if you wish you may" and I understood that a written reply to the Committee is entirely optional.

Mr Chairman:

It is true that you are free either to submit a written reply or not to submit, but you can appreciate that a written reply will save us a lot of time. It may even make the Committee not to ask you to appear before us at all.

Private Secretary to the Governor:

Thank you Mr Chairman, I appreciate this.

Mr Chairman:

The only paragraph that concerns the Secretary to His Excellency is paragraph 38 of the Audit Report. Will members like to make any observations?

Alhaji Yakubu:

Last year, Sir, I believe that Sub-heads 3. and 4 were subject of query by the Director of Audit, and the Secretary to His Excellency told us that it was difficult to see when additional tours might be taken by His Excellency. But it was suggested that the examination of vote books could reveal whether or not provisions made would be sufficient to cover expenditure under travelling. To this, the Secretary to His Excellency I believe replied that he would ensure that a constant review of vote books will be carried out in future. I wonder if you will like to tell us whether a new procedure of examining the vote book has since then been implemented.

Private Secretary to the Governor:

Yes, Mr Chairman. Last year I appeared here to answer queries in respect of the Estimates of 1960-61 and I pointed out to the Committee that a similar query has come out already in respect of the 1961-62 Estimates, and I assured the Committee that I will see that in future, that means not including 1961-62 Estimates, what has already occurred will not again happen. That means my promise took effect from the 1962-63 Estimates. I will like to assure the Committee that our accounts as at 31st March, 1963 show no over-expenditure under any Sub-heads in the Governor's Office.

Mallam Maude Gyani:

Will the Secretary to His Excellency please tell us what action has been taken with regard to 1961-62 over expenditures?

Private Secretary to the Governor:

When the over expenditure as shown in the paragraph in question, that is paragraph 38 of the Audit Report was discovered, I applied for a Warrant to spend money that was not spent under other Sub-heads to cover this expenditure and the Warrant was approved in August 1962.

Mr Chairman:

Any further observations?

Director of Audit:

As far as I can see the main difficulty experienced by the Private Secretary was that the Accountant-General was debiting his vote without him knowing, and this has caused him considerable trouble in the past. Perhaps the Committee may wish to enquire from the Private Secretary whether he is now happy about taking up these charges from the Accountant-General's tabulation as soon as possible.

Private Secretary to the Governor:

Mr Chairman, in the past, that is before I came into the Office, records show that liabilities were not taken. That means for example that we buy Overseas newspapers worth about £90 which are paid for by the Accountant-General and my office did not take this into account because we buy other papers locally which gave a sort of wrong impression. This year we have got a list of newspapers we buy from the Ministry of Finance and we know right from the beginning that this money is going on overseas newspapers. As far as this is concerned we have now no trouble at all. With regard to the travelling, the Governor's Office used to pay a fixed rate for the Governor's Railway Coaches which is about £1,300. That used to be paid on our behalf by the Accountant-General but now that has been transferred to the Ministry of Internal Affairs so that any money that comes out under travelling it must be that for which travelling had actually been taken. Generally I feel quite happy that the accounts at the Governor's Office are good.

Alhaji Ibrahim Yakubu:

Mr Chairman Sir, I would like to ask whether this fixed rate of £1,300 covers maintenance and other related charges by the Railways to your Office or whether this is just the cost of pulling the coaches irrespective of whether or not His Excellency under-takes any journey during the year.

Private Secretary to the Governor:

I think it can best be compared with electricity. If you have electricity in your house whether you use it or not there is a fixed rate which you must pay, even if you are not in the house, and if you use the electricity, you will have to pay again for additional units.

Alhaji Ibrahim Yakubu:

Do these coaches belong to the Northern Nigeria Government or to the Railway Corporation?

Private Secretary to the Governor:

They belong to the Railway Corporation, but they are exclusively used by the Governor.

Alhaji Ibrahim Yakubu:

I wonder if the Secretary has considered the possibility of purchasing coaches for the use of His Excellency to belong to His Excellency. It seems to me that at least in ten years time we shall have paid £12,000 plus any additional charges on pulling the coaches on the Railway. That is a large sum of money and perhaps if possible we have even already paid this amount or even more.

Private Secretary to His Excellency:

I think this is a bit over, but the Railways have already put up a proposal for building more coaches not only for Northern Nigeria but also for the other Regions and the Prime Minister as well, and I think at the moment they are discussing this matter at the Federal level how these

coaches are to be built. This matter has also been brought to the notice of the Secretary to the Premier.

Mallam Maude Gyani:

I am sure the Private Secretary to His Excellency will understand my supplementary question is a form of explanation in that these Corporations will never arrange anything which they consider will not bring them any profits or might be at their disadvantage.

Mr Chairman:

I think if Members wish they may perhaps raise this matter with the Secretary to the Premier as the Secretary to His Excellency cannot do anything about this.

Director of Audit:

With due respect, Mr Chairman, this matter is now under the Ministry of Internal Affairs. If the Private Secretary to His Excellency made any suggestion it will have to be unofficially treated. The Permanent Secretary to the Ministry of Internal Affairs will appear before the Committee the day after tomorrow and Members may wish to take it up with him.

M. Chairman:

Any further observations. I understand that the Accountant-General has sent out a Circular No. A14 of 1962 and it seems to me that the Private Secretary to His Excellency does not seem to have complied with the directions in this Circular and I am wondering whether he did not receive the Circular.

Private Secretary to His Excellency:

I am sorry Sir, I cannot remember anything about receiving this Circular.

M. Chairman:

Then please take note of it. The number of the Circular is A14 of 1962. Any further observations. Well thank you.

M. Chairman:

Our next customer is Secretary to the Premier. We have now the Deputy Secretary to the Premier and the first item that concerns him in the Audit Report is paragraph 39—would members like to make any observations?

No. AS. III/17/161.
Premier's Office,
Kaduna,
17th May, 1963

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

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

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

PUBLIC ACCOUNTS COMMITTEE

I am directed to refer to your letter No. 341/S.1/597 of 6th May, 1963 and to submit written answers to the queries made by the Director of Audit in paragraphs 39-41 of his report on the accounts of the Government of Northern Nigeria for the year ended 31st March, 1962.

(I) *Paragraph 39: Excess Expenditure at 31st March, 1962.*—Approval for all the excesses on Expenditure under Heads 223-225 have been obtained. Details and reasons for the excess expenditure are as follows:—

(i) *Head 223—Office of the Executive Council 12—Minister's Overseas visits*—Excess £9,942-16-10. The excess under this subhead was due to under estimation. By the nature of this subhead it is difficult to know how many times Ministers will visit overseas in any particular year. The excess was cleared in *Third Supplementary Estimates, 1961-62.*

(ii) *Head 224—Administration: 14—Motor Vehicles: Replacement*—Excess £285-3-2. The excess under this subhead was due to cost of petrol which should have been charged to subhead 5—Motor Vehicles: Maintenance, and this was not noticed for adjustment during reconciliation. The excess was cleared on Ministry of Finance Release Warrant No. 67/1961-62 of 24th January, 1963.

(iii) *Head 225—Agent-General for Northern Nigeria in United Kingdom:*

(a) *1—Personal Emoluments*—Excess £6,255-3-2. The excess was due to wrong Treasury scheduling of Rent Supplements paid to officers in the Agent-General's Office and this was not observed for adjustment until the accounts had closed. London Payment vouchers Nos. 34 and 39 of June, July respectively amounting to £1,540 were also wrongly debited. The excess was cleared on Ministry of Finance Virement Warrant No. 101/1961-62 of 9th November, 1962.

(b) *2—Local Transport and Travelling—Excess*—£352-7-2. The excess was due to misclassification on various London and Maiduguri Payment Vouchers which were not noticed for adjustment until the accounts had closed. The excess was cleared on Ministry of Finance Virement Warrant 101/1961-62 of 9th November, 1962.

(c) *3 Office and General*—Excess £102-16-11. The excess was due to cost of carriage of diplomatic mails wrongly charged to this vote and adjustment vouchers submitted to the Ministry of Finance were returned unaccepted for the reason that they were not passed through the accounts before it closed. The excess was cleared on Ministry of Finance Virement Warrant 101/1961-62 of 9th November, 1962.

(d) *5 Disturbance Allowance*—Excess £179 2s. The excess was due to misclassification which did not come to light for adjustment until the accounts had closed. The excess was cleared on Ministry of Finance Virement Warrant 101/61-62 of 9th November, 1962.

(e) *12 Insurance*—Excess £35-18-4. The excess was due to under-estimation and application for additional provision was not made before the end of the Financial year due to oversight. The excess was cleared on Ministry of Finance Virement Warrant 101/61-62 of 9th November, 1962.

(f) *23 Candidates—Medical Fees*—Excess £167-14-5. The excess was due to under-estimation as it was not possible to foresee how much recruitment would be made during the year. The excess was cleared on Ministry of Finance Virement Warrant 101/61-62 of 9th November, 1962.

(g) *26 Candidates: Travelling Allowances, etc.*—Excess £447-7-10. The excess was due to misclassification of cost of passages of some newly recruited officers to Nigeria. The misclassification was not noticed in time for adjustment before the closure of the Financial year. The excess was cleared on Ministry of Finance Virement Warrant No. 101/61-62 of 9th November, 1962.

(2) *Paragraph 40: Overpayment of Salaries and Allowances*—Details of the 7 cases of overpayment reported by Director of Audit are at the Schedule attached. A summary of the latest position is as follows:—

	£	s	d
Overpayment	236	17	2
Recoveries	61	2	3
Write offs	70	5	0
Write offs sought	13	2	6
Overpayment being sorted out	92	7	5
	<u>236</u>	<u>17</u>	<u>2</u>
	236	17	2

(3) *Paragraph 41: Returns of Revenue in Arrears at 31st March, 1962.*—The position of the outstanding Returns of Revenue Arrears reported by the Director of Audit is as follows:—

- (a) *Secretary to the Premier (Administrator Kaduna).*—Return endorsed to the Accountant-General and Director of Audit *vide* my No. AS: 111/52/160 of 17th October, 1962.
- (b) *Provincial Secretary Katsina.*—Submitted direct to the Permanent Secretary, Ministry of Finance, Accounting Division by the Provincial Secretary, in his letter No. AVD/74/224 of November, 1962.
- (c) *Provincial Secretary Niger.*—Submitted direct to the Permanent Secretary, Ministry of Finance, Accounting Division and the Director of Audit by the Provincial Secretary in his letter No. TRE/15/109B of January, 1963.
- (d) *Provincial Secretary Zaria.*—Submitted direct to the Permanent Secretary, Ministry of Finance, Accounting Division and Director of Audit by the Provincial Secretary in his letter No. AVD/1/800 of 12th January, 1963.
- (e) only 2 Provinces, Adamawa and Plateau have not submitted their Returns. However, reminders have been sent to them.

M. BELLO,
for Secretary to the Premier

OVERPAYMENT OF SALARIES AND ALLOWANCES: 1961-62

DIRECTOR OF AUDIT'S REPORT

Name	Amount Involved			Recoveries			Remarks
	£	s	d	£	s	d	
1. P. D. Iki, then Ag. A.D.O.	71	5	0	13	7	7	Between April-Sept. 1962 Though Director of Audit reported that Director of Audit's letter P.T. 19. £71-5s 0d has been over-paid, Sub-Treasurer Jos' letter indicates that over-payment is £49. Director of Audit has been requested to confirm the exact amount. Director of Audit's letter O. 52/16 of 18-3-63 indicates that action is still being taken on our request.
2. J. A. Alabi, 2nd Class Clerk	11	8	0	11	8	0	Hadejia P.V. 10069 and TRV. 7 of August, 1962. Director of Audit informed in my letter PER/1205/59 of 7-9-62.
3. Mormoni Bazza, A.D.O.	24	10	0	24	10	0	Voucher particulars being awaited from Maiduguri. Full Report submitted to Director of Audit in my letter PER/2361/74 of 8-4-63.
4. Muh. Katisna, 2nd Class Clerk	17	16	8	11	16	8	Minna TPVS Nos. 10118 of Oct. 1962-10051 of November, 1962. Overpayment was as a result of down-grading. £6 written off on Ministry of Finance Authority on P. 123 of PER/1431. 10122 of Dec. 1962 10093 of Jan. 1963 10157 of Feb. 1963 10137 of March, 1963.
5. Shehu T/Wada, Ungraded Clerk	64	5	5	—	—	—	Amount written-off under Ministry of Finance Authority FD/CA/35/S. 35/34 of April, 1963.
6. Abdulkarim Illo, Gate-Keeper, Premier's House	13	2	6	—	—	—	Authority for write off has been sought since Feb. 1963 vide my letter PER/4307/43 of 11-2-63 but no reply yet received from Ministry of Finance.

OVERPAYMENT OF SALARIES AND ALLOWANCES: 1961-62

DIRECTOR OF AUDIT'S REPORT—*continued*

Name	Amount Involved			Recoveries			Remarks
	£	s	d	£	s	d	
7. St. E. D. Nelson, Resident	34	10	0	—	—	—	Particulars not available. An old Audit query since 1957. Photostat copy is being asked for so that action may be taken.
<i>Summary:</i>	236	17	2				
Recoveries				61	2	3	
Write-offs as at X above ...				70	5	0	
Write offs sought				13	2	6	
Overpayments being sorted				92	7	5	
	<u>236</u>	<u>17</u>	<u>2</u>	<u>236</u>	<u>17</u>	<u>2</u>	

Alhaji Ibrahim Yakubu:

Mr Chairman, Sir, we are told by the Director of Audit that in his opinion, constant examination of vote books should show where additional appropriation would be required, I wonder if the Deputy Secretary to the Hon. Premier would kindly tell us how this examination is carried out in the exalted office of the Hon. Premier.

Deputy Secretary to the Premier:

Yes, Sir. We examine the books so that we can make provision for the first supplementary estimates and further supplementary estimates.

Mr Chairman:

Then if you examine the books again and reconcile your accounts and this question of over expenditure still hangs, then I think there would be no point in your reconciliations. You may only be wasting your time.

Deputy Secretary to the Premier:

Sir, these excesses have occurred for the Ministers visits overseas due to bills and so on and for use of aircraft which are often not available very early on and this very large excess was not cleared until the Third Supplementary Estimates. So as you can see lot of the expenditure is done overseas and it takes sometime before it comes back to us for settlement and reconciliation.

Mr Chairman:

But then would you not know the amount of that sort of expenditure before hand? So that you can apply for permission to have extra funds in your vote?

Deputy Secretary to the Premier:

Yes, Sir, I think this is possible and we are trying to do this now. If we know intending visits overseas in advance, the position is always easy but unfortunately some come up at a very short notice and we are trying to arrange for an increase in supplementary estimates before the end of the financial year.

Mallam Maude Gyani:

If that is the case, why would you not make proper arrangements for extra provisions large enough to cover all these travelling expenses overseas?

Deputy Secretary to the Premier:

I think that would have been better but this particular case is quite different. For instance when the Hon. Premier went to Western Germany, a great deal of expenditure was incurred which was then unforeseen, and if we base our estimates on that line perhaps the following year we may not have such expenditure and we shall be left with so much money unspent.

Mallam Maude Gyani:

I would like Sir, to make a suggestion in respect of this Head for Travelling. You will agree that not only the Hon. Premier is involved but also his Ministers and I would like to suggest very strongly that this type of travelling provisions should be increased because travelling by the Premier and his Ministers is very essential to this country.

Deputy Secretary to the Premier:

Sir, I shall take note of that.

Mr Chairman:

In 1957-58 twelve Votes were overspent and in 1958-59, nineteen, and 1959-60 24 Subheads were overspent; 1960-61 25 Subheads were overspent and we are very pleased to note that in 1961-62 we find that only 9 Subheads were overspent. But the Committee hopes that the accounts of the next following year should have given them a better show.

Deputy Secretary to the Premier:

I would like to point out Sir, that the over expended votes which we are discussing now are mostly votes which are controlled in London in the Agent-General's office and we do find difficulty in making our reconciliations on time with the Agent-General's Office in London and we are now making every effort to improve the situation in the future.

Mr Chairman:

Apart from over expenditure, there are also some difficulties concerning misclassifications and it seems to me that misclassifications are not cleared before the accounts are closed. Why?

Deputy Secretary to the Premier:

Most of these misclassifications are to do with the Agent-General's Office and that the process is rather slow and particularly where personal emolument vouchers are concerned, considerable misunderstandings are caused by the people who work the accounting. Officers in London receive Overseas Allowances and Rent Allowances and these appear on the same voucher and this has resulted in misclassifications for a long time during the year under question. We are aware of this now, and we are taking steps to remedy it.

Alhaji Ibrahim Yakubu:

On this question of personal emoluments, overpayments seem to be rather large and recoveries comparatively small. It seems also that Write-Off as such out of £236 amounts to £83. Is it because the staff concerned have left the service of the Government or is it because you cannot prove liability against the staff legitimately concerned. I should mention that it seems to me that £92 in addition can be considered of potential Write-Off.

Deputy Secretary to the Hon. Premier:

The position is better than it appeared in paragraph 14 in the answer and £118-19-8 is now being recovered. The Write-Offs include one of £64 5s. This was in the case of an Ungraded Clerk who was overpaid salary for no fault of his own. This was due to a misinterpretation of a rather vague circular for the correct rate of pay of this sort and that was why the Ministry of Finance authorised the Write-Off.

Mr Chairman:

Any further comments.

Paragraph 40.

Any comments?

Paragraph 41. Then Any observations?

Deputy Secretary to the Hon. Premier:

We have now received the outstanding returns from Adamawa Province and that of Plateau Province was posted today which is the only outstanding return involving the Catering Rest House, Jos.

Mallam Maudé Gyani:

Mr Chairman, can the Deputy Secretary to the Hon. Premier explain to us why the returns of the Catering Rest House in Jos have not yet been submitted.

Deputy Secretary to the Hon. Premier:

The Catering Rest House still present a little difficulty because they are under the control of the Ministry of Information and not the Premier's Office, but Provincial Secretaries are usually Chairmen of the Management Committees of the Catering Rest Houses and I have personally no exact details of why there is difficulty with their revenue return.

Mallam Maude Gyani:

Mr Chairman, will it be possible for me to bring a suggestion as to how such things could be done. I suggest that the Deputy Secretary to the Hon. Premier should be sending reminders so as to get the returns, otherwise such amounts will be lost.

Deputy Secretary to the Hon. Premier:

I have noted that, Sir.

Alhaji Ibrahim Yakubu:

The Director of Audit told us that unless Ministries produce returns of revenue in arrears, they are not aware of how much is outstanding and of the progress of collection. I wonder if in the opinion of the Deputy Secretary to the Hon. Premier, the various Provincial Administrations appreciate the importance of these returns and are giving the returns due attention.

Deputy Secretary to the Hon. Premier:

I am sure, the importance of these returns are appreciated. The difficulty with the Provincial Administration is that there are many small sources of revenue rather than any one large source. With returns having to come from District Officers and other Revenue Collectors and get them together takes a long time.

Alhaji Ibrahim Yakubu:

It seems to me that there is probably a case for the Deputy Secretary to the Hon. Premier to examine the procedure in getting these small revenue returns into Provincial Administration Headquarters in time for the collections to be prepared. I am emphasizing a returns chart with due consideration for distances between District and the Provincial Administration Headquarters.

Deputy Secretary to the Hon. Premier:

Sir, I have noted that.

Mr Chairman:

Any further observations? I think that is all for you, thank you. I think it is a convenient time for us to have a break.

Clerk to the Legislature's Written reply
No. 341/S.3/24

Northern Regional Legislature,
Lugard Hall,
Kaduna

13th May, 1963

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

The Director of Audit,
Audit Department,
Kaduna

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

The Permanent Secretary,
Ministry of Finance,
(Accounting Division),
Kaduna

PUBLIC ACCOUNTS JOINT COMMITTEE MEETING OF

I wish to refer to paragraph 4 of your letter No. 314/S.1/597 of 6th March, 1962 and to say that the over-expenditure on subheads 4, 6 and 21 under Head 226 which the Director of Audit has pointed out in his report for the year ended 31st March, 1962 was due to the following reasons:—

Paragraph 43.—The over-expenditure under Subheads 4 and 6 was discovered too late for an application to cover the over-expenditure to be submitted in time for inclusion in the Second Supplementary Estimates for 1961-62. The over-expenditure under subhead 21, was caused by a misallocation to Subhead 23. An adjustment voucher was raised and submitted to the Accountant-General for inclusion in the 1961-62 Second Supplementary Estimates but was received too late for necessary action to be taken accordingly.

The excesses under these votes however, were cleared on the following Recurrent Expenditure Virement and Release Warrants:—

Head 226 subhead 4	...	...	...	...	£ 18	V. W. No. 107/1961/62
Head 226 subhead 6	...	...	...	...	33	V. W. No. 107/1961/62
Head 226 subhead 21	...	...	...	...	161	R. W. No. 65/1961/62

ALHAJI ISA ABUBAKAR,
Acting Clerk to Regional Legislature

Mr Chairman:

I think we can start now. I don't think there is any need to introduce the Clerk to Regional Legislature to Members of this Committee. The paragraph which concerns him is paragraph 43. Any observations?

Mr O. Afolayan:

I would like to ask a question for the expenditure incurred under Subhead 23. Although the Clerk has already explained the reason for the excess under Subhead 23; but according to me an adjustment voucher has been raised by the Clerk and submitted to the Sub-Treasury for inclusion in the 1961/62 estimates, and this was delayed by the Accountant-General. I am confused because this happened last year. Members will be very interested to know or to have an explanation from the Accountant-General.

The Deputy Accountant-General:

Mr Chairman, when an adjustment voucher is submitted to the Sub-Treasury at the right time, I have no doubt, the adjustment voucher will go into the accounts and correct the necessary Subheads. We informed all the Ministries and various departments of the dates of closing the accounts. Circulars are sent out for the final date of closing all the accounts and we ask all the officers controlling votes to come to the Treasury in order to reconcile their accounts. And in this case the adjustment voucher has not come to the Treasury in time.

The Clerk to Regional Legislature:

Mr Chairman, Subhead 21 was not over-spent. What actually happened was that expenditure was incurred under this vote asking for release of funds under Subhead 21. It was the money that was allocated for this expenditure for 1960/61 and for 1962/63 money was asked for revote and a provision for £5,000 was allowed under reserves and under different Subheads including Subhead 23. Expenditure was incurred under Subhead 23 and was debited instead of debiting Subhead 21. This did not come to our notice and we failed to realise that a wrong Subhead has been debited until after the end of the Financial Year. And when we discovered that an application for an adjustment voucher to adjust the proper Subhead was raised, but unfortunately it is too late to be included in the Second Supplementary Estimates. This really happened during the last Public Accounts Committee Meeting Mr Chairman, Members would appreciate that apart from the fact I was away at the last meeting, we got difficulty from constant changes of staff.

Chairman:

Any further observations?

Mr Olarewaju Afolayan:

Mr Chairman, may I know from the Clerk to the Legislature whether regular reconciliation is carried out? If his answer is yes, may I know whether over-expenditure under Heads 4-6 should be submitted?

Clerk of the Legislature:

Mr Chairman, early in the financial year probably it is quite clear that there will be no difficulties in the Department and the Accounting Division, but towards the end of the financial year there is always a lot of difficulties in the Accounting Division. It takes a great time in getting their figures for the various expenditure up-to-date and this expenditure actually occurred towards the end of the close of financial year. Apart from that, I have on several occasions heard the Executive Officer (Finance) complain about the great difficulty in getting the proper officer in the Ministry of Finance to reconcile this figure with. Sometimes figures for the end of the month say June will not be reconciled in the Ministry until July or early in August. Executive Officer (Finance) is here and may like to clear the point.

Chairman:

I think we have here a representative from the Ministry of Finance and he would like to throw some light into them.

Deputy Accountant-General:

Mr Chairman, immediately a month's account is closed the tabulation together with the duplicate vouchers is forwarded to all Ministries concerned. And as I have previously said, at the end of June last year we issued out a circular A14/1962 drawing the attention of all the Ministries about their obligations and asking them to go and reconcile with the Treasury. But I regret to say that the Legislature didn't turn up.

Mr Chairman:

Is the Clerk at all aware of this circular?

Clerk to the Legislature:

I am quite aware of the circular. A copy must have been received in our office. I will actually give the month of June as an example, specifically in particular because we were unable to get the tabulated figures in good time. Executive Officer (Finance) will like to give further explanation on this point. I regret to say that there is a bit of lack of co-operation between the Legislature and Accountant-General's Office. It may be a question of which the Accountant-General is not aware and of which I myself in the Legislature should be aware of.

Alhaji Ibrahim Yakubu:

It seems to me Sir, that probably there is a case whereby the Executive Officer (Finance) of the Legislature may like in the future to draw the attention of the Clerk where he fails to get the co-operation of the Accountant-General's Office in carrying out the reconciliation so that the matter can be dealt with at an early time. It seems also that if such might be the case proper use of the reconciliation should be consistently made and this in turn eliminate the necessity in majority of cases of going to the Accounting Division for reconciliation. This is something which the Clerk might like to give a look.

Clerk to the Legislature:

Mr Chairman, I am most grateful to the Hon. Member for his advice. I regret that if I have given any impression of the Ministry with Accounting Division in getting the tabulated figures of our expenditure which is one of the many accounting obligations which the Accounting Division has to give at the end of each month, and probably that is why sometimes it is actually difficult to get any one particular responsible for reconciliation. The difficulty which I have been trying to explain is getting the appropriate officer at the end of each month for this reconciliation.

Alhaji Ibrahim Yakubu:

It seems Sir, that the Accountant-General should arrange to appoint and inform all Ministries which officer has been charged with this responsibility.

Clerk to the Legislature:

In addition to what the Hon. Member has just suggested, I think if it is possible for the Accounting Division to give a schedule of the date and the officer they should approach.

Deputy Accountant-General:

I think in this respect I have to draw the attention of the Clerk to paragraph 5 of our Circular No. A14 of 1962. It states that "... That Accounting Officers controlling revenue or expenditure or below the line are requested to arrange an early check of tabulations of vouchers and send a representative to the Accounting Division, Ministry of Finance, to compare their vote books with the records kept by the Accounting Division. Such representatives should be Senior Accounting Officers and they should be instructed to go to the Senior Accountant in charge of the main accounts in room 5 (Mr C. A. Ramshaw). They should sign a certificate in the book provided by the Senior Accountant to the effect that reconciliation has been effected with the Accounting Division records". (He then showed a register to the Committee).

Director of Audit:

Mr Chairman, if I may assist the Committee, there is a little confusion about what the Clerk is saying. He says that his staff have been having difficulty from month to month in

getting things sorted out. This circular which the Deputy Accountant-General has read out would operate only at the end of the year. These are two different things.

Alhaji Ibrahim Yakubu:

Mr Chairman, is this gentleman mentioned in the circular responsible for the month to month reconciliation?

Deputy Accountant-General:

This is the first time that I am hearing that an officer has not been given co-operation to reconcile his account. There are many Ministries coming for reconciliation at each month end.

Alhaji Ibrahim Yakubu:

I am sorry this does not answer my question.

Deputy Accountant-General:

I do not seem to understand your question please?

Alhaji Ibrahim Yakubu:

Is the gentleman mentioned in your circular responsible for the month to month reconciliation?

Deputy Accountant-General:

It may not be this particular fellow but it may be a Senior Accountant who is responsible for this reconciliation.

Alhaji Ibrahim Yakubu:

Mr Chairman Sir, I think the suggestion put by the Clerk originally is very good indeed, and I strongly recommend that we take note of it in our reports and recommendations.

Mr Chairman:

The suggestion that you should circulate the name of the man who is responsible for the month to month reconciliation so that Accounting Officers know whom to approach in the Ministry. That is the first part of the suggestion and the second part is that if you can give a date for each Ministry—say for the Legislature 27th and Ministry of Agriculture 26th of the month that would ease these complaints of having some difficulty in approaching the really responsible officer for this particular check of a reconciliation for the Ministry.

Deputy Accountant-General:

If I am allowed to say I do not think it a necessity for the Ministry to come at the end of the month for reconciliation. My reasons for saying this is as follows: At the end of each month the Ministries are sent duplicate vouchers and tabulations and along with the comparative figures for the various months—that is what we have spent from April to May will be sent at the end of June as it has been entered in their D.V.A. book. If there are any mistakes you check with Treasury, and there is no need to come every month to the Treasury.

Alhaji Ibrahim Yakubu:

Mr Chairman Sir, this may be so but I think that one cannot lose sight of the possibility of errors in these tabulation. I think the suggestion needs a little more consideration by the Accountant-General.

Deputy Accountant-General:

This I would say that we may not like to correct this classification as these figures were easily given by the machines. It is the duty of the Ministry to find out any misclassifications in their duplicates. For instance, if we wrongly issued a schedule to the Ministry of Internal Affairs instead of the Legislature, that duplicate will go to the Legislature, and it is up to the Legislature when they receive it to make the necessary adjustment.

Alhaji Ibrahim Yakubu:

I do not know whether the Director of Audit may like to help us here. It is not improbable that the Accounting Division can make some mistakes which on arriving at any Ministry or the Ministries concerned may be detected and need to be corrected. This I should imagine would be obvious.

I am not too conversant with Government procedure but perhaps it is reasonable to say that as much as any Ministry can make mistake so I think the Accounting Division can make.

Director of Audit:

I think in their own way both the Clerk to the Legislature and the Deputy Accountant-General are correct. The Deputy Accountant-General is correct because in theory reconciliation should be easy because all copies of vouchers and statements are sent out each month. The Clerk to the Legislature is correct because in practice this does not always occur as simple as that, and when action is to be taken one often wants to speak to the Treasury Officer concerned to set it right quickly, so most respectfully, I am inclined to think that certainly it cannot do any harm and to me it may well do a lot of good if these Accounting Officers can act quickly and not only at the end of the year. The idea is worth considering, at least.

Mr Chairman:

Any further observations? May I ask the Clerk whether there is any likelihood of having unauthorised excesses in the financial year 1962-63?

Clerk to the Legislature:

Mr Chairman I find it difficult to answer your question. At this stage it is my hope that there will be no over-expenditure in 1962-63.

Mr Chairman:

Any further comments? Thank you.

Mr Chairman:

The next man is the Chief Registrar. The paragraph that concerns you with the Director of Audit's Report is paragraph 42. Clearly, Accounting Officers ought to have given a written reply to this Committee. It is entirely left to their discretion, but I think they too appreciate the fact that written answers go a long way, and it may even make the Committee suggest asking the Accounting Officers not to appear before it. In the case of the Chief Registrar I think he has not furnished a written reply so could we have an oral reply now?

Chief Registrar:

I took over this job on an acting basis on the 18th of last month and therefore mostly depend on the minutes which have been put in the file I brought this morning.

It appears that the Registrars of various courts were sent a circular telling them to make these returns. Only one replied and reminders were sent out. Unfortunately, no returns were submitted but by the time all the returns were received, it was too late to send a proper return. I can only say that in the future, I will do all I can to see that these returns are submitted early.

Mr Chairman:

Any further observations?

Mr Chairman:

Thank you, that is all for you.

Registrar of Sharia Court of Appeal's Written Reply to Paragraph 44.

MCA/78/38
13th May, 1963

The Director of Audit,
Audit Department,
P.M.B. 2010,
Kaduna.

AUDIT ANNUAL REPORT: PUBLIC ACCOUNTS COMMITTEE

With reference to your letter No. AGM/11/171 of 20th March, 1963, I am directed to say that we have no revenue in arrears during the financial year 1961-62.

Paragraph 44 of your report refers.

H. SHABA,
Registrar,
Sharia Court of Appeal

MCA/78/38A
 Registrar's Office,
 Sharia Court of Appeal,
 Kaduna

Copy to:

The Secretary,
 Public Accounts Joint Committee,
 Kaduna

Above is forwarded for your information with reference to your Circular letter
 No. 341/S.1/599 of 8th May, 1963.

H. SHABA,
 Registrar,
 Sharia Court of Appeal

Mr Chairman:

We have now the Registrar of Shari'a Court and the paragraph that concerns you is paragraph 44 of the Audit Report. Do Members wish to make any observations?

Haji Ibrahim Yakubu:

One question Mr Chairman, whether or not this return of revenue in arrears has now been sent to the Accounting Division.

Registrar of Sharia Court:

Yes, Mr Chairman. We have sent these on the 13th May, 1963.

Haji Ibrahim Yakubu:

It seems that a circular was sent in good time for the returns but this obviously did not have any effect. I wonder if the Registrar has made any arrangement to ensure that in future returns are received in time.

Registrar of Sharia Court:

Yes I did so, and even instructed the Finance Officer to see that in future all these circulars are not overlooked.

Mr Chairman:

Any further observations?

Thank you that is all.

Paragraph 82.—Arrears of revenue returns in respect of all subheads affecting the Ministry of Land and Survey have been forwarded to the Accounting Division and Director of Audit, except only in respect of Head 206 subhead 1, Rents.

2. This return was in fact prepared. It showed arrears outstanding, as at 30th September, 1962, of £70,058-11s-4d. Of the arrears of £41,295-8s-10d outstanding as at 30th September, 1961, £18,704-4s-7d were collected. The £70,058-11s-4d is therefore made up of £22,591-4s-3d in respect of years up to and including 1961, and the balance is in respect of arrears payable in advance for the year 1962.

3. The return was not circulated, as only one copy was prepared. The reason for this was that it was to have been photographed by the Government Printer in order that all those interested should receive a copy of the return, with a view to getting the arrears collected expeditiously. Unfortunately, the Government Printer ran out of copying materials. I then wrote to the Ministry of Finance asking permission not to submit the return for this subhead until the new return due in October, for arrears as at 30th September, 1963.

Mr Chairman:

We now have the Permanent Secretary, Ministry of Land and Survey and the only paragraph that concerns him is paragraph 82. Will members like to make observations on this?

Mr Olarewaju Afolayan:

The arrears as at 31st March, 1962 are £41,295-8s-10d thus leaving a very huge amount of £22,591-4s-3d to be collected, when only £18,704-4s-7d has been collected. Mr Chairman,

members will be interested to know what steps have been taken about this fabulous amount to be collected.

Permanent Secretary, Ministry of Land and Survey:

Sooner or later we find that holders of Certificates of Occupancy wish to do something else with their Certificates of Occupancy. Each application is made to this effect, the Minister does not approve until such time that all rents are paid. A Certificate of Occupancy can also be revoked if rents are not paid up-to-date, and then rents can then be recovered on sales of improvement on the plot. The Minister does not usually go to that extreme limit of revocation until we have given every chance to the person to pay his rents. According to the terms of the Certificate of Occupancy granted by the Government rents are payable without demand on the 1st of January of each year. It is our experience that in fact many people do not deliberately refuse to pay but overlook the conditions of the Certificate of Occupancy that they have to pay without demand and when the demand is in fact made by subsequent reminder you find that they do often pay without much ado.

Mallam Maude Gyani:

Mr Chairman, as the Permanent Secretary has said on account of failure to pay rent. I would like to advise the Permanent Secretary that reminders are sent to the holders of Certificates of Occupancy on the due date. It is not the fault of the holder of Certificate of Occupancy to pay because he was not reminded. I want the Permanent Secretary to assure the Committee that this will be done in future.

Permanent Secretary, Ministry of Land and Survey:

Mr Chairman reminders are sent when rents are not paid after a reasonable amount of time. We do expect the people to adhere to the conditions of the Certificate of Occupancy and that is rents are paid without demand on the 1st of January each year, but when they do not pay, I quite agree we have to remind them.

Mallam Maude Gyani:

Mr Chairman, I would not like to make a long argument but I would like to see that reminders are sent more regularly rather than waiting till the end of the year.

Alhaji Ibrahim Yakubu:

It seems to me Sir, that under paragraph 3 a suggestion has been made that due to the inability of the Government Printer to produce copies of Revenue in Arrears Returns, this impeded the collection expeditiously of Revenue in Arrears and I wonder if the Permanent Secretary to the Ministry of Land and Survey had considered the possibility of making these copies otherwise than by the Government Printer's machines, and whether or not these have been related as to costs with the possibility of expeditiously collecting Revenue in Arrears.

Permanent Secretary Ministry of Land and Survey:

Sir, it was my original intention that this return of arrears should be circulated to all Provincial Secretaries so that the new class of Executive Officers (Lands) would be informed in the Provinces of all arrears outstanding so that they could assist in their collection. Subsequently after the difficulty of getting these returns printed by the Government Printer, I rather changed my view on the advice of my staff in the Ministry whom I consulted and we came to the conclusion that the outstanding rents would be collected more expeditiously by doing it centrally in the Ministry than from the Provinces. I therefore sought the permission of the Ministry of Finance not to retype the returns which come to 105 pages because by that time, due to the weeks that had elapsed, it had already become in many respects out of date and as far as we were concerned in the Ministry, we were doing all we could to collect the arrears.

There are, for the information of this Committee, nearly 6,000 or more Certificates of Occupancy granted to individuals and so that if even 5,000 people pay, as they should do, without demand the ordinary office work in collecting the balance of 1,000 people represents quite a lot of office work and within the staff allowed us by the Ministry of Establishments and Training, we are doing our very best.

Alhaji Ibrahim Yakubu:

Sir, I am sure that we in this Committee appreciate the amount of work that must have been going on in your Ministry and I do not think that we lose sight for one moment that it

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may be justifiable in your Ministry and probably in every Ministry to have more than the present staff on their establishments. I am sure that we do not wish in any way to give the impression that we are criticising without reason. It seems to me that your original intention, and I entirely agree with you here, of having the returns sent was because of the possibility of expeditiously collecting rents in arrears in particular because of the personal contact that might be had in Provincial headquarters or various quarters with the actual holders of the Certificates of Occupancy and I think that this is a very good idea but which of course must be decided on its own merits with probably, the yard-stick being purely a matter, of course, the comparative cost of producing the copies of the returns.

Mr Chairman:

Any further observations?—Well, as a matter of interest, do you know what is your estimate and collections?

Permanent Secretary Ministry of Land and Survey:

I think in the estimates for 1962-63 it was £140,000. We have not got the final figures from the mechanical machines of the Accountant-General's branch but we think that this figure will slightly be exceeded. In the current estimates the figure is £160,000, I think I might say, so we hope to increase the revenue collected by £20,000 this year.

Alhaji Ibrahim Yakubu:

It may be interesting to note as it appears that slightly over 50 per cent had not been collected.

Permanent Secretary, Ministry of Land and Survey:

I am afraid I do not follow the question.

Alhaji Ibrahim Yakubu:

I said that it seems to me that taking your reply into consideration at the time of September, 1962, slightly over 50 per cent of the figures £140,000 was in arrears.

Permanent Secretary, Ministry of Land and Survey:

Not necessarily, I see what you mean. £70,000 being roughly the figures shown in the estimates but the £70,000, of course, is made up in many cases, of a number of years in some individual cases.

Mr Chairman:

Do you think that we have any prospects of collecting all these arrears?

Permanent Secretary, Ministry of Land and Survey:

I would say yes, Sir. But I should think it is a very small amount of arrears that will not finally be collected and those arrears are in respect of Certificates of Occupancy for which no improvements at all have been made or will be made. The Minister would therefore revoke such Certificates for failure to complete the improvements thereon, and there would be no improvements on the plots themselves from which to recover the rest. Legal action cannot then be taken against the former owners, but it is quite possible that the owners will honestly have not the money to pay. But the number of Certificates of Occupancy on which there are no improvements and which cannot be sold to recover the rents, if it comes to that, I would say is a small proportion of the whole.

Mr Chairman:

Could we hope then that from the small amount that you have now explained, the bulk of the arrears would be collected before we meet next year by this time?

Permanent Secretary, Ministry of Land and Survey:

Of the figure of the £70,000 odd, we had at 12 o'clock yesterday, collected £20,000. (*Alhaji Ibrahim Yakubu:* hear! hear!) I have no doubt that we shall collect very much larger sum by the end of this year. If you see the return next year it will include the arrears payable in advance for the 1963 Financial Year. Unfortunately, we do not bring pressure to bear on those people who do not pay in January of the year, but we concentrate naturally on those who have not paid for last year that is 1962, and previous years if any. But I think it would be safe to say that of the arrears outstanding for the year 1962 and before we shall have collected by the time the Committee meets again the whole bulk.

Mr Chairman:

Any observations? (No). Well thank you that is all.

MINISTRY FOR LOCAL GOVERNMENT—PARAGRAPHS 32 AND 83

The following written report and explanation, in respect of paragraphs 32 and 83 of the Director of Audit's report, is submitted for the information of the members of the Committee for Public Accounts:—

(i) *Paragraph 32: Special Funds, Native Authority Motor Vehicles Insurance Fund, Submission of Accounts to the Legislature:*—The directions for the operation of Public Funds in Northern Nigeria 1961, a copy of which is attached as Annexure A, was not received in this Ministry until September, 1962. Upon the receipt of these directions an enquiry was made by the Ministry by Finance as to whether any accounts had ever been laid before the Legislature. Since no records could be traced to confirm whether any previous records had been submitted, arrangements were made for submission. The Accounts for the period 1960/61 being the most recent available were placed before the Legislature during the 1963 Budget Session, a copy of these accounts is attached herewith as Annexure B.

In view of the fact that the directions for the operation of the Fund were dated 1961, it was not considered to be necessary to submit accounts for the previous years. Copies of the years mentioned by the Director of Audit have been obtained from the Accountant-General and are attached herewith as Annexures C and D. These accounts can be laid before the Legislature at the next session of the Houses, together with the accounts for 1961/62, if completed, should members consider this desirable.

(ii) *Paragraph 83: Returns of Revenue in Arrears:* The Revenue Sub-heads for which the Ministry for Local Government is responsible are as follows:—

Head 205 S/Head 23	...	...	...	Co-operative Course Text Books
Head 205 S/Head 24	...	...	...	Camp Equipment—Institute, Zaria.
Head 205 S/Head 37	...	...	...	Advertisements in Official Publications (Majalisarku)
Head 210 S/Head 13	...	...	...	Board and Lodging Charges at the Institute of Administration, Zaria.

The Revenue in respect of all these Sub-heads was entirely collected at and by the Institute of Administration, since this establishment though nominally the responsibility of the Permanent Secretary, Ministry for Local Government, possessed an Administrative Secretary, a Bursar and full time accounting staff, the Director of Audit and the Accountant-General were encouraged to deal direct with the qualified officers at the Institute, rather than delay replies by using the Ministry as a post office.

These returns should have been submitted upon the 30th of October, 1962, the date upon which the control of the Institute passed from this Ministry to that of the Ahmadu Bello University. A letter was however sent to the Institute upon the 12th of November asking that the returns should be sent direct to the Director of Audit, to which a reply was received in January, 1963.

It is very much regretted that these returns should not have been submitted at the correct time, but the relationship as regards financial matters, with the small Ministry being responsible for the accountants of the very much larger Institute of Administration was never very satisfactory. At the time when these accounts were due, there were only two senior officers in the Ministry, and at the Institute arrangements were being made for the take-over of the finances by the University, which was an exercise of some magnitude requiring the full attention of the staff of the Institute at that time. With regard to the future submission of these returns, as from the date of the submission of these returns for 1962, the entire financial structure of the Institute was changed and being now a part of the University there will be no question of any future late submissions of Governmental returns.

Mr Chairman:

This gentleman, is the Acting Permanent Secretary, Ministry for Local Government and the paragraph that concerns him in the Audit Report is paragraph 83.

In addition he has volunteered to give a reply to paragraph 32 as well and since he is here perhaps Members would like to comment on it.

Paragraph 83.

Alhaji Ibrahim Yakubu:

We understand that the Native Authority Motor vehicles Transport Fund investments have now been repatriated to Nigeria from various countries in which investments were originally held. Is that so?

Permanent Secretary, Ministry for Local Government:

The position is that we have arranged to repatriate the money invested overseas and which was due for repayment and have written to the Accountant-General that the money should be brought back to Nigeria and re-invested here.

Alhaji Ibrahim Yakubu:

I understand that there is probably a technical point of interpretation involved, but that is to say as regards our examining the Balance Sheet, you have submitted covering 1958/59, 1959/60, but as the matter of interest, can you tell us whether those investments that you are bringing back to Nigeria constitute those which have the larger sums on the Balance Sheet here indicated.

Permanent Secretary, Ministry for Local Government:

The total sum is in the region of £60,000 and on the list of investments for the 31st of March, 1961, the following items have been or are in process of being brought back to Nigeria. The first two are the Australia 1961, and 1962. The Conversion Stock 1962, the Conversion Stock 1963, and the Treasury Stock 1962.

Alhaji Ibrahim Yakubu:

Mr Chairman, I have a small observation to make on the Balance Sheet before us. It appears that from the statements for 1958/59 right up to 1961/62, there appears to have been a persistent depreciation of Stock and in particular those sums which represent the largest investment abroad. Of these, I must say that I am pleased to see that one of these is now coming back to Nigeria representing a figure of nearly £7,000. Mr Chairman, I would like to suggest that the Permanent Secretary, Ministry for Local Government take another look at these investments and the possibility of repatriating these to Nigeria again to invest in what appear likely to produce better results than continuous depreciations as have occurred in these investments.

Permanent Secretary, Ministry for Local Government:

It is the Ministry's policy to bring them back as soon as possible. The position as at present is much better as all these stocks have improved in the last two years as bank rate falls; but their present value has risen.

M. Maude Gyani:

Since the Permanent Secretary has informed us, so that depends on the Ministry; I feel the Minister himself depends on you as the Permanent Secretary, therefore as the previous Member has said, this amount £7,000 which was invested abroad, it is high time the money is sent back to Nigeria. I am suggesting to the Permanent Secretary that it is his duty to remind the Minister on what should be done here in Northern Nigeria, especially as it concerns money.

Permanent Secretary, Ministry for Local Government:

I can assure the Member that I will do as requested and to the best of my ability.

Mr Chairman:

Any further observations? We are dealing with paragraph 32. Then paragraph 83. Any further observations?

Alhaji Ibrahim Yakubu:

The Director of Audit in a number of occasions has emphasized that unless Ministries prepare returns of revenue in arrears, they will not be aware of what is outstanding. I would like to know if the Permanent Secretary is satisfied that the importance of this returns is appreciated

by the officers concerned in his Ministry? And whether or not an evidence of the fact he has reason to believe that this would not be a subject of Audit reference in the next report.

Permanent Secretary, Ministry for Local Government:

I would like to apologise for these not being sent in time, Sir, but they were in fact returns made direct from the Institute of Administration to the Director of Audit and at the time they should have been submitted, the Institute was being changed to become part of Ahmadu Bello University. The returns have since been made and were in fact "Nil" Returns. I can assure you, Sir, that we will do so as to avoid being called upon for this error.

Mr Chairman:

Any further comments? Perhaps at this stage, I should draw the attention of the Permanent Secretary, though he has submitted three statements for 1959, 1960 and 1961, we can only consider the one for 1961, because it is the only one that was laid on the table of the House and we cannot just go through the others because of the fact that they were not laid on the table and I hope that this will be noted by the Permanent Secretary and they will be put on the table in the next Meeting of the Legislature.

Permanent Secretary, Ministry for Local Government:

I shall make arrangements to that effect, Sir.

Mr Chairman:

That is all, thank you. Finally, we are going to have the Permanent Secretary, Ministry of Trade and Industry.

Permanent Secretary, Ministry of Trade and Industry's Written Answers.—

No. F. 33-A 113
Ministry of Trade and Industry,
Private Mail Bag No. 2071,
Northern Nigeria,
Kaduna,

18th May, 1963

The Secretary,
Public Accounts Joint Committee,
Lugard Hall,
Private Mail Bag 2018,
Kaduna

PUBLIC ACCOUNTS JOINT COMMITTEE—MEETING OF

Reference your letter No. 341/S.1/597 dated 6th May, 1963.

2. I am directed to draw your attention toward paragraph 85 of the Audit Annual Report 1961-62 for which we have been asked to appear before the Committee on 5th June, 1963 at 12.45 p.m. and to submit that the Return concerning to this Ministry has been sent to Director of Audit, though late for which regrets have been presented to him.

3. Ministry of Finance, Finance and Accounting Divisions and Director of Audit have been informed as desired. Sixteen copies of this letter are enclosed please.

4. Kindly intimate as to whether we should now be present at the meeting on 5th June, 1963 at 12.45 p.m. or not. The paragraph relating to this division only mentions non-submission of the Return which has been furnished.

ALHAJI IBRAHIM DASUKI,
for Permanent Secretary

Mr Chairman:

We have now the Permanent Secretary, Ministry of Trade and Industry, the paragraph that concerns him is paragraph 85. The Audit paragraph that concerns you is 85 and you have also submitted a written reply. Some Members perhaps, may wish to ask you for further explanations.

Alhaji Ibrahim Yakubu:

I wonder if the Representative of the Permanent Secretary, Ministry of Trade and Industry can assure us possibly as a result of emphasising the importance of returns to the officers concerned that in future returns will be submitted in time.

The Representative of the Permanent Secretary Ministry of Trade and Industry:

Yes, Sir. We will do that.

Alhaji Ibrahim Yakubu:

Thank you. That is all—no further comments.

Mr Chairman:

Thank you that is all and that brings us to the end of our business for today until tomorrow at 9.30 a.m.

The Permanent Secretary Ministry of Social Welfare and Co-operatives was not called. His written reply to paragraph 84 of the 1961-62 Audit Annual Report is set out below.

Permanent Secretary, Ministry of Social Welfare and Co-operatives Written Answers.—

No. MSWC. 1011/125

Ministry of Social Welfare and
Co-operatives,

Private Mail Bag No. 2014,

Kaduna,

Northern Nigeria,

31st May, 1963

The Secretary,
Public Accounts Committee,
Northern Nigeria Legislature,
Private Mail Bag 2018,
Kaduna

**PUBLIC ACCOUNTS JOINT COMMITTEE—MEETING OF
THE 5TH JUNE, 1963**

I am directed to refer to paragraph 4 of your letter No. 341/S.1/597 of 6th May, 1963 and with regard to paragraph 84 of the Report of the Director of Audit for the year ended 31st March, 1962, to inform you that so far only £391-13s-4d has been recovered from Co-operative Societies. This has come mainly from Bornu Province (£146-9s-6d), Kano (£68-9s-6d), Kabba (£40-6s-6d), Ilorin (£45-12s-6d) and Sokoto (£41-1s-0d).

2. I am to point out that no recoveries have been made from Southern Katsina where there is now no Co-operative activity. I am also to say that societies in this area owed the Regional Government £157,000 as Pre-season Loans and Produce Purchasing Advances at 31st March, 1962. Repayments have come only in occasional trickles and the prospect of these debts ever being fully paid is really dark. Unless we embark on ruthless cancellations of registration of these societies, outstanding Audit and Supervision Fees will continue to mount.

3. More pressure is being put on defaulting societies to pay up and a new system has been devised whereby societies' Audit and Supervision Fees are charged straight to their bank accounts. It is hoped that this will lead to a speedier clearance of the arrears.

D. S. C. OKOYE,
for Permanent Secretary,
Ministry of Social Welfare and
Co-operatives

**PUBLIC ACCOUNTS JOINT COMMITTEE
SESSION, 1963-64**

Minutes of Proceedings: First Meeting

Thursday, 6th June, 1963

MEMBERS PRESENT:

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

M. Aliyu Mustafa, Lamido of Adamawa	Alhaji Ibrahim Yankubu
Alhaji Muhammadu Tukur, O.B.E., Emir of Yauri	Alhaji Hassan, Dabaturun Abuja
Alhaji Muhamman, Emir of Gumel	Mr V. I. Orjime
Alhaji Umaru, Emir of Pategi	M. Muhammadu Mustafa Maude Gyani
Alhaji Sulaiman Barau, O.B.E., Emir of Abuja	Mr Olarewaju Afolayan

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

Mr Chairman:

Gentlemen, we have the Representative of the Permanent Secretary, Ministry of Agriculture and I think before we start with him, we would like to know whether he can explain to the Committee whether there is any reason why the Permanent Secretary is not available to give us an explanation.

Representative of the Permanent Secretary, Ministry of Agriculture:

Mr Chairman, Sir, I am asked to apologise on behalf of the Acting Permanent Secretary, Mallam Muhammadu Alkali who is acting for the Permanent Secretary, Mallam Muhammadu Lawan who is now attending an International Economic Conference in Washington, and Mallam Alkali himself was called upon the day before yesterday to go as an Adviser to the Northern Delegation for the National Economic Council.

Mr Chairman:

Thank you, and the first paragraph of the Audit Report that concerns your Ministry is paragraph 45.

**REPORT OF THE DIRECTOR OF AUDIT—YEAR ENDED 31ST
MARCH, 1962**

MINISTRY OF AGRICULTURE

Paragraph 45: Overpayment of salaries and allowances.—The 14 cases concerned have all been settled. Details as in Appendix A.

Paragraph 46: Motor vehicle maintenance.—The two vehicles referred to are:—

- (a) *Landrover station wagon KA 3070.*—This vehicle was stationed at Headquarters, Kaduna, where it was used for extensive touring usually with visiting foreign aid experts. During this period it was well maintained, but in 1960 the vehicle was commandeered for duty with the Nigeria Police in the Tiv disturbances. When it was returned to this Ministry the chassis was found to be damaged and the vehicle economically irreparable.
- (b) *Bedford lorry No. S. 562.*—This vehicle was stationed at Sokoto where it was used by the Field Service Division over some of the worst roads in the Province. At the time of boarding the total mileage run was 42,042. The Agricultural Superintendent (Mechanical), attached to the Irrigation Division, Sokoto stated that the condition of the vehicle was aggravated by lack of attention to maintenance by a series of very bad drivers. It must be appreciated that climatic conditions determine execution dates for the completion of many of this Ministry's activities. In this, at times, the high standard of maintenance upon which we insist may of necessity, have to be slightly relaxed. Every effort is however made to ensure the maximum life of vehicles consistent with development plan priorities.

2. Broad proposals for improving the general standard of maintenance were contained in my letter No. VEH-8/S. 116/110 of the 26th November, 1962, a copy of which is attached.

It is understood that discussions on these lines are now being held between Ministry of Finance and Ministry of Works.

Paragraph 47: Returns of Revenue in arrears at 31st March, 1961. Of the total of £21,256-2s-1d outstanding at the 30th September, 1961 all but £635-10s-3d was in respect of fertilizer debts which were taken over from the Northern Nigeria Development Corporation. This Ministry assumed responsibility for the fertilizer campaign on the 1st March, 1961. In order to give the maximum incentive to the use of fertilizer wide spread credit has been given. The Ministry made a determined effort to reduce this debt requesting the assistance of Provincial Secretaries. The present position is shown in Appendix B; up to the 31st March, 1963 £10,692-4s-10d had been recovered from the original total of debts taken over. Every effort is still being made to collect the balance.

2. The selling price of fertilizer is now subsidised by the Marketing Board. A considerable increase in the quantities handled has resulted:—

	<i>Superphosphate</i> tons	<i>Sulphate of</i> <i>Ammonia</i> tons
1962	3,000	1,000
1963	5,900	1,400

In view of the vital importance of fertilizer to increased Agricultural production and maintenance of soil fertility some credit is allowed to selected approved agents. Continuing settlement is insisted upon or the credit stopped.

3. The balance of other revenue to date is £508-10s-2d. Revised rules for revenue collection were approved in November, 1961 and the necessary books and forms were printed. These were brought into force in July, 1962. These rules restrict severely credit issues and it is anticipated that when the current arrears are cleared the problem will become negligible. Total revenue collected by this Ministry in 1960-61 from the sale of Agricultural Products amounted to £29,399.

Appendix 'A'

Query	Amount	Settlement
	£ s d	
1 Wilson Odo	7 13 3	Final decision on overpayment—Director of Audit's No. 0.118/9/122/12/62
2 Alhaji Alhassan Patēgi overpayment— (double) of salary	(Gross) £33 0s 0d	£26-1s-10d net amount. Recovered on Ilorin R.V. 117 of 23/11/61
3 J. I. Agaga—Overpayment of salary ...	3 10 0	Recovered Zaria P.V. 10218 of 18/12/62 1 10 0 " " " " 10167 of 23/1/63 1 0 0 " " " " 10253 of 20/3/63 1 0 0
4 D. C. Pickering	9 0 0	Recovered on Kaduna Payment Voucher 10296 of November, 1962
5 A. P. Wolton	54 0 0	Recovered on Zaria Payment Voucher 10180 of 22nd October, 1962
6 Hassan Lemu	54 10 0	Final decision no overpayment FD/CA/35/S. 13/179 of 6/3/63
7 Musa Awe	7 10 0	Recovered on Kafanchan Payment Voucher 10019 of June, 1962 1 10 0 " " " " 10016 of July, 1962 1 0 0 " " " " 10020 of Aug, 1962 1 0 0 " " " " 10021 of Sept. 1962 1 0 0 " " " " 10025 of Oct. 1962 1 0 0 " " " " 10033 of Nov. 1962 1 0 0 " " " " 10030 of Dec. 1962 1 0 0
8 A. Omerigwe	£10 0s 0d	Final decision no overpayment—Ministry of Finance's Memo No.FD/CA/35/S. 13/179 of 6/3/63.
9 A. O. Obeya	20 5 0	Final decision—no overpayment FD/CA/35/S. 13/179 of 6/3/63— Ministry of Agriculture
10 A. M. Mamman	20 5 0	Final decision—no overpayment—see FD/CA/35/S. 13/179 of 6/3/63 to Ministry of Agriculture.
11 Ahmadu Hamajo	1 0 0	ditto
12 D. I. Chalmer	(Gross) £22	£5-18s-4d net amount. Paid on Payment Voucher 10222 of October 1962

Appendix A—continued

Query	Amount	Settlement
	£ s d	
13 E. O. Gabriel	£14	Paid—Kafanchan 10019 June, 1962 for £2; 1016 July, 1962 for £2; 10020 August, 1962 for £2; 10021 Sept., 1962 for £2; and 10025 October, 1962 for £2.
14 S. I. Dabai	£8	Paid—see Kontagora P.V. ...
		10059 of July, 1962 1 0 0
		10036 of Aug., 1962 1 0 0
		10035 of Sept., 1962 1 0 0
		10050 of Oct., 1962 1 0 0
		10035 of Nov., 1962 1 0 0
		10042 of Dec., 1962 1 0 0
		10032 of Jan., 1962 1 0 0
		10099 of Feb., 1962 1 0 0

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No. VEH-8/S. 116/110
 Ministry of Agriculture,
 Northern Nigeria,
 Private Mail Bag 2015,
 Kaduna
 26th November, 1962

The Permanent Secretary,
 Ministry of Finance,
 Finance Division,
 Northern Nigeria,
 Kaduna

BOARD OF SURVEY, LANDROVER No. KA 3070

Your Reference No. FD/CA/78/S. 439/87 of 1/8/62

With reference to paragraph 4 of your letter. While conditions of service for drivers remain as at the present Ministries cannot hope to recruit a driver of a sufficiently high standard of education and with good driving experience. Local Agricultural Officers are not always available to check maintenance and it would seem desirable to have Government vehicle maintenance centralised in Provinces under some professional control.

2. This letter is copied to Director of Audit.

NLP/ADAS:—

*Permanent Secretary,
 Ministry of Agriculture*

No. VEH-8/S. 116/110A.
 Kaduna
 26th November, 1962

Copy to:—

The Director of Audit,
 Audit Headquarters,
 Northern Nigeria,
 Private Mail Bag No. 2010,
 Kaduna

For information.

ADAS:—

*Permanent Secretary,
 Ministry of Agriculture*

Appendix B

Station	N.R.D.C. 30-9-61			N.R.D.C. 31-3-63			Others at 31-3-63			Total at 31-3-63		
	£	s	d	£	s	d	£	s	d	£	s	d
Yola.	7,696	5	3	6,534	8	0	64	9	0	6,598	17	0
Kano	4,015	3	3	1,448	7	0				1,448	7	0
Bauchi	887	1	1	309	12	0	40	6	1	349	18	1
Gombe	76	7	0	69	13	0	85	5	0	154	18	0
Yandev	614	15	0	134	7	0	286	9	0	420	16	0
Ilorin	502	2	0	1	16	0	33	12	0	35	8	0
Bussa	39	1	0	12	4	0				12	4	0
Kwara	46	15	0	—			69	11	0	69	11	0
Okene	78	5	0	—			104	14	0	104	14	0
Idah	72	15	0	—			142	6	0	142	6	0

Katsina	416 19 0	—	22 10 0	22 10 0
Daura	689 19 0	76 17 0	—	76 17 0
Minna	156 5 0	—	387 18 0	387 18 0
Bida	064 6 0	—	83 5 0	83 5 0
Shendam	50 15 0	—	17 1 0	17 1 0
Riyom	67 0 0	—	625 15 10	625 15 10
Gusau	788 19 0	259 4 0	—	259 4 0
Nasarawa	103 8 0	79 2 0	—	79 2 0
Maigana	1,239 16 3	1,002 17 0	5 10 3	1,008 7 3
Maiduguri	12 10 0	—	—	—
Akwanga	2 5 0	—	—	—
Total	20,620 11 10	9,928 7 0	1,968 12 2	11,895 19 2

LOSSES OF FUNDS BROUGHT TO NOTICE SINCE LAST ANNUAL REPORT

Item No. 5.—Ilorin: Forged paysheets: £13-3-5—Mr G. K. Oyun, Agricultural Assistant, who defrauded, was fined £50 by the Chief Magistrates' Court, Ilorin and has since been dismissed from the service. £13-3-5 has been written-off under Ministry of Finance authority No. C. 199/477/67 of the 9th May, 1963. This loss occurred in October, 1961. Although Mr Oyun was sentenced in January the delay in final settlement was due to difficulty in determining exactly the sum involved.

Item 6.—Gusau: Forgery and Theft.—Mallam Garba Tambaya, Agricultural Instructor, while acting as Revenue Collector misappropriated revenue totalling £11-8-2. He was convicted of forgery and theft by the Chief Alkali, Sokoto, on the 16th December, 1961 and was dismissed from the service with effect from that date. £5-15-0 of the missing revenue was recovered and unsuccessful efforts were made through Sokoto Native Authority to obtain the balance of £5-13-2. This sum was written off under Ministry of Finance authority No. C. 199/489/36 of 29th January, 1963.

Item 7.—Yola: Cash losses from safe (two separate occasions): £43-2-8.—(a) £27-14-3.—On Monday 19th January, 1962, Mr S. Faleru, ungraded clerk, acting as Revenue collector, was found to have a shortage of £27-14-3, made up of £25-5-0 cash and a cheque for £1-19-3. The missing cheque was found, torn, and a replacement cheque issued, while Mr Faleru refunded the cash shortage of £25-5-0. Before disciplinary proceedings could be completed another loss occurred.

(b) £15-18-5.—This loss of revenue was discovered on the 4th June, 1962 when the Agricultural Officer in charge asked Mr Faleru to open the safe and checked the contents. Mr Faleru was charged at Jos Magistrate Court on the 11th August, 1962 and was sentenced to eighteen months imprisonment. Leave to appeal within thirty days was given and an appeal was lodged. The appeal has not yet been heard but it is understood that it will be heard at the next Yola sessions in July, 1963.

B.—LOSSES OF STORES BROUGHT TO NOTICE SINCE THE LAST ANNUAL REPORT

Item 1.—Samaru: Theft of 5 Batteries and 1 Generator, also of Landrover spares (unvalued) £65-6-3.—Mr U. Faskari, workshop foreman, was convicted of theft and dismissed from the service. £65-6-3 was written-off under Ministry of Agriculture authority No. CON-591/152 of the 11th June, 1962. Later, on preparation of Mr Faskari's termination account it was found that he was indebted to Government to the amount of £2-6-2 being the balance of bicycle advance outstanding, this was written-off under Ministry of Agriculture authority No. CON-591/183 of 24th May, 1963.

Item 4 Katsina Ala: Theft of tools: £48-0-0.—The theft of tools was reported in June, 1962. A Board of Enquiry was convened in August 1962 but in spite of many reminders the report of the Board was not received, through the Provincial Officer until the 9th May, 1963. Copies of the report have been sent to the Ministry of Finance and a copy sent to the Provincial Agricultural Officer for his comments on certain aspects of store control.

C. LOSSES OF FUNDS OUTSTANDING FROM PREVIOUS REPORTS

Item 6. Bauchi: Falsification of labourers time sheets: £15-11-19.—1957-8 written off under Ministry of Finance authority No. C. 199/350/142 of 20th December, 1962.

Item 13. Bida: Forged Payment Vouchers and Cheque Order Forms: £271-8-5.—1958-9 written off under Ministry of Finance authority No. C. 199/350/142 of 20th December, 1962. Disciplinary action has been taken against one of the officers responsible for the delay (Mr A. C. MacKellar who has been given a written warning). The other officer has left the service.

Item 8. Mokwa: Shortage in cash and receipts not brought to account: £324-17-4.—1959-60 This loss was reported to Headquarters on the 12th February, 1960. The circumstances of the loss were investigated by an Accountant from Headquarters who submitted his report on the 25th February. Form TNR 110 was forwarded to the Accountant-General on the 7th March, 1960. There was then a considerable delay in police proceedings against a Mr Shemfe, who was cashier at the time, Mr Shemfe was charged on the 27th June, 1961 at Minna, convicted and sentenced to two years imprisonment, against which he appealed.

It was decided by Ministry of Finance on 1st November, 1961 that three officers concerned be surcharged and they were then asked to submit their representations as to why this should not be. The reply from one of the officers, Mr Dim, Assistant Chief Clerk was lost in the post and his reply was not received until 28th April, 1962. Correspondence on queries raised as a result of these representations went on until October, 1962.

The matter was referred to the Public Service Commission by the Ministry of Finance on 22nd November, 1962. In February this Ministry was told by Ministry of Finance that the Public Service Commission required that the Ministry of Agriculture should make the recommendation for disciplinary action. This was done and instructions for the following surcharges were given by the Public Service Commission on the 8th May, 1963.

		£	s	d
Mr J.H. Davies	... Senior Specialist Officer	93	14	4
Mr J. A'Brokke	... Specialist Officer	12	10	0
Mr D. Dim	... Assistant Chief Clerk	27	10	4

The officers concerned have been informed of the disciplinary action and the Ministry of Finance has been requested to obtain authority for write off of the balance of the loss not covered by the surcharge.

Item 6. Samaru: Shortage in Imprest Revenue not brought to account: 1960-61.—The case is closed subject to confirmation by the Director of Audit that there has been no further loss or that further investigation will prove fruitless.

Item 7. Shika: burglary: £19-8-6:1961-61.—As for Item 6. 1960-61 above.

Item 8. Yola: Loss of cash from safe: £93-4-8:1960-61.—Mr J. Truscott was surcharged an amount of £31-1-7, this was recovered on Yola R. V. No. 50 of 30th March, 1963. The balance of the loss was written off under Ministry of Finance authority No. C. 199/440/56A of 5th April, 1963.

Item 9. Samaru: Shortage of labour payments: £50-10-10: 1960-61.—Mr D. Anuebunwa, 1st Class Clerk was surcharged £25. The first instalment of the surcharge £8-6-8 was recovered from his salary on Departmental P.V. No. KAT/4/63-4 of April, 1963. 2nd instalment on P.V. No. KAT/10057 of May, 1963. The balance of the shortage £25-10-10 was written off under Ministry of Finance authority No. C. 199/443/43 of 5th November, 1962.

Item 10. Riyom: Revenue not brought to account: £64-3-1:1960-61.—Mr S. Babatunde, Agricultural Instructor, concerned in the loss of revenue was sentenced to eighteen months imprisonment at Jos on the 18th January, 1963. Final settlement of the case is under action with the Accounting Division of the Ministry of Finance.

Item 11. Zonkwa: Loss of Revenue: £3-3-4. 1960-61.—A charge was brought against Mr Z. Peters, Agricultural Instructor in connection with this loss, but he was acquitted on the grounds of insufficient evidence. Instructions have been given that Mr Peters, who is still in Government employ should at no time be placed in a position where he would be in charge of cash or stores.

The amount of the loss has been written off under Ministry of Finance authority No. C. 199/457/41 of 26th April, 1963.

D. LOSSES OF STORES OUTSTANDING FROM PREVIOUS STORES

Item 3. Ilorin: Cattle killed by negligence: £506: 1960-61.—Surcharge was made as follows:—

(a) Mr Stobbs, Agricultural Officer, £75 Recovered from his termination account.

(b) Mr Fenwick, Agricultural Officer, £25-0-0 recovered from his termination account.

Recovered on Ilorin R.V. No. 9 of May, 1962.

The balance of £406 was written off under Ministry of Finance authority No. C. 199/453/33 of 20th July, 1962.

Item 4. Samaru: Theft of parts from lorry: £225-9-2.—The balance of £142-14-8 was written off under Ministry of Finance authority No. FD/CA/65/S.56/72 of 10th December, 1962.

Mr Chairman:

Would Members like to make any observations on this?

Mr Olarewaju Afolayan:

According to the Permanent Secretary, there are fourteen cases of over payment under this Ministry. These cases according to the Permanent Secretary were settled. May we know why this Ministry is so fond of overpayments?

Deputy Permanent Secretary, Ministry of Agriculture:

I wish to assure the Committee that these overpayments were not of course intentional. But there is at the present time a certain complexity in the rules and regulations relating to the engagement of staff who are often engaged at provincial level and with the constant changes of staff which have taken place from time to time, we have to put in people who do not have the experience that we would like, when we come to the operation or rather applications of the various schemes of service and as a result, I regret to say, that on occasions certain mistakes do occur. We do however, have a system of inspection in our Headquarters here where we hope to pick up as many of these mistakes as soon as they occur.

Mr Olarewaju Afolayan:

Mr Chairman, I have another supplementary question and that is the Permanent Secretary told us that all these cases have been settled but one Eko Gabriel who was overpaid £14 according to Appendix 13A, he has only paid £10 up to October, 1962 out of the £14, may we know whether this is a complete settlement?

Deputy Permanent Secretary, Ministry of Agriculture:

Sir, as far as I am aware, this money has been repaid in full and if that is so, there must obviously be a mistake in the column marked "Settlement" and I will undertake to tell the Director of Audit as soon as possible the receipt or the voucher number of the payments.

Director of Audit:

Mr Chairman, as far as we are aware, it has been recovered by seven instalments of £2 per month from the month of April, 1962.

Deputy Permanent Secretary, Ministry of Agriculture:

Even so, Mr Chairman, I will give the numbers of the receipts to the Director of Audit if he wishes.

Mr. Chairman: Any observations? Then paragraph 46.

Mr Chairman:

Any comments?

Alhaji Ibrahim Yakubu:

Mr Chairman, I have two questions on paragraph 46 and the first one is in connection with the Vehicle Commendeered by the Nigeria Police. May we know whether any claim has been

submitted by your Ministry on Nigeria Police for an economic value of the vehicle at the time it was lent to them when it was returned to you and you found it uneconomically repairable?

Deputy Permanent Secretary, Ministry of Agriculture:

Mr Chairman, Sir, when the vehicle was commandeered, it was commandeered without our notice. It was commandeered by the Senior Assistant Secretary (Security) of the Premier's Office. So also vehicles were commandeered from all the Ministries for lending to the Nigeria Police. We were assured at that time that either the Nigeria Police or the Premier's Office will assume full responsibility for any damage which may occur to vehicles. On return of the vehicle, the facts were brought to the notice of the Senior Assistant Secretary (Security) and it was understood that claims in respect of Ministries so affected would be submitted to the Federal Government, but this in fact, I understand, did not take place. I cannot suggest any reason for that, Sir.

Alaji Ibrahim Yakubu:

Then I can only suggest that the Permanent Secretary takes note to consider pressing for his part of the claim in so far as it affects the vehicle and possibly the wages of the drivers and any other personnel who went to work with the Police with the vehicle.

Deputy Permanent Secretary, Ministry of Agriculture:

I think Sir, I am talking from memory here but as I have already said the money cost including the driver's wages and overtime payable to drivers, of course was not from our vote but was met either from the Premier's Office or from the Nigeria Police. But I will certainly raise this matter with the Premier's Office to see what can be done.

Alaji Ibrahim Yakubu:

My next question is on Bedford Lorry No. F562.

M. Chairman:

Before we go on to this one, would any member like to raise any point with regard to the Landrover?

M. Olarewaju Afolayan:

What I have to say is only in the form of advice. Mr Chairman, a layman even can understand that this Ministry's vehicle really gets worn out in a very short time and this is actually due to irregular attention of the vehicle. If this deteriorating condition should continue, I am sure it will lead the Region to financial chaos. I am just trying to advise the Ministry, with the permission of the Chairman, that a special attention of vehicles should be taken up by the Ministry and I would like a concrete assurance from the Permanent Secretary.

Deputy Permanent Secretary, Ministry of Agriculture:

Mr Chairman, Sir, I would like to say that we are very conscious of the necessity for ensuring the standard of vehicle maintenance. We have in the past and in fact at the moment, do suffer from lack of staff but we do have in the School of Agriculture at Samaru a course which was started the year before last. There are indeed twenty-six people on it who are being trained as Agricultural Assistants (Mechanical). The main function will be of course, to maintain the heavy agricultural equipment which we use, but at the same time it will be possible, when they have completed their course of training, to set up a more elaborate vehicle maintenance within the Ministry as a whole.

M. Chairman:

How long would this course last?

Deputy Permanent Secretary, Ministry of Agriculture:

It is a two year course Sir, in the School, and we hope that it will be followed up with another two year's practical experience in the field.

M. Chairman:

When did this course start?

Deputy Permanent Secretary, Ministry of Agriculture:

It began in January, 1962.

M. Chairman:

Any further questions on the Landrover?

Emir of Yauri:

What connection have these Agricultural Assistants (Mechanical) got to do with this Land-rover because as I can see repairs to Landrovers are purely with the drivers who drive them, or will these people be driving the vehicles?

Deputy Permanent Secretary, Ministry of Agriculture:

They will not, Sir, be driving the Landrovers but they will be inspectors of the mechanical equipment as specified earlier. But as they themselves cannot carry out all the inspection which are necessary, they will ensure that action is taken quickly before any serious damage occurs.

Emir of Yauri:

Is it right to call these people "Technicians" before they could train the drivers?

Deputy Permanent Secretary, Ministry of Agriculture:

With your permission Sir, I would like to invite the Committee's attention to paragraph 2 of the comments which were submitted to the Director of Audit, in which we raised the question of the poor quality of drivers with the Ministry of Finance in November last year. It pointed out the difficulty in recruiting drivers, especially of high standard education with driving experience of the present conditions of service which government could offer. I am informed that this question has been raised with the Ministry of Finance and with the Ministry of Works as to whether they could devise some suitable scheme for raising the overall standard of Government drivers.

Mr Chairman:

But I think you have not yet successfully answered the question.

Emir of Yauri:

Is it necessary for any driver to have an educational qualification? I have got a driver who can not write his name and has been driving for the last four years and has covered over 56,000 miles, and I am not thinking of changing him for the next few years because of his lack of educational qualifications.

Deputy Permanent Secretary, Ministry of Agriculture:

That is what we are now trying to do in producing highly trained drivers. We will however, for the meantime, impress upon officers who have transport under their control of the need for adequate maintenance and ensuring that as far as possible that the drivers keep the vehicles in good condition.

Alhaji Ibrahim Yakubu:

Mr Chairman Sir, paragraph 46(b). It seems to me that so much emphasis has been laid on what has been termed as a series of very bad drivers. And the paragraph further states that it must be appreciated that climatic conditions determine execution and due to the completion of his Ministry's activities. I cannot see altogether the connection of the two statements. This may be in any case beside the point, however in this paragraph it goes further to say that the high standard of maintenance upon which they insist, may of necessity have to be slightly relaxed and I am sure that this proposal refers to paragraph 2 under the same paragraph 46 does not in a large measure relax the standard of maintenance in their proposals forwarded to the Ministry of Works and Ministry of Finance and also that in future the emphasis will be more on supervision to ensure maintenance being carried out rather than in the comments 'very bad drivers'; in other words 'supervision' Sir.

Deputy Permanent Secretary, Ministry of Agriculture:

We will certainly note the remarks of the Hon. members Sir. I would like to say that in the statements that we have to relax, that this is what can happen only in most exceptional cases.

Alhaji Ibrahim Yakubu:

May we have some comments about the proposals you made to the Ministry of Finance and Works in connection with this sort of relaxation of maintenance standards.

Deputy Permanent Secretary, Ministry of Agriculture:

Perhaps I have not made this completely clear. The reason is that there is no connection between this relaxation of standards and the proposals made to the Ministry of Finance. It was suggested to the Ministry of Finance that it may be necessary to improve the conditions on which drivers can be engaged so that we could attract a better and more responsible person

On the question of relaxation of standards we pointed out that this can happen in very occasional circumstances, when it is necessary to achieve execution in a project before a given date. The example that this brings to my mind is a case under an irrigation scheme where it happens to be of a bridge construction. Under these circumstances, it may not be possible to take a vehicle in for normal maintenance until this work is completed.

Mallam Maude:

Mr Chairman, Sir, will the Permanent Secretary explain what disciplinary action is being taken against those drivers that damaged a "Bedford" at the School of Agriculture, Sokoto.

Deputy Permanent Secretary, Ministry of Agriculture:

I regret I cannot say what actually happened to this driver but it is a normal practice that where any damage to a vehicle occurred and was attributed to the driver, then disciplinary action is taken and this usually results in a dismissal.

Mallam Maude:

Supplementary question Sir. Is there anybody supervising the drivers at the time? If there is, who was involved in the same offence?

Deputy Permanent Secretary, Ministry of Agriculture:

Such supervision can be given within the staff available but as I have already told the Committee we consider to be of the greatest priority, the maintenance and operation of heavy agricultural equipment, the tractors and bulldozers which we use. They are items of great expense, because of this the supervision of the vehicles is not as great as we know.

Mallam Maude:

Mr Chairman Sir, with your kind approval I wish to suggest to whoever is responsible for the supervision of drivers. My advice is that will the Permanent Secretary bear in mind that before a driver is employed a certain regulation should be made and interpreted and explained to him so that he may know the responsibility shouldered on him, if in case he damages any vehicle. I think this will remedy the confusion.

Director of Audit:

If I may assist the Committee, it may wish to know that the proposals being considered by Government are that the Provincial Engineer shall maintain all vehicles in his Province, and provide a regular maintenance schedule in consultation with the representative of the Ministry concerned in that Province, and my personal feeling is that if this is adopted that will be the answer to questions like this.

Mr Chairman:

Any further comments?

Alhaji Ibrahim Yakubu:

Mr Chairman, may we know whether this is a written instruction that all Ministries are aware of?

The Director of Audit:

Mr Chairman, it is a policy consideration affecting all Government vehicles in Northern Nigeria and we are discussing the matter with the Ministry of Finance and the Ministry of Works at the moment.

Mr Chairman:

Are you going to ask a question Mr Afolayan? (No). Then paragraph 47.

The Emir of Abuja:

Mr Chairman, I gather that circular was sent in September, 1962 by the Accountant-General to all Ministries reminding them to submit the returns at the end of the month. I wonder if the Permanent Secretary has got it.

Deputy Permanent Secretary, Ministry of Agriculture:

Yes, Mr Chairman, we have got it.

The Emir of Abuja:

Now, if the Permanent Secretary has got it I want to know if he sent the returns.

The Deputy Permanent Secretary, Ministry of Agriculture:

Is this under revenue Sir?

The Emir of Abuja:

Yes, and in September, 1962.

The Deputy Permanent Secretary, Ministry of Agriculture:

We are looking at our records Sir.

The Emir of Abuja:

Mr Chairman, I want to know if returns have been made. Because in his written reply in the last paragraph he said "Every effort is still being made to collect the balance". I want to know whether the Permanent Secretary thinks that there is any chance of collecting the balance.

The Deputy Permanent Secretary:

Yes, Sir. There is every chance of collecting the balance and we are continually pressing our Provincial Officers to follow up these things. Many of the debts have not been recovered because of the failure which we really admit to follow these bills which have been submitted but not paid. A new system has been designed to see that every bill has been followed up and in this way it is hoped that the arrears of revenue will not be overlooked.

Mr Chairman:

Any further observations?

Alhaji Ibrahim Yakubu:

Mr Chairman, only in the third paragraph of his written reply about losses which are outstanding from various stores, and in particular cattle that are killed through negligence amounting to £506. Out of this sum I see that some money has been recovered and the balance of £406 has been written off. Could the Permanent Secretary, kindly tell us if the blame has been put against anyone? And may we know who is responsible for the loss?

The Deputy Permanent Secretary, Ministry of Agriculture:

In this case, Sir, there is complex of professional opinion. It occurred during the time when one officer was handing over to another and it was not possible to proportion blame exactly on anyone and it was not possible to determine any loss. On consideration of all the facts it was decided that two officers were concerned and they should be asked to refund the money stated in the paper and therefore the balance should be written off.

The Director of Audit:

If I may be allowed to throw some light on this point, Mr Chairman, Sir, this is a case which was handled by the Public Service Commission and the decision was reached on disciplinary grounds. There was no intention to recover the full balance.

Alhaji Ibrahim Yakubu:

Mr Chairman, Sir, I want to ask a question on the paragraph immediately after this about lorry parts amounting to £225-0-2 and we see that the sum of £400-12-8 has been written off. Mr Chairman, Sir, can we have some comments on this.

The Deputy Permanent Secretary, Ministry of Agriculture:

In this case, Mr Chairman, we suffered a loss. With regard to the first loss, parts were lost on the vehicle which was brought into Jos Reclamation Unit and was awaiting a Board of Survey. It had in fact had an accident on Jos-Bauchi Road and it was waiting to be recovered and that is where the first loss occurred. Certain articles and equipment were stolen from the lorry and it was then brought in to the Reclamation Unit. It was boarded and while awaiting disposal the second loss occurred. The vehicle has already been boarded and application was made to write off the balance of £142-14-8 after the accident.

Alhaji Ibrahim Yakubu:

Has it been taken to P.W.D. yard after the accident?

The Deputy Permanent Secretary, Ministry of Agriculture:

Mr Chairman, Sir, the vehicle ran off the road on the 16th of July, 1959. The driver of the vehicle was slightly injured and was admitted at Jos General Hospital and the accident was reported to the Police by some unknown driver whose name I do not know. The police took action on the 19th of July when they got a telephone communication from our Engineering Branch at Samaru. The people at Samaru arranged for another driver and sent it to the Reclamation Unit who sent the vehicle down to Jos and it was in fact brought to the P.W.D.

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yard on the 30th of July. Subsequently, enquiry was made and it was found out that there was no driver's mate in the vehicle when the driver was admitted to the Hospital and therefore the vehicle was unattended. Subsequently, instructions were issued to out-stations that there should be driver's mate in every vehicle to accompany the driver everywhere he goes so it is hoped that such an incident will be avoided in future.

Mallam Muh. Maude Mustafa Gyani:

Mr Chairman, Supplementary question. The Permanent Secretary, said that the vehicle was brought in by an unknown driver then who reported the accident to the Police? Is it the driver of the vehicle who reported the accident before he went to the Hospital?

M. Muh. Mustafa Maude Gyani:

Mr Chairman, when the driver was taken to the hospital was he asked what happened?

Deputy Permanent Secretary, Ministry of Agriculture:

The driver had been injured and we think it would be unfair to question him.

M. Muh. Mustafa Maude Gyani:

Whose responsibility was it to investigate about the loss?

Deputy Permanent Secretary, Ministry of Agriculture:

I do not understand your question please.

Mr Chairman:

Any further observations?

Mr Olarewaju Afolayan:

Mr Chairman, Item 7, in January one can see that one Mr Faleru was involved in a shortage of £27-14-3 This was made up in £25 cash and the rest in cheque. We understand that the refund was made in June about six months later. But unfortunately by this time and before the disciplinary action was taken, another fraud had been detected against him. What one personally believes is that a 'stitch in time saves nine'. How long, or how many years does it take this Ministry to complete disciplinary action against somebody?

Deputy Permanent Secretary, Ministry of Agriculture:

We proposed to take disciplinary action as soon as possible, but there is, I must agree a mistake in this case. We have learnt a lesson on this one. The Member is quite right as there was a suspicion that Mr Faleru was involved in the first loss and he should admittedly be taken off financial duties, but unfortunately this was not done.

Mr Olarewaju Afolayan:

Mr Chairman, I am not very much satisfied with the answer he has given?

Deputy Permanent Secretary, Ministry of Agriculture:

We have learnt a lesson in this case; and we shall take the necessary disciplinary action in future. There is, in fact, a case quoted on page 4 of our brief. A loss occurred at Zonkwa, where admittedly the person was taken off any duties in which he has responsibility for either cash or stores. Since then he has in fact been accused and acquitted on a small loss.

Mr Chairman:

I hope this part of the reply satisfies you?

Mr Olarewaju Afolayan:

Yes, Mr Chairman.

Mr Chairman:

Any further comments? The last item I think is the Capital Development Fund 1959-60, for which as far as we know I have not received a written reply from the Ministry.

Deputy Permanent Secretary, Ministry of Agriculture:

The reason for this apparent over-expenditure Sir, was because provision was made in the estimates for building under Subhead 24, when the building was about to be built it was found that it will cost more than it was shown in the Estimates. An application was made for an additional expenditure of £600 quoting savings from Subhead 23. It was agreed that this saving under Subhead 23 was not recorded in the first record. The actual expenditure under Subhead 24 did not in fact exceed the original estimate and therefore the additional provision was not really required. However, since Subhead 23 had supplied the savings to augment Subhead 24,

- (b) £142-0-0 Overpayment due to the Acting Private Secretary being paid at the wrong rate prior to his transfer to this Ministry, and the continuation of such payment on the authority of his Last Pay Certificate. Written off vide letter No. FD/CA/35/S. 20/105 of 8th August, 1962, from the Permanent Secretary, Ministry of Finance. No acting allowance as such was paid by this Ministry. My letter No. PER/931/93 of 30th October, 1962 to the Ministry of Finance refers.
- (c) £24- 0-0 Refund of balance of Abnormal Passage Grant not completed until 13th May, 1963 due to misunderstanding between this Ministry and the Ministry of Finance.
- (d) £14-10-0 Refund of one month's salary due from a Livestock Assistant who resigned in March, 1962, without notice. Refunded in July, 1962.
- (e) £3-5-6 Refund of six days salary due from the same Livestock Assistant as in (d) above. Waived by the Public Service Commission by terminating his appointment as from 1st April, 1962. Public Service Commission letter No. N. 5932/44 of 14th June, 1962 refers.
- (f) £3-19-6 A retired Livestock Assistant was re-appointed on a temporary basis, and through an error his salary was originally wrongly assessed. This was corrected later (in October, 1962) by an amended offer of appointment. No overpayment therefore occurred.
- (g) £10- 0-0 Overpayment of salary in error to a Tsetse Control Assistant in October and November 1961, received in November, 1961.
- (h) £1-0-0 Overpayment of salary to a Forest Draughtsman through incorrect date of increment. Recovered in October, 1962.

REPORT BY THE DIRECTOR OF AUDIT ON THE CAPITAL
DEVELOPMENT FUND FOR 1959-60

Reply by the Permanent Secretary, Ministry of Animal and Forest Resources

Head 287. Subhead 51.—I am not aware of any over-expenditure. Authority to spend up to £24,693 in that financial year was given vide the letter No. FD. 3001/S. 10C/99 of 2/3rd March 1960, from the Permanent Secretary, Ministry of Finance. His letter No. FD./D/59-60/21 S. 41/112 of 27th March, 1963 to the Director of Audit refers.

V. M. ASHWELL,
Acting Permanent Secretary

Mr Chairman:

Gentlemen, I think we can start now. We have here the representative of the Ministry of Animal and Forest Resources. Perhaps he can explain to us why the Permanent Secretary is not here in person.

Acting Permanent Secretary:

I am sorry, Mr Chairman, the substantive Permanent Secretary, is on tour to America and I am asked to act on his behalf, while he is away.

Mr Chairman:

The first paragraph that concerns this Ministry is paragraph 48. We have his written reply and perhaps Members will wish to make some observations?

I will take it that the reply is acceptable.

The next is paragraph 49. Any observations?

Emir of Abuja:

We want an assurance that the next return will be submitted in time.

Acting Permanent Secretary:

I will do my best to see that these returns are submitted in time by ensuring that B.U. or P.A. are correctly marked.

Mr Chairman:

Any further comments? The next one is paragraph 50. Any observations?

Alhaji Hassan Dallatu Abuja:

May I know how this Last Pay Certificate is prepared.

Acting Permanent Secretary:

The Last Pay Certificate came to us from the Ministry of Health, and they too copied it from the one sent to them from the Ministry for Local Government from whom the officer concerned originally came. This has been referred to the Ministry for Local Government.

Mr Chairman:

Any further observations? And the last item is on the Capital Development Funds, 1959-60, Paragraph 2. Any observations?

Here too I think it is not the fault of the Ministry of Animal and Forest Resources; but will the representative of the Ministry of Finance give us a reply why his Ministry failed to inform the Director of Audit.

Representative of Accountant-General:

I am sorry Mr Chairman, I have not got any records over there. I have only the Audit Report and I don't know what to say on this.

Director of Audit:

The responsibility is with the Ministry of Finance, Finance Division, and the representative here is from Accounting Division.

Mr Chairman:

Thank you that is all.

We have here the Permanent Secretary, Ministry of Education, and the first paragraph of the Audit Report that concerns this Ministry is Paragraph 51. He has furnished his written reply to it and perhaps Members will wish to make some observations.

REPORT OF THE DIRECTOR OF AUDIT ON THE ACCOUNTS OF THE
GOVERNMENT OF NORTHERN NIGERIA FOR THE YEAR ENDED 31ST
MARCH, 1962

Comments of the Permanent Secretary, Ministry of Education

Paragraph 51: Form NRF 1., asking for the viroment was submitted on the 28th August, 1962. The viroment was accepted and appeared in the Third Supplementary Estimates, 1961-62.

Paragraph 52: An error in Administration led to the late submission of the accident report to the Director of Audit. During the period, however, work had continued with the Permanent Secretary, Ministry of Finance. Revised cost figures have been submitted, and comments are awaited.

In this instance it is suggested that the repairs were justified since the vehicle was required for immediate Educational activities on other vehicle being readily available.

Paragraph 53: The delay in bringing these Boards of Survey to a conclusion is regretted. The reports on Training College, Bida and Craft School, Sokoto are now completed and have been submitted. Following a recent approval of method to be adopted, the Katsina Board of Survey will be completed and submitted. Arrangements are being put in hand to ensure a quicker completion of all Boards of Survey held at Institutions.

Paragraph 54: Action was taken to try and improve the standard of Storekeeping at Soba, and appears to have had a limited success.

Further comments on the methods proposed to raise the general level of storekeeping are discussed under Paragraph 55.

Paragraph 55: The low standard of storckeping is due entirely to the non-availability of trained storekeepers and store Attendants. This problem has been under review over the past years and now trainee Storekeepers have now been admitted to the Course of instruction held at the Ministry of Works. This course is, however, too limited in numbers to fulfil the needs of this Ministry and proposals are now being examined, in conjunction with the Ministry of Establishments and Training, on the possibility of running a course of Instruction, under a Senior Stores Officer, at the Technical Training School, Ilorin.

It is hoped that by these means, trained Storekeepers will be available to take charge of the Stores at institutions, and so prevent a repetition of reports such as those made on Soba and the School of Arabic Studies, Kano.

Paragraph 56: Confirmation of the disposal of the condemned stores cannot yet be given. Several attempts have been made to have these stores included in a Public Auction, without success. New proposals have now been put forward for the disposal, and if agreed, will be carried out, and the reports finalised.

The claims for compensation for the damage to the Electro Plating Plant were submitted to the Ministry of Finance in May 1960. The result of the exercise is still awaited.

Retrospective approval for the transfer of the Motor Car to Technical Training School, Kano for Training purposes, was received and recorded.

Paragraph 57: Of the 29 cases reported, seven cases are still under action.

The delay in adjusting the officers salary after the detection of the £580-12s-10d as due to the complications within the case. This officer was selected and approved as an Assistant Education Officer by the Public Service Commission in 1959. In February 1961 it was discovered that the officer did not have the required education level for this appointment and that there should be a reversion to Teacher Grade I. In May, 1961 the officer obtained the required qualification, and was therefore re-assessed back to an Assistant Education Officer. The final documents were received in December, 1961 and the necessary steps taken to adjust the overpayment of salary.

The alleged overpayment of £110 was not in fact made, the payment voucher was stopped before Treasury action was taken.

Failure at Provincial level to carry out instructions resulted in the double payment of salary totalling £570, and the non reduction of the British Council allowance. The introduction of the system whereby all leave Salaries for Expatriates are paid in Nigeria prevents any recurrence of the former case, and tighter control at Provincial level should obviate the latter.

Paragraph 58: The reports of outstanding revenue at March 1962, and still outstanding at September, 1962 were submitted in December, 1962.

Action is being taken to try to reduce the time lag.

Mallam Maude Gyani:

I have got only one question.

Mr Chairman:

Please make sure it is on paragraph 51.

Mallam Maude Gyani:

I am sorry it is not.

Alhaji Ibrahim Yakubu:

I wonder if the Permanent Secretary can tell us what has been done to ensure that this vote which they control and which is used by another Ministry, reconciliations effected in time and expenditures are within votes.

Permanent Secretary, Ministry of Education:

Mr Chairman, we no longer control the vote.

Mr Chairman:

Any further comments?

Then we move to paragraph 52.

Mallam Maude Gyani:

I want to ask a small question, and I hope you will be able to give me the answer. That is about a motor vehicle which belongs to Wudil Training College. I do not know why there was no report in time on this.

Permanent Secretary:

Neither do I know Mr Chairman. There was a clerical mistake in the office. As I have said in my explanation we did take action on this with the Permanent Secretary, Ministry of Finance. I hope such errors will not occur again.

Mallam Maude Gyani:

If this is so, is it the fault of the Driver or the Headmaster.

Permanent Secretary, Ministry of Education:

It is our fault in the headquarters.

Mr Chairman:

Any further observations?

Mr V. I. Orjime:

How much all together did they spend on this vehicle.

Permanent Secretary, Ministry of Education:

£400.

Mr Olarewaju Afolayan:

Is that not too much on a single lorry?

Permanent Secretary, Ministry of Education:

I won't say that that is too much when one has to get a lorry.

Mr Olarawaju Afolayan:

On the face of the very short period, I think this is too much.

Permanent Secretary, Ministry of Education:

The problem, Sir, can not really be considered without reference to replacement of vehicles and bans on them for economy reasons. If in fact it was simpler to replace them then one will not be prepared to spend so much on repairs.

Mr Chairman:

Any further observations?

The next is paragraph 53.

Alhaji Ibrahim Yakubu:

When will the Katsina reports be received as there is an indication that they have not yet been received.

Permanent Secretary, Ministry of Education:

Destruction certificates are now with us in the Ministry and will be forwarded to the Auditor in a few days.

Mr Chairman:

Why did that of Bida and Sokoto take such a long time?

Permanent Secretary, Ministry of Education:

I think the reason is because of the difficulty of convening Boards of Surveys during the time of the long holidays, when staff have been on leave; I am now trying to speed up Boards of Survey by the wide use of my delegated powers of write-off and by holding Boards of Survey at the beginning of terms I think this will enable the procedure to be followed more quickly.

Mr Chairman:

Any observations? Then paragraph 54:

Any comments?

Mr Olarewaju Afolayan:

According to the evidence before us, Mr Chairman, it was reported that no Board of Survey was held in one Institution for four years of its existence. In his written reply, the

Permanent Secretary did not make mention of the reasons why a Board of Survey was not sitting for four years. My question is that why was a Board of Survey not convened for such a very long period?

Permanent Secretary, Ministry of Education:

Mr Chairman, Sir, in the case of Craft Schools, they were under the process of being built as we were instructed that they should be built at a very rapid rate, so it was quite impossible to hold Board of Survey due to a lack of store-keeping staff and accommodations in those schools. The last report on the store in April of this year from Soba suggests that the stores are now satisfactory.

Mr Chairman:

Any observations? Then paragraph 55:

Any comments?

Alhaji Ibrahim Yakubu:

I am sure that Sir, we are all delighted to see from the written reply from the Permanent Secretary of the course that his Ministry is undertaking in order to provide better store-keepers. I wonder if the Permanent Secretary can kindly make a note so as to inform this Committee when we next meet and when he next appears before us, of the success or progress of this course.

Permanent Secretary, Ministry of Education:

Mr Chairman, I am sorry, I cannot, and if I may I will make some comments.

We have had proposals to begin to hold these courses but we are refused on the ground that it is the function of the Ministry of Works to look after the storekeeping training of the Storekeepers for Government in the North.

The facts are, Sir, that the Storekeeping course is quite small as it is now organised by the Ministry of Works and is inadequate for our needs. According to my information, which may or may not be entirely reliable, the total intake into the Ministry of Work's course is twelve for this coming year. I trust that the figure is quite inaccurate because it is just laughable.

On the 1962 course, we sent seven storekeepers for training and three more have been nominated for the present year. Our total need of storekeepers on the basis of one per each Government Institution is forty-eight. In these circumstances, I feel that either this course of the Ministry of Works should be expanded in number so as to permit a much quicker training of staff or that we should be committed to run our own in addition to this course and this, I hope to take up with the Ministry concerned.

There are certain various, unsatisfactory aspects of the salary grading of the storekeepers as a result of which people who have been trained on the job with us without having a course we are losing to Commercial Firms with some speed. I should say that this question of storekeepers is a very serious one. If I remember rightly, every year I am presented with these questions, Sir, by you or your colleagues and I give an answer, but unless there are trained storekeepers, this will continue until I am eighty.

Alhaji Ibrahim Yakubu:

Under the circumstances, Mr Chairman, I would suggest that if in the opinion of the Permanent Secretary his Ministry has not devised a better and more up to date curriculum for the storekeepers, then we should take up the matter with either the Ministry of Establishments and Training or the Ministry of Works or both.

Director of Audit:

As regards this aspect, since the Committee will not have a Meeting for some time from now, I would suggest that it should recommend either the enlargement of the training course in the Ministry of Works, or that the Ministry of Education should be given the facilities to train their own storekeepers. That is my own point of view.

Mr Chairman:

I think this is agreed to by the Committee. (*Assent*).

Alhaji Ibrahim Yakubu:

Mr Chairman, the other point which the Permanent Secretary, has made is equally important and it is the question of salaries which I suggest we should include or emphasise in our report. I am aware that the training of good storekeepers is at a premium, notwithstanding the fact Sir, that their job is one which must have people with the highest standard of integrity—it is tempting and remuneration should be comparable to those payable by the majority organisations, not naturally Government. I think that this too, should be added to our recommendation. *(Assent)*.

Mr O. Afolayan:

In paragraph 56 the Permanent Secretary said that for the past 2½ years confirmation of disposal of condemned stores have not been given. May I now how long this will still take?

The Permanent Secretary, Ministry of Education:

Mr Chairman, Sir, we are not masters in our own houses on this one. We have not been able to get the Ministry of Works to collect or to give a date for us to deliver to the yard the stores to be put up for public auction. We are trying to get write-off authority for what remains of the collection of original stores, but I suspect that there must be by now some discrepancy between the original store and their remains.

Mr Chairman:

I am afraid that because this matter has been going on for the last four years we have now reached a stage whereby the Committee is suspicious on how we are to get rid of it, and I think you seem to us to be the only man that can help in this matter.

The Permanent Secretary, Ministry of Education:

Well, Mr Chairman, I will do all I can to get the Ministry of Works to remove these stores.

The Director of Audit:

There is a Financial Instruction which says that where there is no representative of the Ministry of Works, the Ministry concerned will sell the stores themselves. I think we can assume in this respect that effectively there is no representative of the Ministry of Works in Kaduna and I am quite agreeable with the Ministry of Education to sell the stores themselves; and if anyone wants to complain, they can.

Mr Chairman:

Including the Director of Audit. *(Laughter)*. Any further observations? (No). Then paragraph 57.

Mallam Maude Gyani:

I have no serious complaint on this Ministry but I appreciate the work done by the Ministry of Education on this particular paragraph. I would like to make the following observations. I note that someone was employed on a salary of £580-12-10 and was later on discovered that he was not fully qualified for such an appointment as a result of which an overpayment of £110 was made. What I would like to know is that before this particular person was employed, was the post advertised? If not why?

The Permanent Secretary, Ministry of Education:

The post was not advertised, Sir. This was a straight case of an officer whom we believe to have got certain qualifications, and he was, therefore, on application, appointed to the post.

Mallam Maude Gyani:

Before he was raised to that scale, did he attend any course.

The Permanent Secretary, Ministry of Education:

Yes sir.

Mallam Maude Gyani:

He attended that course here or abroad?

The Permanent Secretary, Ministry of Education:

I do not know.

Mallam Maude Gyani:

I would like to ask one question. I suggest that before he was employed, the post should be advertised first. The second question is whether he has attended any course, the report should come here so that we do not worry the Permanent Secretary with questions.

Permanent Secretary, Ministry of Education:

I have not comments sir.

Mr Chairman:

Did he pay the money back?

Permanent Secretary, Ministry of Education:

The money is too much and it is not his fault. It is being paid back over a period of four years.

Mr Chairman:

Any further observations?

Mr Olarewaju Afolayan:

I understand that there was an over-payment of £282 to an officer studying overseas. The officer according to my knowledge was paid £47 monthly by the British Council. This money which should have been deducted monthly from his salary. The Permanent Secretary has defended some of the cases of overpayments but he has not touched on this. May I know what action he is taking on this?

Permanent Secretary, Ministry of Education:

Well, Sir, on the first one a reproof has been issued, a rebuke has been made to the officer who was responsible. As regards the leave salaries for expatriates, the new system by which home allotments are made now is likely to prevent any of these overpayments.

Mr Chairman:

But you have not said anything about the recovery of the money.

Permanent Secretary, Ministry of Education:

It is being recovered, Sir.

Mr Chairman:

Any further observations? Paragraph 58.

Any comments? This is also a question of late returns.

Permanent Secretary, Ministry of Education:

We have issued instructions to see that returns arrive earlier. We are expecting returns in August.

Mr Chairman:

Any further observations? The last item is the Voluntary Agencies Education Fund, Accounts, 1960/61, 1961/62. Any observations?

Mr Afolayan:

He said that no loans were issued throughout the year. Last year also two building grants were stopped during the year, I do not understand why loans should not be issued at all.

Permanent Secretary, Ministry of Education:

No, money, Sir.

Alhaji Ibrahim Yakubu:

May I know if there is any law stopping Koranic schools from applying?

Permanent Secretary, Ministry of Education:

No, Sir, provided it is established as a voluntary agency school within the meaning of the law.

Mallam Maude Gyani:

If any Koranic school applies for loan, will you welcome it.

Permanent Secretary, Ministry of Education:

I will welcome it, and if it comes in time.

Mr. Chairman:

Any further observations? Thank you, there comes the end of our business for today. We meet tomorrow at 9.00 a.m. to consider our report.

PUBLIC ACCOUNTS JOINT COMMITTEE
SESSION 1963-64
MINUTES OF PROCEEDINGS

Friday, 7th June, 1963

MEMBERS PRESENT

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

Mallam Aliyu Mustafa, Lamido of Adamawa	Alhaji Hassan, Dallatun Abuja
Alhaji Umaru, Emir of Pategi	Mr V. I. Orjime
Alhaji Muhammadu, Emir of Gumel	Mallam Muhammadu Mustafa Maude Gyani
Alhaji Ibrahim Yakubu	Mr Olarewaju Afolayan

MINISTRY OF HEALTH

Mr Chairman:

Here we have the Permanent Secretary, Ministry of Health, we are sorry Doctor to keep you waiting for so long. The first item in the Audit Report that concerns your Ministry is paragraph 66, and we have a written reply. Would Members like to make any observations?

MEMORANDUM TO PUBLIC ACCOUNTS COMMITTEE AUDIT REPORT
YEAR ENDED 31ST MARCH, 1962

Paragraph 66: Arrears of Revenue.—The figures quoted were given in an interim return submitted in respect of the returns received from outstations up to 31st October, 1962. A subsidiary return was submitted on 13th December, 1962 and the total arrears were £17,478-2-9. The increase over the corresponding figure for 1961 was due to non-payment for medical stores supplied to Native Administrations and a sharp increase in outstanding bills at Kaduna Nursing Home. Continuous action is taking place to endeavour to effect collection of arrears.

Paragraph 67 and 69: Plateau Hospital and General Hospital, Jos. In general hospital staff are in short supply and they are being transferred continuously to keep medical services functioning at all. The time that elapses between an audit inspection, which may have taken several months and covered up to two, or even more, years, and the receipt at the hospital of the audit report can be quite considerable and during this time it is inevitable that the hospital staff will have changed. The recipients of the audit reports, many of them now with very little experience of the hospital administrative work involved in Northern Nigeria, are often not in a position to answer many of the tremendous number of points raised on matters which are in the personal knowledge only of the officer concerned at the relevant time. Replies given to the reports mentioned were not entirely unsatisfactory as many points were cleared. To assist the administratively inexperienced staff now in hospitals the out-of-date Medical Departmental Orders 1945 have been replaced by the new Medical Handbook 1962. To relieve professional staff of the many detailed administrative functions which they have been required to carry out personally in the past, a new cadre of Executive Officers (Hospitals) has been trained in 1962/63 and these officers will be posted out in the very near future.

Paragraph 68: Pankshin General Hospital.—The established loss has been reduced to £267-8-4 and disciplinary action is in hand.

CAPITAL DEVELOPMENT FUND ACCOUNTS, 1959-60 AUDIT REPORT

Paragraph 3: According to the records maintained in this Ministry the actual total expenditure during the period 1955-60 in respect of Dispensaries and Welfare Clinics Buildings: grants to Native Authorities was £46,988-16-3 against an Estimated Total cost of £47,000.

Alhaji Hassan, Dallatun Abuja:

Mr Chairman, may we know the position of these arrears from the Native Authorities?

Permanent Secretary, Ministry of Health:

Mr Chairman, we have not got an up-to-date figure of the arrears outstanding, but efforts are being made to get these collected.

Mallam Maude Gyani:

Mr Chairman, may I know the reason why the money amounting to £1,478-0-9 arrears was not collected? May I know the reason why it should not be collected in time?

Permanent Secretary, Ministry of Health:

Mr Chairman, the demand for drugs have been increased particularly from the Native Authorities. Members will realise, it is always because we do not get the money when the drugs are actually issued to Native Authorities. We get it later. There bound to be some outstanding arrears from some Native Authorities, but we are making efforts to get the money collected.

M. Maude Gyani:

Mr Chairman, since this money has not been collected in time what provision has been made to collect it in future or are you proposing to write it off?

Permanent Secretary, Ministry of Health:

No, Sir. We have issued certain circulars and reminders, we do not intend to write them off. We shall do all we can to have them collected.

Mr V. I. Orjime:

Mr Chairman, out of this £1,748 has there been anything collected?

Permanent Secretary, Ministry of Health:

Yes, we have. But we have not got the actual details of the amount collected up till now.

Mr V. I. Orjime:

In Kaduna Nursing Home, I understand that when a patient comes into the Hospital and he is treated he is given a bill to pay. How does it come about that there are outstanding arrears of so much? Is that money retained in the Hospital or where?

Permanent Secretary, Ministry of Health:

The system is that when the patient is discharged a bill is presented to him, but we do not insist on immediate payment. We believe that majority of them are responsible people on the whole and we leave them to settle the account, but unfortunately some of them do not settle their account immediately.

Mr V. I. Orjime:

Mr Chairman, may we know the nature of the efforts being taken to get this money?

Permanent Secretary, Ministry of Health:

Yes, Sir. We are sending reminders, and Mr Chairman, this is volume 18 of our various circular files.

Mr V. I. Orjime:

In his opinion, Mr Chairman, is he quite sure that he is going to get this money?

Permanent Secretary, Ministry of Health:

Yes, Sir. It is my opinion to get this money as soon as I can and it is the intention of the Northern Regional Government to get this money back.

Mr V. I. Orjime:

I know, Sir, that it is the intention to get this money. Does he think that it is quite possible to get all this money?

Permanent Secretary, Ministry of Health:

Yes, Sir. As Members will realise it may not be possible to get this money unto the last penny.

Mr Chairman:

Any further observations?

Mallam Maude Gyani:

Mr Chairman, will it be possible for me to give a suggestion to the Permanent Secretary of Health. I suggest that certain provision should be made, because they are helping the people and they should be congratulated and I thank them very much. But without money they cannot help us, and therefore I want them to make a provision such as immediately a patient is discharged the patient pays the amount he is required to pay and if the man cannot afford to

pay the amount, then there should be a provision for him to go free and this will certainly avoid the outstanding arrears that come before this Committee.

Permanent Secretary, Ministry of Health:

Mr Chairman, in the General Hospitals as all Members are aware there are no charges. It is free. But it is the law of Northern Nigerian Government that payments should be made in the Nursing Home and we have to comply with the regulations. But we very much appreciate the suggestion of the Member but I regret we cannot alter the existing rules and regulations.

Mr Chairman:

Any further observations?

Paragraph 67.

Alhaji Ibrahim Yakubu:

Mr Chairman, Sir, it is all interesting to see that the Ministry of Health has succeeded in producing, or is in the process, Executive Officers (Hospital) who will be charged with the responsibilities of General Hospital Administration.

Mr Chairman:

If I may interrupt, we may take paragraphs 67 and 69 together as the Permanent Secretary has replied in one paragraph. So we are now dealing with paragraphs 67 and 69 and after that we take paragraph 68. Please carry on Alhaji Yakubu.

Alhaji Ibrahim Yakubu:

I am sure that we want to congratulate them on this because it should relieve Doctors of their additional responsibilities so they may concentrate on the more important task of attending to the sick. But as it is also important to have records on the General Administration running smoothly. Can we have some indication of when these Executive Officers are going into the Provinces?

Permanent Secretary, Ministry of Health:

Mr Chairman, these people have just finished a year's course and we hope to send them off at the end of this month.

Mr Chairman:

Any further comments?

Paragraph 68. Any observations?

Alhaji Hassan, Dalhatun Abuja:

Mr Chairman, in the written reply here, the Permanent Secretary, Ministry of Health has not taken disciplinary action. May we know how long it will take him to complete disciplinary action, because it is almost two years now?

Permanent Secretary, Ministry of Health:

Well, Sir, we have taken this matter with the Public Service Commission, and we shall be pressing for an early reply.

Alhaji Ibrahim Yakubu:

Mr Chairman, as a layman, I can only discuss what I think is the case of antibiotics. I understand that they could be dangerous. Is the Permanent Secretary satisfied that the rules and regulations of their issue and responsibility are now secured throughout the Provinces?

Permanent Secretary, Ministry of Health:

Yes, Mr Chairman. We have started up the rules and regulations which we follow, but unfortunately, as Members will realise, there are odd people who are out to make money and there is always trouble. We are sending specialists out to these hospitals and they will be going out in six weeks time or so.

Mr Chairman:

Any further observations?

Mr V. I. Orjime:

Mr Chairman, the Director of Audit says here that the amount of loss was about £490, but the Permanent Secretary says it was £267. How does this amount come about. Is it by payment or by re-checking the original amount that the actual loss was discovered?

Permanent Secretary, Ministry of Health:

What happened was that when these discrepancies were found the Medical Officer concerned was on leave. When he came, he was asked to explain.

Mr Chairman:

Does that amount to £273-8-4? Is there any hope of recovering it?

Permanent Secretary, Ministry of Health:

Yes, Sir, the case has been reviewed and we are recommending that a surcharge should be made against the officer.

Mr Chairman:

Any further comments? The last item is Capital Development Fund 1959-60. Any comments?

Here there seems to be a little bit of confusion. The Ministry of Health maintained that there is no over expenditure but the Ministry of Finance seems not to agree with that. Perhaps the representative from the Ministry of Finance will be able to throw more light.

Representative of Accountant-General:

Mr Chairman, the information given to me on this is that the provision for 1959-60 has not been exceeded. The over expenditure referred to is an earlier year not 1959-60, but 1954-55 for which supplementary provision is being sought.

Mr Chairman:

Any further comments?

Alhaji Hassan Daliatun Abuja:

Mr Chairman, I do not know whether the Director of Audit can explain this better to the Committee.

Director of Audit:

As I once said yesterday, both are right. The Ministry of Health has not been given all the required information by the Ministry of Finance. I don't think there is any fault for the Ministry of Health to answer. As the representative of the Accountant-General has just said the Ministry of Finance is taking steps to put the matter right.

Mr Chairman:

Thank you, that is all.

We have here next the representative of the Ministry of Information, and in fact we are expecting the Permanent Secretary. Perhaps the Representative will explain to us why the Permanent Secretary himself is not here.

Acting Permanent Secretary, Ministry of Information:

Mr Chairman, the Permanent Secretary, is on leave now and I am acting for him.

PUBLIC ACCOUNTS JOINT COMMITTEE
AUDIT ANNUAL REPORT, 1961-62

MINISTRY OF INFORMATION—PARAGRAPHS 70-77

(FIN/80) *Paragraph 70: Excess Expenditure at 31st March, 1962.* Owing to a misunderstanding in the Ministry, applications for Supplementary Expenditure for the year 1961-62 were not put up for authorisation until after last year's meeting of the Public Accounts Committee when the Director of Audit explained what should be done. Accordingly on 6th October twelve forms NRF. 1 were forwarded and the remaining five followed later when explanations had been ascertained. All these over expenditures have now been authorised. The lateness is very much regretted and it is sincerely hoped that now that the position is understood such a late application will not be repeated.

FIN/89/257

(BOS/21) *Paragraph 71: Accident to Vehicle.*—The main delay in this case has been caused by the firm who agreed to supply the necessary parts in February, 1962 but failed to do so until September, 1962 inspite of many requests. A copy of the firm's invoice was sent to the Ministry of Finance in February, and the

Ministry of Works charges in March this year. No further information has been asked for. Further delay, I regret, was caused by the fact that the accident occurred in Sokoto and was dealt with by an officer there inexperienced in such matters thus often necessitating many letters to obtain the answer required.

(BOS/24)

Paragraph 72: Boards of Survey.—(i) The long delay in submission of the Board of Survey report on Land Rover KA. 4341 is much regretted but was due to the fact that the report was first submitted without Store Form 9. When this was requested from the Provincial Secretary, Benue some members had been posted to various parts of Nigeria with the consequent difficulty of obtaining their signatures. However, in February, 1963 the Board report was approved and the vehicle written off.

RES/5/11B

(ii) It is very much regretted that the main delay over the original Board of Survey on Gusau Catering Rest House occurred within the Ministry. As stated in the report a second Board was recommended in June, 1962. This was held on 24th November, 1962 and first forwarded to the Director of Audit on 5th January, 1963. The loss of funds is further reported on under Annexure III Part C.

RES/5/9B

(iii) The Board of Survey on Bida Catering Rest House was forwarded to the Director of Audit in January this year. My proposed action was agreed and the report returned to the Provincial Secretary, Niger Province in February. The main delay occurred in Niger Province. The report was first received in this office in April, 1962 but there were insufficient copies. The requisite number were not supplied until October in spite of several requests. I regret the delay of nearly three months in my office after sufficient copies had finally been received.

Paragraph 73: Overpayments of Salaries.—The position is as follows:—

PER/38	...	S. B. Petu	...	Recovery completed in December, 1962.
PER/62	...	B. O. Tade	...	Eight out of thirteen recoveries were made up to January, 1963 when the man absconded. Efforts are now being made to trace him and obtain the remaining amount.
PER/165	...	E. K. Olorunda	...	This man left without notice but has now been re-engaged in the Audit Department to whom he is refunding the amount owed by monthly instalments of £2-0-0.
PER/163	...	Bako Pankshin	...	I recommended write-off of this overpayment in August 1961, further particulars were given in September, 1961 and approval of write-off was received from the Ministry of Finance in March, 1963.
PER/126	...	Hassan Kano	...	I very much regret the long delay in my office over the forwarding of certain salary Payment Voucher details. These were however forwarded to the Ministry of Finance in October, 1962 and approval for the write-off of £42-14-8 was given in March, 1963.
PER/190	...	Aika Manga	...	The overpayment of £13-0-0 was reported to the Ministry of Finance in August, 1961 and approval for write-off was received in November, 1961.
		Sule Ado	...	This man was overpaid £11-0-0 on his leave commuted to cash payment in February, 1962. The error was detected almost immediately and was refunded in April 1962.
		Bukar Tatama	...	This man was overpaid arrears of salary from 1st April, 1957 after notification in Gazette No. 61 of October, 1961. The error was discovered by the Ministry of Finance in March, 1962 and recalculated by that Ministry in October, 1962. The man was paid at Makurdi and delay occurred in obtaining a copy of the

PER/63

payment voucher on which he received the arrears. This has now been received and repayments at £5 per month will commence with effect from his salary for June.

OFF/111

Paragraph 74: Motor Vehicle Returns. I have issued several circulars on this subject to outstations, the latest in February, 1963, but I regret that still some returns are not being received regularly. This is in part due to a poor follow-up of the circulars with reminders from my office and which I am now trying to rectify. In addition a number of nil returns were held in my office in error and Ministry of Finance and Director of Audit not informed until May this year. This has now been corrected for the future. I very much regret that I am still unable to give the registration numbers of the two vehicles purchased in April, 1961 although every effort has been made to find this out.

FIN/38

Paragraph 75: Catering Rest Houses. A reply concerning the shortfall in Catering Rest House Revenue has been sent to the Director of Audit stating: "The shortfall is almost entirely due to the large deficits at two Catering Rest Houses—Kaduna and Yola. Kaduna has since been handed over to a private firm to run who immediately put up the prices and at Yola there has been a complete re-organisation and I am confident that the figures there for 1962-63 will show a considerable improvement." In addition shortly after the Ministry of Finance issued the 1961-62 trading figures for Catering Rest Houses on 1st November, I wrote to the Provincial Secretary, Yola pointing out the large loss on the running of that Rest House. In fact it turned out that a number of reforms had already been put into effect by the Provincial Secretary and I agreed to postpone the Sub-Committee mentioned until the result of the reforms was known. I can now report that the last two Quarterly Statements received, those for December, 1962 and March, 1963 show a profit. This is very largely due to the excellent supervisor whose services the Provincial Secretary was able to obtain in June, 1962. I am however continuing to keep an eye on the position.

RES/8/1A

RES/5/13A

Paragraph 76: Kaduna Catering Rest House.—The terms of transfer have now been sent to the Director of Audit and I very much regret the long delay in forwarding them.

RES/105

Paragraph 77: Returns of Revenue in Arrears.—The above returns for nine Catering Rest Houses were forwarded in January, 1963 and a further six were sent in April. I regret that those for Zaria, Samaru, Keffi and Potiskum are still outstanding in spite of reminders being sent to the Provinces concerned. That for Revenue Head 205 Sub-head 21 was sent in May for which the long delay is very much regretted.

PUBLIC ACCOUNTS JOINT COMMITTEE: AUDIT ANNUAL REPORT, 1961-1962

MINISTRY OF INFORMATION

ANNEXURE III.—PART A

Losses of Funds brought to notice since last Annual Report.

RES/5/4A

Item 25: Maiduguri.—Loss of Cash, Catering Rest House. The amount established was £14-3-4 which has now been refunded by the Supervisor of Maiduguri Catering Rest House.

MOI/168

Item 26: Jos.—Cash shortage, Plateau Catering Rest House—£132-4-7. The full amount of £132-4-7 was refunded by the Clerk in the Catering Rest House who has also been dismissed.

MOI/183

Item 27: Katsina.—Forged fuel requisition on Commercial Supplies, Public Enlightenment Centre. Nine petrol requisitions were illegally issued by the clerk in the Public Enlightenment Centre, Katsina to various petrol stations in Katsina. Both the Clerk and the Ministry driver were convicted and dismissed.

No loss of funds occurred and I have since issued Circular No. BOS/4/36 (copy attached). The matter is now closed.

Item 28: Yola.—Misappropriation of bar stocks and revenue. Catering Rest House.

RES/8/1A The amount finally established as the loss was £77-4-5 and this has now been written off by the Permanent Secretary, Ministry of Finance on his Adjustment Voucher NRT. 162 of January, 1963. The barman has also been dismissed, and the Rest House completely reorganised by the Lady Supervisor.

ANNEXURE III.—PART C

Losses of Funds outstanding from previous reports.

RES/5/12B 1960-61: 30. *Samaru.*—Misappropriation of Revenue, Catering Rest House—£10-16-10. Action completed. Written off by Permanent Secretary, Ministry of Finance Adjustment Voucher NRT. 106 of November, 1962.

RES/8/3B 1960-61: 31. *Keffi.*—Misappropriation of Revenue. Catering Rest House—£33-12-10. At the last Meeting of this Committee I wrote that in March, 1961, the District Officer, Keffi had reported that certain Revenue Collector's Receipt Books and Cash Book were issued to Mallam Sufyanu, then Supervisor of this Catering Rest House, but dismissed in February, 1961 i.e., a short time prior to the discovery of the loss. When the discrepancies were discovered the Supervisor absconded and the holding of a Board of Enquiry was therefore delayed. The Supervisor was subsequently convicted of stealing two camp beds and presumably therefore the evidence against him on account of the missing cash was insufficient to obtain a conviction. In spite of many letters and telegrams I have still not received the T.N.R. 110 on the Board of Enquiry from the Provincial Secretary, Benue Province but am still making my utmost effort to do so.

MOI/153 1960-61: 32. *Gusau.*—Shortage of Imprest Catering Rest House £67-9-6. At last Year's Public Account Committee, I reported that £55-1-6 out of the total of £57-1-6 was the subject of a forgery case in which the then Supervisor of Gusau Catering Rest House was convicted and sentenced to one year's imprisonment on each of two counts to run concurrently. On release from prison the man was asked to refund the money owed. This he refused to do and the matter was put in the hands of Crown Counsel Kano, asking that the man be sued for debt. Crown Counsel asked for additional information which has been supplied and now requires various statements before the matter can be taken to court. The amount now established is £64-7-0 and not £57-9-6 the difference being the items correctly invoiced on a bill from the Green Leaves Store, Gusau on which one item only had been forged.

MOI/168 1960-61: 33. *Kano.*—Forgery and stealing, Public Enlightenment Centre—£7-6-3. The Amount finally established was £9-4-5 and this was written off by Ministry of Finance adjustment voucher No. NRT. 636 of November, 1962.

MOI/82 1960-61: 34. *Kaduna.*—Embezzlement of Receipts—Catering Rest House—£329-15-8, £76-1-2 was refunded by the Catering Rest House Revenue Clerk, and £253-14-6 written off by the Ministry of Finance. This was reported by me to the last Meeting of this Committee.

CIRCULAR

Ref. No. BOS/4/36
 Ministry of Information,
 Private Mail Bag 2027,
 Northern Nigeria,
 Kaduna,
 26th July, 1962

To
 All Senior Superintendents of
 Public Enlightenment
 The Cinema Controller,
 Ministry of Information,
 Zaria
 The Senior Librarian,
 Kaduna

SECURITY BOOKS AND FORMS

Recently a book of Fuel Requisition (TNR. 29) was left lying about in an office overnight and a Clerk issued a number of unauthorised petrol orders to firms. The petrol was not received by Government but given to some third party. The Clerk and the driver at that station are now both remanded in custody pending trial.

2. You are reminded therefore of the provision of Financial Instructions 30 and 237 whereby all Security books and forms must be kept under lock and key by the responsible officer and only passed to a Clerk when they are actually going to be used. Only the responsible officer may sign the forms.

3. In the case of the Public Enlightenment Centres, the responsible officer is the Senior Superintendents of Public Enlightenment who will keep these books. When he has to leave the station the key will be passed by him to the next Senior Officer and must be handed back as soon as the Senior Superintendent of Public Enlightenment returns.

4. Such books as Fuel Requisitions (TNR. 29), Rail Warrants and Local Purchase Orders (TNR. 53) must all be kept in this manner.

5. You will now also issue a letter to the Petrol and Oil Stations from which you order your fuel and lubricants giving specimen signatures of the people who may sign Fuel Requisitions. These should only be those of the Senior Superintendent of Public Enlightenment and the next Senior Officer. When either of these officers had over their duties you will issue a new authority to the Petrol Stations concerned. The current Government contract for petrol is with Mobil and for Lubricants with BP and so these are the only firms you should deal with unless at any time they are unable to supply. In places where there are Canteens from which stores are ordered on Local Purchase Orders you will do the same for them.

6. Please inform me when you have done this giving details of the officers authorised to sign the petrol stations or firms to whom the letters are issued.

J. S. WARREN,
*for Permanent Secretary,
 Ministry of Information*

Mr Chairman:

The first paragraph that concerns your Ministry is paragraph 70. Will Members wish to make observations?

Alhaji Hassan Dallat in Abuja:

Here Sir, there is excess on 17 items. I do not know whether the Acting Permanent Secretary can explain to us the reason and also explain the steps to be taken in future for the effective control of the vote.

Acting Permanent Secretary, Ministry of Information:

Mr Chairman, I think this is explained to a certain extent in my written answer. Last Meeting it was explained to me by the Committee the correct procedure which I am afraid was not being followed. The requisite request to cover this expenditure was put up.

Chairman:

Any further comments? Do you think that there will be any excess in the account of 2-63?

Permanent Secretary, Ministry of Information:

Mr Chairman, I should say I hope not.

Chairman:

Any further comments? Then we go to paragraph 71. Any observations?

Haji Ibrahim Yakubu:

My question on this paragraph, Sir, is whether or not recovery of the amount spent in repairing vehicles can be made and from which source.

Permanent Secretary:

Do you mean from the Insurance Company? I think this can be explained by the Ministry of Finance.

Representative of Accountant-General:

I am sorry Sir, it may be dealt with by the Ministry of Finance, Finance Division, but not Accounting Division.

Haji Ibrahim Yakubu:

The question is whether or not you are not able to find out from the Ministry of Finance, in their opinion the claim was justified.

Permanent Secretary, Ministry of Information:

The procedure is that the Ministry will compile all the reports and forward them to the Ministry of Finance. If the Ministry of Finance considers the claim is justified, then they take the matter up with the Insurance Company.

Director of Audit:

Mr Chairman, if I may assist here, the Ministry of Finance is still collecting evidence to consider whether a claim may be made. They are now trying to obtain a copy of the Court Proceedings. So as far as I can see they have the bill and are now considering the claim. Claims are made on the advice of the Law Officers, and that is why they are centralised in the Ministry of Finance.

Chairman:

Any further observations? The next paragraph is 72. Any comments? He has given three paragraphs in his written reply, let us deal with it one after the other. Now paragraph 1.

Mr Clarewaju Afolayan:

I understand that in March, 1961, there was a cash deficiency of £57. This was not reported to the Ministry of Finance until February the following year. Personally, this is just like ignoring the Financial Instructions. May I know why this was so delayed.

Permanent Secretary, Ministry of Information:

I do not think that it is correct to say this was not reported, until February 1962. It is true that the report Form 110 was not sent to the Ministry of Finance, but a report was actually made in July, 1961.

It is also true that the report was made in July, 1961 and which should have been on the form F.R. 110. In fact a report was made in July, 1961.

Chairman:

Any comments?

Haji Hassan, Dallatun Abuja:

Mr Chairman, in the Audit Report towards the end of paragraph 72—"Finally, in August, 1961 a Board of Survey was held on the Bida Catering Rest House. Notwithstanding several reminders the Board's report has not been received". Mr Chairman, this is another case of delay and may I know what is now being done in order to remedy the situation against future cases?

Acting Permanent Secretary, Ministry of Information:

Sir, the delay was not entirely in my office. The report was first received in my Ministry in April, 1962 but there was not sufficient copies. It was only after a number of reminders have been sent that the correct number of copies correctly filled in were received and then I sent them on to the Director of Audit.

Alhaji Hassan Dallatun, Abuja:

Mr Chairman, I am afraid he has not replied to my last part of the question for the remedy against the future.

Acting Permanent Secretary, Ministry of Information:

Of course, Sir it would be by sending more reminders.

Alhaji Ibrahim Yakubu:

Sir, it seems to me this is a case where the Director of Audit might consider accepting certified true copies actually made in Kaduna, when in conjunction with these, the original copies, one or two in number as the case may be, were received and forwarded to the Director of Audit's Office.

Director of Audit:

We could certainly, Mr Chairman, but we were never approached.

Acting Permanent Secretary, Ministry of Information:

I agree this would be more reasonable. In many cases insufficient copies were sent here and the extra copies are left at the back of files in the provinces and it would be a very difficult job to type all the extra copies, but on the whole, I agree it would be reasonable to do so.

Alhaji Ibrahim Yakubu:

Here, I can only say Sir, if it takes the number of months as mentioned in the Audit Report, it might well be worthwhile considering.

Acting Permanent Secretary, Ministry of Information:

I agree.

Mr Chairman:

Any observations?

Mr Vincent Orjime:

Mr Chairman, I do not know whether anybody could explain to me about these Boards of Survey. I cannot really understand for instance a vehicle gets an accident on the road, it takes two to three months before a Board of Survey is appointed and when it is appointed it takes another two to three months before it meets. Again, when the Board meets, it takes another two, three, four and even six months before the Board sends in its report and I cannot just understand it. A vehicle that is exposed to heat and rain for such a long time cannot be expected to be of any use again. After all the vehicle is written off not because sometimes of the accident but simply because of the long delay in taking the necessary action. In some cases its parts are removed and the vehicle gets useless and eventually it is written off. I am just wondering whether I can get an explanation from someone on how these Boards of Survey are appointed, how they meet and how they write all these reports which takes them so long a time.

Mr Chairman:

Definitely you do not expect any Member of this Committee to give you such an explanation!

Mr Vincent Orjime:

Mr Chairman, in fact when always I remember about these Boards of Survey, I am always puzzled.

Director of Audit:

Mr Chairman, this is dealt with in paragraph 99 of the Audit Report and the Honourable Member will have the opportunity to ask the Permanent Secretary, Ministry of Finance when he appears before you tomorrow morning.

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Mr Chairman:

I think it is worthwhile to hear what the Permanent Secretary, Ministry of Information, would say to that.

Acting Permanent Secretary, Ministry of Information:

This general question, you mean Sir?

Mr Chairman:

It is a broad one! (*Laughter*).

Acting Permanent Secretary, Ministry of Information:

All I can say Sir, is that the Ministry of Finance is to decide whether or not it is necessary to convene such Boards and before they do decide, certain information has to be collected before they can decide and I think that is the cause of the delay. In fact it is a question that concerns the actual instructional circular laid down and in my Ministry we are trying to follow the circular as we were told.

Alhaji Ibrahim Yakubu:

It seems Sir, generally speaking, a certain decentralisation of delegation of authority to write off might likely be the answer to the obvious delay in convening Boards of Survey and obtaining their reports. I have in mind that Provincial Commissioners, or the Provincial Secretaries possibly with over-riding authority coming from the Provincial Commissioners, actually Secretaries more than Commissioners, might be charged with the responsibility of convening Boards of Survey and given disposal instructions as the first Secretaries literally in the Provinces. A limit can always, of course, be imposed on the value that they are authorised to write off; or authorised sales and so on. I suggest that Sir, in consultation with the Permanent Secretary, Ministry of Finance, we might like to raise this matter in our report.

Mr Chairman:

I think, this is rather a proposition than a question. Would the Permanent Secretary, Ministry of Information like to comment on this proposition?

Acting Permanent Secretary, Ministry of Information:

I cannot. It would not be right for me to do so Sir.

Mr Chairman:

Any further observations? (No). Then paragraph 73.

Members would see that in the second paragraph the Permanent Secretary has given a detailed explanation. This man, B. O. Tade seems to have disappeared. Is he found now?

Acting Permanent Secretary, Ministry of Information:

He was found shortly afterwards and again he disappeared.

Mr Chairman:

It seems to be elusive. Is there any hope of getting him again?

Acting Permanent Secretary, Ministry of Information:

I think so, Sir. People often get in contact with someone in other Ministries and it is likely that we will get him.

Mr Chairman:

I hope once you get him in future, you would not allow him to disappear again.

Acting Permanent Secretary, Ministry of Information:

Apart from taking him on again in the Ministry, Yes, Sir.

Mr Chairman:

Any comments? Now the case of Bukar Tatama. It is stated that he has started payment at the rate of £5 per month with effect from June, I think this would be this June?

Acting Permanent Secretary, Ministry of Information:

Yes, Sir.

Mr Chairman:

It seems to me that it has taken a long time for you to make up your mind and start to ask him to start making payment this month. Why was he not asked to start payment earlier?

Acting Permanent Secretary, Ministry of Information:

Mr Chairman, Sir, I regret to have to say that my own Ministry Headquarters is to blame largely for this. This is one of those cases where you start to do something in a file and somebody takes the file to do another thing, so much so that at the long run, the first action started gets behind. I very much regret that in this particular case it happened more than usual.

Mr Chairman:

Any comments? (No). Then paragraph 74.

Alhaji Ibrahim Yakubu:

Mr Chairman, Sir, I wonder if the Permanent Secretary would kindly tell us the value of the two new Landrovers that they have not been able to find their whereabouts. And in addition also what is being done to locate them?

Acting Permanent Secretary, Ministry of Information:

Speaking from memory, Mr Chairman, I think their value is £1,800 each. I do not think the vehicles are lost. The question is the tie-up of the engine and chassis numbers with the correct registration number and so far I have not been able to trace the engine number and the chassis number.

Alhaji Ibrahim Yakubu:

Then, I think this is something that the Director of Audit might be able to help you. He told us here this morning that he has got the engine and chassis numbers.

Director of Audit:

If I did say that, I have to apologise. I was speaking generally on the Audit Report when I said that we take this information from Payment Vouchers, but in this particular case I regret to say that we have not got that information.

Mr Chairman:

Have you not got it in the Ministry?

Acting Permanent Secretary, Ministry of Information:

I regret, Sir that the Indent File is missing. However, I now intend to write to the Crown Agents. I have got the Indent Number and I hope the Crown Agents may be able to give me the Engine and Chassis Numbers. I have already also checked with the Ministry of Finance's file but they also have not got the Engine and Chassis Numbers.

Alhaji Ibrahim Yakubu:

It may be that the payment vouchers will assist here as the Director of Audit says he gets the information from the Payment Vouchers.

Director of Audit:

Yes, Sir. We have got the payment vouchers, I do not know whether or not the Permanent Secretary actually looked up the payment vouchers.

Acting Permanent Secretary, Ministry of Information:

No, Sir, I have not, but I will do so.

Alhaji Ibrahim Yakubu:

May I suggest that this is included in the next report that comes before this Committee.

Mr Chairman:

Any further observations? (No). Then paragraph 75.

Any comments? (No). Then paragraph 76.

Alhaji Ibrahim Yakubu:

I have a very small question Sir, and that is whether the Director of Audit has been furnished with the value of assets handed over to the Development Corporation as at the time of the transfer of Catering Rest House to this Kaduna Hotel?

Acting Permanent Secretary, Ministry of Information:

I have not a copy of the valuation myself, it is with the Ministry of Finance.

Alhaji Ibrahim Yakubu:

I wonder when this can be made available to you and the Director of Audit.

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Acting Permanent Secretary, Ministry of Information:

I assume that such large sums of money were involved and the value of the asset was Government's capital investment in the Hotels. It seems to me that it was issued by the Ministry of Finance.

Mr Chairman:

Any further observations? Paragraph 77.

M. Maude Gyani:

Mr Chairman, Sir, in the annual report of the revenue arrears, it was shown that the Catering Rest Houses of Zaria, Samaru, Keffi, Potiskum, the money has not been found. May I know why the money could not be found. Is it a matter which concerns estimates or the people could not pay the money?

Acting Permanent Secretary, Ministry of Information:

It is not really a question of whether or not the money was found in the Estimates. What we do not know is a return from those Catering Rest Houses stating whether or not any money is outstanding. In Zaria Rest House, there is money outstanding, but in the small ones it is quite possible their returns are all here.

M. Maude Gyani:

Supplementary Question: Is the outstanding money in Zaria caused by the deficiency in the estimates or due to the fact that the strangers could not pay their money.

Acting Permanent Secretary, Ministry of Information:

The return we want, Sir, is the money owed by people who have stayed in the Rest House and left without paying their money.

M. Maude Gyani:

Mr Chairman, will it be possible for them to see whether this money could be found or it will just be left without paying and then be written-off.

Acting Permanent Secretary, Ministry of Information:

Reminders are sent to all these people to try and get the money. It is only in the last resort when people cannot be traced, then we have to ask for write-off.

Mr Chairman:

At this stage, perhaps the Director of Audit may wish to comment.

Director of Audit:

This sounds rather unfair, Sir, but the Zaria return has in fact been received by us and it shows arrears at the 30th September last year of £83-16-5.

Mr Chairman:

If I recollect correctly, I think in our last Meeting, the Permanent Secretary had given us assurance that this sort of affairs will be remedied. Would the Permanent Secretary tell us what he has done after that Meeting?

Acting Permanent Secretary, Ministry of Information:

You are correct, Sir. Well a number of letters have been written and reminders sent both by letters and telegrams. More than that, I don't think I can say more.

Mr Chairman:

Any further observations?

Mr O. Afolayan:

The observation I have got to make is just the keeping late to send all these returns. When we met in September last year, he promised us that prompt action will be taken, there is no evidence at all to show that he has fulfilled his promise. What concrete assurance will you give?

Acting Permanent Secretary, Ministry of Information:

If the Hon. Member requires the evidence, I can produce copies of the letters for him in a few days time. As far as the next year is concerned, all I can say is that I will do my best again, Sir.

Mr Chairman:

So we regard that as your second and final assurance. Any further comments?

Alhaji Hassan, Dallatun Abuja:

Who is now responsible for these Catering Rest Houses all over the Region?

Acting Permanent Secretary, Ministry of Information:

My Ministry is responsible for all, except Kaduna and Vom.

Alhaji Hassan, Dallatun Abuja:

I think now we have just been talking about the delays in these Catering Rest Houses. What is surprising me Sir, is about the cost of service in these Rest Houses has been increased greatly and the service, I am sorry to say, is generally not good enough. So, does the Permanent Secretary think that through increasing these they will recover the losses?

Acting Permanent Secretary, Ministry of Information:

I am not quite clear, Sir, what losses the Hon. Member is referring to.

Alhaji Hassan Dallatun Abuja:

I mean here in our written reply.

Mr Chairman:

Any outstanding arrears or losses.

Acting Permanent Secretary, Ministry of Information:

There are outstanding arrears in a number of Catering Rest Houses, but the question of raising the costs merely means if someone does not pay his bill, the revenue in arrears is higher.

Alhaji Hassan Dallatun Abuja:

Why are the prices for serving people using Catering Rest Houses very high?

Acting Permanent Secretary, Ministry of Information:

I think, Sir, the prices in Catering Rest Houses are reasonable compared with other hotels, and in fact there are various subsidies which if they are not there, will make the prices even higher.

Mr Chairman:

Any further observations?

Alhaji Ibrahim Yakubu:

I wonder if the Permanent Secretary has considered the possibility of the economy of appointing touring inspectors with catering experience and knowledge to ascertain the quality of food served in Catering Rest Houses. I am aware that there is in every town Catering Rest House Management Committee, but I am not sure that any Member of such Committee is likely to have the kind of knowledge and experience I have in mind. Sometimes visitors and particularly Europeans complaining rather silently about the quality of food and service they receive in some catering rest houses.

Mr Chairman:

I wonder if the Hon. Member is staying in the Catering Rest House?

Alhaji Ibrahim Yakubu:

With respect Sir, No. (*Laughter*).

Acting Permanent Secretary, Ministry of Information:

This is a question that came up last year, Sir, you probably remember.

Mr Chairman:

I think the Hon. Member was not here then.

Alhaji Ibrahim Yakubu:

I was, Sir, but it might be on one of the three days I did not attend.

Acting Permanent Secretary, Ministry of Information:

Unfortunately the condition is exactly the same as last year when I reported that with effect from 1st April, 1962 there was a post in the Estimates for a Principal Tourism Officer. Last year I reported this and an indent was put in to fill this post from the Recruiting Agency London for a man with full experience, but unfortunately up to date no one has been appointed.

Alhaji Ibrahim Yakubu:

Has anyone with requisite qualification and experience applied?

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Acting Permanent Secretary, Ministry of Information:

Someone with the requisite qualifications was under consideration. But for reason I don't know nobody has been appointed and nothing has been done. The result is that the Recruiting Agency in London has to start all-over again with advertisements.

Mr Chairman:

Any further observations? Then the Capital Development Fund Accounts for the year 1959/60—paragraph 3 of the Audit Report—item 29. As far as I can see or aware the Permanent Secretary, Ministry of Information does not seem to tender a written reply on this. And perhaps you would be good enough to give us an oral one.

Acting Permanent Secretary, Ministry of Information:

Is this on paragraph 39?

Mr Chairman:

No. paragraph 3 of the Audit Report—item 29. Have you got something like this?

Acting Permanent Secretary, Ministry of Information:

I have got something like that. Can you give me the page number?

Mr Chairman:

This is a Capital Development Funds Accounts not the Director of Audit's Report.

Acting Permanent Secretary, Ministry of Information:

I am afraid I have not seen this Sir.

Mr Chairman, Sir, this is an equipment which was ordered when the Information Division was part of the Ministry of Internal Affairs. And I do know that the matter has been taken between the Permanent Secretary, Ministry of Internal Affairs and the Ministry of Finance, but I am not aware of the final outcome.

Mr Chairman:

What the Committee is trying to find out is reasons of apparent excess.

Mr Chairman, Sir, from what I know £12,000 was given as a grant from some outside organisation to set up the film section of Information Division. The money was largely spent in England and the Crown Agents sent goods to this country. I can only assume that certain goods when they have been delivered their freights are higher than the estimated cost in England.

Mr Chairman:

I thought that all these items could have been considered when putting up the order so that they will all add up to that figure of £12,000.

Acting Permanent Secretary, Ministry of Information:

They should have been Sir.

Mr Chairman:

But they had not.

Acting Permanent Secretary, Ministry of Information:

It appears not.

Mr Chairman:

Any further observations? Then the last time is the Jos Hill Station Accounts—Any observations? Well, I think I have to say thank you.

MINISTRY OF INTERNAL AFFAIRS

Mr Chairman:

Gentlemen, we have here the representative of the Permanent Secretary, Ministry of Internal Affairs. Perhaps he would be good enough to explain to us why the Permanent Secretary did not appear before us.

The Representative of the Permanent Secretary, Ministry of Internal Affairs:

Mr Chairman, Sir, the Permanent Secretary was given an assignment at 12 mid-night yesterday by the Regional Government and I was asked to represent him this morning. I apologise to the Committee for his absence on his behalf.

Mr Chairman:

Then the paragraph which concerns this Ministry is paragraph 78 and we have received your written reply to this and perhaps Members would like to make some comments.

MIA/G/560/164
Ministry of Internal Affairs,
Private Mail Bag No. 2030,
Kaduna,
Northern Nigeria,
20th May, 1963

The Secretary,
Public Accounts Joint Committee,
Northern Nigeria Legislature,
Lugard Hall,
Private Mail Bag No. 2018,
Kaduna

EXCESS EXPENDITURE 1961/62: MINISTRY OF INTERNAL AFFAIRS

I am directed to refer to your letter No. 341/S.1/597 of 6th May, 1963 and to furnish below my explanation:—

1. *Audit Annual Report 1961/62 Paragraph 78. Excess Expenditure*
Head 242 Subhead 3—Other Transport and Travelling: £3,389

During the latter part of February, 1962 there was a rush of Railway warrants debited to this vote by the Government Coastal Agents at Apapa and Port Harcourt for transport of Government goods and heavy machinery ordered in 1960/61 and arriving late in 1961/62.

It was difficult to estimate accurately the cost of transport charges for all the heavy stationery items and machinery ordered. Allowance of 10 per cent of cost was made as usual for freight charges for goods on indent. Events proved that this allowance was insufficient. However, immediately it was discovered that the vote would be insufficient an application for additional provision of £2,000 submitted to the Ministry of Finance on 1st March, 1962 but no offsetting savings could be quoted. After series of correspondence the Ministry of Finance advised in their letter No. FD/D/61/62/26/S.22/197 of 11th June, 1962 that a fresh application for additional provision be made when the final expenditure was known:

The application was subsequently made and approval has been obtained thus the excess has been cleared.

2. *Head 242 Subhead 17—Paper and Materials: £3,389.*— This subhead provides all the paper and materials for producing printed matter for the entire public services of Northern Nigeria. There were series of correspondence between this Ministry and the Ministry of Finance dating back to July, 1961, for additional provision under this subhead, culminating in the approval of £12,000 in the 1st supplementary Estimates, 1961-62.

Committee is invited to note the general expansion in government activities especially institutional (hospitals, schools, ministries etc.) and changes (e.g., since independence) which have a direct consequence on the amount of paper and materials used for printing purposes. In particular committee is invited to note:—

- (a) Opening of new hospitals and dispensaries and therefore increased demands from Medical Stores for all necessary Medical Forms and Record Cards as for an example—Out patients record cards amounting to 950,000 copies per year have now been doubled;
- (b) Paper and materials required for Four new Ministries—Information, Establishments and Training, Economic Planning and Justice.
- (c) Printing materials for 1961 elections.

- (d) Requirement of the Legal Department consequent upon the introduction of the Penal Code and the Criminal Procedure Code. 37 new Judicial Forms were designed and printed in addition to vernacular copies of the Penal Code and the Criminal Procedure Code. In all almost one million Judicial books and pamphlets were printed;
- (e) Legislative books in English, Hausa and Yoruba languages involving some 146,000 books in duplicate. The recent increase in the number of the members of Legislative Houses of Northern Nigeria entailed an increase in Printing quantity of all laws, reports and other books;
- (f) Thirteen new Provincial Courts and thirteen Provincial Information Public Enlightenment Centres each requiring a quantity of printed forms and books, gazettes and reports necessary for the efficient working of their offices;
- (g) A number of other government institutions and international agencies not hitherto on our statutory list were added on independence. The list now stands at 170 as against 152;
- (h) Crown Agents indents for 1960-61 which arrived late in 1961-62 and debited to this vote just before the close of the financial year accounts, for which no provision was made;
- (i) Printing of newly designed and introduced general forms to replace the old ones declared obsolete since independence;
- (j) There are at present about twenty Ministries and Departments (some with two or more divisions) which publish Ministerial Annual Reports;
- (k) A total of 147 million type-writer characters were set by the Government Printer—a figure unprecedented.

3. *Head 242 Subhead 22—Regional Stationery Dept: Departmental Purchase, Freight and other charges: £1,064.*—This subhead is used to supply stationery to the entire Public Service of Northern Nigeria. The expenditure under this subhead bears relation to that under Subhead 17. The increase in printed material and stationery bears directly on the cost of distributing these materials. In particular:

(a) Some 1960-61 Crown Agents indents arrived late in 1961-62 and were unavoidably debited to this vote.

The position here is difficult as most of the stationery items must of necessity be ordered from the Crown Agents London and it is difficult to forecast with any degree of accuracy the stock which may arrive before the close of the financial year. As stationery arrive, they are distributed and when, for reasons of non-availability all the stationery cases required by a Province cannot be sent at once, there is bound to be a substantial increase in carriage cost.

4. *Audit Annual Report paragraph 79: Returns of Revenue in arrears at 31st March, 1961 still outstanding at 30th September, 1961.*—Out of the total arrears of £9,755-7-10 shown in the Audit Report the sum of £6,722-14-7 has been collected, and the Director of Audit has been informed accordingly with the relevant receipt voucher particulars.

The corresponding returns for the financial year 1961-62 had also been submitted to the Director of Audit.

There had been very little response from the Native Authorities in settling their outstanding arrears despite several reminders. It is hoped, however, that the Native Authorities will be persuaded to settle these long outstanding arrears. An approach to the Ministry for Local Government will again be considered if present reminders yield no results.

5. *Audit Annual Report 1961-62 paragraph 80: Motor Vehicles Returns.*—Out of the total outstanding account of £2,215-19-0 the sum of £514-16-0 had been paid according to the records available. The Director of Audit had been duly informed of these collections. Every effort is being made to re-issue fresh reminders and demand notes.

6. *Audit Annual Report 1961-62 paragraph 81: Cost of Telephone Facilities.*—I am informed by the Ministry of Finance that apart from the initial reduction in the first quarter following the issue of my circular devising means to curtail the rising cost of telephone bills, the position

remains about the same. I am at present in communication with the Ministry of Finance with a view to finding a practical way to reduce these costs.

Committee is invited to note, however, that expansion in Government activities, International Agency officials working in Ministries and the need to contact Federal Ministries on a number of urgent Government business account, for substantial increase in telephone costs. Despite strict control and co-operation of Ministries, the number of residential telephone continue to rise. And with the increase in Ministerial post (i.e., Provincial Commissioner) a substantial increase should be anticipated in telephone costs.

7. *Capital Development Fund Accounts 1959-60, paragraphs 2 and 3 Audit Report.*—Head 287—Other Capital Expenditure.

(a) Printing and Stationary Division 80—Machinery and Equipment: Excess £154-14-5.

I regret that it is not possible to explain the circumstances leading to this over-expenditure as the officer who handled the matter has retired from the public service and records available reveal nothing. However, an application for additional provision to cover this excess had been submitted to the Ministry of Finance.

I. J. D. DURLONG,
*Acting Permanent Secretary,
Ministry of Internal Affairs*

No. MIA/G/560/164A
Kaduna,
20th May, 1963

COPY TO:—

The Permanent Secretary,
Ministry of Finance,
Finance and Accounting Divisions (2)
The Director of Audit,
Northern Nigeria,
Kaduna

For information and necessary action.

I. J. D. DURLONG,
*Acting Permanent Secretary,
Ministry of Internal Affairs*

Mr Orjime:

Mr Chairman, Sir, I wonder why it is not possible for the Permanent Secretary, to foresee that item 3 is not exceeded and to see that people don't use the money then make an attempt to ask for a revote.

The Representative of the Permanent Secretary, Ministry of Internal Affairs:

Mr Chairman, Sir, it is true that it is usually possible to foresee shortage of money, but in cases like warrants as far as they are concerned, we cannot in any degree of certainty know how much will be short of. And as I explained in our Memorandum to the Committee, Sir, as soon as we discovered that there is not sufficient money, we approached the Ministry of Finance for additional funds.

Mr Chairman:

Any further comments? (No). Then the next paragraph is 79. Any comments?

Alhaji Hassan Dallatun Abuja:

Mr Chairman, Sir, I should like to know from the Deputy Permanent Secretary whether returns of revenue arrears had been submitted?

The Representative of Permanent Secretary, Ministry of Internal Affairs:

Mr Chairman, Sir, may I say with respect to the Committee, that I am not the Deputy Permanent Secretary. I am an Assistant Secretary in the Ministry and these returns have been submitted, Sir.

Mr Chairman:

What is the amount?

allatu Abuja:

Mr Chairman, Sir, what is the total amount on these returns?

the Representative of the Permanent Secretary, Ministry of Internal Affairs:

Originally, Sir, arrears of £9,750-11-10 was submitted and out of this figure £6,722-14-7 has been collected and the Director of Audit has been notified accordingly.

Mr Chairman:

Since when?

the Representative of the Permanent Secretary, Ministry of Internal Affairs:

Since May this year, Sir.

allan Maude Gyani:

Mr Chairman, Sir, I am glad that the Ministry has quickly collected this amount, but may I know when they are going to collect the rest?

the Representative of the Permanent Secretary, Ministry of Internal Affairs:

Mr Chairman, Sir, we are making every effort to collect them as soon as possible.

Mr Chairman:

Any further observations? Then paragraph 80. Any comments?

haji Ibrahim Yakubu:

Mr Chairman, Sir, we have been told that the present situation whereby there are arrears in payments of use of motor vehicles is largely due to inadequate records. I wonder if the Permanent Secretary can tell us what his Ministry has done or is doing to ensure that in future records would be kept so that the liabilities can be established against those Ministries or individuals concerned. In other words, effective records are kept.

representative of the Permanent Secretary, Ministry of Internal Affairs:

Mr Chairman, Sir, we insist on giving instructions to our drivers that whenever we issued motors to any guests or visitor who is likely to pay, he must initial the log book given to him by the driver. But for reasons of inconvenience, this can not always be done. In most cases we insist that the driver should report to the Chief of Protocol who is in charge of motor drivers and vehicles.

Mr Chairman:

Any further observations? out of the amount outstanding you succeeded in collecting something about one-quarter and apparently the rest could not be collected, if so why?

representative of the Ministry of Internal Affairs.:

Mr Chairman, Sir, I agree that we are able to collect one-quarter, but we have made several efforts to collect the balance. The problem involved in this matter is that the numbers of V.I.Ps. come from other countries who tour on behalf of their Embassies, and these people are unable to pay and we have been having correspondence with all the different embassies.

Mr Chairman:

From your answer it seems that the amount outstanding are made up by the Embassies willing to pay their bills?

representative of the Ministry of Internal Affairs:

I will not say so, Sir. It is always difficult to deal with Diplomatic personnel, because we do not like to give them any bad impression or doubt of opinion.

Mr Chairman:

Does not this transport come within their diplomatic privilege?

representative of the Ministry of Internal Affairs:

It is, Sir. When they come transport is arranged for them on the understanding that they will pay back when they travel outside Kaduna. In most cases they do not pay on the spot and thus we have to follow up by correspondence.

Mallam Maude Gyani:

Mr Chairman, Sir, can I suggest something to the Representative of the Permanent Secretary, Ministry of Internal Affairs. That he should receive and welcome them. Since it is the laid down practice that they should use vehicles when they come, they should be informed that they will have to pay for the transport. As you have already said there are ways and means whereby this money can be collected; but I will like to suggest that a written provision be made by this Ministry for all strangers who come here and they should be required to sign a copy of that paper so that they will understand that they will be required to pay the money for the transport. Provision should also be made in that paper to say that if he does not pay other strangers will not get transport. I think if this is done it will be a sort of diplomacy.

Representative of the Ministry of Internal Affairs:

Mr Chairman, Sir, I am grateful to the Hon. Member for his suggestion. I shall have to consult the Premier's Office to see what could possibly be done.

Mr Chairman:

Any further comments?

Director of Audit:

Just for my own information, Sir, may I ask the representative if all this £17,000 is owing by overseas diplomats? If I may explain my question further, am I right in saying that the bulk of this is made up by overseas diplomatic bills?

Representative of the Ministry of Internal Affairs:

Mr Chairman, Sir, I am sorry if I have given the impression to the Committee that all the money here is owed by foreign embassies. There are certain numbers of Regional and Federal Ministries who are owing this Ministry too. And from the figures available it does not appear that foreign embassies owe more than one-fifth of the total amount.

Director of Audit:

Thank you.

Mr Chairman:

Any further observations? Then Paragraph 81.—Any comments?

Alhaji Ibrahim Yakubu:

Mr Chairman, Sir, from the Audit Report it seems that in 1959-60 the total vote for telephone facilities amounted to just under £77,000. For one quarter of the year immediately following, 1961-62 it showed that the bill was £50,000, which suggests that the bill for the year could well be some £200,000. I believe that we have since been told most of the bill was in fact well in excess of £200,000. I wonder if the Representative from the Ministry of Internal Affairs can tell us what steps have been taken in his Ministry in order to improve on the position of this expenditure Head or Sub-head?

Representative of the Ministry of Internal Affairs:

Mr Chairman, Sir, we are doing everything that we can do to have the co-operation of the Permanent Secretaries and Heads of Departments to cut down the cost of telephone charges. We are satisfied that we have got the co-operations of the Heads of Departments and Permanent Secretaries along this line. With respect, I invite the attention of the Committee to the increased Government activities with particular reference to Regional telephones both at Kaduna and in the Provinces. This accounts for a great measure of increases in the telephone charges. I can assure the Committee that we are doing everything in consultation with the Ministry of Finance to combat what appears to be unsatisfactory situation.

Mr Chairman:

Any further observations? In regard to telephones in the individual houses, are they not expected to pay for their private calls?

representative of the Ministry of Internal Affairs:

Mr Chairman, Sir, this should be the case. But we do not have any records to this effect, every within the framework of the policy laid down, regional telephones are not issued to officers below certain ranks who are not satisfactorily required to use telephones for the performance of all their duties.

Chairman:

So from your reply I assume that you have no records for individual telephones?

representative of the Ministry of Internal Affairs:

We receive quarterly statements from the Ministry of Finance, Accounting Division showing how much has been charged in respect of each house telephone. This return could not indicate. I do not think it is intended to indicate, which of these calls are private or official.

Chairman:

I think you have said that your Ministry has discussions with the Ministry of Finance in order to get a solution to this unsatisfactory situation. So will you note that down, so that you could report to this Committee the result of your discussions when you appear before the Committee next time?

representative of the Ministry of Internal Affairs:

I have noted that, Sir.

Aji Ibrahim Yakubu:

I have one suggestion to make here, Sir. That is if the co-operation of Posts and Telegraphs could be obtained in this matter, it may be better to have the overall responsibility for scrutiny of the telephone bills to be under the direct charge of the various Ministries and if it is possible for the Posts and Telegraphs to submit monthly accounts for the individual houses it may well be for the Permanent Secretary and his immediate assistants can then have the cause of suspicion on a bill, and the officers concerned can immediately be asked to give their explanation. I said this, Sir, because I can imagine difficulty if given quarters in a year because there may be a number of changes in the responsibility of any one house and it may be difficult after four months to be able to tie the responsibility to the right officer who used the telephone; particularly if in the meantime the officer has been transferred out of the station.

representative of the Ministry of Internal Affairs:

Mr Chairman, Sir, if this is the view of the Committee I shall submit it to my Permanent Secretary whom I represent.

Aji Ibrahim Yakubu:

Mr Chairman, this is a small point and a suggestion he should consider and examine.

Director of Audit:

For the information of the Committee, Mr Chairman, this suggestion, as far as I am aware, was considered by an Official Committee but the Posts and Telegraphs wanted to have a large fee for the service. When the Official Committee considered this suggestion, it reluctantly left the matter as it is at present.

Aji Ibrahim Yakubu:

I wonder if this huge fee is even larger at this stage in comparison with the amount of bill which appears to be presented?

representative of Ministry of Internal Affairs:

Mr Chairman, Sir, I much regret I am not aware of this investigation but my Permanent Secretary may be aware.

Chairman:

Any further observations? Then the next is Capital Development Funds 1959-60 paragraph 2 and 3 of the Audit Report. Item 3 of the second paragraph, any observations?

If members have no other points perhaps I will thank the Representative of the Ministry of Internal Affairs.

Alhaji Ibrahim Yakubu:

I am sorry, Sir, only that question about a suggestion for the consideration of the Ministry of Internal Affairs to examine the economics of buying a railway coach or coaches for His Excellency the Governor as opposed to paying a fixed rate of £1,270 per annum in addition to charges whenever the coaches are used.

Representative of Ministry of Internal Affairs:

Mr Chairman I thank the Member for his suggestion, but this is a matter of high policy and I will refer it to my Minister who may wish to obtain a further directive from the Government.

Mr Chairman:

I think that is all for you. Gentlemen that ends our meeting for today we meet again tomorrow at 9.30 a.m.

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PUBLIC ACCOUNTS JOINT COMMITTEE
SESSION, 1963-64
MINUTES OF PROCEEDINGS: FIRST MEETING
Saturday, 8th June, 1963

MEMBERS PRESENT

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

Alhaji Umaru, Emir of Pategi	Alhaji Hassan, Dallatun Abuja
Alhaji Muhamman, Emir of Gumel	Mr V. I. Orjime
Alhaji Ibrahim Yakubu	Mr Olarewaju Afolayan
	M. Muhammadu Mustafa Maude Gyani

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

MINISTRY OF WORKS

Chairman:

Gentlemen we have here the Permanent Secretary, Ministry of Works and the first paragraph which concerns him in the Audit Report is paragraph 30—Renewals Funds and he has furnished us with a written reply and perhaps members would like to make some observations.

**REPLIES BY THE PERMANENT SECRETARY, MINISTRY OF WORKS
 TO CERTAIN PARAGRAPHS OF THE REPORT OF THE DIRECTOR OF
 AUDIT ON THE ACCOUNTS OF THE GOVERNMENT OF NORTHERN NIGERIA
 FOR THE YEAR ENDED 31ST MARCH, 1962**

30. RENEWALS FUNDS: MINISTRY OF WORKS.—WATER SUPPLIES

The new Register of Assets is still in course of preparation. Involving as it does the collection of information from every Province, this operation is necessarily lengthy. Once completed, the recalculation of contributions can be made. As an interim measure, additional contributions based upon estimated figures have been made since 1st April, 1962.

86. *Overpayments of Salary and Allowances.*—Cases of this nature are most unlikely to recur in future by reason of:—

- (a) the cessation of payment of Home Allotments and leave salaries through the Crown Agents;
 - (b) the centralised payment of all Senior Staff salaries in Ministry of Works Headquarters.
- Previously an officer was not obliged to have his salary paid at the same station at that to which he was posted, and errors of this nature were always likely to occur.

87. *Return of Revenue in Arrears.*—All but four Provincial Returns were in the hands of the Director of Audit on 16th November, 1962. Of those outstanding, three were nil returns. The arrears disclosed amounted to £2,306-1-0.

Whilst every effort is made to render these returns on time, one month does not allow enough time to compile the return in some stations.

88. *Losses of Diesel Fuel and Petrol.*—It is agreed that these losses are largely due to the fact that temporary and low-grade staff have had access to security documents. It must be noted however that collusion of oil company agents is an additional factor, and very difficult to control. The only remedy is to charge the Senior Technical Staff personally with the duty of ordering fuel and supervising delivery. A great deal of valuable time will be lost to Government in this way, but there appears to be no alternative.

89. *Thefts from Government Quarters.*—Instructions regarding security arrangements for empty quarters were reissued in January, 1963.

90. *Water Supply, Maiduguri.*—This Ministry maintains a fleet of vehicles larger than any other, and employs some 500 motor drivers. They are rarely literate.

Vehicles can be allocated to isolated work sites where there is no assistance available for the completion of documents. The task of reconciliation of log book entries placed upon senior officers is an addition to an already intolerable burden.

Regarding the apparent shortage of 79 gallons of petrol, I replied to the Director of Audit that the figures quoted by him could point to a possible loss of fuel, but that the chances of proving this by investigation were extremely remote. The Director of Audit was asked to give details of the unserviceable stores referred to.

91. *Drilling Section, Maiduguri.*—This is in the nature of a site store. However, the full provisions of Financial Instructions have been carried out, and the fact confirmed to the Director of Audit.

92. *Rural Water Supplies, Maiduguri.*—All items under query have been taken on charge and the required ledgers and registers introduced. Confirmation has been given to the Director of Audit.

93. *Road Engineer, Kaduna.*—This matter was fully investigated and the staff responsible dismissed. No loss to Government is apparent, and a final report was forwarded to the Director of Audit in January, 1963.

94. *Provincial Engineer, Sokoto.*—In reporting that action was in hand to recover the cost of transport the Provincial Engineer remarked that such recovery was likely to be protracted. The original information did not arise out of a regular Audit inspection; no details were given. There have been a number of losses in Sokoto Province and considerable confusion has occurred in dealing with the separate cases. When Senior Staff is available a Departmental investigation will be made and the matter finally cleared.

95. *Provincial Engineer, Mubi.*—Due to the unreliable nature of supplies of fuel to Mubi, this Ministry is constantly required to assist in supplying both other Ministries and private persons. This was to be expected at the outset, but better arrangements must be formulated if the position does not improve.

Similarly private repairs were initially done as a matter of urgency.

Considerable delay was experienced in getting information from the Provincial Engineer, who has now left the service. Confirmation required by the Director of Audit has now been received.

96. *Stores Accounts, Minna.*—The report in question was delayed, with several others, in this Headquarters; reference was made to this unfortunate period at the January, 1962 meeting of the Public Accounts Committee.

As a result, the report did not reach the Provincial Engineer until June, 1961, by which time the staff had changed and many old records had become lost and dilapidated. Numerous interim replies have been forwarded to the Director of Audit and a further inspection has since been made by his staff.

Paragraph 97.

At the end of 1960 the policy was adopted of having all Boards of Survey on plant and Vehicles carried out in Kaduna where practicable,

- (a) for administrative reasons i.e., Board Reports would be processed more speedily; and
- (b) because greater control could be exercised over items awaiting Boards.

In accordance with this policy a substantial amount of unserviceable plant and vehicle from various Provinces was transferred to Regional Mechanical Workshops during 1961. In many cases they were items that had been employed under arduous conditions on Ministry of Works direct labour road construction projects, several of which were winding up at that time, and where cannibalisation was to be expected. The 35 items under query were the backlog of these items.

Paragraph 98.

The Ministry of Finance has now approved the proposals for policy on local stripping of parts from plant and vehicles and new instructions were issued in April, 1962.

99 (b) *Boards of Survey and Enquiry.*—It is understood that this was a direct approach to the Divisional Engineer, Kaduna which was overlooked. Normal communication is through this Ministry Headquarters.

Haji Ibrahim Yakubu:

Mr Chairman, Sir, I feel that this Register of Assets was raised during our discussion at the last Meeting, I seem to understand that the preparation of this Register of Assets is not completed, I wonder if the Permanent Secretary will give us some idea why this Register is not completed again this year?

Permanent Secretary, Ministry of Works:

Mr Chairman, Sir, it was only last year we took over this work and we have not yet completed the work but it is hoped this Register of Assets will be completed in nine months' time.

Mr Chairman:

Any further observations?

Mallam Maude Gyani:

Mr Chairman, Sir, why will this Register take nine months to be completed?

Permanent Secretary, Ministry of Works:

The reason for the delay is as I have already explained—we took over the work only last year.

Mr Chairman:

Any further observations? Then the next paragraph is paragraph 86. Any comments?

Mr Olarewaju Afolayan:

Mr Chairman in this paragraph there are so many cases of overpayments. In these cases, there were at least 17 overpayments. What one will expect is that all these cases are defended one by one. One will expect that there should not be so many cases of overpayments. But instead of this the Permanent Secretary is just giving the remedy to all these cases. One outstanding matter in one of these cases is in respect of one officer being paid for six months. He is a contract officer and the contract had expired. This is just a gross overpayment of £1,172. May I know whether these overpayments which have been paid after the contract had expired for six months have been recovered or not?

The Permanent Secretary, Ministry of Works:

Mr Chairman, Sir, this large amount of overpayment was incurred by the officer who resigned from the Ministry of Works and he returned to this country and is now employed in the Ministry of Education and I am told something is being done to recover the money.

Mr V. Orjime:

Mr Chairman, Sir, I wonder how this officer resigned and still continued to be paid his salary. How did it all happen? Again, I wonder if someone has been held responsible for the overpayment.

The Permanent Secretary, Ministry of Works:

Mr Chairman, Sir, this officer was employed in the Ministry of Works and later transferred to the Ministry of Education.

Mr V. Orjime:

In other words he is getting double salaries. One in the Ministry of Works and the other in the Ministry of Education.

The Permanent Secretary, Ministry of Works:

No, Sir.

Mallam Maude Gyani:

Mr Chairman, Sir, supplementary question. He has resigned from the Ministry of Works, may I know for how long he gave notice to the Government?

The Permanent Secretary, Ministry of Works:

Well, Mr Chairman, this officer went home on leave and I can not remember for how long and whilst he was on leave he resigned from the Ministry of Works and applied for transfer to the Ministry of Education.

Mallam Maude Gyani:

Mr Chairman, Sir, when this officer was on leave was he still paid by the Ministry of Works?

The Permanent Secretary, Ministry of Works:

Yes, Sir.

Mallam Maude:

Mr Chairman, was it during the course of his leave that he wrote to the Ministry of Works that he resigned and applied to the Ministry of Education and he was accepted?

The Permanent Secretary, Ministry of Works:

I believe so, Mr Chairman.

Alhaji Ibrahim Yakubu:

Mr Chairman, Sir, I would like to ask the Permanent Secretary if this is the normal procedure in the Government Service to resign from one Ministry and seek transfer later.

The Permanent Secretary, Ministry of Works:

Well, Mr Chairman, he is a contract officer.

Alhaji Ibrahim Yakubu:

Does this mean that he resigned one contract with one Department and entered another contract with Government in different Ministry?

The Permanent Secretary, Ministry of Works:

Yes, that is so.

Mallam Maude Gyani:

Mr Chairman, is there any laid-down procedure whereby an officer cannot jump from one Ministry to another without the Government consent?

The Permanent Secretary, Ministry of Works:

Yes, Sir.

Mallam Maude Gyani:

Why did he do that?

The Permanent Secretary, Ministry of Works:

Mr Chairman, Sir, I don't know and it won't happen again because the Ministry of Finance has given instructions that all salary payments must be made in Kaduna and they are no longer paid by the Crown Agents.

Mr Chairman:

Any further observations? (No). Well, are the sums of money still being recovered because I still feel not quite satisfied with the reply given by the Permanent Secretary. I think something must be done to find out who was responsible for these overpayments and some disciplinary action should be taken against him. Has that been done?

The Permanent Secretary, Ministry of Works:

Mr Chairman, Sir, there was a Board of Enquiry and to-date we have not seen their report about this matter.

Mr Chairman:

Is it a case that the report has been lost or is it on its own way?

The Permanent Secretary, Ministry of Works:

We have not received the report, Sir.

Mr Chairman:

Are you expecting it?

The Permanent Secretary, Ministry of Works:

Yes, Sir.

Mr V. Orjime:

Mr Chairman, Sir, I am very interested in this Board of Enquiry and may we know when this Board of Enquiry was instituted?

The Director of Audit:

Mr Chairman, may I assist in this matter? There was a letter written by the Public Service Commission to the Crown Agents at the beginning of February 1962 not to re-engage this officer for the Ministry of Works and because of this letter they should have stopped payments from the end of his leave. But the officer managed to persuade the Crown Agents to continue to pay him by telling them he was extending his leave in order to take an examination for the Ministry of Education and after the examination would return to Nigeria. This examination period was alleged to be part of his leave—which in fact it was not. That same letter was copied to the Ministry of Works and went as far as their Staff Officer who did not pass it on to the Account side. This matter was fully discussed before the Board of Enquiry in October, 1962 and remedies were taken.

Mr Chairman:

Any further comments?

Alhaji Ibrahim Yakubu:

Mr Chairman, Sir, it seems to me that although the Ministry of Works were in a position to do something about this, they are not entirely at fault for what happened. Firstly, it looks as if this officer for some reason or other was sufficient with his persuasive words or for his own interest to get the Crown Agents to disregard what might have appeared to be instructions from the Public Service Commission. If in fact he was honest—not being altogether irregular—in other words it surprises me why his second contract was entered into. It also seems to me that the Crown Agents were not fully reminded earlier that they had had an instruction not to pay him, and which asked them to pay what they should have paid him on behalf of the Government.

The Director of Audit:

Mr Chairman, Sir, the Board of Enquiry fully investigated the matter and I understand that all the overpayments made to this officer were recovered, and when he was in the Ministry of Education that Ministry started deducting the overpayments from his salary until the full overpayment was recovered.

Alhaji Ibrahim Yakubu:

Mr Chairman, since there was a Board of Enquiry and obviously they were better placed to obtain detailed information than us, we can only but encourage the Ministry of Works to do all what they can to recover the money.

Mr Chairman:

Agreed? Are you not satisfied?

Mr V. I. Orjime:

I am satisfied, but there is another case totalling £2,260. May I know whether this money has been recovered?

Permanent Secretary, Ministry of Works:

Mr Chairman, the matter has been reported to the Accountant-General, but by the time the matter was reported, the man had left the country and he was unable to recover this amount.

Mr V. I. Orjime:

Mr Chairman, the answer seems vague. I do not understand whether he was looking into the matter, or whether he has actually recovered the money. It seems that part of the money has been recovered or what part of the money has been recovered?

Permanent Secretary, Ministry of Works:

Mr Chairman, I have no further details about this.

Mr Chairman:

We have the representative of the Accountant-General here, he may like to comment on that.

Representative of the Accountant-General:

I am afraid I cannot give the exact details. The usual procedure is to request the Crown Agents to recover or to take legal action if necessary. And more frequently a court order is

obtained for repaying by monthly instalments. But I cannot state definitely whether those instalments are being paid.

Mr V. I. Orjime:

Mr Chairman, I do not know whether something is actually being done in respect of this man, or have they not heard from the Crown Agents?

Mr Chairman:

In short, have they referred the matter to the Crown Agents?

Representative of the Accountant-General:

I am sorry I was not briefed on this matter, whether the Crown Agents have been informed.

Director of Audit:

Mr Chairman, may I assist again? In the case of one officer the amount has been recovered completely, and in the case of the other the Crown Agents solicitors have sued the man in court in the United Kingdom.

Mr V. I. Orjime:

An officer was overpaid for six months totalling £501-17-1. What has happened to that?

Permanent Secretary, Ministry of Works:

The matter has been referred to the Accountant-General.

Alhaji Ibrahim Yakubu:

Mr Chairman, Sir, I think that it must be made clear to the Permanent Secretary, Ministry of Works the seriousness of this Committee's views on the question of salaries and allowances overpaid. My suggestion, Sir, is that he might like to take up the matter with the Accountant-General and find out just how much progress is being made in the cases affecting his Ministry. I think he has taken note of our views and he will do what he can to ensure that this will not occur again.

Permanent Secretary, Ministry of Works:

Mr Chairman, we have tried to improve the method of paying salaries by centralising all payments in Kaduna. All expatriate officers in the Provinces are being paid from Kaduna.

Mallam Maude Gyani:

Mr Chairman, Sir, I wish to draw the attention of the Permanent Secretary, Ministry of Works and the Representative of the Accountant-General that it is necessary that both of them should co-operate to give replies to the questions asked by this Committee. This will give us the opportunity to know the type of questions we should ask, and whereby they will gain and progress considerably in carrying out their duties. If they do not do this we shall have to bother them with so many questions.

Mr Chairman:

Any further observations? Then Paragraph 87. Arrears of Revenue. Any comments?

Alhaji Hassan Dallatun Abuja:

Mr Chairman Sir, here we come to another point which is being raised every year, that is concerning the Kaduna Housing Estate; concerning the Water Supply there. May I know from the Permanent Secretary the outstanding arrears of revenue of this Water Supply?

Permanent Secretary, Ministry of Works:

Mr Chairman, I am not quite clear about this. Is the Hon. Member referring to Water Rates?

Alhaji Hassan Dallatun Abuja:

Yes, I am referring to Water Rates.

Permanent Secretary, Ministry of Works:

Mr Chairman, we have made out recommendations to the Ministry of Finance but no decision has been made yet.

Alhaji Hassan, Dallatun Abuja:

We have the Representative of the Ministry of Finance here, may I know whether he can explain to the Committee the condition about the matter?

Representative of the Accountant-General:

Mr Chairman, in connection with the collection of Water Rates I understand that an Officer who retired was re-engaged on this work, and introduced a more efficient system in collecting them. I do not think much progress has been made since he left.

Mr Chairman:

Why?

Representative of the Accountant-General:

I am afraid I cannot answer that but I know the Principal Accountant was dealing with that.

Mr Chairman:

Perhaps the Director of Audit as he has usually done will come to our aid, will he at this time also volunteer to come to our aid?

Director of Audit:

I am sorry in this case I cannot assist much because we have not got the figures for Water Rates from the Ministry of Works. The figure for Water Rates outstanding for September 1960 which is the last figure we have was £687, but I suspect that this does not include the Housing Estate. [PERMANENT SECRETARY, MINISTRY OF WORKS] interrupted. . . .No, it does not, that is in the last report here. That is all the information I have.

Mr Chairman:

Then why the returns were not submitted?

Permanent Secretary, Ministry of Works:

I am informed the returns for March 1962 have been forwarded to the Ministry of Finance.

Director of Audit:

We have not got them.

Mr Chairman:

Any further observations?

Paragraph 88. Any comments?

Alhaji Ibrahim Yakubu:

Mr Chairman, Sir, in Paragraph 88, a number of cases of losses of diesel fuel and petrol, and in the case of Kano a rather serious one has been reported. It states that provisionally 3,795 gallons of diesel and 354 gallons of petrol have been lost. It seems that this was due to a junior clerk having access to security documents. It seems to me, Sir, that if as we were earlier told this morning by the Director of Audit, that purchase orders or issue orders for stores can be likened to cheque books, it seems a little strange that this can in Kano be entrusted has been to junior clerk. [MR CHAIRMAN, interrupted: especially in Kano]. . . Mr Chairman Sir, I think it is of interest to ask that we should know whether or not these issue vouchers or order books are still in the hands of junior staff? How much has the initial loss been established at? If this has been possible, what has been done to the senior officer supervising this junior clerk, considering that it was clear that he was signing requisitions at the rate of 5,000 gallons we were informed over and above his normal requirements per month? That is my first question and it has some small branches.

Mr Chairman:

Let us have the answer for this first.

Permanent Secretary, Ministry of Works:

Mr Chairman, this is an apparent loss, we did not receive petrol and so far we have not paid the Oil Company. There was undoubtedly collusion between the Clerk of the Ministry of Works and the petrol Clerk at the fuel pump. There is now a Board of Enquiry and Police action has been taken. The Board of Enquiry has submitted an interim report and the system has been tightened up. We don't know yet which of the Senior Officers is responsible until we have got the report of the Board of Enquiry.

Alhaji Ibrahim Yakubu:

This requisition book, can you tell us something about its present custom. We want to know whether the work is going on and if so obviously stores will continue to be required and

similar things can easily happen. Who will be charged with the responsibility of keeping this book and accounts?

Permanent Secretary, Ministry of Works:

Mr Chairman, I am happy to inform you that we have got a note on Government Financial and Accounting Procedure for the Guidance of Officers in the Technical Division which was drafted by our Chief Accountant here and has been distributed to Stores Officers.

Mr Chairman:

Does that instruction include safe custody of these store issue books?

Accountant, Ministry of Works:

Mr Chairman, may I read from page 7 of this booklet? Chapter VII—Local Purchase Orders and Fuel Requisition: "Both these forms are Security Documents, and must be kept under lock and key when not in use. They are issued only to designated Senior Officers, who must not allow them out of their control. If prepared by a clerk, they must be written out in the presence of the Officer and the book locked away afterwards."

Mr Chairman:

I am glad this has covered what this Committee wants, but normally issuing instructions is one thing and seeing that people stick to these instructions is another. Will the Permanent Secretary comment on that?

Permanent Secretary, Ministry of Works:

Mr Chairman, the answer is that now that we have got this booklet we can ensure the responsibility on a certain person.

Alhaji Ibrahim Yakubu:

Mr Chairman, I have one more comment to make on this. That is, if this book contains and covers to the satisfaction of the Permanent Secretary, all these salient points as regards security then officers should be made to sign a receipt certifying that not only they have a copy but that they understand fully what its intentions are. The other point is that I like to invite the comment of the Director of Audit on both the two paragraphs referred to us.

Director of Audit:

Mr Chairman, there seems to be some confusion here. As far as I can see, and as I am always open to correction, page 7 refers to fuel requisitions whereas what the Committee was discussing are internal store requisitions in the Ministry of Works, Form SR. 19 not Form NTR. 29

Accountant, Ministry of Works:

The paragraph I read, Mr Chairman, refers to these fuel requisitions. I am not quite sure what paragraph you are referring to in this.

Director of Audit:

Mr Chairman, the interim report of the Board of Enquiry said that the misappropriation was carried out by a daily paid clerk submitting requisitions on Form SR. 19. By this means he persuaded what is probably the Mechanical Engineer to sign forms TNR 29 for fuel requisitions. What the Committee is enquiring into here is the security of Ministry of Works form SR. 19. The booklet does not deal with SR. 19's.

Accountant, Ministry of Works:

Mr Chairman, this is very important matter if I may assist my Permanent Secretary. Store requisition Form 19's are a weak point which we are tightening. The reason why they were used in Kano was that in order to try to keep this TNR. 29 as secured as possible the Provincial Engineer laid down that only one officer should hold the book. This meant that officers stationed away from the Mechanical yard had to get their requisition from the Mechanical Engineer. They did this by sending him a store requisition SR. 19. A Clerk got hold of a book of Store Requisition Form 19 and forget the Road Engineer's signature. He presented this requisition and received in exchange on TNR. 29. He then sold the TRN. 29 to the Oil Company for cash. That is the answer to the query Mr Chairman.

Alhaji Ibrahim Yakubu:

Mr Chairman, again I want to invite the attention of our Adviser to this.

Director of Audit:

I think the Permanent Secretary, in his written reply has given the answer. He said that it is agreed that these losses are largely due to the fact that temporary and low-grade staff have had access to security documents. The security document in this case was the Ministry of Works own requisition book Form S.R. 19. And as the reply also says they are not considering the revised system.

Aihaji Ibrahim Yakubu:

Mr Chairman, the Permanent Secretary told us that this is a weakness in the system which caused the potential loss to over 40,000 gallons of fuel. The report before us is to the end of March, 1962. I wonder if the Permanent Secretary will like to comment on what has been done with regard to this particular form which went astray according to this potential loss. In other words Sir, if a circular or something like that has been issued to Provincial Engineers pointing out that this particular requisition form could be dangerous if not well kept.

Accountant, Ministry of Works:

Mr Chairman as I have explained in my remarks the use of the S.R. 19 was caused by the distance of one yard from the other. This is not a normal use of S.R. 19.

Mr Chairman:

I think it is now known that this Form S.R. 19 is potentially dangerous, but what else have you done as regards its security.

Accountant, Ministry of Works:

Mr Chairman, these Requisition Forms will be treated as security documents and Store Forms 19 will no longer be used.

Mallam Maude Gyani:

Mr Chairman, I would like to ask whether the Permanent Secretary is aware of the fact that if these young and inexperienced officers work very negligently he is also to blame?

Permanent Secretary, Ministry of Works:

We do give them every possible assistance. But it must be realised that there is a difference between experienced and inexperienced officers.

Mallam Maude Gyani:

Would it not be possible for these experienced officers to continue to guide the inexperienced officers?

Permanent Secretary, Ministry of Works:

We have a grave shortage of experienced officers. At the moment all the experienced officers have left.

Mallam Maude Gyani:

Then, Mr Chairman, I feel that some sort of courses should be organised for these inexperienced officers.

Director of Audit:

Mr Chairman, may I also confirm that I do know as a fact that professional officers are in critically short supply in the Ministry of Works.

Mr Chairman:

Will that then be an excuse for the relaxation of security measures?

Permanent Secretary, Ministry of Works:

No, Mr Chairman, but human nature is not infallible.

Mr Chairman:

Then the next paragraph is paragraph 89.

Mr Olarewaju Afolayan:

Under this paragraph, there are a lot of thefts from Government Quarters. It was stated recently that there were about twenty-eight cases of these thefts and the total value of the losses exceeded £530. Mr Chairman, from practical experience, one realises that once there is a loss, a report is immediately made to the police and also that when one vacates a certain quarter all portable things should be removed immediately. All these precautions are not observed at all

by the officers of this Ministry. What the Permanent Secretary told us actually in his defence is that instructions regarding security measures were issued in January, 1963 and my question now is that what happened to the loss of the £530.

Permanent Secretary, Ministry of Works:

These losses, Mr Chairman, were due to the bad management of Government Quarters and some of these quarters were not empty. When a quarter is empty we withdraw all the soft furnishings and lock them in the store. Mr Chairman, immediately there is a loss we inform the police and in some cases the materials are recovered.

Mr Olarewaju Afolayan:

How long will that take, Mr Chairman?

Permanent Secretary, Ministry of Works:

We cannot answer that, but we do ensure that all precautions are taken as we do not only look after the Quarters belonging to the Northern Region Government, but also Federal buildings.

Mr Chairman:

Since the issue of this instruction, has any result been produced?

Permanent Secretary, Ministry of Works:

Only one Sir. Even this one is not apparent as yet.

Mr Chairman:

Any comments? Well, I think we should take paragraphs 90, 91 and 92 together as they all concern one particular station. (*Laughter*). This is not quite embarrassing. Any observations?

Any comments? (No). Then paragraph 93.

Any comments?

Alhaji Hassan, Dallatun Abuja:

Mr Chairman, although it is stated that no loss to Government is apparent—and that is quite right—may I know what disciplinary action that was taken against the officer supervising this station?

Permanent Secretary:

Well, Sir, the officer responsible was dismissed and the Road Yard Superintendent was informed about it.

Mr Chairman:

Is that all?

Permanent Secretary, Ministry of Works:

Yes. (*laughter*) of course he was also reprimanded. We reprimand these people in such a manner as to ensure the greatest possible precautions being taken.

Mr Chairman:

Can you give us roughly the state of that loss? The Director of Audit was only able to bring to our notice one item among these losses, and even that, it seems to me to be large enough. So could we know roughly an idea of the size of the loss?

Permanent Secretary, Ministry of Works:

Mr Chairman, I recall that this was a case of extremely bad book-keeping. The staff involved was dismissed because they were inefficient but no loss to Government was discovered.

Mr Chairman:

Any further observations? Then paragraph 94:

Any comments?

Alhaji Hassan, Dallatun Abuja:

In the Secretary's written reply he says that until more Senior Staff is available, may I know how soon this officer will be available because the case is now going on for over one year.

Permanent Secretary, Ministry of Works:

At the moment, Mr Chairman, we are experiencing a lot of losses from the Provinces and we have got at present a team of my staff investigating into Zaria, when they have completed their investigations there, they will move to Sokoto.

Mr Chairman:

Any observations? Well, you said there have been a number of losses in Sokoto Province—this seems to me rather vague. Could you not be a bit precise?

Permanent Secretary, Ministry of Works:

Mr Chairman, Sir, the losses are referred to in the Director of Audit's Report, Annexure 3.

Mr Chairman:

Any further comments? Then paragraph 95.
Any observations?

Mr Olarewaju Afolayan:

Under this paragraph Mr Chairman, I can see that a lot of quantity of Petrol and Diesel oil were on loan to private drivers and especially when there was a loan to somebody, a bill must be issued but in this case it is stated that there was no bill at all issued. Similar cases are that when repairs are made to private vehicles no bills are issued. All these cases are very serious and unless they are proved beyond doubt one may think otherwise. May I know the causes of all these unsatisfactory conditions?

Permanent Secretary, Ministry of Works:

As we all know, this is a new Province and we have to set up a new organisation. Also Mubi is a very isolated place and the Government Officers in Mubi depend upon the Ministry of Works for their petrol. Fortunately now there is a Petrol Firm who have put a tank there and I do not think there will be a recurrence.

Mallam Maude Gyani:

The Permanent Secretary has said before that the Kano incident was due to inexperienced officers. Does that mean the incident at Mubi was also due to an inexperienced person.

Permanent Secretary, Ministry of Works:

I never said that Mr Chairman, that was due to an inexperienced officer. The losses were partly due to inexperienced persons but as far as we are concerned this is a new Province and we have to set up a new organisation there. There were no losses and all the outstanding bills have been cleared.

Mr Chairman:

Any comments? Paragraph 96.

Mallam Maude Gyani:

Referring to the losses in the Mechanical Engineer's Office, Minna involving a total of £181-11-1 and 2,200 gallons of petrol, was there any enquiry made?

Permanent Secretary, Ministry of Works:

Mr Chairman, we have great difficulty in clearing up this case. As the Committee can see in the written reply, the Provincial Engineer at that time died and we have still not established that these losses in fact did take place. I regret that we can give no more satisfactory reply about the inspection report by the Director of Audit and which may help to clear this.

Mallam Maude Gyani:

Supplementary question Sir. I feel that these relevant records were destroyed if I understand the Permanent Secretary clearly. Did you investigate as to why these were destroyed?

Permanent Secretary, Ministry of Works:

I did not suggest that these were deliberately destroyed.

Mr Chairman:

Were they actually destroyed?

Permanent Secretary, Ministry of Works:

I think the question is about losses and the matter was left like that.

Mr Chairman:

But since then, some of the records are lost, will that not raise suspicion?

Permanent Secretary, Ministry of Works:

Yes sir, it has been investigated but no loss has been established.

Mr Chairman:

There seems to be an element of delay in this matter, although we have been told all sorts of reasons for these delays but I think the Permanent Secretary will appreciate that the sooner the report is dealt with, the better for all concerned, this includes the Audit Department.

Permanent Secretary, Ministry of Works:

Yes sir, we do take immediate action and as soon as we can possibly do so we ask for a Board of Enquiry to be appointed. At the same time police are asked to investigate and the report cannot be produced until we get the police report.

Mallam Maude Gyani:

Mr Chairman Sir, as the Permanent Secretary said that these losses were not established at all, I have a feeling that they have in actual fact occurred. Could he tell us clearly in the next Meeting whether or not there is an element of loss or not.

Director of Audit:

With respect I doubt if we can get on any further with this case now. My feeling is that we have reached the end of the road.

Mr Chairman:

Any further observations? Paragraph 97.

Mr Olarewaju Afolayan:

These Boards of Survey were held on 35 items of plant and vehicles. The Board of Survey concluded that before some vehicles were carried to Kaduna some parts have been completely removed. In the written reply submitted by the Permanent Secretary, the last sentence of this written reply, stated that the 35 items under query were the back-log of these items. To a layman, this reply would seem to be somewhat ambiguous. What one would expect is to tell us whether the parts were removed and that the removed parts have been discovered and that whether the thefts have been discovered or not so I am throwing this question to him for explanation.

Permanent Secretary, Ministry of Works:

Mr Chairman until about a year ago the policy was to carry out work by direct labour such as the construction of roads and in order to continue with the work, the Engineer in charge of a project used to cannibalise such plant in order to keep the job going. Now that all work is done by contract these items were a backlog of construction by direct labour. Since then we have issued instructions that no overhaul of plant should be done in the Provinces but plant broken down should be returned to Kaduna for repairs. This is now being carried out. That is all Mr Chairman.

Alhaji Ibrahim Yakubu:

There is some observation, Sir. I see under this paragraph, mention of a vehicle was made. Does this mean that a vehicle which breaks down anywhere in the Region must be brought back all the way to Kaduna for repairs before it is sent back?

Permanent Secretary, Ministry of Works:

Sir, for major repairs.

Alhaji Ibrahim Yakubu:

Can such major repairs not be undertaken in the provincial yards or commercial organisations that might provide accessories.

Permanent Secretary, Ministry of Works:

In Kaduna we have got a very large workshop yard, very well equipped for carrying out major repairs. Therefore it is more economical to bring them here for repairs than do it in the provinces.

Mr Chairman:

Any further observations? Paragraph 98. Any comments?

Director of Audit:

Is that the instruction circular the Permanent Secretary has just mentioned? May I have a copy?

Permanent Secretary, Ministry of Works:

Yes, Sir. For information we have got a fleet of 300 vehicles and last year we did not purchase a single new vehicle, and now we are repairing vehicles up to 12 years old which no commercial undertaking would do.

Alhaji Ibrahim Yakubu:

One more observation Sir. I am sure that we feel with delight and unanimously congratulate the Permanent Secretary for his wonderful effort. I have no doubt in my mind that no engineers in the Federation of Nigeria undertake so much public works as you do. None can honestly say that they did not buy a single vehicle last year. As for repairing 12 year old vehicles I can only suggest that the standard of work in your workshop suggests that not only have you skilled engineers but possibly experienced Northerners on which again I think you should be congratulated.

Permanent Secretary, Ministry of Works:

Thank you Mr Chairman. I would like to take the Members of the Committee to my yard next week.

Mr Chairman:

We shall only be too pleased to accept this invitation but unfortunately our programme will not extend to next week. But I think this should not discourage the Permanent Secretary. You can renew this invitation in our next Meeting.

The next paragraph is 99. Any observations?

Mr V. I. Orjime:

Mr Chairman, Sir, I wonder if I may be allowed here to raise my question about appointing these Boards of Surveys and Enquiries. I don't know what procedure is being followed in appointing a Board of Enquiry. But it is surprising that when a Board of enquiry is to be appointed, it takes sometimes one or two months to appoint it. And then it takes another two or three months for the Board to sit and the same Board may take six months to submit its report. And before the report is implemented it takes another few months. Sometimes it takes more than one year for the report to be considered. Some times for example in this case of a vehicle which is off the road and before the report is implemented it has been too late. Mr Chairman, what are the difficulties encountered in sending in the report of this Board of Survey and Enquiry? In fact it did not take two months for the Commissioner at Kano to send the Report of a one-man enquiry into the whole Native Authority. How does it take one year to submit a report on just a vehicle which is involved in an accident. I would like the Permanent Secretary to enlighten us on the difficulties of these Boards of Survey and Enquiries.

Permanent Secretary, Ministry of Works:

Mr Chairman, this is a very difficult situation. On two occasions I suggested to the Ministry of Finance to establish a Permanent Board of Survey and Enquiry. The Ministry has difficulty when they find that they have to seek Members from different Ministries. And these Members have got to arrange for a convenient time to meet then to arrange a convenient time and date and maybe there are various Boards. My suggestion was this—this permanent Board of Survey should consist of indigenous officers—those who have retired from the Government service and are entirely independent. If this happens there should be no delay.

Alhaji Hassan Dallatun Abuja:

Mr Chairman, Sir, if I may be allowed to say a word or two concerning this question. To appoint a permanent Commission will not solve this problem. If not, Mr Chairman, Sir, look at the size of this Region, and the number of cases which are happening from one Ministry to another. Mr Chairman, it would not be possible for a permanent Commission to tour all over the country in one period and investigate the whole affair and finish in one period. But, Mr Chairman, all these things do not happen just in Kaduna at all and the same time. Think of places like Kabba and another thing may happen at Yauri or another at Ganye or Bama. The Commission, if it ever existed, must have a sort of aeroplane running all over the country. And finally, if all these things must be investigated by a Police officer before submitting a report, a case may happen at a place which is to say 200 miles from an Native Authority

police station. Therefore, Mr. Chairman, I think we cannot do otherwise—only to rely on our present system.

The Director of Audit:

Mr Chairman, Sir, if I may assist on this point. Sir, the intention is to establish a permanent Board here in Kaduna and that is the immediate action; it is expected to be functioning in four months time. And after experience of this it is intended to have a permanent Board in each Province.

Mr Chairman:

Any further comments? (No). And I think the last item is the Capital Development Funds Accounts for the year 1959/60, paragraph 3. Almost the whole paragraph concerns the Permanent Secretary, Ministry of Works and there are 26 individual items and I see how the Permanent Secretary has not given us a written reply. Perhaps he would be good enough to give us an oral answer.

The Permanent Secretary, Ministry of Works:

Mr Chairman, Sir, this is my first sight in seeing this paper and if I may be allowed I would like to submit a written answer later. Mr Chairman, I don't think there is any over-expenditure and I think we have already finished talking on this.

The Director of Audit:

Mr Chairman, Sir, if I may be allowed to assist on this matter, we are corresponding with the Ministry of Works in an endeavour to clear this business. If the Permanent Secretary explains how these items are exceeded and the future steps to stop it I am sure the Committee will be satisfied.

The Permanent Secretary, Ministry of Works:

Mr Chairman, it is very difficult to answer this question. I should think that there are no excesses in the final ceiling for the E.T.C. For example if £4,000,000 was provided for different projects, what we first do is to call for tenders but in the long run we see that the tenders called are not higher than the actual E.T.C. available, and if they are we have to quote savings from another project and ask permission from the Ministry to increase the E.T.C.

Mallam Maude Gyani:

Mr Chairman, item 3. I want to ask a question on Kaduna-Kachiya-Keffi Road. There was a bridge that was built and was washed away by rainfall. Does the Permanent Secretary think that this is not overexpenditure—I mean the money spent on construction of the bridge.

The Permanent Secretary, Ministry of Works:

Mr Chairman, Sir, the bridge was washed away by rainfall and was reported in September and October 1960 when it was washed away.

Mallam Maude Gyani:

Mr. Chairman, about the engineers who supervised the construction of the bridge, are they not to be called inexperienced?

The Permanent Secretary, Ministry of Works:

Mr Chairman, Sir, that I do not know, because I was in the Federal Ministry of Works when this bridge was constructed. But in case of the Kaduna bridge I was in charge and the supervisor was very experienced.

Mr Chairman:

It seems to me if the latest estimate of the total cost is not exceeded, we should not have so many revisions of excesses. If I make an estimate and right from the beginning we do not stick to it—then we should not stick to it at all?

The Permanent Secretary, Ministry of Works:

Mr Chairman, Sir, I quite agree with you that nowadays projects are thrust on us before we can make proper estimate sometimes it takes a long time and after the estimation we find that the cost is higher than we thought and we have to put into the estimates additional large sums of money. At present for all our projects we are undertaking we investigate them before submission, and we submit detailed estimates.

Mr Chairman:

So, perhaps you give me the impression that the Committee will hope for a better show.

The Permanent Secretary, Ministry of Works:

Mr Chairman, Sir, I don't think there are any losses.

Mr Chairman:

Any further comments? That is all. Thank you.

The Permanent Secretary, Ministry of Works:

Thank you very much Mr Chairman.

Mr Chairman:

Gentlemen, we have the most important customer, the Permanent Secretary, Ministry of Finance and the first paragraph of the Audit Report that concerns him directly is paragraph 11. And he has supplied us with written reply perhaps Members may wish to make further observations?

PUBLIC ACCOUNTS JOINT COMMITTEE

Notes by the Permanent Secretary, Ministry of Finance (Finance Division) on the Report of the Director of Audit on the Accounts of the Government of Northern Nigeria for the year ended 31st March, 1962

Paragraph 11: Reimbursements.—The Notes submitted to the Committee by the Accounting Division of this Ministry explain the reasons why reimbursements were not claimed on the Subheads in question. I would further explain that the two items concerning reimbursements by the Northern Region Development Corporation were included in the Revenue Estimates for 1961-62 before any decision had been reached on the claims for earlier years. As it is apparent that the Corporation would be unable to meet claims for 1961-62 as it was for the earlier years, no claim will be made. Formal authority to waive the claim is being given.

As regards the item for "Reimbursement from Her Majesty's Government: Northern Cameroons Trust Territory Agency Services" difficulties have arisen, as stated in the Accounting Division Notes. A system was worked out for assessing the amount of Revenue attributable to the Northern Cameroons during the period in which the United Kingdom administered the territory, and for recording recurrent expenditure incurred in the territory. The intention was to claim a reimbursement from the United Kingdom Government of the amount by which expenditure exceeded revenue.

When draft accounts were drawn up it was found that, according to the records revenue exceeded expenditure, so that in principle the United Kingdom Government might have a claim on this Government. Inspection of the draft accounts showed, however, that there were obvious gaps in the expenditure records due to the system, devised in haste for the occasion, not having worked perfectly. To fill these gaps and produce complete proof, in an accounting sense, that in fact expenditure exceeded revenue would involve long investigations. In discussions with British Government officials it has been understood that they would not seek to make any claim against this Government if some evidence can be produced to show that expenditure was not less than revenue, but it has not yet been possible to finalise this matter.

Paragraph 13: Loan to Gaskiya Corporation.—The future of Gaskiya Corporation is still under consideration and I await a final decision before proceeding further on the question of this loan.

Paragraph 14: Authorities for Expenditure for the year 1961-62.—The Third Supplementary Estimates, 1961-62, have received approval by the Legislature, and Law No. 18/1963, entitled the Supplementary Appropriation (1961-62) Law, 1963, has been enacted. The General Warrant was signed on the 1st of April, 1963.

Paragraph 15: Control of Expenditure.—The Notes submitted by the Accounting Division of this Ministry set out the position regarding the reconciliation of Ministries' accounts with the Accounting Division records.

On the wider question of expenditure control, the position did improve considerably in 1961-62, as stated in the Audit Report. The accounts for 1962-63 have not yet been closed, but it is hoped that this improvement will be found to have been maintained in 1962-63.

A revised edition of Financial Instructions has been issued. This includes the rules for the control of expenditure in a complete and up-to-date form. It is anticipated that some improvement in the control of expenditure will result.

All applications for additional provision are carefully scrutinised in my Ministry and where there are signs of a weakness in expenditure control they are pointed out and a request made that the weakness should be rectified. This applies more particularly with excess which come to light after the end of the financial year.

Paragraph 52: Repairs to Motor Vehicles.—The Permanent Secretary, Ministry of Works, has been requested to instruct all his Mechanical Staff not to undertake repairs which are considered to be either uneconomical or due to inadequate maintenance. (My letter No. FD/CA/217/x. of 21st March, 1963 refers).

Paragraph 53: Boards of Survey.—A Circular (FD. 10/1963) has been issued to all Permanent Secretaries, Heads of Departments and Provincial Secretaries seeking their co-operation in minimising delays in dealing with Boards of Survey and Enquiry. The Circular lays down, amongst other things, that in cases where the absence of the President or of a Member of a Board for any reason is likely to delay the work of the Board, he should be replaced as soon as possible.

Paragraph 59: Excess Expenditure.—Explanations have been given in the Accounting Division's Notes of the excesses incurred in 1961-62 on votes under my control, I regret that these excesses have again occurred, although they were considerably less than in the previous year. It is difficult to eliminate them entirely, as many votes are for expenditure which cannot be estimated with any accuracy, and involve adjustments between this Government and the Federal Government or other outside agencies which are often made at a very late stage in the financial year or even after it has finished. The expenditure control arrangements within my Ministry are, however, being reviewed, and I will ensure that they are made as rigorous as possible.

Paragraph 98: Local Cannibalisation of Vehicles.—The proposals submitted by the Permanent Secretary, Ministry of Works, for revising the current policy on cannibalisation of vehicles and plants have been approved. The Permanent Secretary has been asked to issue instructions to his officers, sending copies to this Ministry and the Director of Audit. A copy of his instructions is awaited.

Capital Development Fund Accounts 1959-60, Audit Report Paragraph 4:

Loans to Kano Native Authority.—The position remains as stated in the Audit Report. Negotiations for the new loan from Barclays Overseas Development Corporation are now nearly completed and an agreement is being prepared to include the past as well as the present loans.

REPORT OF THE DIRECTOR OF AUDIT ON THE ACCOUNT OF THE
GOVERNMENT OF NORTHERN NIGERIA FOR THE YEAR ENDED
31ST MARCH, 1962

Paragraph 59: Excess Expenditure.—At 31st March, 1962, on six subheads, amounting to £79,106-2-0 had not been authorised by 1st November, 1962. These were as follows:—

Subhead	Amount of Excess		
	£	s	d
<i>Head 235: Common Charges.</i> —1. 26—Officers travelling outside Nigeria on Special Duties: Expenses	1,771	14	2
<i>Head 236: Payments to other Governments etc.</i> —2. 3—Payments to Federal Ministry of Communications for Internal Postal, Telephone and Telegram facilities	38,812	19	3
3. 9—Import Charges: Government	15,519	4	8

Subhead	Amount of Excess		
	£	s	d
Head 238: Pensions and Gratuities.—4. 4—Pension contributions in respect of Seconded officers	7,003	14	6
5. 5—Superannuation scheme for Non-Government Certified Teachers	3,680	9	1
6. 6—Contract Officers: Gratuities	12,318	—	4

The position as set out above represents a considerable improvement compared with that referred to in the previous Report where twenty-four sub-heads were listed as being overspent. Nevertheless whilst it is clear that in some of these cases the votes cannot be subject to class estimation or control, in other cases the need for additional provision might well have been recognised from the relevant vote control records in time for it to be sought before the end of the financial year. As a result of over-expenditure on Head 236, the appropriation granted by the Legislature was apparently exceeded by £49,384-2-2. The Permanent Secretary has been requested to investigate this excess and, if the position as stated is correct, to obtain sanction that the amount concerned may stand charged in the accounts.

Reply, Head 235—Common Charges:

Subhead 26—Officers travelling outside Nigeria on Special Duties: Expenses.—The excess of £1,771-14-2 was due to an undersetimation of the vote owing to the increased number of officers under-taking special duties outside Nigeria. Disciplinary action was taken against an officer responsible for the failure to apply for additional provision in good time.

Head 236—Payments to Other Governments, etc:

Subhead 3—Payment to Federal Ministry of Communications for Internal Postal, Telephone and Telegram Facilities.—The vote is not susceptible to close estimation. The excess of £38,812-19-2 was due to unanticipated settlement of the previous year's claims made towards the close of 1961-62 financial year.

Subhead 9—Import Charges: Government.—Part of the previous year's claims was paid during 1961-62 financial year. There were also liabilities totalling £6,500 in connection with refund of Customs Duty to private Medical Institutions which were accepted during the financial year 1961-62.

Head 238—Pensions and Gratuities:

Subhead 4—Pension Contributions in Respect of Seconded Officers.—The excess expenditure was due to duplication of an adjustment correcting an error in respect of a Crown Agents charge of £7,375-1-4 in April 1961 account. The duplication occurred in February, 1962.

Subhead 5—Superannuation Scheme for Non-Government Certificated Teachers.—The excess expenditure of £3,680-9-1 was due to unanticipated expenditure. During the financial year 1961-62, a comparatively large number of applications for grants were received and which referred to retirement in previous financial years. Such a situation is difficult to fore see.

Subhead 6—Contract Officers: Gratuities.—The excess of £12,318-0-4 was due to the abnormal number of contracts that were not renewed during the last four months of the financial year 1961-62. From the 1st of November, 1961, to 31st March, 1962, there were 61 such cases.

The excess shown under Head 235 Subhead 26 has been cleared by Virement Warrant No. 109/1961-62 and the other excesses mentioned above have been approved in the Third Supplementary Estimates, 1961-62.

The excess expenditure of £49,384-2-2 on Head 236 was given covering approval by the Supplementary Appropriation (1961-62) Law of 1963.

It is agreed that the need for additional provision in certain cases might well have been recognised and applied for earlier. The responsibility for control of the subheads under the Pensions Vote (Head 238) was transferred to the Pensions Branch of the Accounting Division during the financial year under review, but, unfortunately the need for early application for additional provision was not made clear to the officer in charge at the time of transfer of responsibility. Appropriate instructions have since been issued to prevent a recurrence.

Mr Chairman:

Paragraph 13. Any comments? Paragraph 14. Any observations? Paragraph 15. Any comments?

Alhaji Hassan Dallatun Abuja:

I want to ask one question, Mr Chairman, and that is when this Ministry wants money, to whom do they apply?

Permanent Secretary, Ministry of Finance:

Mr Chairman, we apply to ourselves. I think the rules laid down for application of additional provision apply to other Ministries as well as to the Ministry of Finance. And all these rules are according to the provisions of the Control and Management of Public Funds Law which was approved by the Legislature.

Mr Chairman:

Any further comments?

Mallam Maude Gyani:

Mr Chairman, Sir, I want the Permanent Secretary to explain to me why over expenditure has occurred under Sub-head 2, Paragraph 15.

Permanent Secretary, Ministry of Finance:

I think the Hon. Member is referring to excesses. These excesses happened when the Ministries concerned do not put up their applications in time for seeking the necessary authority. It is quite possible that when after the end of the year the actual expenditure must be tabulated, certain excesses must be discovered in some of the votes. These excesses ought to have been foreseen but it is not in all cases that the necessary authorities are obtained before the accounts are closed. But we hope that with more trained staff there will be fewer and fewer excesses and the Director of Audit in his report has indicated that there have been some improvements.

Mr Chairman:

Any further observations? While we are discussing affairs of other Ministries there was an indication that there has been some sort of difficulties in Ministries adjusting their votes. We have been told that the Accountant-General goes as far as issuing circulars to Permanent Secretaries reminding them that they had to come to his office and reconcile their books within a limited time. I have a feeling that that time is not sufficient. I am wondering whether the Ministry of Finance will give these Ministries a longer time.

Permanent Secretary, Ministry of Finance:

Mr Chairman, the present practice is for the circulars to be issued about a month before Ministries are required to do the reconciliations, and even though the circular suggests that they should be ready to effect the reconciliation within a fortnight in practice it is much more longer before this is done. But about a month is the normal experience. We in the Ministry feel that a month is ample time in which the Ministries can make necessary adjustments and necessary reconciliations, but if it is generally considered that a month is not sufficient, there is nothing to stop us from giving the Ministries longer time. May I at the same time point out that of the Ministries only 7 in fact complied with the provisions of that circular.

Mr Chairman:

Any further observations? Then Paragraph 21. While we were discussing with the Accountant-General about consideration of Government's agreement regarding Hire Purchase, since the Permanent Secretary, Ministry of Finance is here now will Members like to raise this matter? We went as far as telling the Accountant-General that he should warn the Permanent Secretary so that he will be prepared to give us an answer.

Mallam Maude Gyani:

I thank you very much Mr Chairman for calling my attention to this. If I could remember, when I asked the Accountant-General this question you said that it was not his concern so if I am patient the Permanent Secretary will be here and I can then ask my question. Therefore, will the Permanent Secretary explain to us whether the interest on Car advances given by the U.D.C. is going to the Government revenue or to the U.D.C.?

Permanent Secretary, Ministry of Finance:

Mr Chairman, the first point I would like to make is that this money is lent to the Officer by the U.D.C. and the U.D.C. I think borrows from other sources. When you borrow money, you must pay interest. If U.D.C. lends any money to a Government Officer the U.D.C. expects

the Government Officer to pay the interest on the money lent. These interests were calculated in order to pay the interest to other sources where they too borrow the money, to pay their own administrative expenditure and to make some profits because U.D.C. is a business concern. Before we started on this U.D.C. arrangement, Government gave the money required for the purchase of cars to Government Officers. Now that the U.D.C. has taken over it means that the money which otherwise the Government would have used for advances to Government officers will be available for other Government developments. So Government has gained there. But there is no question of U.D.C. sharing the profits with the Government.

Mallam Maude Gyani:

Supplementary question Mr Chairman. If a Government servant who has an outstanding advance against him, either dies, is terminated, resigns or has left the country what will happen to his car?

Permanent Secretary, Ministry of Finance:

Before Government guarantees any advance for the purchase of a motor vehicle the officer must sign an agreement in which provisions are made for safeguarding Government interests. Some of the provisions include seizing of the car if the officer fails to pay the necessary advance. If the officer leaves the country without notice, Government will reimburse itself from any money due to him, such monies like salaries, pension or something else. So it is in a very rare occasion that Government actually loses as a result of an officer dying or leaving the country. The new system has already been introduced and I can remember only one case where Government lost and the amount lost was £200.

Mr Chairman:

Any further questions? (No). I understand that the original agreement is about to be revised.

Permanent Secretary, Ministry of Finance:

It has already been revised, Sir.

Mr Chairman:

I understand that in the original agreement, the government guarantees the loans for all its employees, is there any provisions whereby if an officer resigns or dies this responsibility of honouring this contract ceases on the Government?

Permanent Secretary, Ministry of Finance:

The Government guarantee is to the U.D.C. and in the agreement there is a provision for the U.D.C. to seize the vehicle immediately an officer dies or if he goes to prison, unless we can make other satisfactory arrangements, the car can then be sold and the proceeds paid to the U.D.C. If the amount realised from the sale of the car is less than the amount outstanding on the advance, the difference will have to be made good by the Government under the guarantee and Government will also take steps to recover that money from the officer if possible. Again if the amount realised from the sale of the car is more than the advance, the balance is paid to the officer.

Mr Chairman:

Any further observations?

Mr Vincent Orjime:

In case of honourable Members, sometimes before the life of the House is expired or the House is dissolved and new elections are held, in certain cases honourable Members have got loans from the Government for purchase of cars and failed to come back to the House, what happens to them?

Permanent Secretary, Ministry of Finance:

Mr Chairman, each case has got to be considered on its merits but the general rule is that Government must make every effort to recover the money and if after every step has been taken and it is found that the money cannot be recovered, then an approach will have to be made for the Legislature for the write-off.

Mr Chairman:

Are you satisfied?

Mr Vincent Orjime:

I am, Mr Chairman.

Mr Chairman:

Then Paragraph 52. Any comments? Has the Permanent Secretary, Ministry of Education received this circular? I asked that because we had a case with him the other day in which as far as we can ascertain, about £566 was spent in a short period on repairs to a lorry and the Committee was very suspicious whether or not that was worth it.

Permanent Secretary, Ministry of Finance:

I agree Sir, that the amount spent then was too much, and it was for cases such as that which made us write to the Permanent Secretary, Ministry of Works to ensure that instructions should be issued so that uneconomical repairs should not be undertaken, the instructions were to all Ministries including the Ministry of Education. We did not mention the Ministry of Education specifically for obvious reasons.

Mr Chairman:

Any further observations? Then Paragraph 53. Any comments?

Mr Olarewaju Afolayan:

Mr Chairman, Sir, under this paragraph 53 the Permanent Secretary, Ministry of Finance has issued circulars to all Secretaries and other concerns in the provinces in order to seek the co-operation in minimising the delays in submitting reports. This is actually very good but what I do not seem to understand is that is there any fast rule as regards qualifications to be a member of any Board of Survey? The reason why I asked this question is that often we usually see that the delays in submitting the Reports of Boards of Survey are that Members have gone on leave, and so forth. To me, if there is no fast rule one can envisage when a member would be away. I am seeking an explanation from the Permanent Secretary for the rule binding the nomination of members of Board of Survey.

The Permanent Secretary, Ministry of Finance:

Mr Chairman, Sir, there are no laid-down rules as to qualifications of a member but as the work of a Board of Survey which it is expected to undertake is of a very responsible nature, it is necessary for members to be drawn from those who are experienced and who can undertake the work efficiently. The only Government direction which is available, is that as far as is possible, Northerners should be appointed to the membership of these Boards to enable them to gain experience. The Ministry of Finance does not nominate members of the Boards of Survey or Enquiry except here in Kaduna and even here in Kaduna the Ministry concerned is asked to produce a suitable officer, and in doing so the Ministry would take into account whether an officer so nominated would soon proceed on leave or whether the officer is not suitable to be such a member of the Board of Survey is a matter of that Ministry, and I believe that in most Ministries, in practice under that aspect of the matter, cases do occur where officers will have to be nominated even though they may have to go on leave fairly soon because of the present shortage of staff. But even there I do not think that they will go on leave before they complete the work. I think delays do occur through officers absence on leave when the reports are scrutinised and certain queries raised and officers who hold the original Board of Survey are on leave.

Mr Chairman:

Any further observations? Then Paragraph 59. Any observations?

Mr O. Afolayan:

Mr Chairman, Sir, it is very good indeed to note under this paragraph the great improvements made by this Ministry. The previous report showed about twenty-four Sub-heads as overspent and now in this report there are only six Sub-heads overspent. This is actually very good and creditable indeed. If even one says so, one would expect that something might have been done to avoid over-expenditure entirely; for instance there may be need for some additional provision which may be recorded entirely. I would like to advise the Permanent Secretary that Hon. Members of this Committee will be much pleased to see that next time, although it is very difficult to anticipate over-expenditure, there is a good remedy for this.

Permanent Secretary, Ministry of Finance:

We are most grateful to the Honourable Member for his advice and as I said in my written reply, every effort will be made to see that there are as few cases of excesses as possible.

Mallam Maude Gyani:

Mr Chairman, Sir, I would like to advise the Permanent Secretary that in future all the Sub-heads which he anticipate will be over-expended, ample provision should be made on these Sub-heads so that there will be no case to be brought before this Committee next time he appears before us.

Mr Chairman:

Especially as the Permanent Secretary need not to have to go to anybody to seek permission.

Permanent Secretary, Ministry of Finance:

Mr Chairman, I am afraid, we will do. We go to the Legislature and we go to the Minister of Finance, but I am most grateful for the advice given by the Member and in fact, in practice, that is what has happened already. If provision is put under a Sub-head and if in the course of the year it is found that more money has had to be put into that Sub-head, the money put in that Sub-head for the following year is taken into account, but if his point referred to excesses, there is not necessarily additional provision to be authorised and shown under Sub-heads during the year.

The position is that the authority should have been obtained for the excess at the appropriate time. It is only when that authority has not been obtained that the Director of Audit includes it in his report. But still I am grateful to him for his advice.

Mr Chairman:

Any further observations? Paragraph 98.

CAPITAL DEVELOPMENT FUND, 1958-59

Paragraph 4.—Any further observations? (No) that seems to finish the audit query, but Members have discussed the question of transfer of the Catering Rest House to Kaduna Hotels and they were not quite satisfied with the replies obtained from the various Permanent Secretaries and as we have the Permanent Secretary, Ministry of Finance here, perhaps we may wish to raise the matter again. The point raised was that when the Government was handing over the assets to the Corporation, was any estimate of the assets made?

Permanent Secretary, Ministry of Finance:

We did suggest that the assets should be valued before they were to be handed over and Government did accept that suggestion. Whether this suggestion has been implemented or not Sir, I do not know. It is the responsibility of the Ministry previously charged with the responsibility for Catering Rest Houses.

Mr Chairman:

So I think we are back where we were.

Permanent Secretary, Ministry of Finance:

But I assure the Committee that we will press the Ministry to take steps to see that those assets are valued.

Director of Audit:

Only recently we had a letter from the Ministry of Information regretting that no valuation had been made.

Mr Chairman:

Do you accept that?

Director of Audit:

Mr Chairman, I think we will have just to estimate it.

Permanent Secretary, Ministry of Finance:

I think that is the only way we can have the value of the assets if the valuation did not take place before the handover, then an estimate will have to be made, but I would like

to emphasise that what the Ministry of Finance did when the handover was being considered by the Government suggests that the assets should have been valued before the handover.

Mr Chairman:

So I think the Committee will ask the Permanent Secretary to continue to press the matter until we have the estimates. I believe that half a loaf of bread is better than none at all.

Permanent Secretary, Ministry of Finance:

We will continue to press, Sir.

Mr Chairman:

Thank you very much. That is all. We should now adjourn and come back on Monday by 9.30 a.m.

PUBLIC ACCOUNTS JOINT COMMITTEE
SESSION, 1963-64
MINUTES OF PROCEEDINGS
Monday, 10th June, 1963

MEMBERS PRESENT

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

M. Aliyu Mustafa, Lamido of Adamawa	Alhaji Muhammadu Sada Nadada Kankiya
Alhaji Muhamman, Emir of Gumel	Alhaji Hassan, Dallatun Abuja
Alhaji Umaru, Etsu Pategi	Mr V. I. Orjime
Alhaji Ibrahim Yakubu	Mr Olarewaju Afolayan

The Director of Audit, Mr M. Skilleter, M.B.E., in attendance.

Mr Chairman:

The first account we are to deal with is the Annual Report of the Sports Commission, and I think we have a representative from the Commission—I beg your pardon—we have the Secretary to the Commission and I am sure he will answer any questions from Members. Any questions?

Mr Olarewaju Afolayan:

On this balance sheet I have certain observations to make. The cost of the vehicle amounts £3,130. The aggregate depreciation also amounts to £1,043—this aggregate depreciation represents 33½ per cent of the cost. May I know the basis of the valuation, whether it was valued by an independent valuer or by whom?

Secretary to the Sports Commission:

This £3,130 is the cost of the motor-bus which we have bought and the depreciation value is certified by the Auditors.

Mr Olarewaju Afolayan:

Which means that after three years the vehicle will become valueless?

Secretary to the Sports Commission:

It all depends upon the amount of running we have to do with this bus and probably it will be.

Mr Chairman:

Any further observations? In the second page of the balance-sheet, it is stated that the Government's Grant is £24,878; but under the paragraph of the Report it shows a subvention of £25,000. Could that please be explained?

Secretary to the Sports Commission:

The money £25,000 was with the Ministry of Social Welfare and Co-operatives on the 1st of April of that year and the Sports Commission came into being on the 1st of June, and the difference was actually spent in the Ministry of Social Welfare and Co-operatives. Actually the money placed in the bank for our use was £24,480-8-7.

Mr Chairman:

Again on the last sheet there is an amount of £3,574-11-11 shown as staff advances. Could we know what type of advances these are?

Secretary to the Sports Commission:

Mr. Chairman, being a quasi-Governmental concern, we cannot take advantage of the facilities of the Hire Purchase Company and this amount was for advances of the motor vehicles for the chairman and staff of the Commission when it was formed.

Mr Chairman:

Since salaries and gratuities on sheet 2 are £8,101, it would strike one that the figure of £3,574 shown as advances is very high. Anyhow that has been done. Nevertheless has the Commission explored any other ways of getting vehicle advances apart from direct from the Government?

Secretary to the Sports Commission:

Mr Chairman, I have approached the Hire Purchase Company on several occasions to see whether we can use their facilities but they have absolutely refused since we cannot get a Government guarantee.

Mr Chairman:

Have you tried the banks?

Secretary to the Sports Commission:

No. I must admit I have not.

Mr Chairman:

Any further observations?

Alhaji Hassan Dallatun Abuja:

On page four paragraph 9 a list of Stadia were given but they are not shown on the balance sheet. May I know why?

Secretary to the Sports Commission:

Mr Chairman, the Stadia mentioned were not actually taken over by us, they have been handed over to us by the previous authorities for maintenance and running. We have not got any certificate of occupancy or any manuscript of these buildings but we have been advised now to try and get them. I doubt very much whether Kano Native Authority will be prepared to do that anyway.

Mr Chairman:

Any further observations?

Alhaji Ibrahim Yakubu:

I do not know if this comes within the competence of our Committee; as it seems to me that the balance sheet before us indicates that the Commission does not have sufficient funds for the running of its services unless some improvements could be made to potential resources for the current year. What arrangement has the Commission made?

Secretary to the Sports Commission:

We do submit estimates to the Ministry of Social Welfare and Co-operatives who are our ruling body.

Mr Chairman:

Any further observations? There is an amount of £2,600-14-9 shown as improvement to Stadia and I understand that this amount should be capital expenditure but it is not reflected on the assets side of the balance sheet. Perhaps there may be some reasons for that?

Secretary to the Sports Commission:

This improvement to Stadia as the terminology we use in our accounting system. In actual fact that money was spent at the Kano Township stadium which we took over from the Kano Local Authority and at the time of taking over, the ground was badly depreciated after several football matches and on which we have to re-erect the walls which were broken and put up a new spectator barrier. That was the expenditure, it was not so much an improvement but maintenance.

Mr Chairman:

Since the question is that you have made this expenditure, it is assumed that you should hope to get something and to make it clear perhaps to reflect on the assets side of the balance sheet.

Director of Audit:

If I may assist, what the Commission has in mind is that if it was not a capital improvement but maintenance then will you be kind enough to change your terminology in the accounts next time so that it will not have to be reflected on the capital side of the balance sheet please?

Secretary to the Sports Commission:

Yes Mr Chairman, I make that undertaking to change our terminology next time.

Mr Chairman:

Any observations?

Alhaji Ibrahim Yakubu:

Is this hire of bus something that is done only on special occasions or can it be hired by outside organisations all the time?

Secretary to the Sports Commission:

The bus can be hired by outside organisations and we have certain scales of charges for this.

Alhaji Ibrahim Yakubu:

Do you mean Sports Organisations?

Secretary to the Sports Commission:

Yes, Sports Organisations.

Mr Chairman:

In your accounting system could you explain to us whether you have made any provision for depreciation as you have just told us that when you took over the Kano Stadium, it was badly depreciated.

Secretary to the Sports Commission:

Since we did not take the stadia in to our accounts as assets it is difficult to show depreciation.

Mr Chairman:

Any further comments?

Alhaji Ibrahim Yakubu:

As a matter of interest, Mr Chairman, I would like to ask whether or not this stadium belongs to the Commission and if not how long does he consider getting it for the Commission?

Secretary to the Sports Commission:

I cannot give a definite answer to that. We are afraid if even we do take it over a large amount of money will have to be required for its maintenance and running of stadia which we are now unable to get in our votes.

Alhaji Ibrahim Yakubu:

It appears therefore, that this is something on which the Commission does not pay rents.

Jolly good!

Mr Chairman:

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

RADIO CORPORATION

Mr Chairman:

Gentlemen, we are now dealing with the Radio Corporation and we have now a team from there, will they kindly explain to us their positions?

Representative of the Radio Corporation:

I am the acting Secretary of the Radio Corporation and this gentleman near me is the Accountant.

PUBLIC ACCOUNTS JOINT COMMITTEE NORTHERN NIGERIA RADIO CORPORATION BALANCE-SHEET AND ACCOUNT: 1961-62.

In explanation of the above accounts below is given the text of my letter MOI/94/S.2/22 dated 29th May and addressed to the Director of Audit.

"I am directed to refer to your letter No. WGK/6/28 of 16th May and to say that a number of omissions and errors in the above accounts had already been detected and they are now in the process of being re-written.

2. With regard to the general report this was not ready when the accounts were tabled and will now be laid before the House at the same time as the revised accounts."

Mr Chairman:

You have the balance-sheet in front of you and would you like to make any observations?

Alhaji Hassan Dallatun Abuja:

We have got this balance-sheet as certified by the Auditor and here in his written reply the acting Secretary said, "With regard to the general report this was not ready when the

accounts were tabled and will now be laid before the House at the same time as the revised accounts." May I know whether the officer concerned who certified these accounts knows that the report was incorrect?

Acting Secretary, Radio Corporation:

The report, Sir, is quite separate from the Accounts. The arrangements for the Radio Corporation had not properly got going. Certain matters were dealt with by the Ministry of Finance and some by the Ministry of Information and some by the Accountants. From the 1st of April, 1962 all matters were settled by the Accountants under the instructions of the Secretary. It was because of these three divisions of responsibility before the 1st of April, 1962, the errors arose.

Mr Chairman:

Now you have not answered the question properly. You draw your accounts and asked the auditors to examine it and I am sure these auditors are paid and are expected to check all the accounts and certify that it is correct. He has done it, but you have pointed out that it is not correct. Does the auditor earn the pay?

Acting Secretary, Radio Corporation:

The auditor himself found out the mistake afterwards.

Mr Chairman:

Any comments? Coming back to the Balance Sheet, it is shown that there is a Government grant of £265,263; but I am tipped that, that was not so. The Government knows what it has given the Corporation and they said that what they gave was £165,263, so you seem to get the extra £100,000 from the Government without notifying them. How did you manage to do that?

Acting Secretary, Radio Corporation:

This is one of the mistakes which is being corrected. I wish we don't have an extra £100,000 but it is a mistake and it is being put right.

Mr Chairman:

Again on the other side, we have shares valued £200,000, I understand that this too is incorrect?

Acting Secretary, Radio Corporation:

There is a mistake of £100,000 which appeared on both sides.

Mr Chairman:

You just balance the sheet anyhow?

Acting Secretary, Radio Corporation:

No, Sir, I do not think so.

Mr Chairman:

Another further question is that I understand that this £165,000 was not all grants. Was this appreciated by the Corporation?

Acting Secretary, Radio Corporation:

Yes, Sir. In the revised accounts, £150,000 appears as a long term loan and the other amount apart from the £160,000 is a grant.

Mr Chairman:

In your written reply, you said that a number of omissions and errors in the above accounts have been detected and now it has been re-written. These omissions and errors, are they appreciated, too?

Acting Secretary, Radio Corporation:

There is a difference of opinion between the Accountants and the Auditors. We maintained that these are the only mistakes.

Mr Chairman:

Is it possible just to illustrate to us the extent of this difference?

Acting Secretary, Radio Corporation:

Sir, do you mean the difference? The original figure is £773-1-2, but I understand that it is now reduced to something below £600.

Mr Chairman:

Any further observations?

Alhaji Ibrahim Yakubu:

We understand, Sir, that the difference between the Balance Sheet before us and the revised accounts is £600.

Acting Secretary, Radio Corporation:

No, Sir.

Alhaji Ibrahim Yakubu:

Can we have some explanations, Sir.

Acting Secretary, Radio Corporation:

The difference is included in the £16,450-0-1 which appears on the first half of the expenditure accounts.

Director of Audit:

Sir, may I assist? At the beginning of the life of the Radio Corporation, the cash for starting it was provided by the Accountant-General and this sum of £600 represents a difference between what the Accountant-General said he provided to the Corporation, and the actual amount incorporated in the income expenditure account. It will be a matter for discussion between the Accountant-General and the Corporation to resolve the difference and reconcile the amount.

Mr Chairman:

Any further observations?

Alhaji Ibrahim Yakubu:

It is also the opinion of the Director of Audit to say precisely what amounts appear on the Balance Sheet to be wrong apart from this £100,000? Now I see that in two cases, we have expenditure accounts, one at the top and the other at the bottom. In the case at the top, this was subtracted from the Northern Government grant, and on the other it was added to the sub-total after the first subtraction.

Director of Audit:

The confusion is caused by the Accountant-General having paid these particular expenses and therefore they are capitalized in the Balance Sheet so have to be shown as deductions against the grant. I have in fact, reconciled that side with the Accountant-General's books and it does agree. It is complicated by the fact that the Accountant-General also paid for capital assets.

Mr Chairman:

Any further observations?

Alhaji Ibrahim Yakubu:

This appears to be the case also with the second amount of £1,302-10-0.

The Director of Audit:

As far as I am aware, that was also paid by the Accountant-General, but I am not certain. That has been the complication in these accounts. The Corporation was not actually controlling the accounts for this period. I understand after this particular date that they did so, so that the matter should be less complicated.

Mr Chairman:

Any further observations? Perhaps it may interest the Acting Secretary, Radio Corporation to note that this Committee is unable to accept this Balance Sheet. He has himself admitted that there are a lot of omissions and it would have to be re-written again so we are looking forward for a better and improved Balance Sheet. The Chief Executive Officer, Native Authority Housing Corporation was not called. His written reply to the Director of Audit's points on the Native Authorities Housing Corporation Accounts 1960-61 is set out below be tabled before the next Meeting of the Legislature so that we could have time to scrutinise the accounts during the next Meeting.

Acting Secretary, Radio Corporation:

I hope so, Sir.

Mr Chairman:

Well, thank you and we are hoping for a better show.

THE NATIVE AUTHORITIES HOUSING CORPORATION

Telegrams: HOUSING KADUNA

Our ref: 307/14

Your ref: WGK. 5/12

Private Mail Bag No. 2040,

Kaduna,

Northern Nigeria

24th May, 1963.

The Director of Audit,
Audit Headquarters,
Private Mail Bag 2010,
Kaduna.

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

**First Annual Report and Accounts:
Public Accounts Joint Committee**

I thank you for your letter of 10th May, 1963 and shall be grateful if you will place the following before the Public Accounts Joint Committee in reply to the points you have raised regarding the Corporation's accounts for the period to 31st March, 1962:—

Your paragraph 1(a)(i).—Implied approval was assumed as no queries were raised following the submission of the First Annual Report and Accounts of the Corporation, but the actual form of accounts has not been separately and specifically approved. I have since written to Permanent Secretary, Ministry of Social Welfare and Co-operatives, requesting the Minister's approval. My letter No. 307/12 of 20th May, 1963, copied to you, refers.

Your paragraph 1(a)(ii).—This is agreed and the heading has been adopted in the accounts for the year ended 31st March, 1963.

Your paragraph 1(b).—No auditor's report was submitted for the period to 31st March, 1962, it being borne in mind that the Corporation's activities were limited and the transactions pertaining to that period were relatively small. The auditors, who are presently auditing the accounts for the year ended 31st March, 1963 have intimated, however, that they will be submitting a report for that year.

Your paragraph 1(c).—It is confirmed that the amount of £109,528-17-6 represent the unpaid balance of the proceeds of the Native Authorities Joint Special Reserve Fund Payment has since been received. Regarding interest, an amount of £37,820-7-6, being undistributed accumulated interest was paid to the Corporation, but as it was considered that this had accrued to the Native Authorities Joint Special Reserve Fund it was credited to Capital.

V. D. HIBBS,
Chief Executive Officer

THE GASKIYA CORPORATION, ZARIA

Mr Chairman:

We have here before us representatives of the Gaskiya Corporation. Perhaps they would be good enough to explain to us their position concerning the Gaskiya Corporation.

Accountant, Gaskiya Corporation:

Mr Chairman, Sir, with me here is an Executive Officer (Finance) from the Ministry of Internal Affairs. I am the Accountant of the Gaskiya Corporation.

Mr Chairman:

Then could you tell us who is responsible for these two Balance Sheets?

Accountant, Gaskiya Corporation:

Mr Chairman, Sir, I am responsible for both Balance Sheets.

Mr Chairman:

Thank you. Then Members should appreciate that we have two Balance Sheets. One for the year 1961 and the other for the year 1962, and they seem practically the same nature. Perhaps it will save our time if we take the last one which is for the year 1962. We are now dealing with two balance sheets. Would Members like to make some observations?

Alhaji Ibrahim Yakubu:

Mr Chairman, Sir, I have question on the accounts for the year 1962 on page 4 item 2 of paragraph 2, Sir, I want to know whether something has been done about the observations in the Auditor's report on this particular paragraph.

Accountant, Gaskiya Corporation:

Mr Chairman, Sir, I have a typed copy with me while the Committee has the printed. And I don't know whether the page numbers will agree with the printed copy.

Alhaji Ibrahim Yakubu:

I am asking my question on page 4 of paragraph two.

Accountant, Gaskiya Corporation:

No, Sir. The statement by the Auditor's is incorrect. In the first instance we add 33 $\frac{1}{3}$ per cent over-head and profits to increase the over-heads which are already included in the usual calculations prior to arriving at the 33 $\frac{1}{3}$ per cent which is added and is included in the machines.

Alhaji Ibrahim Yakubu:

Mr Chairman, Sir, Supplementary Question. If as the Accountant says the machines and presumably materials are in the first costings and rank, then I assume that 33 $\frac{1}{3}$ per cent is intended to be clear profit. Is this figure realistic?

Accountant, Gaskiya Corporation:

Mr Chairman, Sir, the Printing Manager endeavours to quote it in order to get things right but it is very often necessary to accept a lower profit which is less than 33 $\frac{1}{3}$ per cent.

Alhaji Ibrahim Yakubu:

Mr Chairman, Sir, are costings not in fact a completely different thing from final selling price?

Accountant, Gaskiya Corporation:

Yes, of course, Sir. And your selling price has not necessarily anything to do with what things cost. And I would say that in view of the competition that Gaskiya Corporation has with the other papers that is why Gaskiya Corporation achieves less than the other papers.

Alhaji Ibrahim Yakubu:

Mr Chairman, I have no other comments.

Mr O. Afolayan:

Mr Chairman, Sir, I have a question on page two—under "Accounts for the Year Ended 31st March, 1962 paragraph (b)" where it says "there was an increased loss on "Gaskiya Tafi Kwabo" and the "Nigerian Citizen". Mr Chairman, Sir, to me these two papers are very very popular especially in Northern Nigeria where people are anxious to read these papers. But it is surprising to see that there was still an increased loss on selling on these papers. May I know whether these papers are sold on credit?

Accountant, Gaskiya Corporation:

Mr Chairman, Sir, some of the papers are sold for cash and the remainders on credit. And those who take papers on credit are required to place their deposits equal to six weeks sales, so that the Corporation's dealers taking the papers and selling them would remit the proceeds to the Corporation in case there is any loss.

Mr O. Afolayan:

Mr Chairman, on this answer what I am just trying to ask is whether there will be a profit possible in the near future on continued sales on credit. Because some of us here are not happy over the losses which are increasing year by year.

Accountant, Gaskiya Corporation:

I see, Sir. Yes the point at issue depends on advertisements rather than on the sales of the paper which is rather incidental. Sir, you have just had the Corporation, before you and I

told their Chairman that they are pinching our advertisements which have decreased since they started their operations. And I have spoken to the Chairman about it who broadly speaking said that it is not good and he did appreciate what I have told him as he was once our Chairman before he went to the Radio Corporation.

Alhaji Ibrahim Yakubu:

Mr Chairman, on the question of advertising, I have one or two observations to make. I think this company Gaskiya Corporation is going to see more and more advertising at all times. And going back to the report before us page 7 paragraph 6, I would like to know if the Gaskiya Corporation advertises such organisations through some other organisations for I see a report saying that Credit Notes had been issued to advertisers. Are those in payment for services rendered for Gaskiya? The question possibly originates from wrong costing or inefficiency in the control of advertising?

Accountant, Gaskiya Corporation:

Sir, there are changes in staff between 1961-62, both over the Printing Manager who looked after the advertisements. These Credit Notes fall into two portions. One has got mistakes. And in some instances we have issued Credit Notes in order to clear out a dispute which has been too expensive to settle. To give a further explanation Sir, I must first point out that there has been a mistake, I will explain that advertising in both newspapers to a larger extent originates from overseas. Our Advertising Agent in London enters into contracts with the advertisers or their representatives. It is evidenced by a contract but due to the peculiarities of the Income Tax in the United Kingdom, it is financially profitable for the advertisers to take advertisements through their subsidiary companies situated overseas. So we get instructions from our advertising agent in England and we get instructions from the representatives situated overseas, and it requires a reasonable amount of experience in order to be able to send out exactly what advertising or what copies should be placed in the paper particularly when the advertisers do not always send you the copy which they always require you to include. On the other hand, they were mistake and this is true. As regards difficulties we get, getting some of queries cleared up, most of the advertising which is placed with us normally comes from Lagos, and there are bound to be some disputes. In order that you can get the matter settled, the only way you can do is to see the people. It costs £39 to go and come by air. There is always the necessity to issue Credit Notes sooner than to allow the dispute to continue. Finally Sir, our advertising agent used to have his own representative in Lagos and cleared up these matters but he has left for the United Kingdom and is not reporting back and we have not yet have another representative in Lagos.

Alhaji Ibrahim Yakubu:

Mr Chairman, Sir, it seems to me that the most important thing here is what has been done to check this somewhat unsatisfactory situation? On the question of advertising, or contract of any nature, it seems that before any party starts to execute the terms of the contract there should be no doubt as to what was intended and the prices involved. I think no cost of advertising has been related to prices of what is being paid to advertisers. It seems somewhat surprising that Gaskiya Corporation could go to print with advertisements before prices were agreed. Since it can be argued that to give Credit to advertisers might amount to admitting on either party should fully appreciate what is being offered by advertisers. My suggestion Sir, is that whether they get advertising from abroad or internally from Lagos in Nigeria, prices should be agreed before they go to print, and I am hoping that this is being noted from the Report of the Auditors.

Accountant, Gaskiya Corporation:

Sir, the question of prices is not disputed in this paper. But what I am trying to explain is the question of price. We receive instructions from various organisations and it is the question of appreciating the matter of the various documents which come in. During the present year the number of Credit Notes we have to issue have been very much lower. I would give you one for example, recently we received instructions for a New Year Greetings for 'Star Lager' but it appeared on December 29 and they turned round to say that they wanted it to appear for January 2nd and therefore they are not going to pay.

Alhaji Ibrahim Yakubu:

No further comments.

Mr Chairman:

Perhaps the Accountant does not seem to take the Audit Report as being serious. If we look at page 7 of this Report paragraph (b). The Corporation is heading to the point of insolvency and page 8 paragraph 8—the Corporation is in a serious financial position and make the following suggestion towards the improvement of this situation. I started with saying that the Accountant does not seem to take this Report as serious. Can he comment on them?

Accountant, Gaskiya Corporation:

Starting with (b) page 7, that is perfectly a true statement.

Mr Chairman:

You seem to be seated there composed?

Accountant, Gaskiya Corporation:

I am doing my work in accordance with the instructions given by my Director and I think it is very satisfactory.

Mr Chairman:

I am sure as an Accountant you are aware of what is going to happen to your Directors and yourself when your Company is insolvent?

Accountant, Gaskiya Corporation:

The question is that I have been on the staff of the Corporation for the past three years and the representative of the Board of Directors and the Government insisted that Gaskiya Jafi kwabo and Nigerian Citizen, should be published. The Directors have done their best to carry out those instructions, despite the fact that these are most serious matters:

Mr Chairman:

The Auditors have made some suggestions on page 8 paragraph 8, may we know what you are doing about them?

Accountant, Gaskiya Corporation:

As regards paragraph 8A—there was an Administrative Committee which visited Gaskiya Corporation in August last year, and these figures were agreed there with them. I am sure that it was appreciated that the Gaskiya Corporation was in extremely difficult financial position. I understand that the Committee has made a report to the Government but I do not know anything more than that Sir. It is obvious that the only two possible ways are those that have been pointed out by the Auditor. One of them must be taken.

Alhaji Ibrahim Yakubu:

Mr Chairman, Sir, I have my comments. On paragraph 4 page 6 which deals with the Pension Funds Investment. The Auditors say that the loss that occurred was under £1,635. On the instructions of Government this has been debited to the Pension Fund Investment Account in addition to the debts of £23,000 liability no doubt in addition to the liabilities that have been added as numbers of the staff become pensionable. It is perhaps that this was done in the knowledge of the Accountant and whether he will tell us if there was some directives from the Government indicating that the Government will take the liabilities of the additional pensions considering that it seems obvious that some funds are not there, bearing in mind that pension and gratuities are most important.

Accountant, Gaskiya Corporation:

Sir, we had instructions from the Government that the Corporation was to sell all its investments that it held overseas and re-invest them in Nigeria. These overseas investments were sold and they showed a loss of £1,635. If you will refer to the Balance Sheet for the year ended 31st March, 1962 we show this investment at cost, which is 4 per cent Nigerian stock which is £1,000 and we had on deposit at the bank pension funds totalling (£14,170-7-5) which have been invested in 6 per cent Federal Development Stock. Your last point was that the Gaskiya Corporation should hold investments equal to the liability on the other side of the Balance Sheet as I agree to our regret that that is insufficient cash in the note.

Alhaji Ibrahim Yakubu:

Point of correction Sir, I do not recall saying your last statement. It seems that you have satisfactorily explained the point. We have not gone into detail into your Balance Sheet but we quite appreciate the additions are sufficient as a matter of course. Are you satisfied that sufficient reserve has been credited for the liability under this, it seems that the liability amounts to at least £23,000. Looking at the Balance Sheet it seems only £14,170-7-5 plus a credit of £1,517 against £23,000 Sir.

Accountant, Gaskiya Corporation:

I agree that the liability is £23,000.

Alhaji Ibrahim Yakubu:

This is serious, Mr Chairman, Sir. Are you an Accounting Officer charged with the responsibility of advising the Board on financial policies, or are your duties not connected with the net figures that are required from time to time?

Accountant, Gaskiya Corporation:

During the period I have been with the Gaskiya Corporation, I have on more than several occasions pointed out to the Board the extremely serious nature of the cash position. Losses continued on papers that were published. As I have already said the situation is extremely unsatisfactory, and even that is a major understatement, but I have already answered that point when dealing with the Chairman's question about page '8 that it has been the Directors' responsibility to carry out the wishes of the Government and to continue the publication of the two Newspapers which is sufficient eventually to drain all the cash reserves and this we cannot stand.

Mr Chairman:

Any further observations?

Accountant, Gaskiya Corporation:

I am sorry, Mr Chairman, may I say something more again as the gentleman near me requests in an attempt to clarify what I was saying that my point is that a Committee of Ministers has considered the Corporation Finances. They are aware of the Financial difficulties and a report has already been submitted to the Government.

Mr Olarewaju Afolayan:

On page 7, Mr Chairman, it has been clearly stated that the advances given out has risen to a certain sum of money. In the statement, it went on to say that over £5,000 was owed by seven people. Automatically the people could not pay and it must continue to be a drain on the working capital. What I am just trying to find out is that I do not seem to understand how these advances should become tantamount to perpetual loan. Because what I view is that when an advance is made to somebody it must have been under certain conditions. My question then is that, does it mean these people could not be able to pay the advances? How is it tantamount to a perpetual loan?

Accountant, Gaskiya Corporation:

Sir, I think I see what it means in the Audit Report by tantamount to a perpetual loan. It does not necessarily mean tantamount to a perpetual loan but I think what is implied is that if one man goes a new man is appointed to the senior staff in his place and he in his turn take a willloan. I think that is what they mean. All the loans made by the Corporation are made in accordance with the standard conditions of service and they do require monthly repayments plus accounting charges and that is complied with.

Alhaji Ibrahim Yakubu:

I think this is by way of monthly deductions from salaries?

Accountant, Gaskiya Corporation:

Yes.

Mr Chairman:

What about the paragraph immediately above the one to which you have just answered. Is it also of the same nature? Approximately £10,000 has been loaned to the Corporation dated over a year ago.

Accountant, Gaskiya Corporation:

This referred to a specific debtor. We have imported on his behalf, Korans and certain other Arabic books. He has owed us this sum of money for some considerable time but he is reducing it by instalments and over the past year, he has reduced it by a sum of £7,500.

Mr Chairman:

Any further observations before we go to the Balance Sheet itself?

Alhaji Ibrahim Yakubu:

As a matter of interest, do you have to have the Boards' permission before you take action on a certain unserviceable machinery and its parts and things like that, which has been referred to by the Auditor's Report. Or is it difficult to obtain?

Accountant Gaskiya Corporation:

May I know which paragraph this is? I know it is here but I am not sure where it is.

Alhaji Ibrahim Yakubu:

It is on page 8D.

Accountant, Gaskiya Corporation:

Yes, Sir. We have on the instructions of the Chairman, made extensive enquiries into getting rid of machinery, which is most obsolete and not being used. We have advertised in both West Africa and Overseas. We have not received any reasonable offers, we have followed up the question of obtaining a scrap value for them; as far as we have been able to determine, the scrap dealers in Lagos require the machines delivered to them and the price they quote is Lagos delivery. Unfortunately, the price they are prepared to give us, when eventually we get the metal to Lagos appear to be not very different to the cost of railing it and taking it to pieces in Zaria. We are, under these circumstances, still looking around and hoping to find one of the small printers who will be prepared to take one or more of the machines which we do not require.

Alhaji Ibrahim Yakubu:

Is this the same case as well as the one on page seven paragraph 5C?

Accountant, Gaskiya Corporation:

Sir, I am not the Printing Manager but it is very difficult to bring the Printing Manager to accept what material he has in his store as useless. He does not accept that at all. He does possess small quantities of certain paper and so on which is not likely to be used in normal business, but he always takes the view that they are worth keeping because if a short run comes in and somebody wants a special order for a high quality paper, it is there and he thinks it is advisable to keep it and not to sell it.

Alhaji Ibrahim Yakubu:

Are you then responsible for formulating procedure in store-keeping and responsible for the up-to-date keeping of the record cards and if so are you satisfied with the machines in your section, with regard to their good-keeping in the store?

Accountant, Gaskiya Corporation:

Sir, I am not responsible for the day-to-day stock-keeping and although I put in the Record System which is in use at the present moment by the Printing Manager. The Store-Keeper keeps the store and is answerable to the Printing Manager not myself. As regards to your question about the machines spares, I am not satisfied myself.

Mr Chairman:

Since you are not satisfied, are you doing something about it?

Accountant, Gaskiya Corporation:

I have written to the Printing Manager, about it and if nothing has been done within the next two or three days, I will take the matter up with the Chairman.

Mr Chairman:

Any further observations? On the Report?

Alhaji Ibrahim Yakubu:

One observation Sir. On the face of it, it might appear to affect the policy and I think in fact it does not quite effect it, but it seems to me that, from the Report before us a

lot of benefit could be derived by the Corporation through centralising the responsibility for recording and keeping of records of all the assets of the Corporation under one Officer, possibly the Accountant, who in fact should have access to the values and all details, relevant details, of all the Corporation's assets. There is the advantage of the officer concerned taking stock from time to time in all the sections of the Corporation to ensure that weaknesses in the system are being sorted out and taken care of as and when these are thrown out and remedies achieved. I am aware that the Accountant in this particular case has other colleagues, of perhaps the same status and also the Board to take into consideration that, I should imagine, that the Board would be only too pleased to have the internal day to day administration being sorted out by the actual working officers and agreeing among themselves who is to be charged with the responsibility and procedure of keeping the stores and records. I think that the better control of the assets suggests up to date and effective procedures and the better they are placed to examine at any given point their true position.

Mr Chairman:

Any further observations? Before we take a look at the Balance Sheet, perhaps we have to point out one minor thing which, though not of accounting nature, nevertheless, it has its importance. On page 8, the Auditors have signed their report, and the Directors also have made a report and that should be signed somewhere by perhaps the Chairman, but there does not seem to be any signature of the Chairman.

Accountant, Gaskiya Corporation:

I think it was signed, sir. It obviously should be signed, Sir.

Mr Chairman:

But how could the Committee know, since it is not really shown?

Accountant, Gaskiya Corporation:

It was not printed, I think it is only a slip.

Mr Chairman:

Another interesting point we have this morning discussed the accounts of several Corporations, but I think all of them were printed by the Gaskiya Corporation, with the exception of the Gaskiya Corporation's own reports why was that?

Accountant, Gaskiya Corporation:

I have no idea, Sir. The Chairman has been to the Hon. Premier and asked if all work not being done by the Government Printer should in the first instance be given to the Gaskiya Corporation, I understand that the Hon. Premier approved that and a circular was sent round

Alhaji Ibrahim Yakubu:

I think the representative of the Gaskiya Corporation probably did not understand the question. The Chairman was saying that a number of reports that we in this Committee examined before us were printed by Gaskiya Corporation, whereas your report was printed by the Government Printer. I think we earlier this morning expressed interest whether there are some technical reasons why you should not print your own.

Accountant, Gaskiya Corporation:

I think this question should be put to the Executive Officer, who is responsible for this.

Mr Chairman:

Any further observations?

Mr O. Afolayan:

The market value of investment was quoted in brackets to be £756, but this market value dropped to £1,130 in 1962, may I know what is responsible for this colossal drop in market value.

Accountant, Gaskiya Corporation:

Sir, the balance of the investments were not invested in Nigeria, but invested in trustee securities in other countries. Acting on instructions, those investments invested in other countries except Nigeria were sold and the money is at the bottom of the Balance Sheet where it says Bank Deposits, Pensions and Gratuity Fund £1,176. The remaining investments were assessed at a cost of £1,000, which is in 4 per cent Nigeria stock.

Mr Chairman:

Any further observations? On page 17 under Sundry Receipts and Advances, there is something you called 'Suspense', which was not even understood by the Director of Audit.

Accountant, Gaskiya Corporation:

Sir, we frequently receive money which is not intended for us, and this £219-10 represents three or four receipts of money which was not for Gaskiya Corporation and has been paid into accounts of Gaskiya Corporation, and was therefore held in suspense until it can be paid to the proper recipient.

Mr Chairman:

Again the bottom of that one, there is an amount of £946-15, which you expect to get from the Ministry of Information. Have you got that sum now?

Accountant, Gaskiya Corporation:

No, Sir. They paid us £746; the balance has not yet been paid to us.

Mr Chairman:

Any reason?

Accountant, Gaskiya Corporation:

It consists of a claim we made for a subsidy on the Ministry of Information in respect of the last three months of Jakadiya, because we did not only publish it but also sold it. I hope to get it cleared during the next year.

Mr Chairman:

And what of advances to your staff? Is that the same advances we have discussed?

Accountant, Gaskiya Corporation:

Yes, Sir.

Mr Chairman:

You realised that this large sum of money is a drain on your liquid cash? Have you tried any other means of getting vehicle advances for your staff?

Accountant, Gaskiya Corporation:

Yes, Sir. We have tried many Companies and Banks and have not been successful.

Mr Chairman:

Any further observations? Well, we thank you very much—that is all. We are hoping that perhaps, you will put up a better show next year—perhaps plenty of money!

Mr Chairman:

Gentlemen—we are next dealing with Annual Report of the Development Corporation. The report for the year 1960-61. We have the representatives from the Corporation, would you be good enough as to tell us why the Secretary is not here?

Representative of the Development Corporation:

I apologise on behalf of the Secretary that he is not here because he is attending another meeting. I think you already know Mr Pinches, Accountant.

Mr Chairman:

Before Members start asking questions, perhaps, I would ask if this is the report for the year 1960-61. I am sure the report for the year 1961-62 has not yet been tabled. Is anything being done about that?

Representative of the Development Corporation:

I beg your pardon, Sir. The position of 1961-62 accounts is that they have been prepared and incorporated in the annual report of the Corporation for the year 1961-62 which is now with the Ministry of Economic Planning under which we come.

Mr Chairman:

Any observations?

Mr O. Afolayan:

I have some observations to make. Under this local loans and investments, the unsecured loans to Native Authorities amounted to £49,810-0-10—this is a very good amount and it should be left unsecured because the Native Authorities are the arms of Government, but is

it not very risky for a fabulous sum to be made unsecured to private companies without any security?

Representative of the Development Corporation:

Mr Chairman, the majority of unsecured loans to Nigerian Companies totalled five in number to £297,000 are secured now.

Mr O. Afolayan:

I am not clear about this.

Representative of the Development Corporation:

I repeat that the majority of the loans which were shown in this account as unsecured are now secured.

Mr O. Afolayan:

Under "Note 2" Balance Sheet, it has been clearly shown the interest and principal which have not yet been received, neither of these sums have been received according to this statement. My impression is that may I know whether this money is not yet received in respect of secured or unsecured loans because to me if they were under in respect of unsecured loans, they may eventually come to bad debts.

Representative of the Development Corporation:

The majority of these loans were in respect of loans to persons, in other words, loans to individual indigenous Northerners for the establishment of their own small businesses. The actual funds loans to persons have been increased this year from £150,000 minimum to £832,000 maximum. The Corporation has always found some difficulty in obtaining repayments of the principal and interest on loans to persons on the date upon which refund falls due. We have at the moment five officers in the Loans Department whose job is to go to various Provinces to collect this from individuals personally. Unfortunately, Mr Chairman, there are cases where borrowers did not repay their loans and interest and it is only at the last report that the Corporation takes the man to Court in an attempt to reserve the repayments. The Corporation however is satisfied most in the large majority of cases that the amount will be repaid, stricter judgement will be made before investments are made in future.

Mr Chairman:

Then I shall be interested to know on what investments the loss was incurred.

The Representative of the Development Corporation:

Mr Chairman the loss reflected in the year 1961 Balance Sheet which pertained to investment which we made in the United Kingdom when unfortunately years ago, I would say about 1957-58, those who were responsible at the time purchased 3 per cent saving bonds of the British Government. These bonds fell over for the period 1966-70, 1966-75. Unfortunately the responsible corporation officers invested a very large sum of money and for every £100 nominated they paid £89. And unfortunately over the years they continued to decline and the market became depressed and the Corporation has of necessity to dispose of these bonds gradually. Had the Corporation made available to it other cash resources from outside or within Nigeria the Corporation will not have had to sell its investments in these bonds in any way. Unfortunately the Corporation was unable to raise any further capital and had to sell the Bonds gradually year by year.

Mr Chairman:

Any further observations. (No). Then on the Balance Sheet we have here—what is this about buildings under (d) costing £40,000—how is it made up?

The Representative of the Development Corporation:

Mr Chairman, Sir, in actual fact these figures should not appear in the Balance Sheet at all. Unfortunately, what I should think is that at that particular time I was not in Kaduna and in actual fact I don't know how these figures were made up in the votes which have been approved in the annual estimates for various buildings. For example for the house at Birnin Kebbi and Kaduna and staff housing at Zaria, but the financial provision for these votes lapses and we are looking for revotes in the new financial year. So I can only give my apology as I consider these figures should not appear there.

Mr Chairman:

Since you mentioned Birnin Kebbi—it demands another thing because I then recollect that there was not a time when this Committee has ever seen the Accounts of the Birnin Kebbi Rice Scheme along with the Lowland Rice Scheme which we have never seen the report. And also I think, you have already taken over transport services which is called the Northern Transports. We have never seen any of the accounts about these. And I wonder, if there is any audit about these accounts at all—if not why?

The Representative of the Development Corporation:

Mr Chairman, the schemes you have mentioned for example Gwandu rice scheme the accounts are closed at the end of the Financial year in the month of November of each year and they have infact had the last audited account for 1961, and the audited account up to the year 30th November, 1962 are practically finished. With regard to the second one you mentioned the closing date for the accounts is 30th June of each year. After 30th of June 1961 we have handed over this scheme to the Ministry of Agriculture which has now taken over together with Shendam Resettlement Scheme. We are awaiting the final accounts relating to the take over. With regard to the third one—transports, I can only say that when the Corporation has brought no transport in Zaria. It is not in fact a transport company as far as the Corporation is concerned. We only run what we called Plant Hire Division at Zaria and as far as I am aware the Corporation has never had any transport company called "Northern Transporters" at Zaria. The Accounts for the Plant Hire Division are being audited each year at the end of February and will be submitted at the end of February 1963 as they are now being audited by the Authority.

Mr Chairman:

Well, I am interested to seek an opportunity on how we are to see these accounts. Either these accounts should be incorporated in these accounts if that is possible at all—or make them out separately and arrange them to be laid before the Legislative Houses. Has anything been done about them? Also I would like these accounts to be audited and I have not been given a direct answer on your three scheme accounts. If these also have been mentioned they can of course be incorporated in the report.

Director of Audit:

Mr Chairman, if I may be allowed to assist in this matter, I would say that your attention should be drawn to paragraph 5 of the Audit Report on the preceding page to the balance sheet. Mr Chairman, if I recollect properly about five years ago this question was raised by the Committee it was at their request that the Auditor's report was phrased that way. No separate audited scheme accounts are to be taken.

Mr Chairman:

Any further observations? What about the Kaduna Catering Rest House?

Alhaji Ibrahim Yakubu:

Mr Chairman, I understand, Sir, that the Permanent Secretary Ministry of Finance, has satisfied the Committee on this question.

Mr Chairman:

Not at all. And again I am not satisfied and all of us here. We want to be put in a position that will be final.

Alhaji Ibrahim Yakubu:

Well, Mr Chairman, I have two questions, Sir, which I want to ask on the accounts of the Rice Schemes which I think would be slightly different. Page 10 of the Balance Sheet where it says "Unsecured Investments in Commercial Firms". The figure of £50,087 has been shown on Appendix 13 and 14. Unless I see the figures wrongly the balance shown is £496,300, which it says is net in the balance-sheet. This may be purely on technical difference or academical. But as I understand the normal practice is for the balance-sheet to show net as the appendix shows and the difference to be shown on the other side of the balance-sheet.

The next point is buildings Sir. On the balance-sheet it shows £154,667 and in Appendix 12 shows £154,493, Page 13 that will be.

The Representative of the Chairman, Development Corporation:

Sir, as regards the first question the investment in commercial schemes figure of £5,837,293 is the actual cost of the investment to the Corporation. A little lower down on the same side of the balance-sheet is a sum of £17,674-15-6 that figure the last I just mentioned is made up of Profit and Loss attributable to the Corporation as shown in Appendix 13 of this Report. £78,697 on Appendix 14 page 15 is the Profit and Loss attributable to the Corporation and £90,950 the reserve figure which is shown in the balance-sheet. I appreciate the manner that has been shown in the balance-sheet account does not appear to be clear, but the figure is in fact, the net figure.

Alhaji Ibrahim Yakubu:

Thank you. The second question is similar. If you would like to take the next one it is on Furniture and Fittings. I believe on the balance-sheet it is £2,674, and on Appendix 3 you showed £2,594. Is this also deducted somewhere, or where is the difference?

The Representative of the Chairman, Development Corporation:

Mr Chairman, the two figures have been shown in the balance-sheet £154,000 for Building, etc. £27,400 for Furniture and Fittings, etc. They are the correct figures according to the books of the Corporation. I have no explanation to offer why the figure on Appendix 12 page 13 differs. I can only assume some additions to both figures. I can assure you that the figures on the other side of the balance sheet are the correct ones.

Alhaji Ibrahim Yakubu:

Mr Chairman, Sir, as on Appendix 14 the loss presumably was entirely made by Nigerian Canning Company of £9,955 has been shown. At what rate for the figure in the balance-sheet has the existing value of the shares been taken? In other words the value of the shares at the end of the financial year?

The Representative of the Chairman, Development Corporation:

I think that has been explained previously in the balance-sheet.

Alhaji Ibrahim Yakubu:

Mr Chairman, another point is the figure shown in Appendix 3. It seems to tie up with the figure in Appendix 10. I wonder if they are meant to agree?

The Representative of the Chairman, Development Corporation:

Sir, the figure as shown in Appendix 10 is the gross figure. There are certain credits which of course have to be brought into account in the Corporation's books and which totalled £2,258 and in the figure which is shown at Page 4, this is the gross figure. I must agree that in order that the figure should be understood the actual figure on Appendix 4 should have been shown so that the Committee will not find it difficult to understand. The figure which I have just mentioned on Appendix 3, Page 4 is in fact, the figure which appears on the balance-sheet.

Alhaji Ibrahim Yakubu:

Mr Chairman, Sir, Page 13—Advances to Native Authorities and other Authorities. I see the Commissioner in the United Kingdom and the Kano Native Authority have between them £5,275. The Kano Native Authority one seems to me that it probably should appear in Appendix D, Page 15. However, I cannot say how the Commissioner in the United Kingdom can be advanced or loaned if it is a loan and why should he not have made provision to pay for this? The other point on the same page immediately underneath, the imprest account. I wonder if these are not loans, or the last three of them for fertilisers on Shendam Resettlement Scheme? Seems to be they may be imprest rather than loans as shown?

Representative of the Development Corporation:

Mr Chairman, I wish to draw your attention to Appendix 16, Page 15, the two items which appeared for Kano Native Authority. These are sums which were loaned by the Corporation for specific projects, and as such are treated as they should be treated as loans and investments. The two items referred at Appendix 13, Page 12, Commissioner in the United Kingdom and the Kano Native Authority were not in actual fact cash advances, and one might I suppose say they

were in fact imprest accounts. Both of these accounts have now been settled and therefore will not appear in the next balance-sheet. If I may refer to the second question the last three items which appear under heading Imprest Account, Northern Regional Development Corporation, were the amounts which were advanced in various fields in the various localities in which the amounts were going to be used. Each one was made to facilitate payments of the balances for various grants and these amounts were shown as balances as at the end of March, 1961. Each one of these three items is now retired and will not appear in the future balances.

Mr Chairman:

Any further observations? (No), I think the last item was raised by an Hon. Member who seems not prepared to pursue it and I undertake to do it for him. It is in connection with the Kaduna Catering Rest House. We are made to understand that Government has handed over its interest in the Rest House to your Corporation and I understand that the undertaking is at the moment run by a Company, if that is so could you tell us the share of your Corporation? I mean the value of the share of your Corporation.

Accountant, Northern Nigeria Development Corporation:

Sir, this is a question which is entirely outside the competence of this Committee.

Mr Chairman:

Of course, so you are not obliged to answer it but as a matter of interest.

Accountant, Northern Nigeria Development Corporation:

Is it going to be on the records of this Committee?

Mr Chairman:

There is no reason why it should not.

Accountant, Northern Nigeria Development Corporation:

It is a fact that the Government has handed over to the Corporation the former Kaduna Catering Rest House with the proviso that the Corporation should then re-invest the value of the Rest House in the new Kaduna Hotels Company as part of their investments. At the moment there is slight controversy over the question of valuation of the Rest House. Quite naturally, the Corporation would wish to place the valuation at the best highest figures which they consider can increase the share of their investment in the Kaduna Hotel Company and eventually when the question of valuation is settled amicably, we shall have shares issued for the valuation of the Rest House. The Kaduna Hotel Company has an authorised capital of £750,000 and the sole contributors to the equity of the loan capital of the Company are the Northern Nigeria Development Corporation and the Northern Nigeria Marketing Board but it is fairly obvious that some outside contribution will have to be found. To date the Corporation has contributed in cash approximately £200,000. I do hope that this answers your questions, Sir.

Mr Chairman:

Do you mean, in short, the question of valuation of the assets is in hand?

Accountant, Northern Nigeria Development Corporation:

Yes, Sir. In actual fact the valuation has already been made.

Mr Chairman:

Any further comments? (No). I think that is all; thank you.

GENERAL REMARKS

Mr Chairman:

I think, gentlemen, we have finished most of our work and have come to the last but not necessarily the least part of it—that is the drafting of our Report and its agreement. We should meet at 9.30 tomorrow morning. Any other suggestions? Then we meet again at 9.30 tomorrow morning.