



***His Excellency
Alh. Ibrahim Geidam FNCA, CPA
Executive Governor***

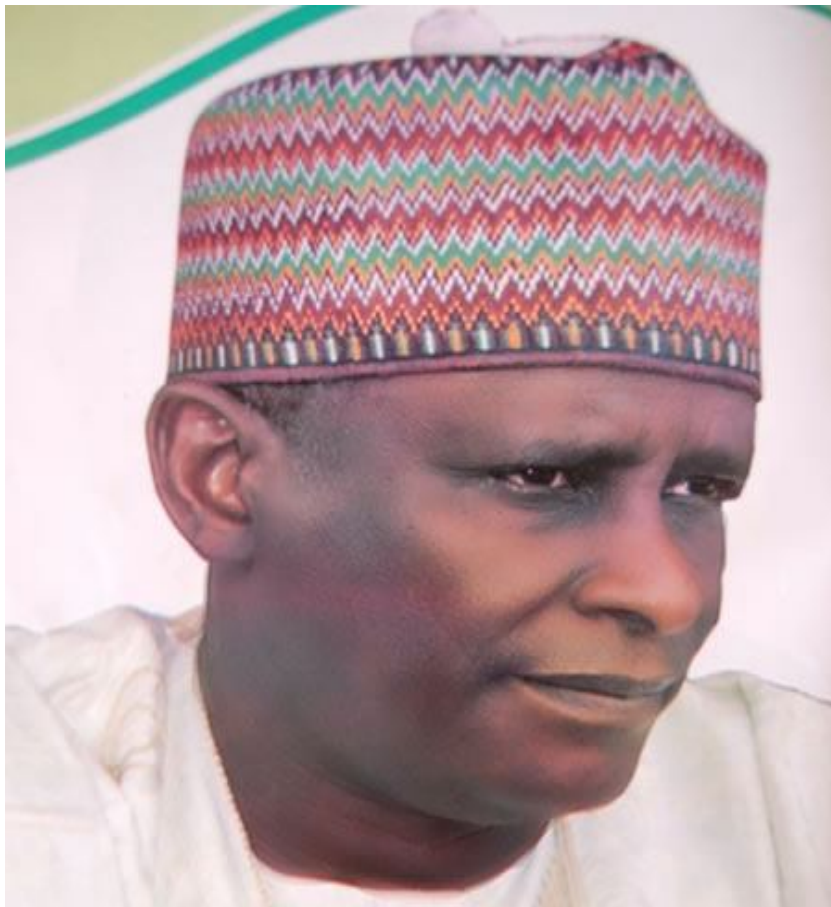




***His Excellency
Engr. Alh. Abubakar D. Aliyu FNSE
Deputy Governor***



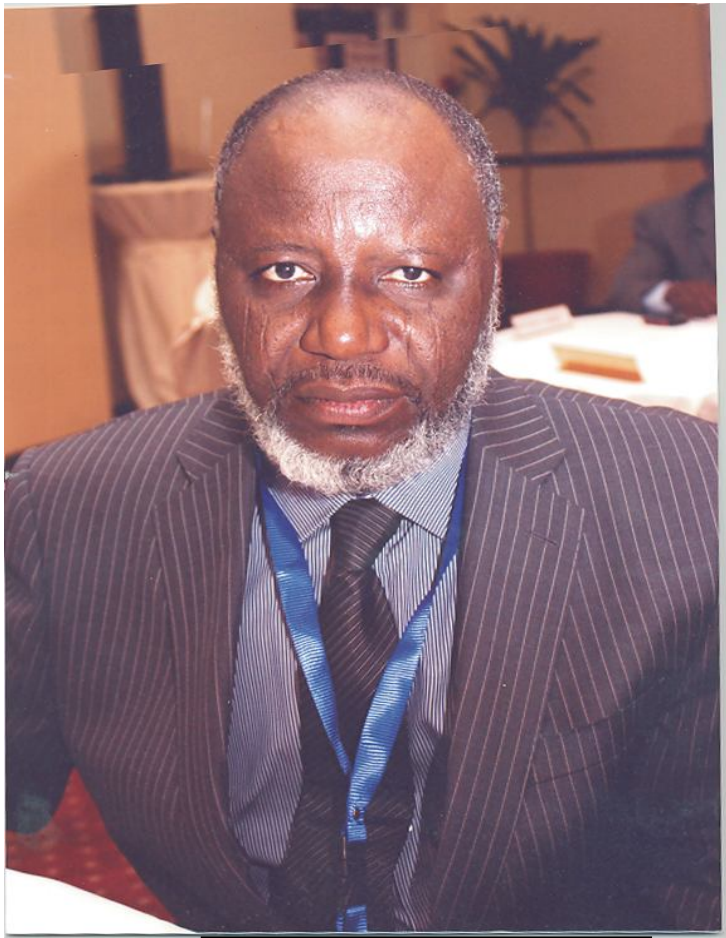
***Alh. Adamu Dala Dogo
Hon. Speaker
Yobe State House of Assembly***



*Engineer Baba Goni Machina mni
Secretary to the State Government*



Alh. Dauda Yahaya mni
Head of State Civil Service



***Muhammad Jawa Gashua FCNA, FCPA
State Auditor-General***



Hon. Abdu Usman Kukuwa
Chairman Public Accounts Committee

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ACKNOWLEDGEMENT:

Alhamdulillah Rabbil Alamin, Wasallahu ala nabiyl Karim. We are here again witnessing another end of year activities of Yobe State Government which requires my express opinion, comments and annual report beginning from January-December, 2011.

I owe a great deal of thanks to many individuals who not only help me in producing this annual report but also put their separate and collective invisible hands in making this report a success. One of such individual personality is the Executive Governor of Yobe State, ***His Excellency Alhaji Ibrahim Geidam FNCA, CPA***. He not only appointed me to this exalted office but promised to support me in carrying out my constitutional responsibilities. Your Excellency, please accept my profound gratitude as you continue fulfilling your promise in changing the face of the State Auditor-General's office. One needs to visit the office personally to see the positive development that took place within this short period especially if one knew the situation of the office before my assumption. I called on the entire staff of this office to work hard and reciprocate the good gesture of His Excellency.

His Excellency the Deputy Governor of Yobe State Engineer Abubakar D. Aliyu FNSE and the Secretary to the State Government Engineer Baba Goni Machina mni were instrumental to the establishment of our newly launched website www.oagyobestate.org. While the SSG gave a favorable recommendation for the website project, the Deputy Governor instantly approved the submission in the absence of the State Chief Executive, ***His Excellency Alhaji Ibrahim Geidam FNCA, CPA***.

The Head of the State Civil Service Alhaji Dauda Yahaya mni, being the officer responsible for office buildings and renovations has contributed immensely in the construction of our mini audit library, conference room and

renovation of the entire office building. For their individuals' roles and contributions I remain indebted to these great personalities.

My appreciation also goes to the Hon. Speaker Alh. Adamu Dala Dogo and the entire Honourable Members/Staff of the State House of Assembly particularly the Chairmen, Members and Secretaries of Public Accounts and Finance and Appropriation Committees who seeing the transformation going on in the State Audit, graciously increased our capital budget for the year 2013 to enable us continue with the positive changes.

Finally, I like to acknowledge the mutual working relationship enjoyed from the Ministry of Finance, Ministry of Budget and Economic Planning and all MDAs who provided the useful materials that made up this report.



**Muh'd Jawa Gashua FCNA, FCPA,
State Auditor-General,
Yobe State**

**Office of the Auditor-General,
P.M.B. 1051,
Damaturu, Yobe State.
May, 2013**

1.1 INTRODUCTION:

The need for accountability and transparency in the management of public resources has attracted a global concern, resulting into the development of International Standards in Auditing and Accounting Practices in the 21st century. International organizations, Non-Governmental Organizations and Civil Society Organizations are becoming more interested in the manner in which public officials in government manage the public resources entrusted to their care. The United Nations, European Unions, World Bank, African Development Bank, Regional Governments, legislatures organs (the National and States Assemblies) and constitutionally established governmental Agencies are becoming more committed to causes of ensuring effective and efficient policies for public accountability and good governance.

Constitutionally, the organ charged with responsibility of assuring information users of public sector accounting and the general public that due processes and laid down legal and administrative procedures were duly followed in management of public resources is the Office of the Auditor-General. At the state level, the legal framework under which the Auditor-General performs his functions is guaranteed by the constitution of the Federal Republic of Nigeria under section 125 (2) which provide as follows:

"The Public Accounts of a State and of all Offices and Courts of the State shall be audited by the Auditor-General for the State who shall submit his reports to the

House of Assembly of the State concerned, and for the purpose, the Auditor-General or any person authorized by him in that behalf shall have access to all books, records, returns and other documents relating to those accounts”.

Subsection 4 further provides that:- “The Auditor-General for the State shall have power to conduct periodic checks of all Government Statutory Corporations, Commissions, Authorities, Agencies, including all persons and bodies established by a Law of the House of Assembly of the State”.

And that “In the exercise of his functions under this Constitution, the Auditor-General for a State shall not be subject to the direction or control of any other authority or persons” (Subsection 6)

Other numerous legislations that seek to empower the Auditor-General include:

- a) The audit audinance Act of 1952 (as amended)
- b) Public finance control and management Act of 1958 (as amended)
- c) Periodic governmental administrative circulars
- d) Laws of the State House of Assembly as instruments establishing specific organs or agencies for the conduct of government business
- e) And financial/stores regulations.

The established financial regulations under rule 102 provide that:

“The officer responsible under the constitution for the audit and report on the public accounts of the State, including any persons or bodies established by law and entrusted with the collection, receipt, custody issue, sales, transfer or delivery of any stamps, securities, stores or other properties of government of the state, and for the certification of the annual accounts of the government is

the Auditor-General of the State. The Auditor-general of the State shall examine and ascertain in such a manner as he deems fit, the accounts relating to public funds and property and shall ascertain whether in his opinion:

- a. The accounts have been properly kept*
- b. All public monies have been properly accounted for, and the rules and procedures applied are sufficient to secure an effective check or the assessment, collection and proper allocation of revenue.*
- c. Monies have been expended for the purpose for which they are appropriated and that the expenditure have been made as authorized; and essential records are maintained and the rules and procedures applied are sufficient to safeguard and control public property and funds.*

It added that: By virtue of the responsibilities and functions of the Accountant-General and the Auditor-General of the state, the two officers or their representatives shall have free access at all reasonable times to all files, documents, books and other records relating to accounts of all state Ministries/Extra-Ministerial Departments or Units. They shall also be entitled to require from members of the public service such information, reports and explanations as they may deem necessary for the proper performance of their functions.

Many a times, the present **Executive Governor of Yobe State Alhaji Ibrahim Geidam FNCA, CPA** has expressed his un-reserved support and his desire for transparency and accountability. For this reason, he continues to inspire the Audit Department and provides it with all the necessary moral and financial support to enable the Auditor-General discharge his duties without fear or favour. Equally important, the Public Accounts Committee (PAC) of the State

House of Assembly with whom the Auditor-General works hand in hand remains awoken to its responsibilities and continuously encourage the Auditor-General to perform his duties diligently at all times.

It becomes necessary to emphasize on the above provisions and states the mutual working relationship between the executive and Auditor-General's office on one hand, and the legislative and this office on the other hand, in view of adamant attitude of some organs and officials of the government who fail to cooperate with the audit officials on routine assignments. The task of the Auditor-General as Head of Supreme Audit Institutions (SAI) is to audit the performance and the resources of the public and people of Yobe state entrusted to any responsible organ of government or public official.

1.2 AUDIT POLICY OBJECTIVES

Our major audit policy objective is to promote objectivity in financial reporting, ensure the reliability of the financial statements, adequate and proper documentation of all audit processes, findings and reporting through examination of all books of accounts and records against the financial statements and underlying evidences. In doing so, our judgment form the basis of our decision. Incidentally, we always observe cases of omissions, errors, inaccuracies or incomplete information, improper recordings, inadequate documentations and irregularities; and to address cases of fraud promptly when discovered. We also consider assessment of value for money invested and

conduct verifications as to specifications, quantities and qualities of items, stocks, prices and duration of projects completion to arrive at our judgment.

1.3 FINANCIAL STATEMENTS

The financial statement for the year ended 31st December, 2011 was first received in this office on 22nd October, 2011 from the office of the State Accountant-General. As a result of observations raised, the financial statement was returned for corrections and explanations. Finally, the reconciled statements and accounts were re-submitted to this office on 21st December, 2012 for proper audit processes.

It is reasonable to mention that this is the first time an annual financial statement is received within the immediate preceeding year. I am sure the statements would have been made available much earlier, if not for the unfortunate security situation that engulf the state. My earlier envision in the analysis of 2010 annual report that the Office of the Accountant-General will be able to live up to expectations in beating the stipulated dateline on the production and submission of the state annual financial statement is still hopeful, with expectation that the 2012 annual financial statement will be made available before 30th June, 2013.

1.4 BOOK-KEEPING AND RECORDS

Considerable improvements were made over the manner in which books of accounts/records were being maintained in the Treasury Division, Ministry of

Finance and majority of MDAs. The action by the Treasury of withholding remittances/releases due to MDAs that fails to or delays the submission of periodic returns on expenditure accounts has helped a lot. The practice should be extended to all MDAs with revenue generating capacity contained in their annual estimates.

Let me again remind all Accounting officers of the various MDAs that the copies of the periodic returns/appropriations accounts should be forwarded to the Auditor-General as required by rule 103 of the established financial regulations. Copies of all releases emanating from the SSG's office as well as budget clearances should be forwarded as soon as they are prepared to ease and serve as basis for audit planning.

1.5 ANNUAL ESTIMATES

While commending the Ministry of Budget and Economic Planning for the positive achievement made on budget reforms and standardization, it must also be commended for the earlier completion of the budget document which enable His Excellency present 2013 budget to the House of Assembly on the 2nd day of January, 2013. The Honourable House also acted extra-ordinarily by making the first and second reading of the finance and appropriation bill right before the gathering and promised to complete all processes of budget defense by MDAs and return the approved copy to His Excellency within 3 weeks. That was done and the bill was assented to by His Excellency on 23rd January, 2013.

That is not withstanding, I still want to encourage the able leadership and staff of the two organizations (Budget and the Legislature) to ensure that the budget calendar is duly respected so that the state annual budget processes are completed, undergo proper due processes of the House and signed into law by His Excellency first week of every financial year.

Another observations worth mentioning is that during the year under review, the annual estimates were regarded as efficient basis for the control of expenditure in the Treasury and MDAs as a result of which the hitherto prevailing cases of over expenditure was reduced to the bearest minimum (below 5%). Accordingly, virements were made for all votes/budget codes requiring argumentations.

1.6 UN-VOUCHED EXPENDITURE

During the year under review, rampant cases of un-vouched expenditure prevailing in the past have been reduced to the bearest minimum. Over 98% of expenditure in respect of public funds were accordingly vouched for. The self-accounting practice introduced by the Ministry of Finance in respect of MDAs is very much appreciated as it has reduce the huge burden of work and records maintenance at the Central Treasury. While the vouching and recording of transactions is very encouraging, it was observed that some of the Accounting officers and officials of MDAs find it difficult to make available the relevant particulars of expenditure and or supporting evidences to enable the audit

ascertain the genuineness of such transactions and that they are made in the interest of the public service. Incurred expenditure from public funds must be substantiated with relevant supporting documents and evidences as required by the established financial and stores regulations and due process. Routine audit queries have been issued to various MDAs engaged in such negative practices.

1.7 UN-PRODUCED PAYMENT VOUCHERS

All vouchers for expenditure covering the period January-December, 2011 were raised accordingly and produce for audit scrutiny and inspection. No case of un-produce vouchers appeared to my notice in the period of this report. The Accountant-General and staff of the Treasury Division should be commended for doing a good job in this area.

1.8 INTERNAL CONTROL/INTERNAL AUDIT

The establishment and posting of Internal Auditors to MDAs should be hastened to cover each and every MDA. With the present trend of encouraging the self-accounting practice in MDAs, the relevance of the internal audit system is very apt. Equally important, the inspectorate unit of the Ministry of Finance must be awakened to its responsibilities to intensify supervisory role on the finance (accounts) departments of all the MDAs. These measures will surely reduce the cases of errors, omissions, fraud and non-maintenance of adequate records. Some accounting staff are very reluctant in doing the right thing until they are reminded by their supervisors or being visited by Inspectors frequently.

CHAPTER TWO

BUDGET ANALYSIS:

2.1 ANALYSIS OF BUDGETED REVENUE

For the services of the year 2011, the Government of Yobe State budgeted the sum of N69,264,000,000.00 as against the sum of N65,137,209,386.00 budgeted for the year 2010, thus indicating an increase of N4,126,790,614.00 or 5.95% over the previous year as detailed below:

DESCRIPTION	BUDGET 2011	BUDGET 2010	VARIANCE
Opening Balance	2,700,000,000.00	5,500,000,000.00	- 2,800,000,000.00
Taxes	1,832,633,000.00	1,671,100,000.00	161,533,000.00
Fines and Fees	62,040,000.00	39,075,000.00	22,965,000.00
Licences	580,321,000.00	729,321,000.00	- 149,000,000.00
Earnings & Sales	700,700,000.00	1,420,390,000.00	- 719,690,000.00
Rent on Govt Property	6,600,000.00	3,100,000.00	3,500,000.00
Interest & Dividends	-	80,513,267.00	- 80,513,267.00
Re. by paras,FGN & Others	25,000,000.00	15,000,000.00	10,000,000.00
Boards and Parastatals	185,532,000.00	130,750,000.00	54,782,000.00
Recovery of Funds	-	-	-
Miscellaneous	200,000.00	200,000.00	-
Repayment of Advances	-	-	-
Statutory Allocation	34,954,530,000.00	29,086,000,000.00	5,868,530,000.00
Value Added Tax	7,414,181,468.00	6,226,000,000.00	1,188,181,468.00
Internal Loans	5,400,000,000.00	1,726,979,119.00	3,673,020,881.00
External Loans	1,719,403,000.00	6,670,659,000.00	- 4,951,256,000.00
Grants/Subventions	2,714,603,000.00	1,876,122,000.00	838,481,000.00
Miscellaneous	10,968,256,532.00	9,962,000,000.00	1,006,256,532.00
TOTAL REVENUE/RECEIPTS	69,264,000,000.00	65,137,209,386.00	4,126,790,614.00

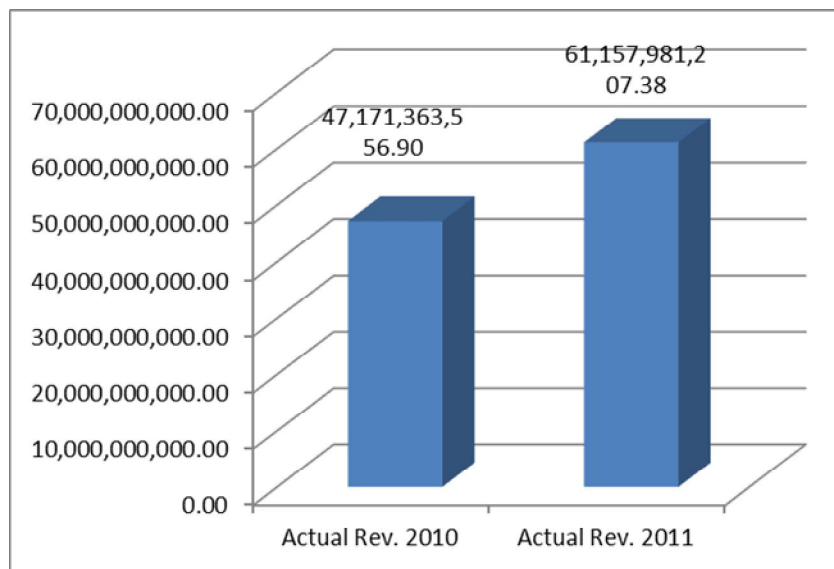
The increase in the budget size was as a result of expectations for a raise in the revenue accruable to the state in the year 2011 due to the seeming peace and stability in the Niger-Delta and upward trend of crude oil prices in the international market on one hand and improvement in the internal revenue figures collectable by the State as a result of series of reform measures introduced by the government.

ACTUAL REVENUE PERFORMANCE

Even-though the government of Yobe State proposed a budget of N69,264,000,000.00 for the year 2011, the actual revenue that accrued to the state stood at N61,157,981,207.38 (consisting of N38,878,036,634.99 from the recurrent revenue and N22,279,944,572.39 from the capital receipts) as against the sum of N47,171,363,556.90 (consisting of N31,048,677,125.28 from the recurrent revenue and N16,122,686,431.62 from capital receipt) realized in the previous year. We can see that the actual revenue received is below the amount budgeted by a figure of N8,355,961,753.07 or 12%. This means that the performance of budget 2011 in terms of revenue is about 88%. The proposed and approved 2011 budget initially consist of a loan of N7,119,403,000.00 (N1,719,403,000.00 external loan and N5,400,000,000.00 internal loan). In the course of the budget implementation, government decided to drop the idea of borrowing to finance its projects. The budget deficit of N8,355,961,783.07 mentioned above is mainly due to this idea of not borrowing in the year 2011.

The analysis of actual revenue realized in the year 2011 in comparison with that of 2010 can best be illustrated by the table/chart given below:

<i>DESCRIPTION</i>	<i>ACTUAL 2011</i>	<i>ACTUAL 2010</i>	<i>VARIANCE</i>
Opening Balance	4,181,389,838.20	1,471,752,989.79	2,709,636,848.41
Taxes	1,443,659,235.34	1,729,032,775.04	- 285,373,539.70
Fines and Fees	79,257,000.00	390,000,993.55	- 310,743,993.55
Licences	105,467,789.61	949,960,327.42	- 844,492,537.81
Earnings & Sales	491,000,000.00	1,830,862,260.97	- 1,339,862,260.97
Rent on Govt Property	25,700,000.00	43,000,000.00	- 17,300,000.00
Interest & Dividends	12,803,518.44	17,398,416.79	- 4,594,898.35
Re. by paras,FGN & Others	-	512,658.42	- 512,658.42
Boards and Parastatals	193,848,080.54	230,491,000.00	- 36,642,919.46
Recovery of Funds	-	200,000,000.00	- 200,000,000.00
Miscellaneous	33,918,153.01	569,243,907.26	- 535,325,754.25
Repayment of Advances	153,911,419.64	98,116,188.16	55,795,231.48
Statutory Allocation	32,157,081,600.21	24,492,098,242.11	7,664,983,358.10
Value Added Tax	6,132,804,835.86	5,300,387,657.59	832,417,178.27
Internal Loans	150,000,000.00	0.00	150,000,000.00
External Loans		0	-
Grants/Subventions	5,746,473,492.50	1,738,858,470.37	4,007,615,022.13
Miscellaneous	10,250,666,244.03	8,109,647,669.43	2,141,018,574.60
TOTAL REVENUE/RECEIPTS	61,157,981,207.38	47,171,363,556.90	13,986,617,650.48



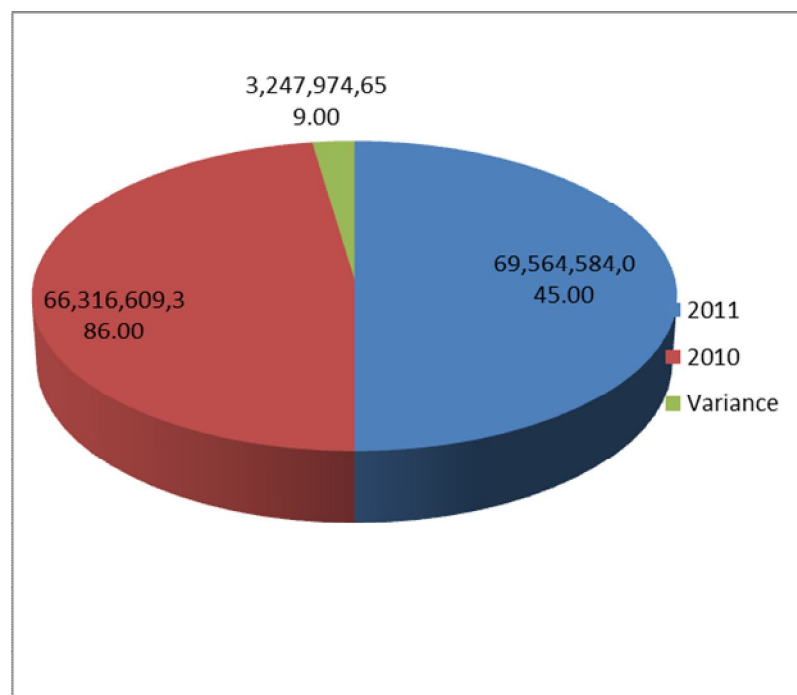
2.2 ANALYSIS OF BUDGETED EXPENDITURE

During the year under review, the total expenditure budget proposed by the Government of Yobe State stood at N69,564,584,045.00 (consisting of N26,856,145,001.00 for recurrent and N42,708,439,044.00 for capital expenditure) as against the sum of N66,316,609,386.00 (consisting of N23,410,981,000.00 for recurrent and N42,905,628,386.00 for capital expenditure) budgeted over the same period for the services of the year 2010. Below is the detail breakdown of the budgeted figures for the current and previous years for comparison purposes bringing out clearly the total increase of N3,247,974,659.00 in 2011 over that of 2010.

AUDITOR-GENERAL'S ANNUAL REPORT ON THE ACCOUNTS OF GOVERNMENT OF YOBE STATE

DESCRIPTION	BUDGET 2011	BUDGET 2010	VARIANCE
Personnel Costs	11,731,468,000.00	10,382,324,000.00	1,349,144,000.00
Pension and Gratuities	1,354,887,000.00	965,000,000.00	389,887,000.00
Overhead Costs	3,927,437,908.00	3,301,690,000.00	625,747,908.00
Consolidated Revenue Fund Charges	2,089,000,000.00	2,358,487,000.00	-269,487,000.00
Public Debt Charges	250,000,000.00	300,000,000.00	-50,000,000.00
Advances	0.00	0	0.00
Recurrent Grants and Subventions	2,807,767,157.00	2,538,880,000.00	268,887,157.00
Miscellaneous Expenses	4,695,584,936.00	3,564,600,000.00	1,130,984,936.00
TOTAL RECURRENT EXPENDITURE	26,856,145,001.00	23,410,981,000.00	3,445,164,001.00
Economic Sector			0.00
Agriculture	1,157,454,438.00	1,994,547,386.00	-837,092,948.00
Livestock	90,000,000.00	150,000,000.00	-60,000,000.00
Forestry	370,600,000.00	432,000,000.00	-61,400,000.00
Fisheries	164,800,000.00	166,000,000.00	-1,200,000.00
Industry	730,900,000.00	680,000,000.00	50,900,000.00
Energy	1,497,974,960.00	1,171,000,000.00	326,974,960.00
Commerce, Hotels & Co-ops.	92,000,000.00	115,000,000.00	-23,000,000.00
Transport	14,356,000,000.00	11,257,000,000.00	3,099,000,000.00
Sub total	18,459,729,398.00	15,965,547,386.00	2,494,182,012.00
Social Service Sector			0.00
Education	7,487,645,084.00	7,347,271,000.00	140,374,084.00
Health	3,120,829,000.00	2,490,000,000.00	630,829,000.00
Information	730,000,000.00	767,000,000.00	-37,000,000.00
Social Development	812,848,000.00	755,810,000.00	57,038,000.00
Sub total	12,151,322,084.00	11,360,081,000.00	791,241,084.00
Regional Development Sector			0.00
Water Supply	2,661,000,000.00	2,477,000,000.00	184,000,000.00
Environment,Sewage&Drainage	80,000,000.00	475,000,000.00	-395,000,000.00
Housing	2,648,600,000.00	3,280,000,000.00	-631,400,000.00
Town&country planning	212,000,000.00	190,000,000.00	22,000,000.00
Community Development	507,187,562.00	570,000,000.00	-62,812,438.00
Sub total	6,108,787,562.00	6,992,000,000.00	-883,212,438.00
Administration Sector			0.00
General Administration	5,988,600,000.00	8,588,000,000.00	-2,599,400,000.00
Sub total	5,988,600,000.00	8,588,000,000.00	-2,599,400,000.00
GRAND TOTAL CAP. EXPENDITURE	42,708,439,044.00	42,905,628,386.00	-197,189,342.00
TOTAL RECURRENT EXPENDITURE	26,856,145,001.00	23,410,981,000.00	3,445,164,001.00
TOTAL CAPITAL EXPENDITURE	42,708,439,044.00	42,905,628,386.00	-197,189,342.00

GRAND TOTAL	69,564,584,045.00	66,316,609,386.00	3,247,974,659.00
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2.3 ACTUAL EXPENDITURE PERFORMANCE

From the planned total expenditure of N69,564,584,045.00 in the year 2011, Yobe State was able to record actual expenditure of N54,381,865,271.64 (consisting of N25,904,540,210.26 for the recurrent and N28,477,325,061.38 for the capital), given rise to a difference of N15,182,718,773.36 or 22% under expenditure. In other words, the performance of the budget in the year 2011 is 78% in term of expenditure. Detail description of performance and variances is illustrated in the following table:

DESCRIPTION	BUDGET 2011	ACTUAL 2011	VARIANCE
Personnel Costs	11,731,468,000.00	11,677,845,219.78	53,622,780.22
Pension and Gratuities	1,354,887,000.00	1,230,524,521.13	124,362,478.87
Overhead Costs	3,927,437,908.00	3,755,335,717.12	172,102,190.88
Consolidated Revenue Fund Charges	2,089,000,000.00	1,967,363,912.17	121,636,087.83
Public Debt Charges	250,000,000.00	244,705,674.09	5,294,325.91
Advances	0	613,751,264.66	- 613,751,264.66
Recurrent Grants and Subventions	2,807,767,157.00	2,325,024,161.72	482,742,995.28
Miscellaneous Expenses	4,695,584,936.00	4,089,989,739.59	605,595,196.41
TOTAL RECURRENT EXPENDITURE	26,856,145,001.00	25,904,540,210.26	951,604,790.74
Economic Sector			-
Agriculture	1,157,454,438.00	700,880,993.75	456,573,444.25
Livestock	90,000,000.00	18,186,900.00	71,813,100.00
Forestry	370,600,000.00	72,821,600.00	297,778,400.00
Fisheries	164,800,000.00	7,500,000.00	157,300,000.00
Industry	730,900,000.00	241,785,593.91	489,114,406.09
Energy	1,497,974,960.00	1,017,328,510.23	480,646,449.77
Commerce, Hotels & Co-ops.	92,000,000.00	61,596,923.08	30,403,076.92
Transport	14,356,000,000.00	14,066,095,256.03	289,904,743.97
Sub total	18,459,729,398.00	16,186,195,777.00	2,273,533,621.00
Social Service Sector			-
Education	7,487,645,084.00	4,213,866,859.02	3,273,778,224.98
Health	3,120,829,000.00	1,028,091,719.95	2,092,737,280.05
Information	730,000,000.00	355,670,890.41	374,329,109.59
Social Development	812,848,000.00	193,113,127.18	619,734,872.82
Sub total	12,151,322,084.00	5,790,742,596.56	6,360,579,487.44
Regional Development Sector			-
Water Supply	2,661,000,000.00	1,008,893,156.00	1,652,106,844.00
Environment,Sewage&Drainage	80,000,000.00	4,700,000.00	75,300,000.00
Housing	2,648,600,000.00	1,393,987,022.81	1,254,612,977.19

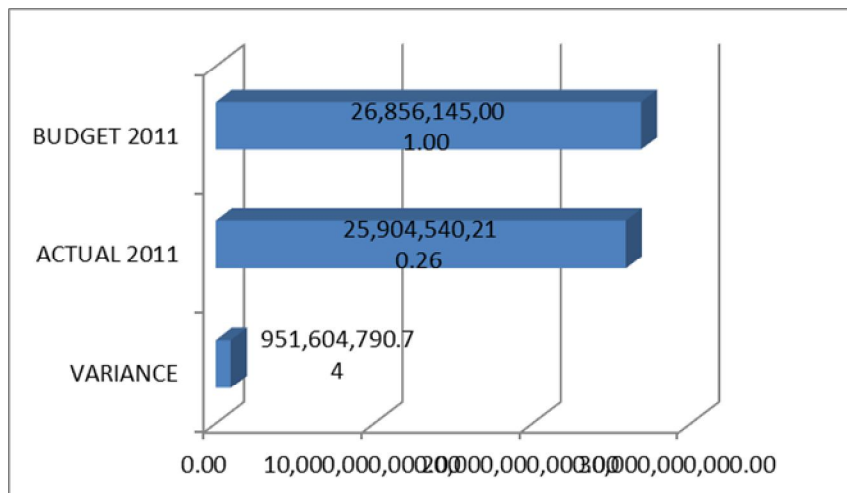
Town&country planning	212,000,000.00	170,649,178.00	41,350,822.00
Community Development	507,187,562.00	33,556,500.00	473,631,062.00
Sub total	6,108,787,562.00	2,611,785,856.81	3,497,001,705.19
Administration Sector			-
General Administration	5,988,600,000.00	3,888,600,831.01	2,099,999,168.99
Sub total	5,988,600,000.00	3,888,600,831.01	2,099,999,168.99
TOTAL CAPITAL EXPENDITURE	42,708,439,044.00	28,477,325,061.38	14,231,113,982.62
GRAND TOTAL EXPENDITURE	69,564,584,045.00	54,381,865,271.64	15,182,718,773.30

2.3 RECURRENT Vs CAPITAL EXPENDITURE BUDGET 2011

- I. While the Government of Yobe State proposed a total recurrent expenditure of N26,856,145,001.00, the actual recurrent expenditure for the year stood at N25,904,540,210.26. The figure above indicates a difference of N951,604,790.74 or 4% below the budgeted figure. This is to say that the actual recurrent expenditure for the year recorded 96% performance as reflected in the table/chart below.

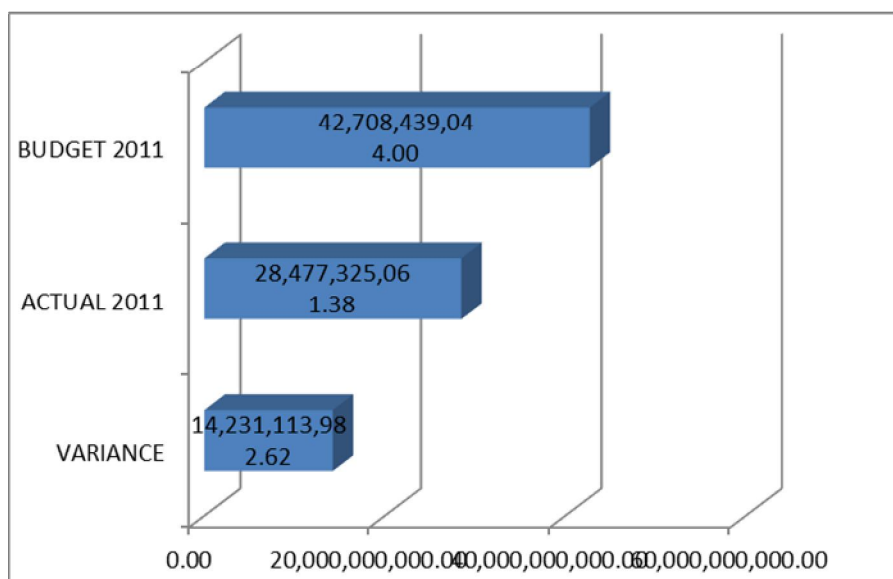
RECURRENT EXPENDITURE 2011

BUDGET 2011	ACTUAL 2011	VARIANCE	%
26,856,145,001.00	25,904,540,210.26	951,604,790.74	96%



ii. The total capital expenditure proposed for the services of the year 2011 stood at N42,708,439,044.00, while the actual capital expenditure during the year was only N28,477,325,061.38 resulting into a difference of N14,231,113,982.62 or 33% below the budgeted figure as indicated in the table/chart below.

BUDGET 2011	ACTUAL 2011	VARIANCE	Perf
42,708,439,044.00	28,477,325,061.38	14,231,113,982.62	67%

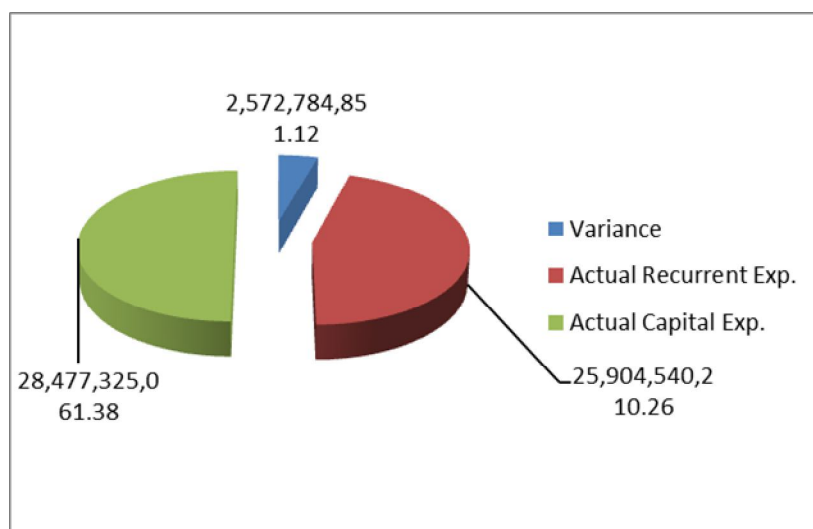


This is to say that the actual capital expenditure for the year 2011 recorded 67% performance.

iii. Judging from the above analysis, it could be observed that the size of the total actual capital expenditure 2011 is higher than that of the actual recurrent expenditure by **N2,572,784,851.12**. Since the inception of this administration, capital expenditure is always above the recurrent figure. This is in line with Ibrahim Geidam's developmental policy objectives of transforming Yobe State to take its rightful position among the developed states in Nigeria.

The table/chart below illustrated the position of recurrent and capital expenditure in the year 2011.

<i>Actual Capital Exp.</i>	<i>Actual Recurrent Exp.</i>	<i>Variance</i>
28,477,325,061.38	25,904,540,210.26	2,572,784,851.12



EXCESS CAPITAL EXPENDITURE

No case of excess capital expenditure (above budgeted figures) appeared to my notice during the year under review. It is interesting to note that for the first time in history, the capital expenditure votes did not record excess expenditure above budgeted figures. Accordingly, all votes/codes requiring argumentations were adequately provided for through appropriate virement by the collaboration of the Ministry of Budget & Economic Planning, Ministry of finance and the legislative arm of government. For this and other positive action taken to enhance our public financial management, I must commend the trio organizations and encourage them to always act swiftly in future before the finalization of the financial statement by the Accountant-General.

CHAPTER THREE

3.1 APPROPRIATION ACCOUNTS

A commendable policy re-introduced by the Ministry of Finance granting the practice of self-accounting to the various MDAs by decentralization of payments in the Treasury Division has improved adherence to budgetary provisions and proper classification of accounts. This relieves the Ministry of cumbersome responsibilities and allows proper chance to re-invigorate the Inspectorate Unit of the Ministry to intensify their supervisory roles over the MDAs to ensure the maintenance of adequate records.

As mentioned in my earlier reports, the Accountant-General should ensure that summarized details of the monthly disbursements to all the MDAs are sent to my office instantly. Similarly, the Ministry of Budget and Economic planning is expected to copy to this office all clearances issued to MDAs. This will assist in no small way in the planning of audit work rather than waiting until financial statements are submitted at the year-end before commencement of audit.

Even-though, the recording of transactions and maintenance of necessary books of accounts and control of expenditure by the Treasury Division as well as the MDAs appears to be very encouraging, a major problem area related to the transparency and accountability is that, most accounting officers of the MDAs finds it difficult to provide/cover their vouched expenditure with the relevant particulars and or supporting documents as required by existing financial

regulations. Accounting and Finance officers must be reminded that failure to substantiate expenditure with the relevant particulars/and or supporting documents makes it apparently difficult to validate and audit the transactions and to establish that the transactions are truly in the interest of the public service devoid of waste and pilferage.

Specific issues connected to the above assertions are project designs and specifications as well as bills of preliminary estimates are also not copied to my office by all MDAs engaged in construction works as expected. Like other financial documents/records, project designs and bills of preliminary estimate should also be subjected to necessary audit process and scrutiny, particularly at the early stage before the commencement of the project. Concerned MDAs and Accounting officers are therefore reminded to take note and respond positively in future.

Similarly, MDAs seems to seriously neglect the rules governing the stores accounting processes as materials/procurement are not taken on charge into the store house vide the stores receipt vouchers, recorded in the store ledgers and issued out for use vide the stores issue vouchers. Queries are issued to various MDAs in this respect and response is still being awaited (see ministerial accounts below for details).

It is also observed that most MDAs resort to in-house estimates for projects and programmes particularly for those projects being executed through

direct labour. Responsible government professionals in various fields such as the Directors of Public Building, Mechanical Engineering, Electrical Engineering, Medical Services, and Water and Sanitation experts (to mention but few) are left out un-involved. MDAs must ensure consultations with the relevant professional bodies and agencies before embarking on projects in order to ensure projects standardization and durability.

3.2 MINISTERIAL ACCOUNTS:

1. MINISTRY OF INFORMATION

- 10 payment vouchers in respect of various contracts amounting to N156,083,700.55 were not covered by relevant particulars of expenditure/contract supporting documents contrary to 2011 revised financial regulations rules 204(f) 206 (a,k) 703; and provisions of chapters 36/37 respectively.
- 6 vouched expenditure advanced to various officials amounting to N13,700,000.00 to meet specified expenditure could not be accounted for at the end of service delivery contrary to financial regulations rules 1001, 1003 & 1007 respectively.
- 7 payment vouchers in respect of tax deduction amounting to N14,500,000.00 could not be accounted for as required by the provisions of the financial regulations rules 713, 715 & 716 respectively.

Queries have been issued to the Ministry in relation to all the above mentioned observations and their reply is still being awaited.

2. MINISTRY OF TRANSPORT & ENERGY

- 2 vouched expenditure amounting to N8,946,577.62 could not be covered by relevant particulars of expenditure and or supporting documents.
- 5 vouched expenditure amounting to N57,271,000.00 in respect of various supplies of stores could not be channeled vide the stores accounting processes contrary to the requirements of the financial regulations rule 703 and provisions of chapter 36 respectively.
- 2 vouched expenditure amounting to N9,500,000.00 for the construction of sign posts along major roads in the state capital is not properly documented. Procured materials could not be channeled vide the stores accounting processes.

A query was issued to the Ministry and a reply has been received confirming receipt of the query, and that corrections were effected awaiting further audit verification.

3. MINISTRY FOR LOCAL GOVERNMENT AND CHIEFTAINCY AFFAIRS

- The accounts and records maintained by the Ministry in respect of 1% remittances from the Local Govt. Joint Accounts could not be produced for audit purposes despite persistent request by the Auditors and emphasis made

in previous annual reports over the issues. This issue has been recurring every year but the ministry refused to take corrective action.

4. OFFICE OF THE HEAD OF SERVICE

- Accounts/records in respect of capital and overheads were produced and rendered for audit test. No major comments appears worth reporting while minor issues bordering on outstanding retirements of advanced imprests were dealt with on the spot by the Inspection Auditors.

5. MINISTRY OF FINANCE & ECONOMIC DEV.

- Documentations and recording of transactions are satisfactory. No major comments worth reporting.
- Reconciliation of accounts in arrears but facilitated at the insistence of the Inspection Auditors.
- Examination of remittances ledger, main accounts, capital and recurrent accounts/ledgers are observed to be satisfactorily maintained. No major comments worth reporting and minor issues raised were corrected by the Ministry.
- In general terms, a remarkable progress has been made regarding the issue of documentations, recording of transactions and rendition of accounts. MDAs are advised to copy this good practice from the Ministry.

6. MINISTRY OF BUDGET & ECON. PLANNING

- Satisfactory documentation, recording of transactions and vouching. No comment worth reporting appears during the course of our audit.

7. MINISTRY OF AGRICULTURE

- 10 vouched expenditure amounting to N38,559,800.00 were not covered by the relevant particulars of expenditure/and or supporting evidences, nor were procurements made channeled through the stores accounting processes as required by chapter 33, rules 3301-3304 of the financial regulations.

A reply has been received from the Ministry acknowledging receipt of our query and confirming that necessary action are in progress to address the issues pending full reply in due course.

8. MINISTRY OF YOUTHS & SOCIAL DEV.

Accounts and records examined with no major comments worth reporting. Minor issues bordering on retirements of advanced payments to meet expenditure involving 10 number of payment vouchers worth N978,200.00 were dealt with at the insistence of the Inspection Auditors.

9. MINISTRY OF ENVIRONMENT

Accounts/records examined and verified. No major comment worth reporting.

10. MINISTRY OF RELIGIOUS AFFAIRS

Accounts books/records were burnt in a fire incident. Case was duly reported and documented by responsible Agencies (Police and State Fire Service Board). No records upon which to base our audit.

11. MINISTRY OF HOUSING

62 number of vouched expenditure amounting to N340,627,997.82 made in the name of various officials and for the completion of the Secretary to the State Government office complex were skeletal in nature, devoid of the relevant particulars of expenditure/supporting documents. These documents consist of:

- Bills of preliminary estimates as basis for expenditure and costs ascertainment.
- Job specification details, materials schedules, valuation certificates etc.
- Evidence of channeling materials/procurements vide the stores accounting processes.
- Contract agreements and service providers' statements.
 - Evidence of tax implication or alternatively direct labour approvals.
 - 5 number of vouched expenditure amounting to N23,970,066.00 in the name of Alh. M. Ahmad, devoid of the relevant particulars and supporting documents.

12. MINISTRY OF EDUCATION (EDUCATION RESOURCE CENTER)

- 5 number of vouched expenditure in respect of various services and programmes made in the name of the coordinator NECO, Director ERC and Apple House Ltd were skeletal in nature and not supported/substantiated by relevant particulars of expenditure and supporting evidences required to validate the transactions.

13. MINISTRY OF HEALTH

- 102 number of payment vouchers amounting to N307,266,348.76 in respect of various construction works, supplies and programmes were observed to be skeletal in nature devoid of the relevant particulars/supporting documents and evidences as required by the provisions of the established financial and stores regulations in force, making it impossible to vouch and validate the transactions.

A query has been issued to the ministry and their reply is still being awaiting.

3.3 ACCOUNTS OF BOARDS, PARASTATALS, CORPORATIONS, COMMISSIONS AND AGENCIES:

As we are quite aware, the audit of the accounts/records in respect of Parastatals, Boards, Corporation, Commission and Agencies is to be performed by firms of Private External Auditors as provided in Section 125 sub-section 3 of the Constitution of the Federal Republic of Nigeria.

By the end of the first quarter of the year 2012, auditing of accounts of about 40 organizations or 2/3 of the Boards and Parastatals across the state have been negotiated and engagement letters issued to respective Audit firms. Regrettably, the unfortunate insecurity situation that engulfed the state in 2012 retarded our progress, thereby jeopardizing the timely execution/completion of the audit.

Nevertheless, even-though the number of completed audit in respect of Boards and Parastatals may fall a little below that of last year (37 organizations), I want to assure you that since we are experiencing a relative peace in the State, we have re-double our efforts by gingering and compelling organizations and their external Auditors to ensure prompt submissions of their audited accounts for the year 2011. Currently about 35 organizations have been fully audited while 24 organizations are on-going. The progress of the audit in respect of various organizations can better be captured in the table below:

Organizations that have fully completed and have their draft accounts audited up to the year ended 31st December, 2011.

		SUBMISSION OF:	
S/N	ORGANIZATION	DRAFT ACCTS	AUDITED ACCTS
1	Board of Internal Revenue	2011	2011
2	State Afforestation Project	2011	2011
3	Yobe Fertilizer Company	2011	2011
4	School of Nursing and Midwifery	2011	2011
5	RUWASA	2011	2011
6	Housing & Prop. Dev. Corp.	2011	2011
7	Arabic & Islamic Educ. Board	2011	2011
8	NEAZDP	2011	2011
9	School of Health Technology	2011	2011
10	Teaching Service Board	2011	2011
11	Project Financial Mgt. Unit	2011	2011
12	State Polytechnic Geidam	2011	2011
13	Fire Service Board	2011	2011
14	Board of Traditional Medicine	2011	2011
15	Sports Commission	2011	2011
31	Local Govt. Service Commission	2011	2011

		SUBMISSION OF:	
S/N	ORGANIZATION	DRAFT ACCTS	AUDITED ACCTS
16	College of Agriculture Gajba	2011	2011
17	Yobe Broadcasting Corporation	2011	2011
18	House of Assembly Service Com	2011	2011
19	Pilot Livestock Dev. Project	2011	2011
20	Primary Health Care Mgt. Board	2011	2011
21	RWSSP	2011	2011
22	State Emergency Mgt. Agency	2011	2011
23	College of Legal & Islamic Studies	2011	2011
24	Environmental Protection Agency	2011	2011
25	Agency for Mass Education	2011	2011
26	Hotels & Tourism Board	2011	2011
27	Yobe Desert Stars FC	2011	2011
28	Yobe State Water Corporation	2011	2011
29	Yobe Investment Company Ltd.	2011	2011
30	History Bureau	2011	2011
34	Infrastructural Dev. Funds Projects	2011	2011

32	Agency for the Control of AIDs	2011	2011
33	Fertilizer Blending Plants Company, Gujba	2011	2011

35	Yobe Savings and Loans Ltd.	2011	2011

Organizations whose auditing work for 2011 are currently in progress

S/N	ORGANIZATION	SUBMISSION OF:	
		DRAFT ACCTS	AUDITED ACCTS
1	Yobe Printing Corporation	2010-2011	To 2010
2	Rural Electrification Board	2010-2011	To 2010
3	Yobe State University	2010-2011	To 2010
4	YOSAMA	2010-2011	To 2010
5	Independent Electoral Comm.	2010-2011	To 2010
6	Judicial Service Commission	2010	To 2010
7	Small & Medium Scale Ind.	2010	To 2010
8	State Scholarship Board	2010	To 2010
9	Universal Basic Educ. Board	2010	To 2010
10	Pilgrims Welfare Commission	2010	To 2010
11	Yobe Transport Corporation	2008	To 2008
12	Polythene & Woven Sacks Co.	2010	To 2010

S/N	ORGANIZATION	SUBMISSION OF:	
		DRAFT ACCTS	AUDITED ACCTS
13	Science & Tech. Educ. Board	2010	To 2010
14	Hospital Management Board	2010	To 2010
15	College of Education Gashu'a	2010	To 2010
16	CABS Potiskum	2010	To 2010
17	Yobe State Television (YTV)	2009	To 2009
18	Millennium Development Goals	2009	To 2009
19	Council for Arts & Culture	2009	To 2009
20	Local Govt. Staff Pension B.	2009	To 2009
21	Library Board	2008-2010	To 2008
22	Dofarga Spring Water	2008-2009	To 2008
23	YOSADP	2008-2009	To 2008
24	Yobe Aluminium Company	2008	To 2008

Organization that has refused to respond/comply despite our persistent request.

<i>S/N</i>	<i>ORGANIZATION</i>	<i>SUBMISSION</i>	
		<i>DRAFT ACCTS</i>	<i>AUD. ACCTS</i>
1	Yobe Flour & Feed Mills Potiskum	No response	No response

REVIEW OF “AUDITED ACCOUNTS AND MANAGEMENT REPORTS” OF BOARDS AND PARASTATALS

External Auditors reports received in respect of organizations whose audit have been completed were accordingly subjected to a review by my office and observations and comments worth reporting on various organizations are given below.

1. YOBE STATE SPORTS COUNCIL

- In page 4 of the report (management report) 2009-2010, it was observed that the management of the Sports Council did not keep their vouchers properly.
- Similarly, in page 3 of the Management report, the External Auditor (Merss Charles Nwume & Co.) reported the cases of non-availability of fixed asset register. The management is called upon to correct this lapses with immediate effect.

2. PRIMARY HEALTH CARE MANAGEMENT BOARD

Audited accounts and management reports submitted by Mesrs R.S. Omowale indicates the following:

Vital books of accounts including:-

- i. DVEA Book
- ii. General ledger
- iii. Contract Register Book
- iv. Daily Analysis Cash Book
- v. Creditor/Debtor ledgers
- vi. Fixed Asset Register

are not being maintained as required by standard accounting regulations.

- A closing balance figure of N16,406,094.44 was not reported/returned to the Ministry of finance at the end of the year for inclusion in the annual financial statements of the Accountant-General. The management is directed to get these vital documents for future audit report.

3. STATE EMERGENCY MANAGEMENT AGENCY (SEMA)

- The accounts/records of the Agency for the year ended 31st December, 2011 were audited by the External Audit firm (R.S. Omowale & Co.). In compliance to the reporting standard format, we observed that details of the financial transactions were not presented as required.
- Reports of the External Auditor indicates that, total capital expenditure for the year 2011 stood at N130,862,840.93 as against the sum of N257,493,000.00 reported in the financial statements of Yobe State Government as submitted by the Accountant-General resulting into a difference of N126,630,159.07.

- It was indicated in the management report that Books of Account that are necessary for proper recording and documentation of all financial transaction were not kept at the Agency's level.
- It was observed that the Agency did not have annual stock taking needed to ascertain stock balances.
- During the year under review, the store account at the Agency level was not maintained which violate the store regulations.
- Fixed asset register were also not maintained by the Agency. Though this is the first year the Agency is undergoing such audit, Management is advised to adopt good accounting practice in recording its financial transactions and follow stores regulations strictly for recording of all store items.

4. PILOT LIVETSOCK DEVELOPMENT PROGRAMME

Report on the accounts/records by Messr R.S Omowale & Co. observed the following details:-

- a. A closing balance of N131, 000.00 as at 31st December, 2011 not returned to treasury.
- b. Clarification for N17,340,000.00 as bank charges during the year 2011 is required.
- c. Bank reconciliation of the accounts was not prepared during the year 2011
- d. Fixed asset register was not maintained.

Management must live up its responsibilities and the Director Finance and Supply is hereby directed to make good these anomalies.

5. SCHOOL OF HEALTH TECHNOLOGY

Accounts/records examined and audited by R.S. Omowale & Co. No major comment worth reporting.

6. YOBE STATE HOUSE OF ASSEMBLY SERVICE COMMISSION

Accounts/records audited by Sa'ad & Co. contain the following observations.

- a. Bank reconciliations were not prepared on monthly basis.
- b. Expenditure were not classified, coded, and posted into the cash book accordingly.
- c. Fixed asset register was not maintained.

The Director of Finance and Supply is hereby directed to correct these anomalies.

7. YOBE STATE ENVIRONMENTAL PROTECTION AGENCY

The accounts/records audited by the Umar Hamid & Co. contain the following observations.

- a. Most of the payment vouchers were not accompanied with receipts i.e receipts not attached.
- b. Most of the payment vouchers were not signed by the authorizing officers.
- c. Absence of fixed asset register

- d. Issue of bank balances for the year 2010 (N17,510.00) not clearly stated whether it is cash at hand or at bank?

The Director Finance and Supplies must know his duties or liaise with his colleagues to know what is required of him.

8. YOBE STATE WATER CORPORATION

Accounts/records examined and verified by an external audit firm. No major comment worth reporting.

9. YOBE BROADCASTING CORPORATION

- a. Unaccounted revenue amounting to N3,274.206.75.
- b. All payment vouchers in respect of overhead cost accounts were skeletal in nature and not supported with relevant particulars.
- c. Bank reconciliation of all accounts were not prepared during the year under review
- d. The corporation does not maintain fixed asset register.

10. AGENCY FOR MASS EDUCATION BOARD

- The External Auditor (Charles Nwume & Co.) submitted a sub-standard, and incomprehensive reports not sealed and accompanied with a management report. The External Auditor was asked to re-visit the work with a view to doing a good job, failure of which the firm would be deregistered and barred from further audit job in the state.

11. YOSADP (FERTILIZER ACCOUNTS):

Audited accounts reports received from YOSADP were for the year ended January-December, 2009. The accounts for the years 2010, 2011 and 2012 have not been examined yet.

Furthermore, the audited accounts reports for 2009 did not capture the accounts maintain by the Commercial Department in respect of procurements/sales of fertilizer as expected.

The audit Department consider it very necessary to reflect the activities of the fertilizer accounts in the annual report and constituted a team of Auditors to examine the accounts for the years 2010, 2011 and 2012 in line with section 125(4) of the Constitution. The examination of the accounts is currently in progress; but due to time limit and need for issuing the Auditor-General's Annual Report for the year 2011 without further delay, the un-concluded audit issues could not be reflected here. The outcome of the inspection reports would however be reported in 2012 annual report currently in progress.

3.4 VERIFICATION OF PROJECTS EXECUTED BY MDAS:

During the year under review, over 162 capital projects (constructions, renovations and supplies) worth over twenty eight billion naira (N28,000,000,000.00) executed by MDAs were verified. Some of these projects were initiated before, but completed during the year; others were initiated and

completed within this year budget. A few of the on-going projects are still in progress.

Among the major projects executed or completed during the year includes the following:

EXECUTED AND COMPLETED PROJECTS

- a. Construction of over 19km township roads, drainages and culverts.
- b. Construction of over 157km major roads and culverts across the state.
- c. Drilling of over 45 number of new boreholes across the state.
- d. Repairs/rehabilitation of over 50 boreholes across the state.
- e. Water reticulation projects in various estates in Damaturu and Potiskum Township.
- f. Additional works in Damaturu township for water supply project.
- g. Purchase of new drilling rigs, water tankers and boreholes maintenance materials & equipment.
- h. Supply of diesel, oils and lubricants to the existing boreholes across the state.
- i. Construction and renovations of hospital wards, in General Hospitals and clinics across the state.
- j. Supply of medical equipment, service materials and programmes funding worth hundreds of million.

- k. Construction of new wards and renovation at Maryam Abatcha Maternity and Child Welfare Clinic.
- l. Construction of new hostels and renovation of existing ones, wall fencing, payment of allowances etc at Leadership Training Centre, Fika.
- m. Reactivation and uplifting of existing industries (Dofarga and Polythene & Woven Sacks Company and the Fertilizer Company).
- n. Construction of over 200 classrooms, students hostels, VIP toilets and other similar projects in Secondary Schools and Mamudo College.
- o. Supply of educational equipment, teaching materials, and programmes funding.
- p. Construction and electrification of Dawasa, Jakusko, Kartomi, Damaiya, Zanna Zakariya Estate, Legislatures quarters and replacement of transformers in various estate/locations across the state.
- q. Construction of classrooms, hostels, lectures theatres and access road in Yobe State University.
- r. General renovation work at the Government lodge in Kaduna and Abuja.

ONGOING PROJECTS AS AT 31ST DECEMBER, 2011

- a. Construction of new Governor's office complex (housing SSG's office, HoS office and other Departments).
- b. Construction of 200 bed specialist Hospital
- c. Construction/rehabilitation of Gashua-Potikum road.

- d. Construction of Nguru township roads
- e. Construction of Gashua-Yusufari road
- f. Construction of Bayemari-Bukarti road
- g. Construction of befitting Cultural Center.
- h. Construction 5 star Hotel
- i. Renovation of Abuja Liaison office

Appendix (A) present pictures of some of the verified projects fully completed.

During the course of the audit verification, some observations made are summarized below:

- a) Construction of eight (8) Nos of six-compartment VIP toilets at GSS Babban-Gida by Alh. Abba Babban-Gida at the cost of N20,286,240.00. The project was fully executed, but considering the volume of work on the ground the cost of the project seems to be highly inflated based on market survey of materials used.
- b) Fencing of magistrate court Dapchi by direct labour unit of the high court division based on in-house prepared estimates. The gates were substandard and of inferior quality despite the huge/adequate sums approved for the project.
- c) Construction of 3 number of culverts along Karage-Dawayo road through direct labour at the cost of N37,000,000.00 was executed but considering

the volume of work seen on ground, the project cost seems to be very high.

- d) Renovation of Gashua-Yusufari L.T.C line was seen to have been executed, but poor quality service wire of inferior quality material was used for the project.
- e) Renovation of GSS Amshi at the cost of N3,283,615.15. The project was executed using very poor quality of materials. Doors, windows, plaster and ceiling work are already (wasting away) collapsing.
- f) Construction of Potiskum –Jakusko to Garin-Alkali road. Project seems to be abandoned by the contractors despite huge payments already made on the project. Quality of work on the project appears to be very poor and substandard because the already completed portion of the road (Garin-Alkali to Girgiri) is failing.
- g) Fencing of GGSTC Potiskum. Project has reached above 88%, but completion is hindered by non-resolution of a conflict with neighboring residents who seem to have encroached into the school premises.
- h) Renovation of liaison office Abuja was executed using poor quality material for the structural and plaster work despite huge sum of resources. We were told that His Excellency has directed the Contractor to re-execute the work.

- i) Renovation of provost residence and 3 other staff quarters of college of Agriculture Gujba. Work on the 3 staff quarters (soak-away) was not satisfactorily executed.
- j) Release of N2,880,000.00 vide PV no. 19027 dated 10th April 2011 to Chief of Staff Government house for supply of bed sheet to all liaison offices could not be ascertain to be executed. The Liaison Officer also denied the knowledge of the supply. Release of N9,135,000.00 vide PVS no. 19281 and 19 respectively for the procurement of kitchen utensils could not be ascertained as executed because of lack of evidence to justify. The Liaison Officer equally denied knowledge of the transactions.
- k) A contract awarded to Green ways Multi-Services Company of No. 24 Mala Kachallah Estate, Maiduguri for the land scaping of the 3 star Hotel, establishing of two mini shelter belts; extension of water and tree planting at the cost of N46,976,172.00 was only partially and poorly executed despite the huge sums of money approved and paid for the project. Verifications reveals that not up to 30% of the contract obligations on the side of the project contractor was actually executed while the ministry consciously effected over 95% payment.

In line with the current reforms being undertaken by the audit, to enhance the standard and quality of audit verifications of projects and programmes, this office plans to employ the services of permanent staff consisting of engineers,

(civil, electrical and mechanical) and quantity surveyors to compliment the efforts of the professional audit teams to enable a thorough assessment.

AUDIT CERTIFICATE

In accordance with section 125(2) of the Constitution of the Federal Republic of Nigeria 1999 (as amended), I have examined the accounts and Financial statements of the Yobe State Government of Nigeria for the year ended 31st December, 2011. Returns were rendered by the Accounting Officers of MDA's in conformity with the public finance (control and management) Act 1958 (as amended). I have also obtained information and explanation necessary (except for cases observed in this report) in the discharge of my statutory responsibility.

The audit was conducted in line with auditing principles and requirements as specified in the Audit law. Projects and Programmes were verified in line with the concept of performance audit. In the discharge of my responsibility as vested on me by section 125(5) of the above Constitution, the Statement of Assets and Liabilities and the financial position of Yobe State Government given by the State Accountant-General for the year ended 31st December, 2011 have been certified, subject to comments and observations contained in this report.

In my opinion the financial statements (No. 3-6) and related schedules give a true and fair view of the State of affairs of Yobe State Government as at 31st December, 2011.

**Office of the Auditor-General,
P.M.B. 1051,
Damaturu, Yobe State.
May, 2013**


Muh'd Jawa Gashua FCNA, FCPA,
**Auditor-General,
Yobe State Government**

APPENDIX A
SAMPLE PHOTOGRAPH OF VERIFIED PROJECTS



Completed Road Project being inspected by His Excellency Gov. Geidam



One of the Completed Township Road Project



Major Road and Culverts under construction



One of the estates roads projects completed



Geidam-Yunusari Road project



Potiskum-Jakusko State Road Project



One of the completed Bridges under inspection by His Excellency Gov. Geidam



Potiskum-Jakusko bridges under construction

EDUCATION:



One of the renovated staff quarters



One of the renovated Staff quarters at Senior Secondary School



3 classrooms Block newly constructed in the year 2011



Administration Blocks at Turkish International College Mamudo
HEALTH SECTOR



Free drugs supplied by Yobe State Government



Modern Amenities building at Specialist Hospital Damaturu



One of the theatre room fully equipped



Main Entrance of the Ultra-Modern Hospital Damaturu
WATER PROJECTS



One of the modern drilling Machine purchased by Yobe State Government



Trucks fully loaded with boreholes drilling equipments



Some of the generators supplied by Gov. Geidam's administration



***One of the Rural Water Supply Project completed & Commissioned
Housing Sector***



Governor's office Complex (housing SSG, HoS & other Departments)



One of the housing estate in the state



Investment House supervise by Min. of Housing under construction in Abuja



One of the Emir's palace under construction
ON-GOING PROJECTS



One of the road project under construction



One of the drainages under construction being inspected by His Excellency Gov. Geidam



One of the bridges under construction



One of the State roads under construction

APPENDIX B
ACCOUNTANT-GENERAL'S FINANCIAL STATEMENTS OF
GOVERNMENT OF YOBE STATE OF NIGERIA
AS AT 31st DECEMBER, 2011

RESPONSIBILITY FOR FINANCIAL STATEMENTS

These financial statements have been prepared by the Accountant General of Yobe State in accordance with the provision of the Public Finance (Control and Management) Act 1958 as amended. The Financial Statement Complies with the generally accepted accounting practice and the new FAAC standardized Financial Statement reporting format, approved in 2003.

The Accountant General is responsible for establishing and maintaining a system of internal controls, designed to provide reasonable assurance that the transactions are recorded within statutory authority and properly record the use of all public financial resources by the state Government. To the best of my knowledge, this system of internal control has been adequately operated throughout the period of reports.

In my opinion, these financial statements fairly reflect the financial position of the Government of Yobe State of Nigeria as at 31st December, 2011 and its operations for the year ended on that date.



Alhaji Yahaya Ado (CNA)
Accountant General
Yobe State