



YOBE STATE GOVERNMENT OF NIGERIA

REPORT OF THE AUDITOR-GENERAL

ON NON-COMPLIANCE/INTERNAL CONTROL WEAKNESSES IN MINISTRIES, DEPARTMENTS AND AGENCIES (MDAs) FOR THE YEAR ENDED 31ST DECEMBER, 2024

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YOBE STATE GOVERNMENT OF NIGERIA

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Phase I, Secretariat
Damaturu – Yobe State

13th May, 2025

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Damaturu – Yobe State.

REPORT OF THE AUDITOR-GENERAL ON NON COMPLIANCE/INTERNAL CONTROL WEAKNESSES IN MINISTRIES, DEPARTMENTS AND AGENCIES (MDAs) FOR THE YEAR ENDED 31ST DECEMBER 2024:

In accordance with the provision of section 125 subsection 5 of the Constitution of the Federal Republic of Nigeria 1999 (as amended), and subsequent section 17 (3) of the Yobe State Public Sector Audit & Other Related Matters Law, 2021; and other relevant extant laws, we have completed the audit of accounts of the Government of Yobe State of Nigeria for the year ended 31st December 2024 and wish to submit our findings, observations, audit evaluation and recommendations for further legislative purposes.

Consequently, we shall be willing to provide any additional information and explanations that may be required in respect of the findings, observations, and or recommendation raised herein.


Mai Aliyu Umar Gulani FCNA, FCCFI, CCrFA,
Auditor-General, Yobe State.
FRC/2023/PRO/ANAN/004/427269

SECTION ONE

CROSS-CUTTING ISSUES

Cross-cutting Issues are the same non-compliance/internal control weaknesses that were identified under some Ministries, Departments and Agencies (MDAs) covered by the audit. The attention of the Public Accounts Committee of the State House of Assembly have been drawn to each of these issues through recommendations, including sanctions, with a view to stemming the tide, in this report. These issues were presented herein with a view to implements in accordance with the provisions.

However, the essence of bringing these issues together is to further enhance proper accountability and promotes transparency in the management of public resources entrusted to the care and disposal of the public officials.

Cross-cutting Issues are:

ISSUE 1: Non accounting and reporting on donations, aids and grants.

Description of findings:

Section 67 (1) of the Yobe State Public Finance Management Law, 2020 states *“All funds received by way of grants, aids and donations shall constitute public funds and shall be paid into the Consolidated Revenue Fund”*. Also, section 67 (4) of this law, 2020 provides *“Where grants, aids and donations are receivable in kind, the value of such donations shall be determined and included in the estimate and reflected as expenditure in the financial year.”*

Audit observed that:

Donations, aids and grants received from Save One Million Lives, Bill and Melinda Foundation, Aliko Dangote Foundation, ACRoSAL, Unicef, AfDB, TETFund, RAAMP, SOLID, YSRDP, AGILE, BESDA, etc., could not be verified at the state level, as details of estimates and expenditure did not incorporated in the state annual financial statements.

Recommendations

Public Accounts Committee (PAC) may call on Executives to direct Hon. Commissioners in charge of Finance, Budget, Chairman Fiscal Responsibility Board, Heads of Project Coordination Units and any other relevant persons/bodies to come-up with guidelines in line with the

applicable extant rules and regulations.

ISSUE 2: Audit of Budget estimates

Description of findings:

Section 32 of the Yobe State Public Finance Management Law, 2020 states *“(1) Each Accounting officer may cause any proposed budget estimates to be examined and reported on by the internal audit unit of the entity.”* Also subsection (2) of this law provides *“The Accounting Officer in subsection (1) of this section shall take into account any recommendations made in respect thereto before submitting estimates to the Ministry of Budget and Economic Planning.”*

Similarly, Resolutions passed by the Hon. House has call on Executive to direct the Management of MDAs to ensure proper utilization of Internal Audit Unit for check and balance of all Government business.

In spite of the extant laws, Audit observed that:

Most of the Ministries, Departments and Agencies (MDAs) did not submits their proposed budget estimates, examined and reported upon by the Head of Internal Audit Service of that entity to the Hon. Commissioner in charge of Budget and Economic Planning through budget discussions group.

Recommendations

Public Accounts Committee (PAC) may call on Executive to direct the Hon. Commissioner in charge of Budget to ensure that, all budget proposals of an entity must be examined and reported upon by the Head of Internal Audit Unit of that entity before taking into consideration by the Budget working group.

ISSUE 3: Non submission of copy/detail of preliminary estimates, bills of quantities, etc.

Description of findings:

House Resolutions dated on... states *“The House further called on the Executive to direct all MDAs to submit copy/detail of preliminary estimates, bill of quantities, etc. to the Auditor-General’ Office before executing projects for the purpose of auditing, henceforth the Hon. House will sanctioned any MDA found wanting in that regard.”*

Audit observed that:

Up to the time of writing this report, no single Ministries, Departments and Agencies (MDAs) across the State have submitted their details of preliminary estimates, bills of quantities, etc to this office for audit purposes. Therefore, such practice resulted to non-compliance with the House directives.

Recommendations

Public Accounts Committee (PAC) may direct all procuring entities (MDAs) across the State to comply with the House directives. Otherwise, sanction any officials for non-adherence to the House resolutions.

ISSUE 4: Registration with Financial Reporting Council, Nigeria

Section 41 (2) of the Financial Reporting Council Act, 2023 states “A person shall not hold any appointment or offer any service for remuneration as a professional for public interest entities, unless he is registered under this Act.”

Audit observed that:

Most of the Accounting officers/officials in Ministries, Departments and Agencies (MDAs) did not registered with the Council. Despite that the FRC is responsible for developing, publishing and enforcing accounting and financial reporting standards in Nigeria. Therefore, all Chief Executives and responsible officials ***must be registered*** with the Council for transparent accountability in public entities in line with the requirements of the applicable laws.

Recommendations

Public Accounts Committee (PAC) may call on Executive to direct Accounting officers/officials in all MDAs to comply with. Otherwise, PAC may sanctioned any erring officials for non-adherence to the provision.

SECTION TWO

FINDINGS, OBSERVATIONS AND RECOMMENDATIONS ON NON-COMPLIANCE/INTERNAL CONTROL WEAKNESSES IN MINISTRIES, DEPARTMENTS AND AGENCIES (MDAs) FOR THE YEAR ENDED 31ST DECEMBER, 2024:

1. MINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT

Issue 1: Release of funds to meet expenditure at the MDA's level:

Description of findings:

Section 7(4) of the Yobe State Public Sector Audit Law, 2021 states “*The Auditors-General shall have the full discretion in the discharge of their responsibilities, to cooperate with government or public entities that strive to improve the use and management of public funds.*”

Audit observed that:

Most of the MDAs found it difficult to confirm whether the payment have been processed into a recipient's account (contractor/service provider) by the Ministry of Finance. This practice hindered the Client (MDA) from reconciliation and proper monitoring of service delivery. Therefore, the above anomalies could be attributed to the weaknesses in the internal control system at the MDAs' level.

Possible Risks:

- i. Poor records keeping at MDAs level
- ii. Misclassification of votes

Management's Response

Payment Advice would be issued to MDA as soon as payment is effected

Audit Evaluation

Since the Ministry did not effects the issuance of Payment Advice to MDA, the findings remain valid.

Recommendations

PAC may call on Executive to direct the Hon. Commissioner in charge of Finance and Economic Development, to issue a Payment Advice to MDA indicating that an invoice or set of invoices has been paid. However, it would provide details for reconciliation, such as payment date, amount, vote charged, references to invoice numbers, etc.

Issue 2: Criteria for approval of opening and operating government entities bank accounts:

Description of findings:

Section 75 (4) of the Yobe State Public Finance Management Law, 2020 states *“The authority of Ministry of Finance shall be conveyed in writing to the responsible Chief Executive with a copy to the Auditor-General.”*

Audit observed that:

Copy of such approval granted by the Accountant-General to the Chief Executive of an entity to open and operate a government bank account have not been received in this office, thereby making it difficult for Audit to track the entities transactions.

Possible Risks:

- i. Diversion of public funds
- ii. Misappropriation of public funds

Management’s Response

Henceforth, copy of such letter would be sent to the Auditor-General.

Audit Evaluation

Since the Management failed to implements the issue raised, the findings remain valid.

Recommendations

PAC may invite the Hon. Commissioner in charge of Finance and Economic Development including State Accountant-General to justify the reasons for non-compliance to the law.

Otherwise, PAC may sanctions any erring officials relating to hiding of information in his possession, or under his control, to Auditor-General.

Issue 3: Responsibility for Assets Management

Section 125 (3) of the Yobe State Public Finance Management Law, 2020 states *“Ministry of Finance shall provide guidelines on government assets management.”*

In spite of the extant regulations:

The Ministry did not provide guidelines to Ministries, Departments and Agencies (MDAs) in respect of fixed assets register in line with the international best practice, despite the existence of the huge assets based in the organizations across the state.

The above anomalies could be attributed to the weaknesses in proper book-keeping and assets management at the MDAs.

Possible Risks:

- i. Diversion of public assets.
- ii. Loss of Government assets
- iii. Exposing public assets to unavoidable risks

Management's Response

A standard Fixed Assets Register for assets control and management are being developed by the Ministry to meet up the global best practices and the extant laws.

Audit Evaluation

Since the Management failed to implements the issue raised, the findings remain valid.

Recommendations

- i. PAC may invite the Hon. Commissioner in charge of Finance and Economic Development, to explain the reasons for the delay in implementing the extant laws.
- ii. Otherwise, sanctions relating to failure to provide information in his possession, or under his control, in relation to the financial management.

2. MINISTRY OF HIGHER EDUCATION, SCIENCE & TECHNOLOGY:

Issue 1: Payment vouchers without relevant supporting particulars and or evidences (N80,726,928)

Description of findings

Section 97 (1) of the Yobe State Public Finance Management Law, 2020 provides *"All receipts and payments vouchers of public funds shall be properly supported by pre-numbered receipt and payment vouchers shall be supported by the appropriate authority and documentation"*.

Audit observed that

Eight (8) payment vouchers worth N80,726,928 being paid for different projects/programmes in the names of some officials, contractors and or service providers were not supported with relevant supporting particulars and or evidences, made it impossible to attest if the payments were legitimate charges against public funds.

Therefore, the above anomalies could be attributed to weaknesses in the internal control system at the Ministry.

Possible Risks

- i. Payments for job not executed.
- ii. Diversion of public funds.

Management's Response

No response

Audit Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid.

Recommendations

Officials responsible should be requested to:

- i. Accounts the sums involved to the Public Accounts Committee, the reasons for not supporting with or without relevant particulars, and;
- ii. Otherwise, sanctions relating to irregular payment and gross misconduct prescribed in Section 185 (1) (a-q) & (2) of the Yobe State Public Finance Management Law, 2020, should apply.

3. MINISTRY OF BASIC AND SECONDARY EDUCATION:

Issue 1: Payment vouchers without relevant supporting particulars and or evidences (N13,806,500)

Description of findings

Section 97 (1) of the Yobe State Public Finance Management Law, 2020 provides *"All receipts and payments vouchers of public funds shall be properly supported by pre-numbered receipt and payment vouchers shall be supported by the appropriate authority and documentation"*.

Audit observed that

Five (5) payment vouchers worth N13,806,500 paid for different purposes were not supported with relevant supporting particulars and or evidences, made it impossible to attest if the payments were legitimate charges against public funds.

Therefore, the above anomalies could be attributed to weaknesses in the internal control system at the Ministry.

Possible Risks

- i. Payments for job not executed.
- ii. Diversion of public funds.

Management's Response

Necessary supporting particulars would be attached to payment vouchers in question.

Audit Evaluation

Since the Management failed to attach its supporting particulars at the presence of Audit inspection team, the findings remain valid.

Recommendations

Officials responsible should be requested to:

- i. Justify to the Public Accounts Committee, the sum of N13,806,500 paid without relevant supporting particulars, and;
- ii. Otherwise, sanctions relating to irregular payment and gross misconduct prescribed in Section 185 (1) (a-q) & (2) of the Yobe State Public Finance Management Law, 2020, should apply.

4. YOBE ROADS MAINTENANCE AGENCY (YORMA):

Issue 1: Payment vouchers without relevant supporting particulars and or evidences (N84,430,000)

Description of findings:

Section 97 (1) of the Yobe State Public Finance Management Law, 2020 provides *"All receipts and payments vouchers of public funds shall be properly supported by pre-numbered receipt and payment vouchers shall be supported by the appropriate authority and documentation"*.

Audit observed that:

Five (5) payment vouchers in the sums of N84,430,000 paid for different projects/programmes were not supported with some relevant supporting particulars/documents, and made it impossible to attest if the payments were legitimate charges against public funds.

Therefore, the above anomalies could be attributed to weaknesses in the internal control system.

Possible Risks

- i. Payments for job not executed.
- ii. Diversion of public funds.

Management's Response

Necessary supporting particulars have been provided and attached to payment vouchers in question.

Audit Evaluation

Since the Management failed to attach its supporting particulars at the presence of Audit inspection team, the findings remain valid.

Recommendations

Officials responsible should be requested to:

- i. Justify to the Public Accounts Committee, the sum of N18,430,000 paid without relevant supporting particulars, and;
- ii. Otherwise, sanctions relating to irregular payment and gross misconduct prescribed in Section 185 (1) (a-q) & (2) of the Yobe State Public Finance Management Law, 2020, should apply.

Issue 2: Non-Maintenance of Fixed Assets and Contract Registers

Description of findings:

Section 129 (1) of the Yobe State Public Finance Management Law, 2020 states *"The Accounting Officer shall be responsible for maintaining a register of assets under his control or possession as prescribed by the relevant laws"*.

Audit observed that:

The Agency did not maintain fixed assets register despite huge assets base in an organization. However, contract register indicating historical convention of the projects/programmes in line with the applicable laws were not presented for audit purposes. The above anomalies could be attributed to weaknesses in the internal control system at the Agency.

Possible Risks:

- i. Diversion of public assets.
- ii. Loss of Government assets
- iii. Exposing public assets to unavoidable risks

Management's Response

Fixed Assets and Contract registers exists in an organization, but it is not up-to-date.

Audit Evaluation

Since the Management failed to update their FAR & CR comprehensively in line with the applicable standards, the findings remain valid.

Recommendations:

Officials responsible should be requested to:

- i. Provide to the Public Accounts Committee, a comprehensive fixed assets and contract registers of an organization , and;
- ii. Otherwise, sanctions relating to mismanagement of public assets and financial misconduct specified in Section 185 (1) (k) of the Yobe State Public Finance Management Law, 2020 should apply.

5. RURAL WATER SUPPLY AND SANITATION AGENCY (RUWASA):

Issue 1: Payment vouchers without relevant supporting particulars and or evidences (N18,660,000)

Description of findings

Section 97 (1) of the Yobe State Public Finance Management Law, 2020 provides *“All receipts and payments vouchers of public funds shall be properly supported by pre-numbered receipt and payment vouchers shall be supported by the appropriate authority and documentation.”*

Audit observed that

Two (2) payment vouchers in the sums of N18,660,000 paid to Director Technical Services for drilling and installation of boreholes in 2 different locations were not supported with relevant supporting particulars and or evidences, and made it impossible to attest if the payments were legitimate charges against public funds.

Therefore, the above anomalies could be attributed to weaknesses in the internal control system at the Agency.

Possible Risks

- i. Payments for job not executed.
- ii. Diversion of public funds.

Management’s Response

Necessary supporting particulars would be attached to payment vouchers in question.

Audit Evaluation

Since the Management failed to attach its supporting particulars at the presence of Audit inspection team, the findings remain valid.

Recommendations

Officials responsible should be requested to:

- i. Justify to the Public Accounts Committee, the sum of N18,660,000 paid without relevant supporting particulars, and;
- ii. Otherwise, sanctions relating to irregular payment and gross misconduct prescribed in Section 185 (1) (a-q) & (2) of the Yobe State Public Finance Management Law, 2020, should apply.

6. TEACHING SERVICE BOARD

Issue 1: Misclassification of expenditure (N60,024,000)

Description of findings

Section 39 (2) of the Yobe State Public Finance Management Law, 2020 states *“The government entities shall execute their approved budgets based on the annual appropriation Law, and the approved annual cash flow with the exception of unforeseen and unavoidable spending dealt with through the Contingency Fund or supplementary estimates.”*

Audit observed that

Provisions (estimates) were made for Maintenance of Motor Vehicle and Other Maintenance Services in the year 2024 budget. However, there was no evidence of occurrence and or execution that would have warranted the release of the funds, yet payments amounting to the tune of N60,024,000 were made under two economic codes for the above mentioned subheads, and approval for the release of the funds and the retirement of same were not appropriately in conformity with the charged subheads. Therefore, expenditure under non-appropriate subheads, indicates that the amounts released were merely voted and charged without specific purposes.

Possible Risks

- i. Misclassification of expenditure
- ii. Misappropriation of public funds

Management’s Response

No response

Audit Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid.

Recommendations

Officials responsible should be requested to:

- i. Justify to the Public Accounts Committee, the reasons for irregular payments of the sums involved without adherence to the appropriation Law,
- ii. Recover the sum of N60,024,000 to the State Treasury,
- iii. Forward evidence of remittance to the PAC – YBHA, and
- iv. Otherwise, sanctions relating to irregular payment and gross misconduct prescribed in Section 185 (1) (a-q) & (2) of the Yobe State Public Finance Management Law, 2020, should apply.

7. HEALTHCARE FACILITIES INSPECTION & MONITORING AGENCY

Issue 1: Misclassification of expenditure (N36,200,000)

Description of findings

Section 39 (2) of the Yobe State Public Finance Management Law, 2020 states *“The government entities shall execute their approved budgets based on the annual appropriation Law, and the approved annual cash flow with the exception of unforeseen and unavoidable spending dealt with through the Contingency Fund or supplementary estimates.”*

Audit observed that

Some expenditure to cover various expenses such as bulk production of sensitive document etc. were carried out without provision of appropriate subhead in an approved estimates of the year 2024 budget. Yet, approval for the release of the funds and the retirement of same were not appropriately in conformity with the votes charged, thereby resulting to release of funds without budgetary discipline.

Possible Risks

- i. Misclassification of expenditure
- ii. Misappropriation of public funds

Management’s Response

No response

Audit Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid.

Recommendations

Officials responsible should be requested to:

- i. Justify to the Public Accounts Committee, the reasons for irregular payments of the sums involved without adherence to the appropriation Law, and;
- ii. Otherwise, sanctions relating to irregular payment and gross misconduct prescribed in Section 185 (1) (a-q) & (2) of the Yobe State Public Finance Management Law, 2020, should apply.

Issue 2: Register of inheritance Assets

Description of findings

Section 129 (1) of the Yobe State Public Finance Management Law, 2020 provides that *“The Accounting Officer shall be responsible for maintaining a register of assets under his control or possession as prescribed by the relevant laws”*. Also Section (2) of the PFM Law, 2020 states *“The register of land and buildings shall record each parcel of land and each building and the terms on which it is held...”*. Furthermore, Section 129 (3) provides *“All major items including furniture and equipment issued to a government’s quarters or offices... shall be recorded in a register”*.

Audit observed that:

- i. The Agency did not maintain fixed assets register showing date of acquisition of the assets, cost, depreciation of the assets, registration number, engine number and chassis number in the case of motor vehicle, annual depreciation, addition, net book value, etc., and
- ii. No evidence was provided to justify the maintenance of standard fixed assets, despite huge assets exist in an organization.

The above anomalies could be attributed to weaknesses in the internal control system of an Agency.

Possible Risks:

- i. Diversion of public assets.
- ii. Loss of Government assets

iii. Exposing public assets to unavoidable risks

Management's Response

No response.

Audit Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid until the Management implements the recommendations.

Recommendations

Officials responsible should be requested to:

- i. Provide to the Public Accounts Committee, a comprehensive fixed assets and contract registers of an organization, and
- ii. Otherwise, sanctions relating to mismanagement of public assets and financial misconduct specified in Section 185 (1) (k) of the Yobe State Public Finance Management Law, 2020 should apply.

8. STATE UNIVERSAL BASIC EDUCATION BOARD

Issue 1: Misclassification of expenditure (N17,775,000)

Description of findings

Section 39 (2) of the Yobe State Public Finance Management Law, 2020 states *"The government entities shall execute their approved budgets based on the annual appropriation Law, and the approved annual cash flow with the exception of unforeseen and unavoidable spending dealt with through the Contingency Fund or supplementary estimates."*

Audit observed that

Provisions (estimates) were made for Monitoring and Evaluation with economic code 22021015 in the year 2024 budget. However, there was no evidence of occurrence of expenditure being charged to the tune of N17,775,000 that would have warranted the release of the funds, rather than the payments for logistics of some officials to attend a function in Abuja. This practice contravened the purpose of the approved budget of the above mentioned subhead, and the release of the funds and the retirement of same were not appropriately in conformity with the code charged. Therefore, expenditure without appropriate subhead, indicates that the amounts released were merely voted and spent with not due regard to budget discipline.

Possible Risks

- i. Misclassification of expenditure
- ii. Misappropriation of public funds

Management's Response

No response

Audit Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid.

Recommendations

Officials responsible should be requested to:

- i. Justify to the Public Accounts Committee, the reasons for irregular payments of the sums involved without adherence to the appropriation Law,
- ii. Recover the sum of N17,775,000 to the State Treasury,
- iii. Forward evidence of remittance to the PAC – YBHA, and
- iv. Otherwise, sanctions relating to irregular payment and gross misconduct prescribed in Section 185 (1) (a-q) & (2) of the Yobe State Public Finance Management Law, 2020, should apply.

9. SCIENCE AND TECHNICAL SCHOOLS BOARD

Issue 2: Non remittance of Account Balance (N229,810.63)

Section 77 (1) of the Yobe State Public Finance Management Law, 2020 provides that *“Not later than 15th January each year, Chief Executives shall surrender to the State treasury unexpended voted money or excess Appropriations-in-Aid.”*

Audit observed that:

- i. The 2 different accounts domiciled at Zenith Bank have a surplus cash balance amounting to N229,810.63. However, no authoritative documents were made available justifying carried forward-in liability of the account balance for audit purpose.
- ii. Therefore, non-surrender of end-of-year surplus cash balance to the treasury could amount to the fact that the sums involved remained unaccounted.

The above anomalies could be attributed to weaknesses in the internal control system.

Possible Risks

- i. Loss of public funds.
- ii. Difficulty in funding budget.

Management's Response

No response

Audit Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid.

Recommendations

Officials responsible should be required to:

- i. Provide the reasons to the Public Accounts Committee, for non-remittance of N229,810.63.
- ii. Recover the sum of N229,810.63 and remit same to the Treasury.
- iii. Forward evidence of remittance to the PAC, and
- iv. Otherwise, sanctions relating to failure to account for public funds as contained under section 185 (2) of the PFML, 2020 be applied.

10. HOSPITALS MANAGEMENT BOARD

Issue 1: Internally generated revenue (IGR) shortfall (N95,651,095):

Description of findings

Section 58 (1) of the Yobe State Public Finance Management Law, 2020 states “An accounting officer and a revenue collector are personally responsible for ensuring that:

- (a) *adequate safeguards are exists and are applied for the prompt collection and proper accounting for, all government revenue and other public fund relating to their entity;*
- (b) *adequate measures, including legal actions where appropriate, are taken to obtain payment.*

Audit observed that

Despite promising potentials of internally generated revenue (IGR) sources exists under some revenue subheads in the General Hospitals across the state, the Board performed below expectations. In spite of an estimated target of N108,500,000 in the year 2024; the actual collections were recorded at N12,848,905 only representing 12% performance, thereby leaving a shortfall of (N95,651,095).

Possible Risk

- i. Loss of Government revenue
- ii. Difficulty in funding budget

Management's Response

No response

Audit Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid.

Recommendations

Officials responsible should be requested to:

- i. Justify to the Public Accounts Committee, the reasons for not taken appropriate measures to ensure revenue generation performance, and
- ii. Otherwise, sanctions relating to financial misconduct as prescribed under section 185 (1) (p) of the PFML, 2020; should apply.

11.HOUSING & PROPERTY DEV. CORPORATION

Issue 1: Internally generated revenue (IGR) shortfall:

Description of findings

Section 58 (1) of the Yobe State Public Finance Management Law, 2020 states “An accounting officer and a revenue collector are personally responsible for ensuring that:

- (a) *adequate safeguards are exists and are applied for the prompt collection and proper accounting for, all government revenue and other public fund relating to their entity;*
- (b) *adequate measures, including legal actions where appropriate, are taken to obtain payment.*

Audit observed that

Despite refunds from owner occupier scheme being classified under some revenue subheads, the Corporation’s performance stood at only N4,239,951 represents 2%; which is grossly inadequate and could be attributed to weaknesses in the internal control system at the YSHPDC.

Possible Risk

- i. Loss of Government revenue
- ii. Difficulty in funding budget

Management's Response

No response

Audit Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid.

Recommendations

Officials responsible should be requested to:

- i. Justify to the Public Accounts Committee, the reasons for not taken appropriate measures to ensure refunds of public funds, and;
- ii. Otherwise, sanctions relating to financial misconduct as prescribed under section 185 (1) (p) of the PFML, 2020; should apply.

12. MINISTRY OF ENVIRONMENT

Issue 1: Internally generated revenue (IGR) shortfall (N10,220,860):

Description of findings

Section 58 (1) of the Yobe State Public Finance Management Law, 2020 states “An accounting officer and a revenue collector are personally responsible for ensuring that:

- (a) *adequate safeguards are exists and are applied for the prompt collection and proper accounting for, all government revenue and other public fund relating to their entity;*
- (b) *adequate measures, including legal actions where appropriate, are taken to obtain payment.*

Audit observed that

Despite promising potentials of internally generated revenue (IGR) sources exists under some revenue subheads in the Ministry, the organization failed to meet an estimated target of N11,900,000 in the year 2024; the actual collections were recorded at N1,679,140 only representing 14% performance, thereby leaving a shortfall of (N10,220,860).

Possible Risk

- i. Loss of Government revenue
- ii. Difficulty in funding budget

Management's Response

No response

Audit Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid.

Recommendations

Officials responsible should be requested to:

- i. Justify to the Public Accounts Committee, the reasons for not taken appropriate measures to ensure revenue generation performance, and
- ii. Otherwise, sanctions relating to financial misconduct as prescribed under section 185 (1) (p) of the PFML, 2020; should apply.

Issue 2: Non-Maintenance of Fixed Assets and Contract Registers

Description of findings:

Section 129 (1) of the Yobe State Public Finance Management Law, 2020 states *“The Accounting Officer shall be responsible for maintaining a register of assets under his control or possession as prescribed by the relevant laws”*.

Audit observed that:

The Ministry did not maintain fixed assets register despite huge assets base in an organization. However, contract register indicating historical convention of the projects/programmes in line with the applicable laws were not presented for audit purposes. The above anomalies could be attributed to weaknesses in the internal control system at the Ministry.

Possible Risks:

- i. Diversion of public assets.
- ii. Loss of Government assets
- iii. Exposing public assets to unavoidable risks

Management’s Response

Fixed Assets and Contract registers exists in an organization, but it is not up-to-date.

Audit Evaluation

Since the Management failed to update their FAR & CR comprehensively in line with the applicable standards, the findings remain valid.

Recommendations:

Officials responsible should be requested to:

- i. Provide to the Public Accounts Committee, a comprehensive fixed assets and contract registers of an organization , and;
- ii. Otherwise, sanctions relating to mismanagement of public assets

and financial misconduct specified in Section 185 (1) (k) of the Yobe State Public Finance Management Law, 2020 should apply.

13. YOBE DESERT STAR FC

Issue 1: Payment of public funds into personal account (N15,700,000)

Description of Findings

Paragraph 809 of the Yobe State Financial Regulations (FR) 2004 states *“Private money will in no circumstances be paid into an official bank account, nor any public money be paid into a private bank account.”*

Audit observed that:

A total sums amounting to over N15,700,000 were paid into personal accounts without proper classification of expenditure. These practice contravened the provisions of the extant rules and regulations, and non-transparent accountability of the public funds entrusted to the care and disposal of public officials.

The above anomalies could be attributed to weaknesses in the internal control system at the Council.

Possible Risks

- i. Loss of government funds.
- ii. Diversion of public funds.

Management’s Response

No response

Recommendations

Officials responsible should be requested to:

- i. Justify to the PAC-YBHA, the reasons for payments into personal accounts, and;
- ii. Otherwise, sanctions relating to irregular payment and gross misconduct prescribed in Section 185 (1) (a-q) & (2) of the Yobe State Public Finance Management Law, 2020, should apply.

14. DRUGS AND MEDICAL CONSUMABLES MANAGEMENT AGENCY:

Issue 1: Non remittance of Account Balance (N1,548,334)

Description of findings:

Section 77 (1) of the Yobe State Public Finance Management Law, 2020 provides that *“Not later than the 15th January each year, Chief Executives shall surrender to the State treasury unexpended voted money or excess Appropriations-in-Aid.”*

Audit observed that:

Two different accounts maintained by the agency at Zenith Bank Plc and Keystone Bank have a surplus cash balance amounting to N1,548,334 as at 1/1/2024. However, no authoritative documents were made available justifying carried forward-in liability of the account balance for audit purposes.

Therefore, non-surrender of end-of-year Surplus cash Balance to the treasury could amount to the fact that the sums involved remained unaccounted.

The above anomalies could be attributed to weaknesses in the internal control system.

Possible Risks

- i. Loss of public funds.
- ii. Difficulty in funding budget.

Management's Response

No response

Audit Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid.

Recommendations

Officials responsible should be required to:

- i. Provide the reasons to the Public Accounts Committee, for non-remittance of N1,548,334.
- ii. Recover the sum of N1,548,334; and remit same to the Treasury.
- iii. Forward evidence of remittance to the Public Accounts Committee, and;
- iv. Otherwise, sanctions relating to failure to account for public funds as contained under section 185 (2) of the PFML, 2020 should apply.

15. SMALL & MEDIUM SCALE INDUSTRIES CREDIT BOARD

Issue 1: Non-Maintenance of Fixed Assets and Contract Registers:

Section 129 (1) of the Yobe State Public Finance Management Law, 2020 states "The Accounting Officer shall be responsible for maintaining a register of assets under his control or possession as prescribed by the relevant laws".

Audit observed that:

The Board did not maintain fixed assets register despite its procurements worth hundreds of millions. However, contract register indicating historical convention of the projects/programmes in line with the applicable laws were not presented for audit purposes, and; no evidence to justify the maintenance of standard fixed assets and Contract registers in spite of huge assets exist in an organization.

The above anomalies could be attributed to weaknesses in the internal control system at the Agency.

Possible Risks:

- i. Diversion of public assets.
- ii. Loss of Government assets
- iii. Exposing public assets to unavoidable risks

Management's Response

No response

Audit Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid.

Recommendations

Officials responsible should be requested to:

- i. Provide to the Public Accounts Committee, a comprehensive fixed assets and contract registers of an organization , and
- ii. Otherwise, sanctions relating to mismanagement of public assets and financial misconduct specified in Section 185 (1) (k) of the Yobe State Public Finance Management Law, 2020 should apply.

16. STATE AGRICULTURAL DEVELOPMENT PROGRAMME (YOSADP)

Issue 1: Non-Submission of Annual Financial Statements 2024

Description of findings

Section 181 of the Yobe State Public Finance Management Law, 2020 provides that *“The Chief Executive of a corporation shall prepare and submit annual financial and non-financial statements in the format prescribed by the commissioner within three months after the end of the financial year to the Auditor-General with copies to the responsible*

Commissioner and Ministry of Finance.”

In spite of the extant regulations:

The Organization failed to submit its audited financial statements for the year 2024 to this Office, and such practice contravened the provisions of the extant rules and regulations.

Therefore, the above anomalies could be attributed to weaknesses in the internal control system at the YOSADP.

Possible Risks

- i. Impediments to Public Accounts Committees oversight
- ii. Sub-optimal decisions by those charged with governance.

Management’s Response

No response

Audit Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid.

Recommendations

Officials responsible should be requested to:

- i. Justify to the Public Accounts Committee, the reasons for non-compliance to the provisional law, and;
- ii. Otherwise, sanctions relating to failure to account for public funds as contained under section 185 (2) of the PFML, 2020 should apply.

17. PILOT LIVESTOCK DEVELOPMENT PROGRAMME

Issue 1: Non-Submission of Annual Financial Statements 2024

Description of findings

Section 181 of the Yobe State Public Finance Management Law, 2020 provides that *“The Chief Executive of a corporation shall prepare and submit annual financial and non-financial statements in the format prescribed by the commissioner within three months after the end of the financial year to the Auditor-General with copies to the responsible Commissioner and Ministry of Finance.”*

In spite of the extant regulations:

The Organization failed to submit its audited financial statements for the year 2024 to this Office, and such practice contravened the provisions of the extant rules and regulations.

Therefore, the above anomalies could be attributed to weaknesses in the internal control system at the PLDP.

Possible Risks

- i. Impediments to Public Accounts Committees oversight
- ii. Sub-optimal decisions by those charged with governance.

Management's Response

No response

Audit Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid.

Recommendations

Officials responsible should be requested to:

- i. Justify to the Public Accounts Committee, the reasons for non-compliance to the provisional law, and;
- ii. Otherwise, sanctions relating to failure to account for public funds as contained under section 185 (2) of the PFML, 2020 should apply.

18.YOBE STATE PRINTING CORPORATION:

Issue 1: Non-Submission of Annual Financial Statements 2024

Description of findings

Section 181 of the Yobe State Public Finance Management Law, 2020 provides that *"The Chief Executive of a corporation shall prepare and submit annual financial and non-financial statements in the format prescribed by the commissioner within three months after the end of the financial year to the Auditor-General with copies to the responsible Commissioner and Ministry of Finance."*

In spite of the extant regulations:

The Organization failed to submit its audited financial statements for the year 2024 to this Office, and such practice contravened the provisions of the extant rules and regulations.

Therefore, the above anomalies could be attributed to weaknesses in the internal control system at the Corporation.

Possible Risks

- i. Impediments to Public Accounts Committees oversight
- ii. Sub-optimal decisions by those charged with governance.

Management's Response

No response

Audit Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid.

Recommendations

Officials responsible should be requested to:

- i. Justify to the Public Accounts Committee, the reasons for non-compliance to the provisional law, and;
- ii. Otherwise, sanctions relating to failure to account for public funds as contained under section 185 (2) of the PFML, 2020 should apply.

19. YOBE STATE AIDS Control Agency (YOSACA):

Issue 1: Non-Submission of Annual Financial Statements 2024

Description of findings

Section 181 of the Yobe State Public Finance Management Law, 2020 provides that *“The Chief Executive of a corporation shall prepare and submit annual financial and non-financial statements in the format prescribed by the commissioner within three months after the end of the financial year to the Auditor-General with copies to the responsible Commissioner and Ministry of Finance.”*

In spite of the extant regulations:

The Organization failed to submit its audited financial statements for the year 2024 to this Office, and such practice contravened the provisions of the extant rules and regulations.

Therefore, the above anomalies could be attributed to weaknesses in the internal control system at the Agency.

Possible Risks

- i. Impediments to Public Accounts Committees oversight
- ii. Sub-optimal decisions by those charged with governance.

Management’s Response

No response

Audit Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid.

Recommendations

Officials responsible should be requested to:

- i. Justify to the Public Accounts Committee, the reasons for non-compliance to the provisional law, and;
- ii. Otherwise, sanctions relating to failure to account for public funds as contained under section 185 (2) of the PFML, 2020 should apply.

20.YOBE STATE CARGO AIRPORT AGENCY:

Issue 1: Non-Submission of Annual Financial Statements 2024

Description of findings

Section 181 of the Yobe State Public Finance Management Law, 2020 provides that *“The Chief Executive of a corporation shall prepare and submit annual financial and non-financial statements in the format prescribed by the commissioner within three months after the end of the financial year to the Auditor-General with copies to the responsible Commissioner and Ministry of Finance.”*

In spite of the extant regulations:

The Organization failed to submit its audited financial statements for the year 2024 to this Office, and such practice contravened the provisions of the extant rules and regulations.

Therefore, the above anomalies could be attributed to weaknesses in the internal control system at the Agency.

Possible Risks

- i. Impediments to Public Accounts Committees oversight
- ii. Sub-optimal decisions by those charged with governance.

Management’s Response

No response

Audit Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid.

Recommendations

Officials responsible should be requested to:

- i. Justify to the Public Accounts Committee, the reasons for non-compliance to the provisional law, and;
- ii. Otherwise, sanctions relating to failure to account for public funds as contained under section 185 (2) of the PFML, 2020 should apply.

21.YOBE STATE AFFORESTATION PROGRAMME:

Issue 1: Non-Submission of Annual Financial Statements 2024

Description of findings

Section 181 of the Yobe State Public Finance Management Law, 2020 provides that *“The Chief Executive of a corporation shall prepare and submit annual financial and non-financial statements in the format prescribed by the commissioner within three months after the end of the financial year to the Auditor-General with copies to the responsible Commissioner and Ministry of Finance.”*

In spite of the extant regulations:

The Organization failed to submit its audited financial statements for the year 2024 to this Office, and such practice contravened the provisions of the extant rules and regulations.

Therefore, the above anomalies could be attributed to weaknesses in the internal control system at the Programme.

Possible Risks

- i. Impediments to Public Accounts Committees oversight
- ii. Sub-optimal decisions by those charged with governance.

Management’s Response

No response

Audit Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid.

Recommendations

Officials responsible should be requested to:

- i. Justify to the Public Accounts Committee, the reasons for non-compliance to the provisional law, and;
- ii. Otherwise, sanctions relating to failure to account for public funds as contained under section 185 (2) of the PFML, 2020 should apply.

22.YOBE STATE HISBAH COMMISSION:

Issue 1: Non-Submission of Annual Financial Statements 2024

Description of findings

Section 181 of the Yobe State Public Finance Management Law, 2020 provides that *“The Chief Executive of a corporation shall prepare and*

submit annual financial and non-financial statements in the format prescribed by the commissioner within three months after the end of the financial year to the Auditor-General with copies to the responsible Commissioner and Ministry of Finance.”

In spite of the extant regulations:

The Organization failed to submit its audited financial statements for the year 2024 to this Office, and such practice contravened the provisions of the extant rules and regulations.

Therefore, the above anomalies could be attributed to weaknesses in the internal control system at the Commission.

Possible Risks

- i. Impediments to Public Accounts Committees oversight
- ii. Sub-optimal decisions by those charged with governance.

Management’s Response

No response

Audit Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid.

Recommendations

Officials responsible should be requested to:

- i. Justify to the Public Accounts Committee, the reasons for non-compliance to the provisional law, and;
- ii. Otherwise, sanctions relating to failure to account for public funds as contained under section 185 (2) of the PFML, 2020 should apply.

23. YOBE STATE INVESTMENT PROMOTION AGENCY:

Issue 1: Non-Submission of Annual Financial Statements 2024

Description of findings

Section 181 of the Yobe State Public Finance Management Law, 2020 provides that *“The Chief Executive of a corporation shall prepare and submit annual financial and non-financial statements in the format prescribed by the commissioner within three months after the end of the financial year to the Auditor-General with copies to the responsible Commissioner and Ministry of Finance.”*

In spite of the extant regulations:

The Organization failed to submit its audited financial statements for the year 2024 to this Office, and such practice contravened the provisions of the extant rules and regulations.

Therefore, the above anomalies could be attributed to weaknesses in the internal control system at the Agency.

Possible Risks

- i. Impediments to Public Accounts Committees oversight
- ii. Sub-optimal decisions by those charged with governance.

Management's Response

No response

Audit Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid.

Recommendations

Officials responsible should be requested to:

- i. Justify to the Public Accounts Committee, the reasons for non-compliance to the provisional law, and;
- ii. Otherwise, sanctions relating to failure to account for public funds as contained under section 185 (2) of the PFML, 2020 should apply.

24. YOBE FLOUR AND FEED MILLS:

Issue 1: Non-Submission of Annual Financial Statements 2024

Description of findings

Section 181 of the Yobe State Public Finance Management Law, 2020 provides that *"The Chief Executive of a corporation shall prepare and submit annual financial and non-financial statements in the format prescribed by the commissioner within three months after the end of the financial year to the Auditor-General with copies to the responsible Commissioner and Ministry of Finance."*

In spite of the extant regulations:

The Organization failed to submit its audited financial statements for the year 2024 to this Office, and such practice contravened the provisions of the extant rules and regulations.

Therefore, the above anomalies could be attributed to weaknesses in the

internal control system at the Company.

Possible Risks

- i. Impediments to Public Accounts Committees oversight
- ii. Sub-optimal decisions by those charged with governance.

Management's Response

No response

Audit Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid.

Recommendations

Officials responsible should be requested to:

- i. Justify to the Public Accounts Committee, the reasons for non-compliance to the provisional law, and;
- ii. Otherwise, sanctions relating to failure to account for public funds as contained under section 185 (2) of the PFML, 2020 should apply.

25.YOBE MICRO FINANCE BANK:

Issue 1: Non-Submission of Annual Financial Statements 2024

Description of findings

Section 181 of the Yobe State Public Finance Management Law, 2020 provides that *“The Chief Executive of a corporation shall prepare and submit annual financial and non-financial statements in the format prescribed by the commissioner within three months after the end of the financial year to the Auditor-General with copies to the responsible Commissioner and Ministry of Finance.”*

In spite of the extant regulations:

The Organization failed to submit its audited financial statements for the year 2024 to this Office, and such practice contravened the provisions of the extant rules and regulations.

Therefore, the above anomalies could be attributed to weaknesses in the internal control system at the Bank.

Possible Risks

- i. Impediments to Public Accounts Committees oversight
- ii. Sub-optimal decisions by those charged with governance.

Management's Response

No response

Audit Evaluation

Since the Management failed to respond to the issue raised, the findings remain valid.

Recommendations

Officials responsible should be requested to:

- i. Justify to the Public Accounts Committee, the reasons for non-compliance to the provisional law, and;
- ii. Otherwise, sanctions relating to failure to account for public funds as contained under section 185 (2) of the PFML, 2020 should apply.