

OFFICE OF THE AUDITOR-GENERAL NASARAWA STATE



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Our Ref. _____

Your Ref. _____

Date: _____ 28th October, 2020

The Chairman,
Committee on COVID-19,
Response and Recovery,
Nasarawa State

AUDITOR GENERALS REPORT ON NASARAWA STATE GOVERNMENT FINANCIAL ACTIVITIES ON COVID-19 RESPONSE AND RECOVERY FOR THE MONTH OF SEPTEMBER, 2020

INTRODUCTION:

The financial records and transactions of the Nasarawa State COVID-19 response and recovery activities have been reviewed for the month of September, 2020. Observations arising as a result of these are herewith forwarded for your information and further action, please.

Revenue and expenditure

A review of the COVID-19 accounts revealed that the total sum of one hundred and seventy one million, sixty five thousand, six hundred and ninety six naira, thirty eight kobo (**₦171,065,696.38**) only was received from the State Government as revenue as shown on note 1 while the total sum of one Hundred and sixty one million fourteen thousand one hundred and twenty three naira sixty six kobo (**₦161,014,123.66**) only was expended on personnel allowances, Overheads, other expenditures and Capital Projects/Programs as shown in Notes 6 and 9.

A SUMMARY OF THE RECORDS FOR THE MONTH OF SEPTEMBER, 2020 IS PRESENTED THUS:

	₱	₱
Revenue		171,065,696.38
Expenditure		
-Personnel allowances	7,249,000.00	
-Overheads	-	
-Other Expenditure	<u>142,009,029.28</u>	149,258,029.28
-Capital Projects	-	<u>11,656,094.38</u>
-Bank balance as at 30 th September, 2020		<u>160,914,123.66</u>
-Balance at hand as at 30th September, 2020		6,380,521.32
		3,771,051.40

INTERNAL CONTROL

The internal controls set in the management of Covid-19 funds appear to be weak. Payment for goods and services were made without due approval/authorization procedures being adhered to. In general, procurement and stores procedures

appear to have been breached as payment vouchers do not contain necessary supporting documents in almost all payments.

While budget lines are maintained in MDAs, the funds for Covid-19 are still transferred to the Covid-19 account whose Budget line is in the SSG's Office. This might create some difficulty/confusions in accountability.

RECOMMENDATION

A specific policy on Covid-19 financial management should be put in place with definition on Budget Lines – Line MDAs' roles and the role of the Covid-19 financial management team. It is advised that all funds/Budget should be channeled to a dedicated Covid-19 account which will now capture/collate all transaction in relation to Covid-19. Funds will be transferred to line ministries where budgetary provisions are made, thus retirements will be done by expending units.

STORES PROCEDURE

- Adherence to stores management, regulation and procurement guidelines on Covid-19 expended funds appear to be a challenge. Stores Issue Vouchers/Stores Receive Vouchers were not sighted in payment vouchers. Evidence of quotation, advertisement for procurement were not noticed in our review contrary to the provision of the state public procurement law 2019.

This appears to indicate a weakness in the internal controls in place on management of Covid-19 fund.

RECOMENDATION

Provide all documents (procurement/stores management) on Covid-19 expenditure and stores receive/issue vouchers for our verification.

- The recognition of donations/support in cash and kind in Covid-19 accounts appear to pose a challenge as evidence could not be obtained to establish that this was done. In view of these, the actual position of Covid-19 account on donations and support could not be established hence, the non-authentication of financial statements in this respect.

RECOMMENDATION

Ensure donation and support in cash and in kind from individuals and organizations are recognized and incorporated in Covid-19 account for accurate data capture and thus adequate financial information.

SPECIFIC OBSERVATION

- **Budget Compliance**

A review of accounts maintained for Covid-19 revealed non-budget compliance. A total sum of ₦142,009,029.28 was expended (other expenditures) without budgetary provisions. See note 8.
Please, explain or make amends and inform us for further verification.

- **Non-compliance with IPSAS and National Chart of Accounts**

A review of some expenditure on Covid-19 by some MDA's reveal non-compliance with IPSAS and NCOA guidelines as payment vouchers were raised and payment made without economic codes, this is in addition to non-adherence to procurement and stores guidelines.

AUDIT CERTIFICATION ON COVID – 19 ACCOUNTS.

- Nasarawa State is eligible to receive performance-based grant financing from the Federal Government subject to performance against predefined criteria in the World Bank Assisted States Fiscal Transparency, Accountability and Sustainability Program to provide fiscal relief to States in response to COVID-19.
- The monthly budget execution reports of the Government of Nasarawa State of Nigeria for the month of March to September 2020 on the COVID-related funds had been submitted to me.
- The report have been audited by me in accordance with Section 125 Subsection 2 of the Constitution of the Federal Republic of Nigeria 1999 (as amended).
- In the course of the audit, I performed financial and compliance audit in accordance with International Standards on Auditing (ISAs) and International Standards of Supreme Audit Institutions (“ISSAIs”).
- I have obtained information and explanation that to the best of my knowledge was relevant and necessary for the purpose of the audit. This audit has provided me with reasonable evidences and assurances which formed the basis for my independent opinion.
- In my opinion, the published monthly report on the COVID-19 budget implementation by Nasarawa State, presents fairly and completely, in all material respects, expenditures incurred and funds received against the COVID-19 recovery Program by the State for the quarter ended 30th September, 2020 as required in line with International Public Sector Accounting Standards (IPSAS) and the applicable laws and regulations.



Lamus .A. Rayyanu FCMA
State Auditor General
Nasarawa State.

NASARAWA STATE GOVERNMENT:

COVID-19 BUDGET EXECUTION REPORT (REVENUE) FOR MARCH TO SEPTEMBER, 2020

EXPENDITURE ITEM	NOTE	ORIGINAL APPROVAL BUDGET	2020 AMENDED BUDGET (COVID-19 RESPONSES)	MONTHLY COVID-19 RESPONSIVE BUDGET 2020 STARTING FROM MARCH, 2020	ACTUAL COVID-19 RESPONSIVE FOR SEPTEMBER, 2020	CUMULATIVE ACTUAL FOR YEAR (MARCH-SEPTEMBER, 2020)	VARIANCE FOR SEPTEMBER, 2020
Opening Balance		-	-				
State Government COVID fund	1	-	11,055,381,389	1,105,538,138.90	171,065,696.38	880,646,946.82	10,174,734,442.20
Transfer from Federal Government	2	-	1,000,000,000.00	100,000,000.00	-	-	(100,000,000.00)
Support from DEVT. partners	3	-					
Borrowed funds	4	-					
Donation	5	-					
TOTAL			12,055,381,389.90	1,205,538,138.90	171,065,696.38	880,646,946.82	10,074,734,442.20

NASARAWA STATE COVID-19 BUDGET EXECUTION REPORT (EXPENDITURES) FOR MARCH TO SEPTEMBER, 2020

EXPENDITURE:									
RECURRENT:	NOTE	2020 ORIGINAL BUDGET	2020 AMENDED BUDGET (COVID-19 RESPONSIVE)	MONTHLY COVID-19 RESPONSIVE BUDGET 2020 (STARTING FROM MARCH 2020)	ACTUAL COVID-19 RESPONSIVE FOR SEPTEMBER, 2020	CUMULATIVE ACTUAL	% PERFORMANCE	VARIANCE	
Salaries and Wages	6		400,000,000.00	40,000,000.00	7,249,000.00	111,712,800.00	27.93	288,287,200.00	
Overhead costs	7		1,100,000,000.00	110,000,000.00	-	299,231,019.76	27.20	800,768,980.24	
Other Expenditures	8		-	-	142,009,029.28	142,009,029.28	-	(142,009,029.28)	
Total Recurrent	-		1,500,000,000.00	150,000,000.00	149,358,029.28	552,952,849.14	36.86	947,047,150.86	
Social	-		4,405,381,399.07	-	-	242,285,000.00	2.50	4,163,096,399.07	
Economic	-		4,400,000,000.00	-	-	12,000,000.00	0.27	4,388,000,000.00	
Administration	-		750,000,000.00	-	11,656,094.38	54,944,207.70	7.33	695,055,792.30	
Capital	9		9,555,381,399.07	-	11,656,094.38	309,229,207.70	3.23	9,246,152,191.37	
Grand Total	-		11,055,381,399.07	150,000,000.00	161,014,123.66	862,182,056.84	7.80	10,193,199,342.20	

NOTES: TO THE COVID-19 ACCOUNTS

1. All release in respect of Covid-19 from inception to 30th September, 2020 .
2. Budgetary expectation from federation accounts in terms of Covid-19 as stated in the reviewed 2020 Nasarawa State budget.
3. No Donation was captured in terms of development partners for Covid-19 in the 2020 revised Covid-19 Budget.
4. No Borrowing in terms of Covid-19 is anticipated in the revised 2020 Budget.
5. Donations were not captured in the 2020 revised Budget.
6. Total expenditure on salaries and wages/allowances from March to September, 2020 in terms of Covid-19.
7. There were no expenditures on overhead in the month of September
8. Total expenditure on other expenditure from inception to september,2020.
9. Expenditures made in capital projects in relation to Covid-19 responses in the month of September, 2020.

NOTE 1

RELEASE IN RESPECT OF THE CONTROL AND CONTAINMENT OF COVID – 19

S/N	DATE	DESCRIPTION	AMOUNT(₦)	REMARKS
1	07/09/2020	Funds to put in place Covid-19 preventive measure for safe re-opening of schools for graduating classes	56,889,000.00	
2	10/9/2020	Monitoring of Schools to ensure Covid-19 preventive Measures Compliance at WAEC examination.	3,708,000.00	
3	18/9/2020	Procurement of Personal Protective Equipments to Fight Against Corona Virus.	67,438,602.00	
4	24/9/2020	Renovation of some parts of the Former Office Complex of NUDB to serve as the Office of the Covid-19	11,656,094.38	
5	25/9/2020	Procurement of Personal Protective Equipments (Coverall) for use of Medical/Health Workers	19,125,000.00	
6	25/9/2020	Procurements of Personal Protective Equipments for use during Bye-election of Nasarawa Central Constituency into the state House of Assembly.	4,400,000.00	
7	25/9/2020	Police escort services Allowance	500,000.00	
8	25/9/2020	Health care workers at point Entry, Supervision, Quarantine and Rumour Management Monthly Allowance	7,249,000.00	
9	28/9/2020	Funds to clear grasses I the Covid-19 Isolation centre, Shabu	100,000.00	
		TOTAL	171,065,696.38	

NOTE 6

**TOTAL EXPENDITURE ON SALARIES AND WAGES/ALLOWANCES
FOR SEPTEMBER, 2020 IN TERMS OF COVID-19.**

S/N	DATE	DESCRIPTION	AMOUNT(₦)	REMARKS
1	25/9/2020	Allowances for Health Worker at entry point, supervision/Quarantine Areas.	7,249,000.00	
		TOTAL	7,249,000.00	

NOTE 8

TOTAL EXPENDITURE ON OTHER EXPENDITURE FROM INCEPTION TO SEPTEMBER, 2020.

S/N	DATE	DESCRIPTION	AMOUNT(₦)	REMARKS
1	29/9/2020	MGR UBA PLC: bank charges	177.28	
2	27/9/2020	MGR UBA PLC: Stamp Duty	67,438,602.00	
3	29/9/2020	P.S Ministry of Health Procurement of PPE (Overall) for use of Medical Personal	19,125,000.00	
4	16/9/2020	Umar I. Abu Fumigation of Sec. Schools purchase of equipment thermometers	10,450,000.00	
5	16/9/2020	Umar I. Abu Fumigation of Sec. Schools purchase of equipment thermometers	7,050,000.00	
6	16/9/2020	Umar I. Abu Fumigation of Sec. Schools purchase of equipment thermometers	4,250,000.00	
7	16/9/2020	Umar I. Abu Fumigation of Sec. Schools purchase of equipment thermometers	13,040,000.00	
8	16/9/2020	Umar I. Abu Fumigation of Sec. Schools purchase of equipment thermometers	2,970,000.00	
9	16/9/2020	Umar I. Abu Fumigation of Sec. Schools purchase of equipment thermometers	2,390,000.00	
10	16/9/2020	Umar I. Abu Fumigation of Sec. Schools purchase of equipment thermometers	7,920,000.00	
11	16/9/2020	Umar I. Abu Fumigation of Sec. Schools purchase of equipment thermometers	6,055,000.00	
	16/9/2020	Umar I. Abu Fumigation of Sec. Schools purchase of equipment thermometers	1,320,000.00	
		TOTAL	142,009,029.28	

NOTE 9

**EXPENDITURES MADE IN CAPITAL PROJECTS IN RELATION TO COVID-19 RESPONSES
IN THE MONTH OF SEPTEMBER, 2020.**

S/N	DATE	DESCRIPTION	AMOUNT(₦)	REMARKS
1	24/9/2020	Committee Chairman being funds released for renovation of former NUDB Building for Covid-19 office.	11,656,094.38	
		TOTAL	11,656,094.38	