



THE WORLD BANK

PCB/POP MANAGEMENT PROJECT)
(FEDERAL MINISTRY OF ENVIRONMENT)

AUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST DECEMBER, 2015

BY



OFFICE OF THE AUDITOR-GENERAL FOR THE FEDERATION
Plot 273, Central Business District,
Abuja

**NIGERIA-POLYCHLORINATED BIPHENYL (PCB) MANAGEMENT PROJECT
(FEDERAL MINISTRY OF ENVIRONMENT)**

**AUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST DECEMBER, 2015
(January to December, 2015)**

BY

**OFFICE OF THE AUDITOR-GENERAL FOR THE FEDERATION
Plot 273 Samuel Ademulegun Street,
Central Business District, Abuja.**

To:

Management Committee of the PCB/POP Management Project

REPORT OF THE INDEPENDENT AUDITORS ON THE FINANCIAL STATEMENTS OF THE PCB/POP MANAGEMENT PROJECT FOR THE YEAR ENDED 31ST DECEMBER, 2015.

We have audited the accompanying financial statements of the PCB/POP Management Project for the year ended 31st December, 2015. These financial statements comprise the statement of financial position and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information on the statements.

Management Committee's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Public Sector Accounting Standards (IPSAS) and legislation, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards for Supreme Audit Institutions (ISSAIs). These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.


An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of PCB/POP Management Project as at 31st December, 2015 and of its financial performance and its cash flows for the year then ended in accordance with IPSAS.

The Statements of Expenditures (SOEs) are in agreement with the Books of Accounts and adequate supporting documentation was maintained to support the claims to the World Bank for reimbursements of expenditure and which were eligible for financing under the financing agreement.


F. N. ANYANWU (MRS.)
Ag. Auditor-General for the Federation
Office of the Auditor-General for the Federation,
Audit House,
Plot 273, Samuel Ademulegun Street,
Central Business District,
P.M.B. 128 Garki,
Abuja.

17th June, 2016

**NIGERIA-POLYCHLORINATED BIPHENYL (PCB) MANAGEMENT PROJECT
FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON 31ST DECEMBER, 2015.**

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**NIGERIA-POLYCHLORINATED BIPHENYL (PCB) MANAGEMENT PROJECT
PROJECT INFORMATION/PROFILE FOR THE PERIOD ENDED ON 31ST DECEMBER, 2015.**

PROJECT BACKGROUND

The Nigeria Polychlorinated Biphenyl (PCB) Management Project is a four-year program initiated in February 2012. The project is being funded with grant from the Global Environment Facility (GEF) and with government counterpart funding. The development and global environment objective of the project is to strengthen national capacity for management of Persistent Organic Pollutants (POPs) and in particular, Polychlorinated Biphenyls (PCB) as required under the Stockholm Convention on Persistent Organic Pollutants. To track progress towards the Project Development Objective (PDO), the key project outcome indicators are: a) a national POPs/PCB policy adopted by Government and b) a national PCB management plan is adopted and implemented by Government.

The project consists of four major components: (1) capacity-building for POPs and PCB management; (2) environmentally sound management of on-line and off-line electrical equipment; (3) national baseline inventory of PCB and PCB containing equipment and development of national PCB management action plan; and (4) project management and monitoring and evaluation.

PRINCIPAL OFFICERS OF THE PROJECT

- | | |
|----------------------------------|-----------------------------------|
| 1. Stella Uchenna Mojekwu (Mrs) | - National Project Coordinator |
| 2. Yusuf Babatunde Adebola | - Monitoring & Evaluation Officer |
| 3. Dauda Musa | - Environmental Officer |
| 4. Abdulganeey Oladele Opeloyeru | - Procurement Officer |
| 5. Razaq Lukman Babatunde | - Internal Auditor |
| 6. Sylvanus E. Onoh | - Project Accountant |

AUDITORS

Office of the Auditor-General for the Federation

Plot 273, Samuel Ademulegun Street, Central Business District,
P.M.B. 128, Garki, Abuja.

Web site: www.oaugf.gov.ng

e-mail: info@oaugf.gov.ng

PROJECT HEAD OFFICE

1B, Mao-Tse Tung Street,
Off Jimmy Carter Street,
Asokoro, Abuja.

e-mail: nigeriapcb@yahoo.com

PROJECT FINANCIERS

Global Environmental Facility (GEF)
Federal Government of Nigeria (FGN)

RESPONSIBLE AGENCY

Federal Republic of Nigeria
Federal Ministry of Environment
Ahmadu Bello Way,
Central Business District,
P.M.B. 14,
Abuja.

INTERNATIONAL IMPLEMENTATION AGENCY

World Bank

BANKERS

First Bank Plc.
No. 14, Aguiyi Ironsi Street,
Maitama, Abuja.

NIGERIA-POLYCHLORINATED BIPHENYL (PCB) MANAGEMENT PROJECT
STATEMENT OF ACCOUNTING POLICIES FOR THE PERIOD ENDED ON 31ST DECEMBER, 2015.

The following is the summary of the significant Accounting Policies adopted in the preparation of the project's Financial Statement. These policies have been consistently applied to all through year:

1. BASIS OF PREPARATION

The Financial Statements have been prepared under the in accordance with International Public Sector Accounting Standards (IPSAS) financial reporting under the cash basis of accounting. Cash basis of accounting recognizes transactions and events only when cash (including equivalents) is received or paid by the entity.

2. PRINCIPAL ACTIVITIES

The project is principally engaged in capacity building for sound PCB management, design, development and implementation of environmentally sound management for on-line and off-line electrical equipment, baseline national inventory of PCB and development of national PCB management action plan; and project management and monitoring and evaluation.

The project does not have profit motive.

3. ACCUMULATED FUND

All contributions by the two financiers –GEF and FGN- were only recognized when received and capitalized as accumulated fund. The fund is subsequently increased or reduced by surplus or deficit from the statement of financial performance.

4. RECOGNITION OF INCOME & EXPENDITURE

Income is recognized only when received. Expenditures are recognized when they become payable or incurred.

5. NON-CURRENT ASSETS

- (a) Non-current assets acquired during the year were stated at cost.
- (b) Depreciation: No depreciation was provided on the non-current assets.
- (c) In the opinion of the principal officers, the non-current assets will be transferred to the Implementing Agency (Federal Ministry of Environment) at the end of the Project's life at the cost.

6. REPORTING & FOREIGN CURRENCY

The reporting currency is the Nigerian Naira (~~N~~). Transactions in foreign currencies are recorded in Naira at the rates of exchange ruling at the dates of transactions.

NIGERIA-POLYCHLORINATED BIPHENYL (PCB) MANAGEMENT PROJECT
STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED ON 31ST DEC., 2015.

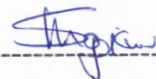
	(Notes)	2015 ₦	2014 ₦
Receipts	1	<u>197.00</u>	<u>3,153,557.81</u>
Expenditures			
Consultancy Services, Goods and works	2	223,382,251.89	125,342,139.30
Training and Workshops	3	19,767,527.39	45,556,567.20
Operating Costs	4	<u>40,965,883.14</u>	<u>54,259,534.32</u>
Total Expenditures		<u>(284,115,662.42)</u>	<u>(225,158,240.82)</u>
Surplus/ (Deficit)	5	<u>(284,115,465.42)</u>	<u>(222,004,683.01)</u>

The accounting policies on Page 5 and notes on Pages 12-16 form an Integral part of these financial statements.

NIGERIA-POLYCHLORINATED BIPHENYL (PCB) MANAGEMENT PROJECT
STATEMENT OF FINANCIAL POSITION AS AT 31ST DEC., 2015

		2015	2014
ASSETS	(Notes)		
CURRENT ASSETS			
Bank Balances	6	51,183,689.08	142,846,037.34
Prepayments	7	<u>12,100,000.00</u>	<u>24,200,000.00</u>
TOTAL CURRENT ASSETS		63,283,689.08	167,046,037.34
NON CURRENT ASSETS	12	<u>111,939,750.16</u>	<u>111,939,750.16</u>
Total Assets		<u>175,223,439.24</u>	<u>278,985,787.50</u>
LIABILITIES & FUNDS/NET ASSETS			
LIABILITIES			
Payables	9	15,475,497.25	61,143,598.04
Suspense	8	330,256.47	330,256.47
Funds/Net Assets	10	<u>159,417,685.52</u>	<u>217,511,930.99</u>
Total Liabilities & Net assets		<u>175,223,439.24</u>	<u>278,985,787.50</u>

Stella Uchenna Mojekwu (Project Coordinator)



Sylvanus E. Onoh (Project Accountant)



The accounting policies on Page 5 and notes on Pages 12-16 form an Integral part of these financial statements.

NIGERIA-POLYCHLORINATED BIPHENYL (PCB) MANAGEMENT PROJECT
STATEMENT OF CHANGES IN NET ASSETS/FUNDS FOR THE PERIOD ENDED ON 31ST DEC., 2015.

Assets/Funds	(Notes)	Net		
		Funds	Surplus/Deficit	
		₦	₦	₦
As at 1 st January, 2015	550,819,892.87		(333,307,961.88)	217,511,930.99
Contribution for the year	226,021,219.95		-	226,021,219.95
Surplus/(Deficit) For the year	-		(284,115,465.42)	(284,115,469.42)
As at 31 st December, 2015		<u>776,841,112.82</u>	<u>(617,423,427.30)</u>	<u>159,417,685.52</u>
As at 31 st December, 2014		<u>(550,819,892.87)</u>	<u>(333,307,961.88)</u>	<u>217,511,930.99</u>

The accounting policies on Page 5 and notes on Pages 12-16 form an Integral part of these financial statements.

NIGERIA-POLYCHLORINATED BIPHENYL (PCB) MANAGEMENT PROJECT
STATEMENT OF CASH FLOW FOR THE PERIOD ENDED ON 31ST DEC., 2015.

	2015	2014
	₦	₦
OPERATING ACTIVITIES		
Surplus/ (Deficit) for the Period	(284,115,465.42)	(222,004,683.31)
Non-Operating Activities items – Interest received	(197.00)	(326,953.35)
Changes in current assets/liabilities		
(Increase)/decrease in prepayment	12,100,000.00	(16,200,000.00)
Increase/ (decrease) in payables	(45,668,100.79)	59,643,598.04
Increase/ (decrease) in suspense	-	(2,696,604.46)
Net cash flow from Operating Activities	(317,683,763.21)	(181,584,643.08)
INVESTING ACTIVITIES		
Acquisition of Assets	-	(69,351,495.16)
Interest Received	197.00	326,953.35
Net cash flow from investing activities	197.00	(69,024,541.81)
FINANCING ACTIVITIES		
IDA Credit	27,112,767.62	-
GEF Grant	198,908,452.33	155,063,322.61
FGN Counterpart Fund	-	-
Net cash flow from Financing Activities	226,021,219.95	155,063,322.61
Net cash flow for the year	(91,662,342.26)	(95,545,862.28)
Cash & cash equivalents at the beginning of the Year	142,846,037.34	238,391,899.62
Cash & cash equivalents at the end of the year	<u>51,183,691.08</u>	<u>142,846,037.34</u>

The accounting policies on Page 5 and notes on Pages 12-16 form an Integral part of these financial statements.

**Reconciliation of cash and cash equivalents at
the end of the year**

	2015	2014
	₹	₹
Bank Balances		
Draw down account	11,836,222.30	6,975,512.98
Counterpart account	348,515.19	84,231,190.53
Special Account	<u>38,998,953.59</u>	<u>51,639,333.83</u>
Cash and Bank Balances at the end of the year	<u>51,183,691.08</u>	<u>83,202,439.29</u>

The accounting policies on Page 5 and notes on Pages 12-16 form an Integral part of these financial statements.

NIGERIA-POLYCHLORINATED BIPHENYL (PCB) MANAGEMENT PROJECT
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON 31ST DEC., 2015.

	2015	2014
	₦	
1. Revenue		
▪ Sales of Tender Documents	-	130,000.00
▪ Interest Income	197.00	326,953.35
▪ Miscellaneous Receipts	-	<u>2,696,604.46</u>
	<u>197.00</u>	<u>3,153,557.81</u>
2. Consultancy Service		
Development of Requisite Docs	-	630,000.00
Identification of Laboratories	-	879,916.00
Monitoring & Evaluation Manual	2,940,069.00	20,928,769.00
National Baseline Inventory for PCBs	104,973,804.00	81,691,586.00
National PCB Mgt. Plan – Consultancy	108,912,167.89	14,290,844.50
National PCB Mgt Plan – Goods	4,036,211.00	-
National PCB Mgt Plan – Works	2,520,000.00	-
Identification Interim Storage	-	<u>6,921,023.80</u>
	<u>223,382,251.89</u>	<u>125,342,139.30</u>

The accounting policies on Page 5 and notes on Pages 12-16 form an Integral part of these financial statements.

NIGERIA-POLYCHLORINATED BIPHENYL (PCB) MANAGEMENT PROJECT
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON 31ST DEC., 2015.

3. Training & Workshop

Project Launch/Inception Workshop	-	-
National & Int'l Training/Workshop	<u>19,767,527.39</u>	<u>45,556,567.20</u>
	<u>19,767,527.39</u>	<u>45,556,567.20</u>

4. Operating Costs

Stationeries/Office Supplies	454,887.50	1,671,494.50
PMU Incentive	5,700,000.00	12,150,000.00
Interministerial Steering Committee	6,378,501.60	-
Support Staff Salary	4,461,449.28	3,785,967.34
Procurement of Expenses	-	-
Rent of Office Accommodation	12,100,000.00	8,000,000.00
Office Furniture & Fittings	12,500.00	-
Equipment Maintenance	576,499.00	419,762.38
Insurance, Fuel & Tracking	(220,500.00)	1,913,425.00
Supervision Travel cost	5,229,796.00	15,961,424.00
Maintenance of Office Accommodation	56,500.00	24,400.00
Utilities (Electricity & Water)	100,000.00	243,500.00
Fuel & Lubricants	435,300.00	-
Cleaning & Sanitation	34,000.00	-
Audit Fee	-	-
Bank Charges	295,420.36	838,564.35
Advertisement & Publicity	879,281.90	2,096,478.75
Security Services	3,024,000.00	2,772,000.00
Courier and Postages	-	123,750.00
Internet Connectivity	300,000.00	356,000.00
Service of Meetings	622,500.00	3,115,316.00
Maintenance of Motor Vehicle	500,247.50	149,432.00
Office Expenses	25,500.00	284,000.00
Impress Expenses	-	250,000.00
Local Transportation	-	<u>100,000.00</u>
	<u>40,965,883.14</u>	<u>54,259,534.32</u>

NIGERIA-POLYCHLORINATED BIPHENYL (PCB) MANAGEMENT PROJECT
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON 31ST DEC., 2015.

	2015	2014
	₦	₦
5. Surplus/ Deficit		
Net balance in SOP transferred	(284,115,465.42)	(222,004,683.31)
6. Bank Balances:		
Naira Accounts		
Draw Down Account	11,836,222.30	6,975,512.98
Counterpart Account	<u>348,515.19</u>	<u>84,231,190.53</u>
	12,184,737.49	91,206,703.51
Special Account	<u>38,998,951.59</u>	<u>51,639,333.83</u>
	<u>51,183,689.08</u>	<u>142,846,037.34</u>
7. Prepayments		
Prepaid Rent (2016)	<u>12,100,000.00</u>	<u>24,200,000.00</u>
8. Suspense		
Irrecoverable difference in the Statement of Sources and uses of funds	330,256.47	330,256.47
9. Payables		
Asset Acquisition	-	59,643,598.08
Payment Due to Consultants	3,529,756.00	-
Audit Fee brought forward	<u>1,500,000.00</u>	<u>1,500,000.00</u>
	<u>5,029,756.00</u>	<u>61,143,598.04</u>
<p>The Payables due to Consultants are brought into the book but not yet debited by the bank as at 31st December, 2015.</p>		
10. Funds/Net Assets		
Changes in Funds/Net Assets	<u>159,417,681.52</u>	<u>217,511,930.99</u>
11. Funds		
Counterpart Contribution by IDA	27,112,767.62	-
Counterpart Contribution by GEF	198,908,452.33	155,063,322.61
Counterpart Contribution by FGN	<u>-</u>	<u>-</u>
	<u>226,021,219.95</u>	<u>155,063,322.61</u>

The accounting policies on Page 5 and notes on Pages 12-16 form an Integral part of these financial statements.

NIGERIA-POLYCHLORINATED BIPHENYLS (PCB) MANAGEMENT PROJECT
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON 31ST DEC., 2015.

12. Non-Current Assets Schedule

	Land	Motor Vehicles & Generator	Office Equipment & Furniture	Total
COST	₦	₦	₦	₦
As at 1 st Jan. 2015	62,354,000.00	32,438,805.00	16,120,945.16	111,939,750.16
Additions	-	-	-	-
As at 31 st Dec. 2015	<u>62,354,000.00</u>	<u>32,438,805.00</u>	<u>16,120,945.16</u>	<u>111,939,750.16</u>
DEPRECIATION				
As at 1 st Jan. 2015	-	-	-	-
For the Year	-	-	-	-
As at 31 st Dec. 2015	-	-	-	-
NET BOOK VALUE				
As at 31 st Dec. 2015	<u>62,354,000.00</u>	<u>32,438,805.00</u>	<u>16,120,945.16</u>	<u>111,939,750.16</u>
As at 31 st Dec. 2014	<u>62,354,000.00</u>	<u>32,438,805.00</u>	<u>15,824,647.50</u>	<u>111,939,750.16</u>

The accounting policies on Page 5 and notes on Pages 12-16 form an Integral part of these financial statements.

NIGERIA-POLYCHLORINATED BIPHENYLS (PCB) MANAGEMENT PROJECT
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON 31ST DEC., 2015.

	2015	2014
	N	N
13. Bank Charges		
Draw Down Account	25,172.25	635,841.41
Counterpart Account	4,363.25	13,571.25
Special Account	<u>266,117.11</u>	<u>189,151.69</u>
	<u>295,652.61</u>	<u>838,564.35</u>

14. Events after reporting period

There was no event occurring after the reporting period date that warrants any adjustments on the financial statements.