

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE ON FERMA

ON

“INVESTIGATION INTO THE UNILATERAL, ARBITRARY AND UNAUTHORISED CREATION OF THE POSITIONS OF ACTING EXECUTIVE DIRECTORS IN FERMA AND THE OPERATIONAL ACTIVITIES OF FERMA FROM 2015 TILL DATE”.

Resolution No. (HR.131/2016)

LAI D ON THURSDAY 8TH DECEMBER, 2016

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EXECUTIVE SUMMARY

The Federal Road Maintenance Agency (FERMA) is being run without a Governing Board and a Substantive Managing Director since **September, 2015**. This follows the dissolution of the governing Board of the Agency alongside other Boards and Parastatals by the Federal Government as well as the expiration of the tenure of its Managing Director. Through a letter from the Permanent Secretary, Federal Ministry of Works Mr. M.S. Kigbu, the Executive Director West Operations of the Agency, Mr. Peter Ibu being the most senior officer in the Agency was directed to take over the Agency as Ag. Managing Director from the outgoing Managing Director Mr. Amuchi G.C.

Immediately after taking over the affairs of the Agency as Ag Managing Director, Mr. Ibu arrogated to himself the powers of the President of the Federal Republic of Nigeria by unilaterally and without authorization, issued letters of appointment to the Deputy Directors of the various Departments of the Agency as Ag. Executive-Directors of their respective departments. The power to appoint Heads of Departments of FERMA which is a political office is only exercisable by the president of the Country. By the provisions of **Section 2(2) of the FERMA Act, 2002**, the positions or posts of acting Executive Directors do not exist and are not known to the Act. The Unilateral and arbitrary creation of the positions of acting Executive Directors in FERMA by the Ag. Managing Director amounts to executive recklessness, lawlessness and a violation of **Section 2(2) of the FERMA (Establishment) Act, 2002**.

The Federal Road Maintenance Agency (FERMA) has within the period **September 2015 to October 2016** received billions of Naira from the Federal Government for the repair of Roads and bridges on Federal Trunk roads without commensurate work to show for the monies received. Therefore, the Acting Managing Director of FERMA, Mr. Peter Ibu and his team of illegally appointed acting Executive Directors have questions to answer for the inadequate utilization of funds released to FERMA during the period **September 2015 to October 2016**. This brought to fore a dysfunctional and ridiculous situation in the management of the Agency.

It was against this backdrop that the House of Representatives on Wednesday, **19th October 2016** deliberated on a motion on the Unilateral, Arbitrary and Unauthorized Creation of the Position of Executive Directors in the Federal Road Maintenance Agency (FERMA) and the operational activities of FERMA from **September 2015** till date especially the usage of billions of Naira released to FERMA between **September 2015** till date with a view to seeing that Nigerian roads are fixed. Upon deliberation, the House passed a resolution mandating its Committee on Federal Road maintenance Agency (FERMA) to investigate the matter and report back to the House.

Relying on the resolution of the House and the explicit provisions of Section 88 and 89 of the 1999 Constitution of the Federal Republic of Nigeria (as amended), the House Committee on Federal Road Maintenance Agency (FERMA) decided to conduct an Investigative Hearing on the matter.

The Investigative Hearing was held on the **2nd and 23rd November, 2016**. The Committee received submission from the FERMA Management on the subject matter of the investigation. Submission was also received from the Accountant General of the Federation on releases made to the Agency during the period under review.

In the course of the investigations, the Committee was able to make the following findings:-

- i. During the period under review, FERMA was faced with some challenges such as huge maintenance backlogs with high Capital Expenditures required to address rehabilitation and maintenance backlogs;
- ii. Engr. Peter Ibu as Acting Managing Director of FERMA on the dissolution of the board of FERMA wrote a letter to the Permanent Secretary, Federal Ministry of Works, D.S. Kigbu, dated **16th September, 2015** requesting for approval to constitute a Transitional Management Committee for FERMA based on a meeting held with the Permanent Secretary on **15th September 2015**;
- iii. It was found that there was no official reply or approval to Engr. Peter Ibu's request before he went ahead to appoint **6** Acting Executive Directors into FERMA Executive Management Committee on **7th September, 2015**;
- iv. Furthermore, Engr. Peter Ibu appointed all **6** Acting Executive Directors on **7th of September, 2015** and these appointment letters preceded **15th September, 2015**, the day he held a meeting with the Permanent Secretary which minutes he based his appointments. The appointment letters of all **6** Executive Director's also predated the letter of Engr. Peter Ibu dated **16 September, 2015** to the Permanent Secretary requesting to constitute the transitional Executive Management Committee;
- v. The Minutes of the Meeting between the Permanent Secretary and Engr. Peter Ibu held on **15th September, 2015** could not be found in the document submitted by FERMA to the Committee, yet he relied on the Minutes to make the Executive Directors appointment;
- vi. All appointments of **6** Acting Executive Directors were done by Engr. Peter Ibu in complete disregard to the relevant sections of FERMA Act that deals with composition of the Board and Staff of FERMA;
- vii. According to the document submitted, the money released to FERMA from **September 2015** till **14th October 2016** is as follows:-
 - Overhead =N= 5,542,511,925.22
 - Capital =N=12,184,194,102.00
- viii. It was found from the document submitted that the total jobs awarded by the Agency on Roads and Bridges from **September 2015** till date were **12** in number, with a total sum of **₦448,556,703.70**. out of which only one job was paid (**₦56,261,571.94**) on **7th April, 2016**;
- ix. From the document, there is no clear statement at all on how the **₦3,232,882,974.01** handed over by former M.D Engr. G.C Amuchi to Engr. Peter Ibu on **21st September, 2015** has been expended;
- x. It was also discovered that cash advances to staff was very rampant and payments were made, sometimes to more than **40** persons per day;

- xi. During the period under reference, direct labour was used to execute many projects in the zones and on major Federal Trunk Roads, and this consumed much of the Agency's finances;
- xii. Furthermore, there was only showing of the twenty Million naira (N20,000,000) revenue that accrued from Utilization of Sundry Equipment in the Zone, but how this amount was expended was not shown;
- xiii on page 13 of the document submitted, the table of the year 2013 and 2014 were shown with the headings appropriated sum, released; Unreleased and remarks. Under remarks, what was stated was executed jobs not paid for, but how much was paid for executed works was not stated. Also, it cannot be understood why years 2011 and 2012 were omitted from the table.

To address the monumental undermining of the provisions of the FERMA (Establishment) Act, 2002 by the Acting Managing Director of FERMA and his team of illegally appointed Acting Executive Directors and the serious ineptitude and lack of effectiveness on the part of the FERMA Management to ensure judicious utilization of funds released to the Agency, the Committee recommend as follows:

- a) Since the appointment of Acting Executive Directors of FERMA by the Acting Managing Director, Engr. Peter Ibu did not follow due process having not been in compliance with the FERMA Act, 2002 (as amended) the officer's so appointed should revert to the status quo ante;
- b) The Acting Managing Director of FERMA, Engr. Peter O. Ibu be cautioned for creating the positions of Executive Directors in FERMA, and appointing officers into the positions in violation of Section 2 (2) and Section 11 of FERMA Act, 2002 (as amended);
- c) The Committee recommends that all the acting Executive Directors refund all monies received in that capacity from 7th September, 2015 till date (if any) to the coffers of FERMA since their appointment was illegal and violated the FERMA Act, 2002 (as amended);
- d) The Committee also directs FERMA to provide requisite record on how the sum of N3,232,882,974.01 handed over to Engr. Peter Ibu by the former Managing Director of the Agency, Engr. G.C. Amuchi was expended since no clear statement was found from the document submitted to the Committee by FERMA.

1.0 PREAMBLE

The Federal Road Maintenance Agency (FERMA) is being operated without a governing Board since September, 2015 when the Board of the Agency was dissolved by the Federal Government. Equally the Agency is superintended by an acting Managing Director in person of Engr. Peter Ibu who took over in acting capacity from Engr. G.C Amuchi whose tenure as Managing Director expired in September, 2015.

However, on assumption of office as acting Managing Director of the Agency, Engr. Peter Ibu issued letter of appointment as acting Executive Directors to the 6 Deputy Directors of the various

Departments of the Agency in clear violation of **Section 2 (2) of the FERMA (Establishment) Act, 2002**. This action of the acting Managing Director was a clear case of administrative recklessness and lawlessness which is capable of undermining the Act establishing the Agency if not urgently checked.

A further worrisome situation in the Federal Road Maintenance Agency (FERMA) is the ineptitude and lack of effectiveness on the part of present Management of the Agency since their assumption of office in **September, 2015**. Despite the billions of Naira released to the Agency from **September 2015** till date only a negligible portion of the fund was used to fix Roads and Bridges in the country leaving much of the roads in the country in a deplorable condition.

It was against this backdrop that the House of Representatives on **Wednesday 19th October, 2016** deliberated on a motion that sought to investigate the "Unilateral, Arbitrary and Unauthorized Creation of the positions of Acting Executive Directors in FERMA and the operational activities of FERMA from **September, 2015** till date". The House passed a resolution mandating its Committee on FERMA to investigate the matter.

Relying on the resolution of the House and the explicit provisions of **Sections 88 and 89 of the 1999 Constitution of the Federal Government of Nigeria (as amended)**, the House Committee on Federal Road Maintenance Agency (FERMA) decided to conduct an investigative hearing on the matter.

2.0 OBJECTIVES

The Primary objective of the investigative Hearing was to fulfil the provisions of **section 80, 81 and 82 of the 1999 Constitution of the Federal Republic of Nigeria (as amended)** which empowers the National Assembly to appropriate funds for the running of Government Ministries, Departments and Agencies (MDA's), as well as to specify the mode of withdrawals and spending of such funds by the MDA's. The Hearing intends to unravel whether or not funds appropriated to FERMA during the period under review were appropriately withdrawn and expended on purposes for which the funds were meant. The Hearing was also meant to ensure that only duly constituted officials of FERMA were allowed to oversee the withdrawal and spending's of such funds from the consolidated revenue fund of the federation (or any other fund for that matter).

3.0 METHODOLOGY

To achieve its mandate, the Committee has during its pre-hearing meetings identified the operational framework for the investigative hearing as follows:-

1. To conduct a Two day investigative hearing on the mandate which was scheduled for **Wednesday 2nd and Thursday 3rd November, 2016**.
2. In order to get to the root of the issues involved, the Committee decided to write the Management of FERMA to provide data on the following:-
 - i. Hand over notes from the Former Managing Director of FERMA (Mr. Amuchi) to Acting Managing Director, Mr. Peter Ibu;
 - ii. Amount of money left by the former Managing Director (Mr. Amuchi) in FERMA Account (s) during his handover;

- iii. Letters appointing Mr. Peter Ibu first as non-career Executive Director and later as Acting Managing Director;
 - iv. Letters appointing all Acting Executive Directors of FERMA;
 - v. Schedules of duties of all Acting Executive Directors of FERMA;
 - vi. Minutes of all Executive management and management meetings of FERMA held in the months of October, November 2015 and January, February and March 2016.
 - vii. Amount of Money released to FERMA for its Personnel, Overhead and Capital Costs from September, 2015 till date on monthly basis;
 - viii. Detailed breakdown of amount of money spent by FERMA for its Personnel, Overhead and Capital Cost from September 2015 till date for on monthly basis;
 - ix. All money released to FERMA from September 2015 till date for its Personnel, Overhead and Capital Costs on monthly basis;
 - x. Number of jobs awarded by FERMA from September 2015 till date on Road, Bridges and Direct Labour accompanied by Name of Project, Location, Cost of Project, Name of Contractors, Agreement Signed, Amount so far paid, Date of Payments, Balance left, Percentage of payment, Certificate of Completion issued all arranged on Zonal basis;
 - xi. Copies of all Payments Vouchers relating to jobs awarded, Overhead Expenditures, Staff Allowances, Tour Allowances, Estacodes, Overtime and other Staff claims arranged on monthly basis from September 2015 till date;
 - xii. Levels of utilization of all sundry equipment's in various zones – those leased out and revenues accrued from the leasing.
3. The Committee also resolved to invite key stakeholders for the hearing, which include:-
 - a) Permanent Secretary Federal Ministry of Works and Housing
 - b) Ag. Managing Director of Federal Road Maintenance Agency (FERMA)
 - c) All Ag. Executive Directors of FERMA
 - d) All Zonal Co-coordinators of FERMA
 - e) All Federal Road Maintenance Agency Engineers of FERMA
 4. The Committee also decided to write the Federal Ministry of Finance to furnish it with the total money released to FERMA for its personnel, overhead and capital costs, during the period under review.

4.0 ATTENDANCE

4.1 COMMITTEE MEMBERS PRESENT

1. Hon. Jerry Alagbaoso	-	Chairman
2. Hon. Abdullahi Muhammed Wamako	-	Deputy Chairman
3. Hon. Bode Ayorinde	-	Member
4. Hon. Sabo Garba	-	Member
5. Hon. Mohammed Dantani	-	Member
6. Hon. Emmanuel Akpan	-	Member
7. Hon. Bede Ike	-	Member
8. Hon. Hassan Abubakar III	-	Member
9. Hon. Segun Adekola	-	Member
10. Hon. Isa Hassan Mohammed	-	Member
11. Hon. Princess Stella Ngwu	-	Member
12. Hon. Tony Nwoye	-	Member
13. Hon. Patrick Aisowiegen	-	Member
14. Hon. Isiaka Ibrahim	-	Member
15. Hon. Nnebe Anayo	-	Member
16. Hon. Muhammed Usman	-	Member
17. Hon. Magaji Aliyu	-	Member
18. Hon. Adamu D.U. Kamale	-	Member
19. Hon. Garba Datti Muhammed	-	Member
20. Hon. Zakariya'u Galadima	-	Member
21. Hon. Abdulmalik Zubair B.	-	Member
22. Hon. Muntari Dandutse	-	Member
23. Hon. Yusuf Ayo Tajudeen	-	Member
24. Hon. Edward G. Pwajok	-	Member
25. Hon. Bamgbose Joseph	-	Member

4.2 SECRETARIAT

1. Modu Kyari	- Clerk to the Committee
2. Gabriel Martins	- Assistant Clerk
3. Ezekiel N.	- Committee Staff
4. Abubakar Muhammed	- "
5. Mrs. Vera Audu	- "

4.3 FERMA OFFICIALS IN ATTENDANCE

<u>S/N</u>	<u>Names</u>	<u>Designation</u>
1.	Engr. Peter Ode Ibu	Ag. M.D/CEO
2.	Engr. B.A. Ilemode	Ag. Executive Director (RMMS)
3.	Buki A.G.	Ag. Executive Director (ANR)
4.	Fatima Okei	Ag. Executive Director (F/A)
5.	Taiwo Koya	Ag. Executive Director (E)
6.	Abubakar D. Ahmed	Ag. Executive Director (PD/ES)
7.	Ini Usoro	GM (PCM)
8.	Engr. Komolafe D.O.	Head (BMU)
9.	Engr. Itodo T.O.	Head (Unit)
10.	Engr. Amina B.O.	DGM (DL)
11.	Engr. Nweke B.I.	DGM (West)
12.	Engr. Ige Babatunde	FRME (KW)
13.	Engr. Akingbade O.O.	AGM (West)
14.	Engr. Ezenwaka T.O.	AGM (RMMS)
15.	Akintoca J.O.	DGM (F/A)
16.	Aizebeokhai Mike	DGM (Admin)
17.	B.H. Damaturu	AGM (Personnel)
18.	Engr. S.N. Maduekwe	AGM (E)
19.	Olaniyi Rasaq Kola	Zonal Coordinator (N/C 1)
20.	Mpakebasi G. Young Harry	Zonal Coordinator (S/S 1)
21.	David Boaz Toluwatope	Asst. Zonal Coordinator (N/W 2)
22.	Engr. Onimisi Rufus	Zonal Coordinator (S/E 1)
23.	Engr. B.O. Okolo	Zonal Coordinator (S/S 2)
24.	Engr. Sani M.K.	Zonal Coordinator (N/W 1)
25.	Engr. A.J. Adedayo	Zonal Coordinator (S/E 2)
26.	Engr. (Mrs) Adeniran M.S	Zonal Coordinator (S/W 1)
27.	Engr. Kaboshiyo D. Avongs	Zonal Coordinator
28.	Engr. Michael Akeyo	Zonal Coordinator (N/C 2)
29.	Engr. S.O. Raimi	Zonal Coordinator (N/E 1)
30.	Engr. Fagbamila O.O.	Zonal Coordinator (S/W 2)
31.	Engr. Agboade A.O.	Zonal Coordinator (N/E 2)

32.	O.W. Ajunwon	Asst. Zonal Coordinator (N/C 2)
33.	Hassan Abubakar	FRME Borno
34.	Engr. I.A. Omojengbesi	FRME Osun
35.	Engr. F.O. Ishabiyi	FRME Oyo
36.	Engr. Olusegun Adebari	FRME Bauchi
37.	Engr. C.I. Emeka Maduagwu	Ag. FRME Imo
38.	Engr. Martins C. Eze	Ag. FRME Plateau
39.	Engr. Ijie I.D.	FRME Delta
40.	Engr. Abraham Temgu Akange	FRME Abia
41.	Engr. I.D. Alao	FRME Nasarawa
42.	Engr. (Mrs) Ogbuagu Ebere	FRME Ebonyi
43.	Engr. Sulaiman Mohammed	FRME Gombe
44.	Engr. Usoroh G.F.	FRME Anambra
45.	Engr. Faboranyi Bamidele	FRME Cross River
46.	Engr. Asuquo N.A.	FRME Akwa Ibom
47.	Engr. Bolaji A.A.	FRME Bayelsa
48.	Engr. O.D. Awodun	FRME Lagos East
49.	Engr. Ali Mohammed	FRME Jigawa
50.	Engr. Abodunrin O.D.	FRME Ondo
51.	Engr. Mohammed Ibrahim	FRME Kogi
52.	Engr. Onameh A.O.	FRME FCT
53.	Engr. Celestine C. Udemba	FRME Benue
54.	Engr. Benedict Amarube	FRME Rivers
55.	Engr. A.C. Gulma	FRME Zamfara
56.	Engr. Ohre Richard Agbro	RME Edo
57.	Engr. Odey J. Ogar	FRME Taraba
58.	Engr. A. Mazoya	FRME Ogun
59.	Engr. Afolabi Kehinde	FRME Lagos West
60.	Engr. Nyiemba L. Daniel	FRME Katsina
61.	Engr. Rihaman Usman	FRME Kebbi
62.	Engr. Y.M. Alfa	FRME Kano
63.	Engr. U.M. Gulloma	FRME Niger
64.	Engr. Abba M. Baba	FRME Yobe
65.	Engr. S. Abdulkadir	FRME Kaduna
66.	Engr. I.E. Baror	FRME Adamawa
67.	Engr. Onu Emmanuel A.	FRME Ekiti
68.	Engr. Jang C. Tanko	FRME Enugu
69.	Engr. Ige Babatunde	FRME Kwara
70.	Dr. Emeka Agbasi	DD FERMA
71.	Engr. Eyo T.B.	DD FERMA
72.	Sadare O.S	M (PROTOCOL) FERMA
73.	Adetona A.O.	Supervisor (RMMS) FERMA
74.	Maryam Sanni	H (COMM) PR
75.	Engr. Baba A. Yakubu	DGM FERMA

5.0 PROCEEDINGS

The Committee has during the 2 day investigative hearing interacted and received data from stakeholders especially the Management of FERMA, Zonal Co-ordinators of FERMA and the Federal Road Maintenance Engineers in the 36 States and the FCT on the subject matter of the Investigation

5.1 PRESENTATION BY THE AG. MANAGING DIRECTOR OF FERMA, MR. PETER IBU

The Ag. Managing Director of FERMA, Mr. Peter Ibu in his presentation during the hearing tendered a 248 page documents as the Agency's submission to the request earlier made by the Committee for the provision of the data. The submission includes the followings:-

- i. A fourteen (14) page handover notes from the former Managing Director of FERMA, Engr. Amuchi, G.C to Engr. Ibu Peter O. the new Ag. Managing Director;
- ii. A bank balance at handover date (21st September, 2015) amounting to ₦3,232,822,974.01 left behind by the outgoing Managing Director, Mr. Amuchi;
- iii. Letter appointing Mr. Peter Ibu as Executive Director (Operations 1) of FERMA by the Minister of Works dated 11th June, 2014.
- iv. Letters appointing Mrs. B.A. Ilemore as Ag. Executive Director (RMMS), Mr. T.O. Koya Ag. Executive Director (Operations 2 East), Mr. J.A. Olawoye as Ag. Executive Director (Operations 1 West), Mr. A.D. Ahmed as Ag. Executive Director (P & ES), Mr. J.O. Oyinloye as Ag. Executive Director (A & HRD) and Mrs. Fatima Okei as Ag. Executive Director (Finance & Accounts) all by the Ag. Managing Director Mr. Peter Ibu dated 7th September, 2015;
- v. Schedule of duties of Ag. Executive Directors RMMS, P & ES, Operation 1 (West), Operations 11 (East), Finance and Accounts, Admin and Human Resources;
- vi. Amount of money release to FERMA for its Personnel, Overhead and Capital costs from September, 2015 to October, 2016 on monthly basis as follows:

5.2 ALL MONEY RELEASED FROM SEPTEMBER 2015 TO DATE

S/N	DATE	DESCRIPTION	PERSONNEL	OVERHEAD	CAPITAL	TOTAL
1.	18/09/15	1 ST QUARTER ALLOCATION	IPPIS		195,000,000.00	195,000,000.00
2.	13/10/15	2 ND QUARTER ALLOCATION	IPPIS		195,000,000.00	195,000,000.00
3.	14/10/15	AUGUST ALLOCATION	IPPIS	1,333,669,188.89		1,333,669,188.89
4.	19/11/15	SEPTEMBER ALLOCATION	IPPIS	2,083,791,250.00		2,083,791,250.00
5.	21/12/15	OCTOBER ALLOCATION	IPPIS	2,083,791,249.89		2,083,791,249.89
6.	21/12/15	3 RD & 4 TH QUARTER ALLOCATION	IPPIS		390,000,000.00	390,000,000.00

7.	08/02/16	JANUARY ALLOCATION	IPPIS	8,741,835.33		8,741,835.33
8.	26/02/16	FEBRUARY ALLOCATION	IPPIS	6,556,377.00		6,556,377.00
9.	11/04/16	MARCH ALLOCATION	IPPIS	8,741,835.33		8,741,835.33
10.	09/06/16	APRIL ALLOCATION	IPPIS	8,741,835.33		8,741,835.33
11.	04/08/16	MAY ALLOCATION	IPPIS	1,073,356.62		1,073,356.62
12.	12/08/16	JUNE ALLOCATION	IPPIS	1,073,356.62		1,073,356.62
13.	12/08/16	1 ST QUARTER ALLOCATION	IPPIS		1,004,644,901.00	1,004,644,901.00
14.	14/10/16	JULY ALLOCATION	IPPIS	6,331,640.21		6,331,640.21
15.	14/10/16	2 ND QUARTER ALLOCATION	IPPIS		10,399,549,201.00	10,399,549,201.00
		TOTAL		5,542,511,925.22	12,184,194,102.00	17,726,706,027.22

- Personnel Cost (18th September, 2015 to 14th October, 2016) covered by IPPIS
 - Overhead Cost (18th September, 2015 to 14th October, 2016) **N 5,542,511,925.22**
 - Capital Cost (18th September, 2015 to 14th October, 2016) **N12,184,194,102.00**
- Total**
- N17,762,706,027.22**

5.3 AMOUNT OF MONEY SPENT BY FERMA FROM SEPTEMBER, 2015 TO OCTOBER, 2016

The breakdown of the amount of money spent by FERMA from September, 2015 to October, 2016 are as follows:

5.3.1 Personnel Cost

The Personnel cost of the Agency, which comprises of salaries and allowances of staff of the Agency are captured under the Integrated Personnel Payroll System (IPPIS) as applicable to most Ministries, Departments and Agencies of the Federal Government and is therefore controlled by the Federal Ministry of Finance.

5.3.2 Overhead and Capital Expenditures

The breakdown of the spending's of the Agency from September 2015 to October, 2016 is as follows:

S/N	Date	Overhead (N)	Capital (N)	N
1.	September, 2015	5,344,600.00		
2.	October, 2015	3,041,423,221.29	260,155,763.98	
3.	November, 2015	2,566,641,633.73	127,193,180	
4.	December, 2015	1,485,669,625.36	71,634,093.31	
5.	January, 2016	7,628,194,480.38	4,589,830,376.70	
6.	February, 2016	818,229,775.10	202,434,003.19	
7.	March, 2016	765,811,433.61	124,021,410.27	
8.	April, 2016			

9.	May, 2016	1,543,118.67		
10.	June, 2016	8,287,400.00		
11.	July, 2016			
12.	August, 2016	6,628,150.00	29,686,928.30	
13.	September, 2016	1,477,536.00	212,305,834.46	
14.	October, 2016	988,583.81	401,150,612.70	
	Total	18,924,788.48	643,143,375.46	
	Grant Total			662,068,163.94

The amount expended by FERMA from September, 2015 to October, 2016 for its Overhead cost stood at N18,924,788.48, while the amount spent for its Capital cost during the period under review stood at N643,143,375.46. Therefore, the total amount spent during the period under review (both overhead and capital costs) stood at N662,068,163.94.

5.4 NUMBER OF JOBS AWARDED BY FERMA FROM SEPTEMBER, 2015 TO OCTOBER, 2016 ON ROADS, BRIDGES AND DIRECT LABOUR

The number of jobs awarded by FERMA from September, 2015 to October, 2016 on Roads, Bridges and Direct Labour as contained in the FERMA document are as stated below.

5.5 ROADS AND BRIDGES

On Roads and Bridges projects embarked upon by FERMA from September, 2015 to October, 2016 the Ag. Managing Director listed Twelve (12) projects comprising of South-West (1), South-East (3), South-South (1), North-Central (5) and North-West (2). The total contract sum of the Twelve (12) projects stood at N448,556,703.70, out of which only one project was partially paid N56,261,571.94 leaving a balance of N271,651,340.94 for the Eleven (11) projects unpaid. No reason was given by FERMA for the non-payment of the contracts despite the fact that almost all the projects have reached 100% completion status.

5.6 DIRECT LABOUR PROJECTS

On Direct labour projects carried out by FERMA during the period under review, the presentation of the Ag. Managing Director revealed that from September, 2015 to December, 2015 the North-West Zone (1) got projects amounting to N31,109,012.00. North-East Zone has projects amounting to N12,444,610.00. North-East Zone (2) has projects amounting to N27,980,400.00. from January, 2016 to October, 2016 the North-West Zone (1) has projects amounting to N37,097,075.00, North-West Zone (2) got projects amounting to N37,423,151.00, North-East Zone (1) has projects amounting to N37,740,950.92 and North-East Zone (2) got projects amounting N37,253,266.00.

The breakdown shows that the South-South Zone (1) has between September, 2015 to December, 2015 projects worth N27,727,684.00, the South-South Zone (2) got projects amounting N49,932,445.00. The South-East Zone (1) within the same period got projects worth N59,366,800.00, while the South-East Zone (2) got projects amounting N28,289,600.00. from January to October, 2016 the South-South Zone (1) got project amounting to N37,830,949.00, South-East Zone (1) has projects amounting to N37,675,135.00, while the South-East Zone (2) got projects worth N36,581,561.00.

The breakdown further showed that between September and December, 2015, the South-West Zone (1) got projects worth ₦43,539,780.00, the South-West Zone (2) got projects worth ₦49,076,715.00, the North-Central Zone (1) attracted projects worth ₦41,776,975.00, while the North-Central Zone (2) got projects amounting to ₦67,968,810.20. for the period January to October, 2016, the South-West Zone (1) got projects worth ₦47,789,721.98, the South-West Zone (2) got projects amounting to ₦37,798,332.80, the North-Central Zone (1) got projects worth ₦81,079,330.00, while the North-Central Zone (2) attracted projects worth ₦47,094,690.00.

According to the document submitted by FERMA the total amount of money spent on Direct Labour project from September, 2015 to October, 2016 stood at ₦987,433,005.90

5.7 LEVEL OF UTILISATION OF SUNDRY EQUIPMENT'S IN THE VARIOUS ZONES OF THE COUNTRY

On sundry equipment's, the FERMA submitted to the Committee 66 number sundry equipment's belonging to the Agency. The equipment's in various type were from different period leased out to contractors. While some have been returned to the Agency after the expiration of the lease, others are still in the custody of the private construction firms for security reasons. For the period September, 2015 to October, 2016 two of the equipment's leased out to two companies has generated a total of ₦20,000,000 to the Agency.

6.0 FINDINGS

The Committee has after deliberating on the submissions made by the Management of FERMA and other Stakeholders during the two day investigative Hearing has the following findings:

- i. During the period under review, FERMA was faced with some challenges such as huge maintenance backlogs with high Capital Expenditures required to address rehabilitation and maintenance backlogs;
- ii. Engr. Peter Ibu as Acting Managing Director of FERMA on the dissolution of the board of FERMA wrote a letter to the Permanent Secretary, Federal Ministry of Works, D.S. Kigbu, dated 16th September, 2015 requesting for approval to constitute a Transitional Management Committee for FERMA based on a meeting held with the Permanent Secretary on 15th September 2016;
- iii. It was found that there was no official reply or approval to Engr. Peter Ibu's request before he went ahead to appoint 6 Executive Directors into FERMA Executive Management Committee on 7th September, 2015.
- iv. Furthermore, Engr. Peter Ibu single handedly appointed all 6 Acting Executive Directors on the 7th of September, 2015 and these appointment letters preceded 15th September, 2015, the day he held a meeting with the Permanent Secretary which minutes he based his appointments.

- v. The appointment letters of all 6 ED's also predated the letter of Engr. Peter Ibu dated 16 September, 2015 to the Permanent Secretary requesting to constitute the transitional Executive Management Committee.
- vi. The Minutes of the Meeting between the Permanent Secretary and Engr. Peter Ibu held on 15th September, 2015 could not be found in the document submitted by FERMA to the Committee, yet he relied on the Minutes to make the Acting Executive Directors appointment.
- vii. All appointments of 6 Acting Executive Directors were done by Engr. Peter Ibu in complete disregard to the relevant sections of FERMA Act that deals with composition of the Board and Staff of FERMA.
- viii. According to the document submitted, the money released to FERMA from September 2015 till 14th October 2016 is as follows:-

• Overhead	N 5,542,511,925.22
• Capital	N12,184,194,102.00
- xiii. It was found from the document submitted that the total jobs awarded by the Agency on Roads and Bridges from September 2015 till date were 12 in number, with a total sum of N448,556,703.70 out of which only one job was paid (N56,261,571.94) on 7th April, 2016.
- ix. From the document, there is no clear statement at all on how the N3,232,882,974.01 handed over by M.D Engr. G.C Amuchi to Engr. Peter Ibu on 21st September, 2015 has been expended.
- x. It was also discovered that cash advances to staff was very rampant and payments were made, sometimes to more than 40 persons per day.
- xi. During the period under reference, Direct labour was used to execute many projects in the zones and on major Federal Trunk Roads, and this consumed much of the Agency's finances.
- xii. Furthermore, there was only showing of the twenty Million naira (N20,000,000) revenue that accrued from Utilization of Sundry Equipment in the Zone, but how this amount was expended was not shown on page 13 of the document submitted, the table of the year 2013 and 2014 were shown with the headings appropriated sum, released; Unreleased and remarks. Under remarks, what was stated was executed jobs no paid for, but how much was paid for executed works was not stated. Also, it cannot be understood why years 2011 and 2012 were omitted from the table.
- xiii. That despite the enormous amount of money released to FERMA for its activities during the period under review, the actions and inactions of the Management of FERMA leave much to be desired. The Committee observed the deplorable condition of roads in the country and the enormous lives lost to road accidents ought to have been a lesson for thought for FERMA. In spite of this revelation and a towering sum of over N12,000,000,000.00 (Twelve Billion Naira) released to the Agency from September, 2015 to October, 2016 only a negligible amount of N662,068,163.94 was spent by FERMA in executing its activities, including repair of roads. This arguably explains the unpreparedness of the FERMA Management to ameliorate the deplorable condition of roads in the country;

- xiv. That the Management of FERMA as presently constituted is ridiculously inept in finding a viable solution to the deplorable conditions of our roads. This is evident in the inability of FERMA to ensure a credible and robust procurement process to actualize the award and execution of jobs for the fixing of our roads. For instance the first advertisement for jobs in respect of the 2016 budget of the Agency was done on **Monday 13th June, 2016**. However five (5) months after the advertisement FERMA is yet to conclude the procurement process that will enable it award contracts for the jobs. This is inspite of the enormous funds at its disposal far above **₦12,000,000,000.00 (Twelve Billion Naira)** this action of the FERMA Management has put the country in a difficult situation as the yearnings of the millions of Nigerians for motorable roads cannot be achieved soonest, unless drastic measures are taken to address the ineptitude of the present Management of FERMA.

7.0 RECOMMENDATIONS

- a) Since the appointment of Acting Executive Directors of FERMA by the Acting Managing Director, Engr. Peter Ibu did not follow due process having not been in compliance with the FERMA Act, 2002 (as amended) the officer's so appointed should revert to the status quo ante;
- b) The Acting Managing Director of FERMA, Engr. Peter O. Ibu be cautioned for creating the positions of Executive Directors in FERMA, and appointing officers into the positions in violation of Section 2 (2) and Section 11 of FERMA Act, 2002 (as amended);
- c) The Committee recommends that all the acting Executive Directors refund all monies received in that capacity from **7th September, 2015** till date (if any) to the coffers of FERMA since their appointment was illegal and violated the FERMA Act, 2002 (as amended);
- d) The Committee also directs FERMA to provide requisite record on how the sum of **₦3,232,882,974.01** handed over to Engr. Peter Ibu by the former Managing Director of the Agency, Engr. G.C. Amuchi was expended since no clear statement was found from the document submitted to the Committee by FERMA.

8.0 CONCLUSION

A thorough scrutiny of the documents submitted showed that the positions of Executive Directors was a creation of the Acting Managing Director of FERMA, Engr. P.O. Ibu in clear violation of provisions of the FERMA Act, 2007 (as amended), as he did not get any approval from the Permanent Secretary of the Federal Ministry of Works.

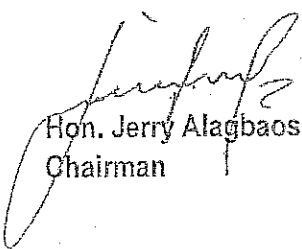
Even if he had gotten approval to carry out his request, it will have still amounted to a violation of FERMA Act and an arrogation of powers that he does not have, to himself. It is therefore save to say that the Permanent Secretary sensing danger carefully avoided it. Laws enacted by the National Assembly are Act of Parliament that must be obeyed and implemented to the letter, to avoid obvious consequences of sanctions.

The handling of the finances of the Agency was not satisfactory to the Committee as the overheads released were spent in form of cash advances to staff on sundry and irrelevant matters that have no bearing with the mandate of the Agency. In an attempt to be prudent, the Agency indulged in the use of Direct Labour in executing most of its jobs, which became a conduit pipe through which the fund released to the Agency were filtered away.

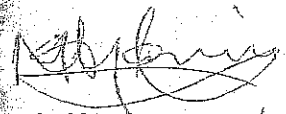
The Committee wishes to express its gratitude to the leadership of the House for the confidence repose on it and its support and encouragement throughout the conduct of the assignment.

The Committee also extends its gratitude to the entire Members of the House for their support and advice in the course of carrying out its assignment. Our profound gratitude also goes to the Media for their support as well as all stakeholders and other Nigerians who participated while the assignment lasted.

The Committee, has to the best of its ability carried out the assignment given to it by the House and believes that its recommendations on possible ways of addressing issues raised in the resolution will be effectively utilized to achieve the goal for which the investigation was carried out



Hon. Jerry Alagbaoso
Chairman



Modu Kyari
Clerk to the Committee