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FEDERAL TREASURY CIRCULARS 1985

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FEDERAL TREASURY CIRCULAR

A1 and B1/1985
(File No. MS/0029/18 F.S.P)

15 SEP 1987
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To
The Secretary to the Federal Military
Government and Head of the Civil
Service of the Federation
The Inspector-General of Police
All Permanent Secretaries and Heads
of Departments and Divisions

ACCOUNTING FOR DEDUCTIONS AND OTHER
RECOVERIES AT SOURCE

It has become necessary to draw the attention of Ministries and Departments to apparent
lapses in the following areas of accounting for Government revenue:

FEDERAL TREASURY CIRCULARS

1985

(i) *Tender Deposits* - Although there is a requirement for Contractors to deposit certain
sums of money when tendering for Government contracts, this requirement would not
appear to be effectively enforced by the majority of Ministries and Departments, with the
attendant loss of huge sums of Government revenue. To enforce compliance, Ministries and
Departments are requested with effect from 1st January, 1985, to send a quarterly return of
tenders invited together with the corresponding tender deposits realized from each invitation,
to the Accountant-General of the Federation, for control purposes.

(ii) *Federal Staff Housing Loan Scheme* - Unbilled recoveries from Officers' salaries are
credited to a below-the-line account, head 6028. It has been learnt that many retired Officers
have been subjected to financial hardship due to incomplete and inaccurate posting of their
loan accounts. This has arisen from wrong classification of recoveries, incomplete narration
on relevant receipt vouchers and in some cases, inactivity of receipt vouchers. In order to
bring such irregularities and inconveniences to an end, Ministries and Departments are
required, with effect from January 1985, to immediately withdraw monthly deductions on
an in-payment voucher, and issue the cheque in payment to the Secretary of the Federal
Staff Housing Board. Each cheque should be accompanied by a complete list of names and
amounts recovered from each Officer.

(iii) *Saville Town Housing Loan* - Recoveries of principal and interest are credited to
Revenue. As the Interest and Repayment's General head and sub heads to which these
recoveries are credited have changed over the years, wrong classification have consequently
arisen. Ministries and Departments are advised to ensure that such recoveries are properly
classified in future, so that not only will such revenue accrue to the right items but also
affected Officers' loan accounts will be posted up to date.

I. I. IYEVBERI
Accountant-General of the Federation

FEDERAL TREASURY CIRCULAR

A1 and B1/1985
(File No. MS/0089/38/Vol.V)

Federal Ministry of Finance,
Treasury Department,
P.M.B. 12566,
Lagos.

1st January, 1985

To :

The Secretary to the Federal Military
Government and Head of the Civil
Service of the Federation,

The Inspector-General of Police,

All Permanent Secretaries and Heads
of Extra-Ministerial Departments.

**ACCOUNTING FOR DEDUCTIONS AND OTHER
RECOVERIES AT SOURCE**

It has become necessary to draw the attention of Ministries and Departments to apparent laxities in the following areas of accounting for Government revenue—

(i) *Tender Deposits.*—Although there is a requirement for Contractors to deposit certain sums of money when tendering for Government contracts, this requirement would not appear to be effectively enforced by the majority of Ministries and Departments, with the attendant loss of huge sums of Government revenue. To enforce compliance, Ministries and Departments are requested with effect from 1st January, 1985, to send a quarterly return of tenders invited together with the corresponding tender deposits realised from each invitation, to the Accountant-General of the Federation, for control purposes.

(ii) *Federal Staff Housing Loan Scheme.*—Hitherto recoveries from Officer's salaries are credited to a below-the-line account, head 6028. It has been learnt that many retired Officers have been subjected to financial hardship due to incomplete and inaccurate posting of their loan accounts. This has arisen from wrong classification of recoveries, incomplete narration on relevant receipt vouchers and in some cases, inavailability of receipt vouchers. In order to bring such irregularities and inconveniences to an end, Ministries and Departments are required, with effect from January 1985, to immediately withdraw monthly deductions on an on-payment voucher, and issue the cheque in payment to the Secretary of the Federal Staff Housing Board. Each cheque should be accompanied by a complete list of names and amounts recovered from each Officer.

(iii) *Satellite Town Housing Loan.*—Recoveries of principal and interest are credited to Revenue. As the Interest and Repayments : General head and sub-heads to which these recoveries are credited have changed over the years, wrong classifications have consequently arisen. Ministries and Departments are advised to ensure that such recoveries are properly classified in future, so that not only will such revenue accrue to the right items but also affected Officers' loan accounts' will be posted up to date.

I. I. IYEWEMI,
Accountant-General of the Federation

FEDERAL TREASURY CIRCULAR

Federal Ministry of Finance,
Treasury Department,
P.M.B. 12566,
Lagos.

1st January, 1985

A2 and B2/1985
(File No. MS/0089/38/Vol. V)

To :
All Heads of Accounts Division,

ERADICATION/REDUCTION OF FRAUDS IN CASH/PAY OFFICES OF MINISTRIES/DEPARTMENTS

In order to reduce or totally eradicate the prevailing high rate of fraud in Ministries./ Departments, heads of Accounts Division are hereby requested to endorse with effect from 1st January, 1985, the following control measures—

(i) Checking and passing of payment vouchers, Lodgement of revenue to bank, collection of cash from bank for salary payment and other purposes : No officer who has not put in gratuity earning service should be allowed to perform these duties. Officers paying in revenue to bank should not also prepare the supporting teller. Officers entrusted with the above duties should also be changed from time to time.

(ii) *Ghost Names on Payrolls/Wages Sheets.*—The variation Control Unit of each Ministry/ Department should be headed by an experienced officer on salary grade level 09 and above. Heads of Accounts Division are required to watch the movement on monthly salary/wages bills of their respective ministries or departments. Any irregular movements should be immediately investigated to confirm whether or not there had been an actual recruitment of staff and by whom and with what authority.

(iii) *AIE Returns.*—It has been learnt that some fraudulent persons have resorted to cancelling entries of actually paid vouchers in vote books and thereafter fraudulently releasing such fictitious funds to swell the balance on the AIE, in order to accommodate further payments. To forestall this nefarious practice officers receiving and checking vouchers are required with effect from 1st January, 1985 to maintain a register for all spending officers of the Ministry or departments, and to build up from schedules forwarding vouchers for checking and passing for payment a running total of the expenditure by each spending officer under each AIE. These totals should be compared with those on AIE returns each time these are received. Differences should be promptly reported for investigation.

I. I. IYEWEMI,
Accountant-General of the Federation

FEDERAL TREASURY CIRCULAR

Federal Ministry of Finance,
Treasury Department,
P.M.B. 12566,
Lagos.
1st January, 1985

A3 and B3 1985
(File No. MS/0089/38/Vol. V)

To :

All Heads of Accounts Division.

MERGER OF MINISTRIES

The following directives should please be observed in connection with merged Ministries :—

- (i) Only one Controller of Finance and Accounts should take charge of the resulting Ministry, after the merger.
- (ii) Only one I.B.A. Account should continue to be operated by the resulting Ministry, preferably that of the bigger Ministry in the merger.
- (iii) The Accounts Section of the absorbed Ministry should continue to operate with skeleton staff, to round up the reconciliation of its I. B. A. and other below-the-line accounts.

I. I. IYEWEMI,

Accountant-General of the Federation

FEDERAL TREASURY CIRCULAR

A4 and B4/1985
File No. C/2726

Federal Ministry of Finance,
Treasury Department,
P.M.B. 12566, Lagos
17th January, 1985

To :

The Secretary to the Federal Military
Government and Head of the Civil Service
of the Federation,

The Inspector-General of Police,
All Permanent Secretaries and Heads of
Extra-Ministerial Departments.

**APPLICATION OF FINANCIAL REGULATION 808 TO FACILITATE
EXPENDITURE CONTROL THROUGH THE INTERNAL BANK
ADJUSTMENT SYSTEM**

It has been found expedient to further strengthen expenditure control through the use of the Internal Bank Adjustment (I.B.A.) as explained below with effect from 1st January, 1985.

1. The total amount released each quarter on Warrants by the Budget Department for both Recurrent and Capital expenditure in respect of each Ministry/Department, will be communicated to the Central Bank of Nigeria for noting against the I.B.A. account of the Ministry/Department. Consolidated Revenue Fund Charges will also be noted against an I.B.A. account, wherever applicable.

2. All revenues, other than those accruing to the Federation Account should henceforth be paid directly into the account of the Sub-Treasurer of the Federation.

3. Cheques issued by each Ministry/Department will as usual be debited to its I.B.A. account on payment but transfers to the account of the Sub-Treasurer of the Federation will henceforth be made quarterly.

4. The Central Bank of Nigeria will be advised to maintain a running total of the debits to each I.B.A. account and to alert the Accountant-General of the Federation whenever any Ministry/Department is about to exceed its Warrant releases. The Accountant-General of the Federation will take appropriate action in such a situation.

5. Where any Ministry/Department issues an A.I.E. to another Ministry/Department such A.I.E. should be accompanied by a crossed cheque, which will be debited to the I.B.A. account of the issuing Ministry/Department in the normal way and noted in favour of the I.B.A. account of the receiving Ministry/Department by the Central Bank of Nigeria.

6. Where a Ministry/Department issues an A.I.E. to its outstation outside Lagos, a copy of such A.I.E. should be sent to the Cash Supply section of the Treasury Department and accompanied by crossed cheque drawn in favour of the Sub-Treasurer of the Federation.

7. Remittances by a Ministry/Department within Nigeria, will immediately be debited to its I.B.A. account once the remittance is made.

8. Remittances and Payments Overseas and Letters of Credit : Hitherto such transactions on behalf of Ministries/Departments are debited in the first instance to the account of the Sub-Treasurer of the Federation. Henceforth such debits will go directly to the Internal Bank Adjustment account of the originating Ministry/Department. To this end, applications to the Accountant-General of the Federation for such transactions should be accompanied by crossed cheques drawn in favour of the Sub-Treasurer of the Federation. Applicants are also required to state their I.B.A. account numbers as well as the classification of the account chargeable on all letters requesting the Accountant-General of the Federation to effect such transactions. Such letters should be signed by an Officer authorised to operate the Ministry's/Department's Internal Bank Adjustment account. Accordingly Ministries/Departments are further requested to furnish the names and signatures of such Officers to both the Accountant-General of the Federation and the Central Bank of Nigeria on receipt of this circular. The Central Bank of Nigeria should please note that since the Sub-Treasurer of the Federation's account will receive credits in advance vide crossed cheques issued by Ministries/Departments, the overseas payments should on maturity be debited to Sub-Treasurer of the Federation's account.

9. In order not to disrupt the flow of information required to prepare Cash Management Statements for the usual weekly meetings, the Central Bank of Nigeria shall continue to submit to the Treasury Cash summaries of revenues, expenditure and the balance on account as at present being done.

10. Ministries/Departments are therefore strongly advised to keep their expenditure within budget releases and thus avoid any inconveniences that might result from contravention of this control procedure. Any uncertainty about any provision of this circular, should please be immediately brought to the notice of the Accountant-General of the Federation for clarification. Heads of Accounts Division are requested to give this circular the widest publicity possible especially among Officers entrusted with financial management and accounting responsibilities.

I. I. IYEWEMI,

Accountant-General of the Federation

FEDERAL TREASURY CIRCULAR

Federal Ministry of Finance,
Treasury Department,
Management Services Division,
Mosaic House,
Lagos.

No. A5 and B5/1985
(File No. MS/0089/38/Vol. V)

18th January, 1985.

To :

- The Secretary to the Federal Military Government and Head of the Civil Service of the Federation,
- The Inspector-General of Police.
- All Permanent Secretaries and Heads of Extra-Ministerial Departments.

QUARTERLY PROGRESS REPORT ON REVENUE COLLECTION EXPENDITURE

Please find attached, appendix I the proforma for the quarterly reporting to the Accountant-General of the Federation, on the progress of revenue collection as well as the progress of voted expenditure.

2. Hitherto, much attention has been paid to expenditure and expenditure control. It is therefore desired to remind Accounting Officers of the need to pay equal attention to revenue items, over which they have collection responsibility.

3. The quarterly report on revenue collection should include notes as to how the estimated revenue for the quarter, from each source, was arrived at. For example, revenue accruing from rent on Senior Staff Quarters could be estimated as follows :

Number of quarters attracting rent at Maximum rate x ₦600x $\frac{1}{4}$ ₦A per quarter

Other quarters x Average of various rates below ₦600 per annum x $\frac{1}{4}$ ₦B per quarter

Therefore estimated collection for the quarter from rent on Senior Staff Quarters ₦(A+B).

This exercise will also enable revenue collectors to up-date their records and to seek outside information for this purpose wherever necessary.

4. *Quarterly Expenditure Report.*—With effect from the second Quarter starting from April 1985, it is mandatory for all Federal Ministries/Departments to submit, together with the Cash Flow Statement, to the Accountant-General of the Federation the expenditure report in respect of the previous quarter to show the actual payments made under each sub-head and the balance, debit or credit, at the end of the previous quarter. The report must be strictly in conformity with the Pro-forma in Appendix II of this circular and must be endorsed by the Head of the Accounts Division and Certified by the Internal Auditor. The Current Quarter Cash Flow Statement together with the previous Quarter's Expenditure Report must be submitted within three (3) weeks after the issue of the Quarterly Warrants. There shall be no consideration for any application for Cash Clearance except the three statements referred to in this circular have been received in the Treasury Department.

I. I. IYEMYI,
Accountant-General of the Federation

QUARTERLY PROGRESS REPORT ON REVENUE COLLECTION
QUARTER ENDED APPENDIX I.....
MINISTRY/DEPARTMENT

<i>Revenue Item</i>	<i>Position in this Quarter</i>				<i>Cumulative Position to</i>			<i>Explanation of Quarterly Difference Between Estimate and Actual</i>
	<i>Approved Estimates 198.....</i>	<i>Estimated Collection</i>	<i>Actual Collection</i>	<i>Excess or (Shortfall)</i>	<i>Estimated Collection</i>	<i>Actual Collection</i>	<i>Excess or (Shortfall)</i>	

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10

Signed.....

Signed.....

Name.....
Head of Internal Audit Section

Name.....
Head of Accounts Division

QUARTER ENDED APPENDIX I

APPENDIX II

QUARTER ENDED QUARTERLY EXPENDITURE RETURNS

Ministry/Department

Vote of Charge	Cash Flow Allocation of Beginning of	Actual Payments at the end of Quarter	Balance at the End of Quarter	Remark on Possible Disposal of Balance

10

Signed.....

Signed.....

Name.....

Name.....

Head of Internal Audit Section

Head of Accounts Division.

FEDERAL TREASURY CIRCULAR

A6 and B6/1985

(File No. MS/0089/38/Vol. V)

Federal Ministry of Finance,
Treasury Department,
P.M.B. 12566,
Mosaic House,
Lagos.

To :

- The Secretary to the Federal Military Government and Head of the Civil Service of the Federation;
- The Inspector-General of Police ;
- All Permanent Secretaries and Heads of Extra-Ministerial Departments.

7th February, 1985

**APPLICATION OF FINANCIAL REGULATION 808 TO FACILITATE
EXPENDITURE CONTROL THROUGH THE INTERNAL BANK
ADJUSTMENT SYSTEM**

I refer to my circular dated 17th January, 1985 on the above-mentioned subject and wish to inform you that the operational and commencement date for the application of the expenditure control through the I.B.A. System has been shifted to 1st of April, 1985.

2. This is to enable all concerned to get themselves acquainted and familiarised with the new system for a smooth take-off.

I. I. IYEMMI,
Accountant-General of the Federation

FEDERAL TREASURY CIRCULAR

A7 and B7/1985
(File No. C/2726)

Federal Ministry of Finance,
Treasury Department,
Federal Secretariat,
Ikoyi, Lagos.
8th March, 1985

To :
The Secretary to the Federal Military
Government and Head of the Civil
Service of the Federation,
The Inspector-General of Police,
All Permanent Secretaries and Heads of
Extra-Ministerial Departments

CLARIFICATIONS TO TREASURY CIRCULAR NO. A4 and B4/1985 OF 17th JANUARY, 1985

Following issues raised by the Central Bank of Nigeria and a number of Ministries and Departments, on some provisions of the circular, it has become necessary to make the following clarifications to the circular. Please note that the circular becomes fully operative from 1st April, 1985, in order to allow all concerned to settle down properly to the new procedures.

Provision No. 1.—The clarification to this provision relates only to Ministries, such as Ministry of Defence, which operate more than one IBA account. In all such cases, the main Ministry is required to notify the C.B.N. how much of the overall ministerial allocation has been reallocated to each I.B.A. account. This same information should be copied to the Accountant-General of the Federation.

Provision No. 2.—Ministries/Departments should now pay all revenue not accruing to the Federation Account, into their I.B.A. accounts in the first instance. Such revenue should thereafter be paid over by cheque to the Sub-Treasurer of the Federation every month. The Cash Transfer account (*see* provision No. 5 below), should be used to classify the payment vouchers in support of such cheques. The revenue being paid over to the Sub-Treasurer of the Federation should also be supported by a schedule, showing amount collected under each classification. A copy of this schedule should be sent to the Cash Supply.

Provision No. 3.—I.B.A. account balances will now be transferred to the account of the S.T.F. at such intervals as the C.B.N. may find convenient. This arrangement should not prevent regular bank reconciliation. The C.B.N. will continue to render bank statements as usual.

Provision No. 4.—No clarification is needed.

Provision No. 5.—A.I.E. from one Ministry/Department to another is required to be accompanied by a cheque. In order to issue this cheque, a payment voucher has to be raised. Such a payment voucher should be classified to the Cash Transfer account in the 2,000 series, now being allocated to each operator of an I.B.A. account. It is mandatory that the Ministry/Department receiving the A.I.E. and cheque should acknowledge receipt by raising a receipt voucher, classified to the cash transfer account of the Ministry/Department issuing the A.I.E. and cheque. To this end, it will be appropriate for the letter forwarding the A.I.E. and cheque to include a statement such as—Please acknowledge receipt by issuing an R.V. classified to my cash transfer account No.

Provision No. 6.—Same as for No. 5 above except that acknowledgement of the A.I.E. and cheque should be made by the Cash Supply Section of the Treasury.

Provision No. 7.—No clarification is needed.

Provision No. 8 :

(a) *Remittances Overseas.*—Applications from Ministries/Departments to the A.G.F. are required to be accompanied by cheques. Such a cheque should be supported by a payment voucher classified to the remitting Ministries/Departments Cash transfer account. When the overseas remittance is made, the STF will raise a P.V. classified to his cash transfer account to back up the cheque that will be issued. The overseas recipient should acknowledge receipt as explained in (5) above.

(b) *Letter of Credit.*—Ministries/Departments are required to forward cheques along with their applications to the A.G.F. It is intended to accumulate such payments received from Ministries/Departments in a deposit account and to meet subsequently maturing letters of credit therefrom. Since the cheques to be sent to A.G.F. application for letter of credit will be supported by voucher classified to the appropriate vote of charge, the new procedure will ensure that the vote receives a debit during the course of the financial year and also prevent lapse of such funds.

I. I. IYEWEMI,
Accountant-General of the Federation

FEDERAL TREASURY CIRCULAR

A8 and B8/1985
(File No. C/5159)

Federal Ministry of Finance,
Treasury Department,
P.M.B. 12566,
Lagos.
15th May, 1985.

To :
The Secretary to the Federal Military
Government and Head of Service,
The Inspector-General of Police,
All Permanent Secretaries and Heads of
Extra-Ministerial Departments.

ANNUAL AUDIT OF ACCOUNTS OF MINISTRIES, PARASTATALS AND GOVERNMENT-OWNED COMPANIES

It has been brought to the notice of Government that Ministries/Departments, Parastatals and Government Owned Companies, have in the past produced accounts quite out of tune with the legal base on which they operate. In the case of Ministries/Departments, it has become obvious that over the years accounts have been prepared in arrears, while Parastatals and Government Owned Companies do not even prepare accounts in some cases.

1. Government has reviewed this intolerable state of affairs and its effect on the philosophy of Accountability which as would be recalled is one of the issues of tremendous interest to the present Administration and has decided to call a halt to a situation of non rendition of accounts promptly.

3. It has therefore directed that henceforth, accounting and reporting responsibility of Ministry/Departments, Parastatals and Government Owned Companies should be taken more seriously. In any case no Ministry, Department, Parastatal, Government Owned Company or any Government Agency for that matter shall be funded by the Treasury unless it meets Government requirement to the effect that not only has it produced accounts timely but should have such accounts audited six months after the end of the financial year to which the financial transactions relate. For the purpose of this directive 1986 has been identified as the commencement year. Accordingly, with effect from September 1986, no Ministries/Departments, Parastatals and Government Owned Companies shall be entitled to funds from the Treasury, unless they have in hand the audited accounts relating to 1985 financial year.

4. In implementing this decision, it is envisaged that certain problems would be encountered by Ministries/Departments. The problems are at the moment being examined by the Departments of the Treasury and Auditor-General for the Federation. The solutions arrived at would be adopted as the substance of a subsequent implementation circular that will be issue soon.

5. It is advisable that Chief Executives of Parastatals and Government Owned Companies contact the Auditor-General's Office to discuss issues that they may consider would be of relevance to the subject matter.

6. May I appeal for the widest circulation possible for this circular to all who have input into the process of preparation and rendition of the Final Accounts of the Federal Government. Accounting Officers are reminded of their responsibility in this matter and should endeavour they do their utmost in ensuring that audited accounts are rendered by their Ministries/Departments six months after the end of the financial year to which the accounts related.

I. I. IYEWEMI,
Accountant-General of the Federation

FEDERAL TREASURY CIRCULAR

A9 and B9/1985
(File No. C/2741/Vol.VI)

Federal Ministry of Finance,
Treasury Department,
P.M.B. 12566,
Lagos.
20th May, 1985.

To :

The Secretary to the Federal Military
Government and Head of the
Civil Service of the Federation,

The Inspector-General of Police,
All Permanent Secretaries and Head of
Extra-Ministerial Departments.

**REPAYMENT OF LOAN FOR THE PURCHASE OF
SATELLITE TOWN HOUSING UNITS**

Attention is drawn to Treasury Circular No. A.8 and B.8/1979 dated 10th September, 1979 and the decision reached to the effect that Lagos University staff, who purchased housing units from the Satellite Town will henceforth and for the purposes of this Circular be treated like their counterparts in the Federal Public Service. This is, to say that the present conditions of accepting instalmental payments obtained under the Federal Government Staff Housing Scheme shall apply.

2. Since the houses were allocated in 1978, the accrued interest of 3 per cent which is the current rate chargeable by the Federal Staff Housing Board, shall apply and be calculated from that date on the cost of the houses up to the month this concession becomes operational. The interest and capital sum shall be deducted from the staff salaries and paid over to the Federal Government Account.

3. Any Balance outstanding shall be treated in accordance with the format of the repayment schedule which is generally applicable to Federal Civil Servants.

4. This concession also applies to Corporations and Parastatals who may wish to avail themselves of this privilege.

5. Paragraph 6 of the earlier Circular No. A.8 and B.8/1979 is hereby cancelled.

I. I. IYEVEMI

Accountant-General of the Federation

FEDERAL TREASURY CIRCULAR

A10 adn B10/1985
Ref. No. Insp. 0030/53/Vol. 1/10

Federal Ministry of Finance,
Treasury Department,
Mosaic House,
Lagos.

26th June, 1985.

To :
The Secretary to the Federal
Military Government,
Inspector-General of Police,
All Permanent Secretaries, and
Heads of Extra-Ministerial Department,
All Chief Executives of Federal Government
Parastatals and Companies,

**DISPOSAL OF UNSERVICEABLE GOVERNMENT VEHICLES
AND EXPANSION OF MINISTERIAL/DEPARTMENTAL
BOARD OF SURVEY**

The Federal Executive Council decided at one of its meetings that the Ministry of Works and Housing should complete the evaluation of the cover prices of all abandoned/unserviceable vehicles in all Ministries/Departments latest 15th March, 1985. The Council further directed that such vehicles should be disposed off by direct sale latest 31st March, 1985. Inspection visits conducted subsequently by Inspectorate Division of the Treasury Department, however revealed non-compliance by some Ministries which claimed to be unaware of the Council Conclusion, hence this circular. Such Ministries/Departments should forthwith comply. These vehicles litter government premises all over the Federation, they occupy valuable space and should therefore be boarded if technical advice indicates they could not be economically repaired. Delay in disposal always results in rapid deterioration of the vehicles, reduction in residual value and loss in revenue.

2. The Council directed that the Board of Survey for the boarding and disposal of unserviceable stores, vehicles, etc. of each Ministry/Department should be expanded to include the representatives of the Ministry of Works and Housing, the Nigeria Police or Armed Forces. The Board shall now consist of at least five members, but cognizance should however be taken of my circular Reference No. A13 and B13 of 10th July, 1984 on the Chairmanship of the Board, and the Head of Accounts Division should continue to be the chairman.

3. The Council also directed that in the disposal of the unserviceable vehicles, first option should be given to needy civil servants in the Ministries/Departments where the sale is being conducted and the balance would be sold to members of the public. Such sales to members of the staff should be by tender and not public auction. The Financial Regulation 4130 has been suspended by the Council in this regard. In fixing reserved price, cognizance should be taken of current market price. The price arrived at by the use of the depreciation rate laid down in Financial Regulation 4134 should only be a guide. A vehicle should therefore be sold at its worth or present-day value. Members of staff should not abuse this concession made to relieve them.

4. The recommendation of the Board of Survey has to be approved in writing by the Permanent Secretary or Head of the Extra-Ministerial Department and the copies of its Report on Treasury Form 147 should be sent to the Accountant-General of the Federation and the Auditor-General for the Federation after implementation for their records and Vehicle Inspection Report-Gen. 61 and Unserviceable Stores-Store 9 should be attached to the Report. A photostat copy of Treasury Receipt on which the proceeds were paid to revenue should also be forwarded. Any queries raised by the Accountant-General of the Federation or Auditor-General on the sale should be promptly answered.

5. The Council has also directed supervising Ministries to ensure that their parastatals or companies make similar arrangements for boarding and disposal of their vehicles.

I. I. IYEWEMI,
Accountant-General of the Federation

NIGERIA'S ASSETS AT HOME AND ABROAD

At its meeting No. EC (85) 12, the Federal Executive Council decided that all Ministries and Parastatals should render returns on their various assets both at home and abroad.

The purpose of this circular is to draw attention to this Council directive and to request all concerned to render the returns called for to the Federal Ministry of Finance, not later than the 30th September, 1985.

The attached proforma should serve as a guide in the rendition of the returns. Returns should be on separate sheets for each category of assets specified in the attachment. The information under "Details of Assets" should be provided for categories A to E and where else appropriate. Nil return should be rendered for any category of assets not held.

I. I. IYEWEMI,
Accountant-General of the Federation

FEDERAL TREASURY CIRCULAR

A11 and B11/1985
File No. MS/0089/38/V

Federal Ministry of Finance,
Treasury Department,
(Ministry of Finance Incorporated)
P.M.B. 12566,
Lagos.
9th July, 1985.

To :

The Secretary to the Federal
Military Government and
Head of Service,
The Inspector-General of Police,
All Permanent Secretaries and
Heads of Extra Ministerial Departments,
General Managers/Managing Directors of
Parastatals and Government owned
Companies,

NIGERIA'S ASSETS AT HOME AND ABROAD

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I. I. IYEWEMI,
Accountant-General of the Federation

ASSETS CATEGORIES

- A Land
- B Building
- C Plant and Machinery
- D Investments in long-term Securities
- E Investments at call or short notice (Including Savings Accounts)
- F Cash Balances
- G Other Assets (Please specify)

DETAILS OF ASSETS

Item No.	Description	Location	Date of Acquisition	Cost of Acquisition	Estimated Present Value	Other Information
						All Federal Pay Officers
						University Teaching Hospitals
						All Directors of Administration in the Parastatal/Statutory Corporations
						All General Managers/Directors of National Universities Commission
						The Executive Secretary, The Auditor-General of the Federation
						Extra-Ministerial Departments of the Government of the Federation
						All Permanent Secretaries and Heads of

FINANCE (MISCELLANEOUS TAXATION PROVISIONS) DECREE NO. 4 OF 1983

1. Pursuant to the provisions of section 29C of the Companies Income Tax Act 1979 as amended by section 33 of the Finance (Miscellaneous Taxation Provisions) Decree No. 4 of 1985, any person from whom any payments are due in respect of activities listed hereunder is hereby required to deduct tax therefrom at the rate specified, and to deduct therefrom a sum equal to the tax so deducted.

Rate at which tax is to be deducted	Payments in respect of
10%	Commissions
10%	Technical Services
10%	Management Services
10%	Consultancy Services
10%	goods and property
10%	All types of contracts other than sale and purchase of goods and property
10%	All aspects of building construction and related activities
10%	Payments in respect of

FEDERAL TREASURY CIRCULAR

Federal Ministry of Finance,
Treasury Department,
Management Services Division,
Mosaic House,
Lagos.

A12 and B12/85
(MS/0089/38/V/135)

To :

(26th June, 1985.

- The Secretary to the Federal Military Government and Head of the Office of the Civil Service of the Federation ;
- The Inspector-General of Police ;
- All Permanent Secretaries and Heads of Extra-Ministerial Departments of the Government of the Federation ;
- The Auditor-General of the Federation ;
- The Executive Secretary, National Universities Commission ;
- All General Managers/Directors of Parastatals/Statutory Corporations ;
- All Directors of Administration in the University Teaching Hospitals ;
- All Federal Pay Officers :

FINANCE (MISCELLANEOUS TAXATION PROVISIONS) DECREE NO. 4 OF 1985

1. Pursuant to the provisions of section 59c of the Companies Income Tax Act 1979 as amended by section 33 of the Finance (Miscellaneous Taxation Provisions) Decree No. 4 of 1985, any person from whom any payments are due in respect of activities listed hereunder is hereby required to deduct tax therefrom at the rate specified :

<i>Payments in respect of</i>	<i>Rate at which tax is to be deducted</i>
All aspects of building, construction and related activities	2½%
All types of contracts other than sale and purchase of goods and property	2½%
Consultancy Services	10%
Management Services	10%
Technical Services	10%
Commissions	10%

2. Persons required to deduct tax from such payments include companies, Governments Ministries and Departments, Parastatals, Statutory bodies, Institution and other establishment approved for the operation of pay as you earn scheme.

3. The deduction are not and should not be regarded as additional cost of contracts or Services rendered and should therefore not be built into costs. They are deductions in lieu of tax.

4. A person who has deducted tax from such payments shall issue receipt for the amount of tax deducted and a statement showing details prescribed in paragraph 6 below.

5. Such person shall forward the tax deducted and the accompanying statement to any of the offices of the Board listed below when the payment is credited or his being made whichever is earlier—

Lagos Area Office	.. .. .	Broad Street, Lagos
Petroleum and Pioneer Division	.. .. .	Church House, 29 Marina, Lagos
Mainland Area Office	.. .. .	102 Olatunde Labinjo Avenue, Obanikoro
Kano Area Office	.. .. .	55 Club Road, Kano
Kaduna Area Office	.. .. .	Hospital Road, Kaduna
Ibadan Area Office	.. .. .	Temitope Building, N6B/742, Oyo Road, Ibadan
Enugu Area Office	.. .. .	7 Ridgeway, Enugu
Port Harcourt Area Office	.. .. .	10 Moscow Road, Port Harcourt
Jos Area Office	.. .. .	Tundun Wada Area, Jos
Benin Area Office	.. .. .	40 Airport Road, Benin
Ilorin Area Office	.. .. .	Revenue Road, off Unity Road, Ilorin
Maiduguri Area Office	.. .. .	Bama Road, Maiduguri
Calabar Area Office	.. .. .	22 Ekpo Ase Street, Calabar
Sokoto Area Office	.. .. .	Gusau Road, Sokoto
Owerri Area Office	.. .. .	14 Okigwe Road, Owerri
Abeokuta Area Office	.. .. .	47A first Avenue, Ibara G.R.A., Abeokuta
Abuja Area Office	.. .. .	FCF Secretariat, Gwagwalada, Abuja

6. The person making the remittance of the deduction made shall state the following information in writing :

- (a) Name and address of the company which suffered the tax deduction ;
- (b) Nature of activities or services in respect of which payments were made ;
- (c) Gross amount paid or payable ;
- (d) Amount of tax deducted ;
- (e) Amount of tax remitted ;
- (f) Date of remittance.

7. For the purpose of final assesment, the company beneficiary of such income that had suffered deduction of tax at source shall present the original receipt issued in respect of the tax deducted at source to the Board for scrutiny whenever a claim for tax credit is made.

8. Any person who is obliged to deduct tax at source under the Decree and by virtue of this Notice but who fails to do so or have deducted tax fails to pay over such tax to the Board within thirty days from the date the tax was deducted or the duty to deduct tax arose shall be liable on conviction to a fine of ₦5,000 in addition to the amount of tax deducted together with interest at the prevailing commercial rate. Such payments may also be disallowed as deduction from income or profits for tax purposes.

9. This circular takes effect from 14th May, 1985.

I. I. IYEWEMI,
Accountant-General of the Federation

Federal Ministry of Finance,
Treasury Department,
Inspectorate Division,
Lagos.
30th July, 1985.

To :

- The Secretary to the Federal Military Government and Head of the Civil Service of the Federation,
- The Inspector-General of Police,
- All Permanent Secretaries and Heads of Extra-Ministerial Departments.

**DISPOSAL OF SEIZURES, RECOVERED GOODS, ETC.,
AFTER COURT JUDGMENTS**

It has been observed that many Ministries, Departments and Parastatals that handle court cases in connection with seized goods or abandoned/recovered valuable goods fail to dispose of such valuable items in the most expeditious manner as directed by the courts, thus making the government to lose substantial revenue.

2. As at now, many of these government agencies have failed to take prompt action in retrieving goods for which final judgments, have been given by the appropriate courts for disposal as ordered by such courts. In most cases, such valuable items are forfeited to the government and ordered to be auctioned. However, it has been observed that many of such goods are left in the court premises unclaimed for a very long time thus allowing them to rot away or pilfered and in some cases totally stolen.

3. With effect from the date of this circular, all such goods should be promptly retrieved by the government agencies concerned and auctioned or disposed of as directed by the courts. Any officer or officers who fail to carry out the courts' orders and thus make the government to lose revenue in any way on such goods will be severely dealt with in accordance with the appropriate provisions of Financial Regulations dealing with the proper custody of public property/funds.

4. Meanwhile, the attached Proforma should be completed by all government ministries and extra-ministerial departments and returned to the Deputy Accountant-General (Inspectorate/Internal Audit), Federal Ministry of Finance, Mosaic House, Lagos not later than 30th September, 1985 as the first Quarterly Return and the Return should be rendered quarterly at the end of each quarter.

5. The contents of this circular should be given the widest publicity in all government establishments and parastatals.

J. O. ADEWUYI,
for : Accountant-General of the Federation

I. I. IYEREMI,
Accountant-General of the Federation

FEDERAL TREASURY CIRCULAR

Office of the Head of the Civil Service of the Federation, Establishment and Training Department, Federal Secretariat, 18 August 1985

DECENTRALISATION OF GRATUITY PAYMENT

It has been brought to the notice of Government that retiring officers experience difficulties due to the delays which attend the payment of their gratuity. Consequently Government has decided that in order to ensure that the gratuity of this group of officers should be paid promptly. After an independent study of the various procedures available for attaining the objective, the use of A.I.E.s issued from the Central Reserve Fund charges has been adopted.

2. With immediate effect therefore, the following procedure shall be adopted:

(i) On an officer giving notice of retirement, the Ministry or Department in which he last served shall cause the usual papers to be completed;

(ii) The Ministry or Department shall immediately forward to the Ministry/Department in respect of housing, motor vehicles, etc. and also the pension forms accordingly;

(iii) The pension forms duly endorsed with the current statement of indebtedness shall then be sent to the Establishment and Training Department under the cover of a letter requesting that A.I.E. for the amount due to be issued to the Ministry/Department for payment to be effected;

(iv) The Establishment and Training Department of the Office of the Head of Service shall promptly check the completed forms and certify itself that the computations made by the Ministry/Department are correct. It will thereafter issue A.I.E. for gratuity;

(v) On receipt of the A.I.E. the Ministry or Department shall immediately set into motion the machinery for effecting payment. It is absolutely important that Ministries/Departments make returns on Pension Forms to the Establishment and Training Department. Ministries/Departments shall have responsibility for ensuring that deductions are made from all gratuity payments in respect of debts owed by the Officer. Amounts so deducted shall be paid to beneficiary accounts by cheque or adjustment depending upon the nature of the deduction;

QUARTERLY RETURN OF DISPOSAL OF SEIZURES/RECOVERED GOODS AFTER COURT JUDGMENT, FOR THE QUARTER ENDED

MINISTRY/DEPARTMENT

Serial No.	Date of Seizure or Recovered Goods	Description of the Items	Date Case Taken to Court	Date of Judgment	Date of Retrieval of Goods	Date Goods Auctioned	Amount Realised	Remark
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FEDERAL TREASURY CIRCULAR

Office of the Head of the Civil
Service of the Federation,
Establishment and Training
Department,
Federal Secretariat,
Ikoyi,
Lagos.

A14 and B14/1985
Ref. No. C/4671

19th August, 1985

To :

The Secretary to the Federal Military Government
and Head of the Civil Service of the Federation,
The Inspector-General of Police,
All Permanent Secretaries and Heads of Extra-Ministerial Departments.

DECENTRALISATION OF GRATUITY PAYMENT

It has been brought to the notice of Government that retiring officers experience difficulties due to the delays which attend the payment of their terminal benefits. Consequently Government has decided that in order to ameliorate the suffering of this group of officers, gratuity should be paid promptly. After an indept study of the methodologies available for attaining the objective, the use of A.I.Es issued from Consolidated Revenue Fund charges has been adopted .

2. With immediate effect therefore, the following procedure shall be adopted :

(i) On an officer giving notice of retirement the Ministry or Department in which he last served shall cause the usual pension form to be completed ;

(ii) The Ministry or Department shall immediately compute the officer's indebtedness in respect of housing, motor vehicles advances, etc. and endorse the pension forms accordingly :

(iii) The pension forms duly endorsed with the accurate statement of indebtedness shall then be sent to the Establishment and Training Department under the cover of a letter requesting that A.I.E. for the amount due be issued to the Ministry/Department for payment to be effected ;

(iv) The Establishment and Training Department of the Office of the Head of Service shall promptly check the completed Pension Forms and satisfy itself that the computations made by the Ministry/Department are accurate. It will thereafter issue A.I.E. for gratuity ;

(v) On receipt of the A.I.E. the Ministry or Department shall immediately set into motion the machinery for effecting payment. It is absolutely important that Ministries/Departments make returns on Pension A.I.Es to the Establishment and Training Department. Ministries/Departments shall have responsibility for ensuring that deductions are made from all gratuity payments in respect of debts owed by the Officer. Amounts so deducted shall be paid to beneficiary accounts by cheque or adjustment depending upon the nature of the deduction ;

(vi) Both the Ministry/Department in which the Officer is retiring and the Establishment and Training Department should maintain comprehensive records of all payments made in respect of Gratuity. In the case of Establishment and Training Department, such records shall be in accordance with Ministries/Departments and shall be maintained in such a manner that facilitates the avoidance of double payments.

3. In view of the special nature of the A.I.Es which will be issued from the Consolidated Revenue Fund charges Vote, it is important that Permanent Secretaries as Accounting Officers be made addressees. It is foreseen therefore that in order to avoid possible diversion of funds, Accounting Officers shall have personal responsibility for all A.I.Es issued for the payment of Gratuity. It should be noted that this personal responsibility of the Accounting Officer over payment of gratuity is not subject to delegation.

A. M. WAZIRIN FIKA.

*Acting Secretary to the Federal Military Government
and Head of the Civil Service of the Federation*

FEDERAL TREASURY CIRCULAR

Ref No. B. 49951/S. 4/VI/337

Cabinet Office,
Tafawa Balewa Square,
Lagos.

21st August, 1985.

To :

Principal Secretary to the Head of the
Federal Military Government, State House,
The Inspector-General of Police,
All Permanent Secretaries and Heads of
Extra-Ministerial Departments,

DECENTRALISATION OF GRATUITY PAYMENT

It has been brought to the notice of Government that retiring officers experience difficulties due to the delays in paying their terminal benefits. Consequently, Government has decided that in order to ameliorate the suffering of this group of officers, gratuity should be paid promptly. After an indepth study of the methodologies available for attaining the objective, the use of A.I.Es issued from Consolidated Revenue Fund Charges is to be adopted.

2. With effect from 1st January, 1986, the following procedure shall therefore be adopted:

(i) on an officer giving notice of retirement, the Ministry or Department in which he last served shall cause the usual pension forms to be completed ;

(ii) the Ministry or Department shall immediately obtain a certified statement of the officers indebtedness in respect of housing or land advance from the Staff Housing Board and also determine any other outstanding advances on motor vehicles, etc. The pension forms will then be endorsed accordingly ;

(iii) on the basis of (ii) above, the Ministry shall pay the retiring officer the balance of the gratuity due to him based on the current schedule to the Pensions Act not later than his last day in the service. A copy of the current schedule of the quantum of retiring benefits is attached as an Annex to this circular ;

(iv) the pension forms duly endorsed with the accurate statement of indebtedness shall then be sent to the Establishments and Training Department under the cover of a letter which must clearly indicate in words and figures, the amount of gratuity already paid ; and

(v) the Establishments and Training Department of this office shall thereafter promptly check the completed Pension Forms and satisfy itself that the computations made by the Ministry/Department are accurate. It will then proceed to process the papers for the payment of pension. Any error detected in the payment of gratuity shall be brought to the notice of the paying Ministry/Department and deducted *en bloc* from the pension or spread over such a period that will ensure total deduction from the first 5 years' pension.'

3. Papers of retired officers already forwarded to this office will continue to be dealt with in accordance with the existing procedure. However, between now and the end of this year Ministries/Departments will be required to submit to Establishment and Training Department, their estimates for the payment of gratuity during the 1986 fiscal year. Funds will thereafter be released on a quarterly basis *but* returns of payments made from an earlier allocation will have to accompany subsequent requests for funds. Similar operations will be repeated in subsequent years.

4. In view of the special nature of the A.I.E.s which will be issued from the consolidated Revenue Fund Charges Vote, it is important that Permanent Secretaries and Heads of Extra-Ministerial Departments as Accounting Officers be made addressess. Therefore, in order to avoid possible diversion of funds, Accounting Officers shall have personal responsibility for all A.I.E.s issued for the payment of Gratuity. It shall be noted that this personal responsibility of the Accounting Officer over payment of gratuity cannot be delegated.

5. Accounting Officer will be expected to render quarterly returns on the A. I. E. made available to the Accountant-General with copies to Establishment and Training Department of this office.

A. M. WAZIRIN FIKA,
*Acting Secretary to the Federal Military
Government and Head of Service*

Copies to :

The Secretaries to States' Military Government and Heads of Service.

For Information Please.

A. M. WAZIRIN FIKA,
*Acting Secretary to the Federal Military
Government and Head of Service*

Ref. No. MS/008 9/221/

Federal Ministry of Finance,
Treasury Department,
Mosaic House,
Lagos.

12th September, 1985

To : Chief Internal Auditors,
All Heads of Accounts Division ; and
All Federal Pay Officers.

The circular above supercedes A14 and B14/1985 and is for your information please

O. I. AGORO,
For : Accountant-General of the Federation

Years qualifying service	Gratuity as percentage of final pay	Pension as percentage of final pay
10	100	—
11	110	—
12	120	—
13	130	—
14	140	—
15	100	30
16	110	32
17	120	34
18	130	36
19	140	38
20	150	40
21	160	42
22	170	44
23	180	46
24	190	48
25	200	50
26	210	52
27	220	54
28	230	56
29	240	58
30	250	60
31	260	62
32	270	64
33	280	66
34	290	68
35	300	70

13th September, 1985

To : Chief Internal Auditor, the Comptroller and Accountant General, All Heads of Accounts Division and All Federal Tax Officers.

The circular above numbered A1+ and B1+ 1985 and is for your information please.

FEDERAL TREASURY CIRCULAR

A15 and B15/1985
(MS/0089/38/V/141)

Federal Ministry of Finance,
Treasury Department,
Management Services Division,
Mosaic House,
Lagos.

21st August, 1985

To :

- The Secretary to the Federal Military Government,
- All Federal Permanent Secretaries and Heads of Extra-Ministerial Departments,
- All Secretaries to State Military Government
- All Chief Executives of Federal Government Parastatals.

INDEBTEDNESS TO GOVERNMENT COASTAL AGENCY

My attention has been drawn to the colossal amount which is being owed by some Federal and State Government Ministries, Departments and Parastatals to Government Coastal Agency, in respect of essential services performed by the latter.

2. An indepth examination of the huge indebtedness which is almost crippling the Agency, has revealed that when placing orders for cargoes from foreign countries many of the Principals for whom the Government Coastal Agency undertakes these services do not make adequate financial provision in their cost estimates for freight charges, port and haulage charges and other incidental expenses to meet the expenses when they arise. Consequently, the burden of the extra financial commitment has been borne by the Government Coastal Agency without prompt reimbursement by its Principals.

3. In order to obviate this unsatisfactory state of affairs and save the Government Coastal Agency from imminent collapse, all defaulting Federal Ministries, Departments and Parastatals are requested to settle their indebtedness without delay. Similarly, State Governments requested to pay up their debts without delay.

4. In the event of failure or delay to settle the debts, action may be taken to recover the outstanding amounts at sources from the quarterly allocations or subventions of Federal Ministries/Departments and Parastatals and from the revenue allocation in the case of State Governments.

5. It will therefore be appreciated if the content of this circular is brought to the notice of all concerned.

I. I. IYEMYI,
Accountant-General of the Federation.

FEDERAL TREASURY CIRCULAR

Federal Ministry of Finance,
Treasury Department,
Management Services Division,
Mosaic House,
Lagos.

5th September, 1985.

A16 and B16/1985
(MS/0089/38/V)

To :

- The Secretary to the Federal Military Government and Head of the Civil Service of the Federation,
- The Inspector-General of Police,
- All Permanent Secretaries and Heads of Extra-Ministerial Departments,
- The Auditor-General for the Federation,
- The Executive Secretary,
National Universities Commission,
- All Directors of Administration in the University Teaching Hospitals,
- All Federal Pay Officers,

DEDUCTION OF TAX AT SOURCE

Attention has been drawn to observations made by Federal Board of Inland Revenue (FBIR) that some Ministries/Departments and parastatals are deducting tax, but are not remitting the tax deducted to the Federal Board of Inland Revenue, as stipulated in my circular A12 and B12/85 dated 26-6-85.

2. It has become necessary, therefore to re-emphasise that prompt payment should be made to FBIR after deduction. In effect, whenever any payments are made, two cheques must be issued, one to the payee/beneficiary, and the other to the FBIR as beneficiary to the tax deducted. For example, if ₦5,000 is due to "A" Co. Limited for Technical fees which is liable to 10 per cent tax deduction at source, the paying entity will proceed as follows—

Details to be shown on the voucher

Gross amount of Management fee due to "A" Co. Ltd.	.. .. .	5,000
Deduct 10% being tax deducted at source (sec. 59c of CITA)	.. .. .	500
Balance after tax payable to "A" Co. Ltd.	.. .. .	4,500
Tax to be remitted to FBIR	.. .. .	500
Total cheques issued	.. .. .	5,000

3. Ministries/Departments and Parastatals should please refer specifically to paragraphs 12 and 15 of the Notes for guidance on the Finance (Miscellaneous Taxation Provisions) Decree 1985, for further guidance.

4. It will be appreciated if the contents of this circular are brought to the notice of all Accounts staff as well as all others connected with the disbursement of Government Fund.

I. I. IYEWEMI,
Accountant-General of the Federation

1. Introduction.—The Federal Inland Revenue Department has prepared these notes as guidance to tax officials, taxpayers, their advisers and the general public. The notes are in themselves not laws, and in particular they are regarded as "regulations," to certain provisions of the laws, they are strictly to be read in conjunction with the Companies Income Tax Act 1979 as amended and the Income Tax Management Act 1961 as amended or any other relevant tax laws.

2. The notes cover only such areas that are considered as requiring some further explanation as to interpretation or mode of implementation, and cover especially some specific provisions of Decree 4 of 1985. The notes cover—

- (a) In respect of T.M.A. 1961
- (i) Withholding tax on rents, dividends, interest and royalties, and penalty for failure to deduct such withholding tax; companies and persons who have been named as to deduct.
- (ii) Disclosure of information for tax purposes especially by Banks.
- (iii) List of purposes and transactions for which tax clearance certificate may be demanded.
- (iv) Amendments to capital allowances provisions.
- (v) Introduction of N100 air travel levy for tourists outside Africa.
- (vi) The existing rates of personal Income Tax remain unchanged.
- (b) In the case of companies income tax of Decree 1985
- (i) Tax incentive for companies exporting their products.
- (ii) Disclosure of information for tax purposes, information from Banks should be authorised by the Director/Head of Federal Inland Revenue Department.
- (iii) Amendment to the provisions for withholding tax on investment income such as rents, interest, dividends and royalties and penalty for failure to deduct such tax.
- (iv) Companies to pay tax before dividends are paid to shareholders.
- (v) Purposes for which tax clearance certificate may be demanded.
- (vi) Other deductions of tax at source other than withholding tax.
- (vii) Amendments to Capital allowances provisions.
- (viii) Pre-operation levy.

DECREE 1985

Federal Inland Revenue Department
Lagos.

NOTES FOR GUIDANCE ON THE FINANCE (MISCELLANEOUS TAXATION PROVISIONS) DECREE 1985

1. *Introduction.*—The Federal Inland Revenue Department, has prepared these notes as guidance to tax officials, taxpayers, their advisers and the general public. The notes are in themselves not laws, and in particular to the extent they are regarded as “regulations” to certain provisions of the laws, they are strictly to be read in conjunction with the Companies Income Tax Act 1979 as amended and the Income Tax Management Act 1961 as amended or any other relevant tax laws.

2. The notes cover only such areas that are considered as requiring some further explanation as to interpretation or mode of implementation, and cover especially some specific provisions of Decree 4 of 1985. The notes cover —

(a) *In respect of ITMA 1961*

- (i) Withholding tax on rents, dividends, interest and royalties, and penalty for failure to deduct such withholding tax ;
- (ii) Disclosure of information for tax purposes especially by Banks.
- (iii) List of purposes and transactions for which tax clearance certificate may be demanded.
- (iv) Amendments to capital allowances provisions ;
- (v) Introduction of ₦100 air travel levy for journeys outside Africa ;
- (vi) The existing rates of personal Income Tax remain unchanged ;

(b) *In the case of companies income tax*

- (i) Tax incentive for companies exporting their products.
- (ii) Disclosure of information for tax purposes, information from Banks should be authorised by the Director/Head of Federal Inland Revenue Department.
- (iii) Amendment to the provisions for withholding tax on investment income such as rents, interest, dividends and royalties and penalty for failure to deduct such tax.
- (iv) Companies to pay tax before dividends are paid to shareholders.
- (v) Purposes for which tax clearance certificate may be demanded.
- (vi) Other deductions of tax at source other than withholding tax.
- (vii) Amendments to Capital allowances provisions.
- (viii) ₦500 Pre-operation levy.

3. *Personal Income Tax, Personal Allowance.*—In arriving at the chargeable income for tax purposes, Personal allowance shall be allowed in a year of assessment to every individual with income in his or her own right as follows :

₦1,200 plus 12½ per cent of earned income in excess of ₦6,000.

(i) For any income of ₦6,000, and below, there is a flat rate allowance of ₦1,200 ; and

(ii) For any earned income in excess of ₦6,000 there shall be an additional allowance of 12½ per cent in addition to ₦1,200 granted in (i) above. Earned income includes, income from trade, business, employment, profession or vocation, but does not include ordinarily such income as rents, dividends, interests or royalties except such income are deemed to fall under business or trading profits, by a relevant tax authority.

4. *Disclosure of information in respect of individuals.*—In view of the fact that Banking institutions would not normally disclose any information in respect of their customers for tax purposes because they are not obliged to do so under the Banking Act, Section 28 (3) of ITMA 1961 now empowers the relevant tax authority to request from any Bank any information about customers and the Banks are now obliged to attend to such requests and release any information at their disposal for tax purposes, provided the request for such information is in writing and as authorised by the Director of Internal Revenue of a relevant tax authority. Failure to comply with such disclosure requirement attracts on conviction a fine of ₦500 in the case of an individual and ₦5,000 in the case of corporate body.

5. *Withholding Tax from income being paid to individual beneficiaries.*—Sections 21 c, d, e of ITMA 1961 have been amended to ensure that a withholding tax of 15 per cent is deducted at source whenever any payments of interests, royalties, rents and dividends are made or credited to any person which ever first occurs by a recognised payer. For the purposes of this exercise, a payer includes any company (corporate or unincorporate), Government Ministries and Departments, parastatals, statutory bodies, institutions and other established organisations approved for the operation of PAYE. In the case of interests payments, Banks are expected to continue with the present practice of notifying tax authorities of the names and addresses of recipients of interest on savings and deposits over ₦30. The interests which the Banks themselves earn from customers are regarded as part of the profits of the Banks and need not be subjected to a withholding tax.

6. *List of purposes for which tax clearance certificate may be demanded in respect of individuals.*—A new section 33 of ITMA 1961 provides for a list of purposes for which tax clearance certificate may be demanded by any Government Agent or organisation connected with any of the purposes.

7. *Capital Allowances.*—Capital allowances may as from 1st January 1985 now be claimed under a new straightline method. However the total capital allowances that may be claimed in any assessment year is now restricted to a maximum of 75 per cent of the profits for the year in the case of manufacturing companies and 66⅔ per cent in other cases. See capital allowances under CITA for more details.

8. *₦100 Air Travel Levy for journeys outside Africa.*—The air travel levy introduced with effect from 2nd January, 1985 is a consumption tax on those who can afford to travel outside Africa either for business, official or pleasure. The levy is ₦100 per trip from Nigeria. It is also tax aimed at those who draw on the Nation's foreign exchange earnings by travelling outside Africa as Nigeria has to look for foreign currency for such travels.

9. *Rates of Income Tax.*—Although paragraph 15 of Decree 4 of 1985 attempted to substitute a new table 2 of the Seventh Schedule to the Income Tax Management Act, 1961, the table inserted is the existing table as the Federal Military Government has not approved any change in the existing rates of tax for 1985. Notwithstanding the apparent impression given in this table that income over ₦60,000 appears not to have a rate, the correct interpretation is that, income over ₦60,000 is not free of tax but shall continue to be charged at 70 per cent since nothing to the contrary has been stated or suggested in the law. This statement therefore should correct any contrary impression to this interpretation.

10. *Companies Income Tax—Incentive for export promotion.*—A new incentive has been approved for companies manufacturing for export. Interest on any loan for such manufacture, paid by such manufacturing company on any such loan contracted for this purpose on or after 1-4-80, is tax exempt. To qualify for this exemption the manufacturing company must show a certificate from the Nigerian Export Promotion Council certifying that not less than 50 per cent of its manufactured goods disposed of in its year of account is sold outside Nigeria and is not re-exported to Nigeria. It is hoped that such manufacturing for export would attract loans, and investments under this special incentive scheme.

11. *Disclosure of information by Banks.*—In addition to the existing information being supplied by Banks on regular basis, Banks are now obliged to disclose further information about their customers for tax purposes, if such request is made in writing and it is authorised or signed by the Director of the Federal Inland Revenue Department.

12. *Withholding Tax on Rent, Dividends, Interests and Royalties.*—Companies, Government Ministries and Departments, Parastatals, institutions and organisations approved for the operation of PAYE are now obliged to withhold tax at the rate of 15 per cent in respect of any payment of rents, dividends, interests and royalties and only the balance should be paid to the beneficiary. The 15 per cent withheld must immediately be paid over to the relevant tax authority. Where the beneficiary is a company or corporate body or a non-resident company or individual, or is an individual to whom the Armed Forces and other persons special Income Tax Decree applies, the tax withheld should be remitted to the Federal Board of Inland Revenue. Where the beneficiary is an individual resident in any State and liable to tax in that State, such deduction should be remitted to the relevant tax authority of the State. Remittances must be accompanied with the necessary details as prescribed in the law. In Section 59 D of CITA 1979, failure to deduct or after deduction failure to remit within 30 days is punishable as an offence and on conviction the payer may be fined ₦500 in addition to the amount of tax deducted plus interest at the prevailing commercial rate. In addition to this liability under the law, companies may now be required to show evidence of the withholding tax deducted and paid over to the relevant tax authority, to support such expenses being charged against profits. Where such evidences cannot be produced or there is no proof of such deduction, such expenses may be disallowed against profits for tax purposes by the relevant tax authority.

13. *Companies Income Tax to be paid before Dividends are paid to Shareholders.*—Where companies declare dividends either interim or final dividends, such dividends can only be paid to shareholders if the company tax on the total profits out of which the dividends have been declared, has been fully paid to the Federal Board of Inland Revenue. Even where the final Accounts of the Company are yet to be agreed as in the case of interim dividends, whatever profit is declared as dividend would be deemed to be taxable profits and would attract tax at the current rate, and such tax must be paid before the dividend is paid to the beneficiary ; where a provisional tax had been paid by the company, whatever tax is due shall take into account the provisional tax already paid.

14. *Tax Clearance Certificate.*—A Tax Clearance Certificate in the prescribed form will usually be issued on request to any company that has paid in full the tax due in any year of assessment including any additional assessments. Such certificate may also be issued to the effect that the company is not liable to tax as the case may be. A list of purposes for which tax clearance certificate may be demanded is now in Section 74 A. If any company has failed to pay over to a relevant tax authority any tax withheld by it, such company may be deprived the issuance of a Tax Clearance Certificate even if its own tax had been fully paid. Tax Clearance Certificate must be issued on the prescribed form and must carry the appropriate authority of the relevant tax authority. Any company who is caught with a forged tax clearance certificate or obtains one through false declarations would be black-listed by the Board and such certificates shall be declared cancelled, null and void. Any Ministry, department or agency of government or any company approved for the operation of PAYE may demand tax clearance certificate for any of the purposes listed in respect of which transaction is contemplated.

15. *Other deductions at source under S. 59c.*—(i) Pursuant to the provisions of Section 59c of the Companies Income Tax Act 1979 as amended by Section 33 of the Finance (Miscellaneous Taxation Provisions) Decree No. 4 of 1985, any person from whom any payments are due in respect of activities listed hereunder is hereby required to deduct tax there-from at the rates specified below—

<i>Payments in respect of—</i>	<i>Rate at which is to be deducted</i>
	%
All aspects of building or other Civil works construction and related construction activities	2½
All types of contract activities or agency arrangements other than outright sale and purchase of goods and property in the ordinary course of business	2½
Consultancy services	10
Management services	10
Technical services	10
Commissions	10

(i) If any person is not sure of what constitutes any of the above items for the purposes of tax deduction, please consult the Federal Board of Inland Revenue.

(ii) Persons required to deduct tax from such payments include Companies, Government Ministries and Departments, Parastatals, Statutory bodies, Institutions and other Establishments approved for the operation of pay as you earn scheme.

(iii) The deductions are not and should not be regarded as additional cost of contracts or services rendered and should not therefore be built into costs. They are deductions in lieu of tax on profits. If it is later proved that no profits eventually accrue the tax deducted would be refunded promptly or credited against future tax liability.

(iv) A person who has deducted tax from such payments shall issue a credit note for the amount of tax deducted and a statement showing details prescribed in paragraph 15 (vi) below.

(v) Such person shall forward the tax deducted and the accompanying statement to the nearest to it of any of the offices of the Board listed below when the payment is credited or is being made which ever is earlier—

Lagos Area Office	Broad Street, Lagos
Petroleum and Pioneer Division	Church House, 29 Marina, Lagos
Mainland Area Office	102 Olatunde Labinjo Avenue, Obanikoro

Kano Area Office	..	..	..	55 Club Road, Kano
Kaduna Area Office	..	..	..	Hospital Road, Kaduna
Ibadan Area Office	..	..	..	Temitope Building, N6B/742 Oyo Road, Ibadan
Enugu Area Office	..	..	..	7 Ridgeway, Enugu
Port Harcourt Area Office	..	..	..	10 Moscow Road, Port Harcourt
Jos Area Office	..	..	..	Tundun Wada Area, Jos
Benin Area Office	..	..	..	40 Airport Road, Benin
Ilorin Area Office	..	..	..	Revenue Road, off Unity Road, Ilorin
Maiduguri Area Office	..	..	..	Airport Road, Maiduguri
Calabar Area Office	..	..	..	22 Ekpo Ase Street, Calabar
Sokoto Area Office	..	..	..	Gusau Road, Sokoto
Owerri Area Office	..	..	..	14 Okigwe Road, Owerri
Abeokuta Area Office	..	..	..	47A First Avenue, Ibara GRA, Abeokuta
Abuja Area Office	..	..	..	FCT Secretariat, Gwagwalada, Abuja

(vi) The person making the remittance of the deduction made shall state the following information in writing :

(a) Name and address of the company which suffered the tax deduction ;

(b) Nature of activities or services in respect of which payments were made ; (see paragraph 15 (i) above) and the total value of such activities or services ;

(c) Gross amount being paid or payable ; stating whether it is part payment or full payment ;

(d) Amount of tax deducted ;

(e) Amount of tax remitted ;

(f) Date of remittance ;

(g) A certificate by the person making the payment and the tax deduction that statements given above are correct giving full name and address of the person ;

(h) Federal Tax reference if any.

(vii) For the purpose of final assessment, the company beneficiary of such income that had suffered deduction of tax at source shall present the original credit note which must have been issued by the paying company in respect of the tax deducted at source to the Board for scrutiny whenever a claim for tax credit is made. The Federal Board of Inland Revenue would also issue a receipt showing what has been received from any Company making remittance on behalf of a beneficiary.

(viii) Any person who is obliged to deduct tax at source under the Section 59(c) of the CITA 1979 as amended by this Decree No. 4 1985 and by virtue of this Notice but who fails to do so or having deducted tax fails to pay over such tax to the Board within thirty days from the date the tax was deducted or the duty to deduct tax arose shall be liable on conviction to a fine of ₦500 in addition to the amount of tax deducted together with interest at the prevailing commercial rate. Such payments may also be disallowed as deductions from income or profits for tax purposes. These regulations came into effect on 14th May, 1985.

16(a) *Amendments to Capital Allowances.*—Attention is hereby being specifically drawn to the new method of computing capital allowance contained in Section 36 of the Finance (Miscellaneous Taxation Provisions) Decree No. 4 of 1985. Up to and including 1984 year of assessment, capital allowances were computed on the written down value of fixed assets. The amendments contained in the 1985 Decree provide for straight line method of computing annual allowance. The main feature of this new method is that the cost of a fixed asset less

initial allowance, if it is due is written off in equal instalments every year irrespective of the length of the period forming the basis for a year of assessment. If the rate of annual allowance is 10 per cent, the cost of the assets less initial allowance, if applicable, is written off in ten years. If the rate of annual allowance is $33\frac{1}{3}$ per cent, the asset is written off in three years.

(b) The amount of ₹10 which remains at the end of the computation on straightline method is to be retained in the books until the asset is disposed of finally. The taxpayer or his representative would be required to furnish information regarding disposal of an asset if the amount of ₹10 which represents the retained value of that asset disappears from the book as the taxpayer might have realised capital gains on its disposal. The amount of ₹10 should be retained in respect of each fixed asset and not in respect of a class or group of fixed assets even if the assets were acquired on the same day. For instance, if ten motor vehicles were purchased on 1st March, 1984, initial and annual allowance should be calculated on the cost of each vehicle and the amount of ₹10 should be retained in respect of each vehicle. On the other hand, ₹10 should be retained in respect of each complete fixed asset. For example, only ₹10 should be retained in the books in respect of a motor-trailer even if the trailer is built more than a year after the motor truck has been purchased, the cost of the trailer being additional to the cost of the motor truck on which it is built.

(c) *Transitional Provisions.*—Where capital allowance had been calculated in the past on the reducing balance method, the number of years in respect of which the allowance had been granted should be subtracted from the number of years during which the particular asset should normally have been written off in the allowance were calculated on straightline method. The written down value of the asset for tax purposes at the time of the change over from reducing balance method to straightline method should be written off in equal instalments over the remaining number of years.

(d) *Effect on Investment Allowance.*—Where provision is made for investment allowance as in the case of plant and equipment used in agricultural production (See Section 26(1)(c) of the Finance (Miscellaneous Taxation Provisions) Decree No. 4 of 1985, the qualifying expenditure is not reduced by the amount of the allowance.

(e) *Restriction on Capital Allowances granted.*—It is necessary to note in particular that capital allowance granted would now be restricted to 75 per cent of total assessable profits in a year of assessment in the case of manufacturing companies and to $66\frac{2}{3}$ per cent in all other cases. The restriction does not, however apply to companies in the agro-allied industry as defined in Sub-Section 8 of Section 9 of CITA 1979. The restriction applies to any type of capital allowance, that is the total of investment allowance, initial allowance, annual allowance as well as unabsorbed capital allowance brought forward.

17. *₹500 Pre-operation Levy.*—A company becomes liable to the levy six months after incorporation if it has not yet commenced business. Tax clearance certificates issued to this category of companies would contain information that a pre-operation levy of ₹500 has been paid with the appropriate note to the effect that "Company is yet to commence business ; pre-operation levy of ₹500 paid". There is no question of half year or part payment for part of an assessment year. If a company becomes liable in a year of assessment it pays the full levy for the assessment year. The levy is not payable only when there is a request for tax clearance certificate. Assessment notices would be sent to all known companies liable to the levy, and such assessments may attract penalties if left outstanding.

FEDERAL TREASURY CIRCULAR

Federal Ministry of Finance,
Treasury Department,
P.M.B. 12566
Lagos.

A17 and B17 of 1985
(File No. MS0089/38/Vol. V/Temp).

6th November, 1985.

The Secretary to the Federal Military
Government and Head of the Civil Service
of the Federation,
The Inspector-General of Police,
All Permanent Secretaries and Heads of
Extra-Ministerial Departments and Parastatals.

**DEDUCTION OF SALARIES DURING THE PERIOD OF
ECONOMIC EMERGENCY-GUIDELINES FOR
IMPLEMENTATION OF THE DIRECTIVE**

In compliance with Cabinet Office Circular No. SFMG. 11/377 of 1st November, 1985 on the above subject matter, the following guideline is hereby issued to facilitate the implementation of the Government directive :

(1) Deduction of the various rates as per attached Cabinet Office Circular should be against gross pay. The amount thus deducted should form part of the free pay, for income tax purposes. For easy recording and accounting, individual deductions should be rounded to the nearest naira. See suggested format in appendix 1.

(2) In the case of Federal Government Ministries and Extra-Ministerial Departments, the Special deductions should be covered by a receipt voucher classified to Head 1660, Special Deposit Account. The deduction should simultaneously be withdrawn on an on-payment voucher and a cheque issued in favour of the National Economic Recovery Fund and paid direct to the Fund Account with the Central Bank of Nigeria, Lagos or in State Capitals, the number of which will be notified shortly. For the month of November 1985 however, all cheques should be forwarded to the Sub-Treasurer of the Federation, Lagos.

(3) For Universities, Parastatals and Government owned Companies, the deductions should be covered by a cheque in favour of the National Economic Recovery Fund and forwarded to the Sub-Treasurer of the Federation, Lagos.

(4) In the case of State Capitals where no branch of the Central Bank of Nigeria exists presently, Government Ministries/Departments should forward their cheques to the Federal Pay Officer in the State who should in turn transmit same to the Sub-Treasurer of the Federation, Lagos.

(5) For Government Ministries/Departments in Abuja, cheques should be forwarded to the Sub-Treasurer, Sub-Treasury of the Federation Annex, Abuja, who will transmit such cheques to the Sub-Treasurer of the Federation, Lagos.

(6) It is required of all Federal Pay Officer's, Sub-Treasurer,, Abuja and the Sub-Treasurer of the Federation, Lagos to keep separate register to record the receipt/payment to bank for other disposal of all cheques coming to them with respect to the National Economic Recovery Fund.

I. I. IYEMYI,
Accountant-General of the Federation.

FEDERAL TREASURY CIRCULARS

Ref. No. SFMG.11/377

Cabinet Office,
Tafawa Balewa Square,
Lagos.

1st November, 1985

To :
Chief Justice of Nigeria,
Inspector-General of Police,
All Permanent Secretaries and Heads
of Extra-Ministerial Departments.

**DEDUCTION OF SALARIES DURING THE PERIOD
OF ECONOMIC EMERGENCY**

As a contribution by the members of the Public Service to the economic recovery measures of the Federal Military Government, the following reduction will be effected in the salaries of all officers in the Public Service.

<i>Police/Judiciary/Civil Service/Parastatals</i>				<i>University System</i>			
			%				%
Salary ₦15,500 and above	..	..	15	Salary above ₦15,000	..	..	15
Grade Level 17	..	..	12	U.S.S. 14-15	..	..	12
Grade Level 15-16	..	..	10	U.S.S. 13	..	..	10
Grade Level 12-14	..	..	7	U.S.S. 10-12	..	..	7
Grade Level 07-11	..	..	4	U.S.S. 06-09	..	..	4
Grade Level 01-06	..	..	2	U.S.S. 01-05	..	..	2

2. This deduction in salaries takes effect from 1st November, 1985 and will apply throughout the remainder of the period of economic emergency up to 31st December, 1986.

G. A. E. LONGE, CFR
*Secretary to the Federal
Military Government*

SUGGESTED FORMAT FOR TREATMENT OF THE SPECIAL DEDUCTION ON PAYROLLS/WAGES SHEETS

Gross Pay	Special Ded.	Free Pay	Total Freepay	Taxable Pay	Income Tax	Other Ded.	Total Ded.	Net Pay
284	11	250	261	23	2.5	4	17.5	262.5

(Figures are assumed)

N.B.—The above format is only a guide to make clear the position. Individual Organisations should make the position fit into their existing payroll procedures.

FEDERAL TREASURY CIRCULAR

Federal Ministry of Finance,
Treasury Department,
P. M. B. 12566,
Lagos.

A18 and B18 of 1985
(File No MS/0089/38/Vol. V/Temp)

27th November, 1985.

The Secretary to the Federal Military Government
and Head of the Civil Service of the Federation,
The Inspector-General of Police,
All Permanent Secretaries and Heads of Extra-Ministerial Departments.

**DEDUCTION OF SALARIES DURING THE PERIOD OF ECONOMIC
EMERGENCY : NOTIFICATION OF THE ACCOUNT NUMBER OF THE
NATIONAL ECONOMIC RECOVERY FUND**

Please refer to paragraph two of Federal Treasury Circular No. A17 and B17 of 5th November, 1985 on the above subject matter and note that the account number for the National Economic Recovery Fund at the Central Bank of Nigeria, is Account No. 1196.

2. Accordingly, Federal Government Ministries and Extra-Ministerial Departments, should commence paying their deductions into this account, with effect from December 1985.

I. I. IYEMYI

Accountant-General of the Federation

FEDERAL TREASURY CIRCULAR

A19 and B19/1985
(File No. INSP/0030/46/Vol.1/9)

Federal Ministry of Finance,
Treasury Department,
P.M.B. 12566,
Lagos.
16th December, 1985.

To :

The Secretary to the Federal Military Government
Head of Civil Service of the Federation, Inspector-General of Police,
All Permanent Secretaries and Heads of Extra Ministerial Departments,
Heads of Finance and Accounts Division,
Heads of Internal Audit and Federal Pay Officers.

**ANNUAL CLOSING OF ACCOUNTS : VISITATION TO MINISTRIES/
DEPARTMENTS BY INSPECTORS IN INSPECTORATE DIVISION OF
THE TREASURY DEPARTMENT**

In view of the persistent disregard of the provisions of the Financial Regulations by Ministries/Departments in the course of closing up cash accounts at the end of each financial year, it became necessary last year to arrange for visits to be made to various Ministries/Departments to ascertain compliance with the Regulations. Similar visits will again be made in the first week of January 1986.

2. *Supplies and Contracts not Fully Discharged.*—It is known that cheques were sometimes issued on the last working day of each Financial year for services not fully completed or goods not fully supplied with the hope that such services would be completed or goods delivered during the first few weeks of the succeeding year. Accounting Officers, Heads of Finance and Accounts Division, Heads of Internal Audit and Federal Pay Officers are advised to stop this malpractice since it has resulted in fraud and loss of Government fund in the past, emanating from fraudulent or ill conceived contracts. No Payment Vouchers should therefore be raised for such goods and services, and further your attention is drawn to the provision of Financial Regulation 804(ii) in this connection. Such Payment Vouchers will be nullified, the cheques will be paid to revenue and the negligent Head of Finance and Accounts or Federal Pay Office disciplined in the event of any default.

3. *Transfer of Unspent Balance to a Deposit Account or to a Parastatal or Government owned Company.*—it has also been observed that in the bid to stop unspent balance in a vote from lapsing, some Ministries/Departments resorted in the past to transferring such unspent balance to a below-the-line account usually a Deposit Account in order to make it available for spending in the succeeding year, thus flouting Financial Regulation 1701. Sometimes, such unspent balance was paid to parastatals or state-owned companies under the supervision of the ministry to act as custodian for such money with the sole purpose of stopping it from lapsing, thus distorting the financial position for that year and contravening the provision of Financial Regulation 514. The attention of Accounting Officers, Heads of Finance and Accounts Division, Heads of Internal Audit and Federal Pay Officers is drawn to Financial Regulation 515 since they are expected to exercise restraint in the expenditure of Government funds in this austere period, especially as we are operating on deficit budgeting.

4. *Accounting Arrangements of Closing of 1985 Accounts.*—The last working day of the financial year, that is Tuesday, 31st December, 1985 should be free of both cash and bank transaction, with exception of Customs & Excise Department. Also, all Accounting Books D. V. E. A. Books, Cash Books, Ledge Ps, Cheque Summary Register and Imprest Accounts should be closed for the year on Monday, 30th December, 1985. The remaining working day, Tuesday, 31st December, 1985, should be utilised in balancing and reconciling the books as well as effecting bank reconciliation with the Central Bank of Nigeria. The Board of Survey already appointed will be convened on the first working day of 1986 for the of cash, bank balance and stamps, 'etc, held by each Ministry/Department and the Board should not be hindered from the performance of its duties.

I. I. IYEFEMI,
Accountant-General of the Federation

ANNUAL AUDIT OF ACCOUNTS OF MINISTRIES,
 PARASTATALS AND GOVERNMENT OWNED COMPANIES

I wish to refer to Federal Treasury Circular No. A8 and B8/1985 on the above subject matter and to draw attention once more to the salient issues in the Circular, which are as follows:

(i) That the Federal Government has directed that the accounting and reporting responsibilities of Ministries/Departments, Parastatals, Government Owned Companies and all other government agencies, should be taken more seriously;

(ii) That no Ministry/Department, Parastatal, Government Owned Company or any other Government Agency shall be funded by the treasury unless it meets Government requirement to the effect that not only has it produced accounts timely but should have such accounts audited not later than six months after the end of the financial year to which the financial transactions relate.

(iii) That for the purpose of this directive, 1986 has been identified as the commencement year. Accordingly, with effect from September 1986, no ministry/department, parastatal, government owned company or any other government agency for that matter, shall be entitled to funds from the Treasury, unless it has in hand its audited accounts relating to 1985 financial year.

2. In relation to ministry/department it has been agreed that:

(i) Monthly transcripts and other financial statements should be audited by the Federal Audit Department before they are submitted to the Treasury.
 (ii) That any transcript of statement not so audited should be rejected by the Treasury.

3. Ministries/Departments should therefore ensure that their audited transcripts for 1985 financial year reach the Treasury not later than 30th June 1986.

Circular No. A8 and B8/1985
 I. I. IYEFEMI
 Accountant-General of the Federation

FEDERAL TREASURY CIRCULAR

Ref.No. PA/3/Vol./1
A20&B20/1985

Federal Ministry of Finance,
Treasury Department,
Lagos.

The Secretary to the Federal
Military Government and
Head of the Civil Service,

30th December, 1985.

The Inspector-General of Police,
All Permanent Secretaries and Heads
of Extra Ministrial Departments.

**ANNUAL AUDIT OF ACCOUNTS OF MINISTRIES,
PARASTATALS AND GOVERNMENT OWNED COMPANIES**

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I. I. IYEMYI,
Accountant-General of the Federation

<i>Circular No.</i>	<i>Reference No. File No.</i>	<i>Subject</i>	<i>Remarks</i>
A1 and B1/1985	MS/0089/38/Vol.V	.. Accounting for Deductions and other Recoveries at source.	Laxities in the handling of ; Tender Deposits; Federal Staff Housing Loan Scheme and Satellite Town Housing Loan.
A2 and B2/1985	MS/0089/38/Vol.V	.. Eradication/Reduction of Frauds in Cash/Pay Offices of Ministries/ Departments.	Control measures in the reduction of fraud.
A3 and B3/1985 A4 and B4/1985	MS/0089/38/Vol.V C/2726 .. ..	.. Merger of Ministries .. Application of Financial Regulation 808 to facilitate expenditure control through the Internal Bank Adjustment System.	Management of Merged Ministries. Operating and facilitating the use of I.B.A. system.
A5 and B5/1985	MS/0089/38/Vol.V	.. Quarterly Progress Report on Revenue Collection and Expenditure	Proforma designed for quarterly progress report on Revenue Collection and Expenditure.
A6 and B6/1985	MS/0089/38/Vol.V	.. Application of Financial Regulation 808 to facilitate Expenditure Control through the IBA system.	Amendment to operational date of circular A4 and B4/1985.
A7 and B7/1985	C/2726 .. ..	.. Clarifications to Treasury Circular No. A4 and B4/1985 of 17th January, 1985.	Further Explanation on A4 and B4/1985.
A8 and B8/1985	C/5159 .. ..	.. Annual Audit of Accounts of Ministries, Parastatals and Government owned Companies.	Rendition of Accounts by Ministries, Parastatals and Government-owned Companies according to statute.
A9 and B9/1985	C/2741/Vol.VI	.. Repayment of Loan for the Purchase of Satellite Town Housing Units.	Amendment to Treasury Circular No. A8 and B8/1979
A10 and B10/1985	Insp./0030/53/Vol.1/10	Disposal of Unserviceable Vehicles and Expansion of Ministerial/Departmental Board of Survey.	Guidelines for Disposal of Unserviceable vehicles.
A11 and B11/1985	MS/0089/38/V .. ..	.. Nigeria's Assets at Home and Abroad.	Submission of details of Assets held by Ministries/ Departments, Parastatals and Government owned Companies.
A12 and B12/1985	MS/0089/38/V/135	.. Finance (Miscellaneous Taxation Provisions Decree No. 4 of 1985.	Deduction of Tax from source on Limited Liability Companies performing consultancy and technical services etc.
A13 and B13/1985	Insp./0087/S.510/1	.. Disposal of seizures, Recovered Goods, etc. after Court Judgments.	Proforma designed for quarterly rendition of Return of Disposal of Goods after Court Judgment.
A14 and B14/1985	C/4671 B 49951/S.4/VI/337	.. Decentralization of Gratuity Payment. .. Decentralization of Gratuity Payment.	Use of AIEs in the payment of Gratuity. Amendment to Treasury Circular No. A14 and B14/1985.
A15 and B15/1985	MS/0089/38/V/141	.. Indebtedness to Government Coastal Agency.	Prompt settlement of all indebtedness to Government Coastal Agency by Ministries/Departments
A16 and B16/1985	MS/0089/38/V .. ..	.. Deduction of tax at source	Further explanation of Treasury Circular A12 and B12/1985

Reference No.	Reference No.	Subject	Remarks
A17 and B17/1985	MS/0089/38/Vol.V/Temp.	Deduction of Salaries during the Period of Economic Emergency—guidelines for implementation of the directive.	Guidelines on the deductions of salaries.
A18 and B18/1985	MS/0089/38/Vol.V/Temp.	Deduction of Salaries during the Period of Economic Emergency : Notification of the Account Number of the National Economic Recovery Fund.	Central Bank of Nigeria account No. for deduction of salaries during Economic Emergency.
A19 and B19/1985	Insp./0030/46/Vol.1/9	Annual closing of Accounts Visitation to Ministries/Departments by Inspectorate Division of the Treasury Department.	Compliance by Ministries/Departments on the closure of Accounts, and unauthorised transfer of Unspent Balance to a Deposit account or Parastatal or Government owned Company.
A20 and B20/1985	PA/3/Vol.1	Annual Audit of Accounts of Ministries, Parastatals and Government owned companies.	Clarification of A8 and B8/1985.
—	SFMG. 11/377	Deduction of Salaries during the Period of Economic Emergency.	