



## FINANCIAL ADVISORY COMMITTEE

February 6, 2020

H.E. Sen. Hope Uzodinma  
The Governor  
Imo State  
Government House  
Owerri, Imo State

Your Excellency,

### IMPORTANT INFORMATION!

#### **UPDATE ON WORK OF THE FINANCIAL ADVISORY COMMITTEE SET UP BY THE EMEKA IHEDIOHA ADMINISTRATION**

As you may be aware, your predecessor, Rt. Hon. Emeka Ihedioha, set up a Financial Advisory Committee to support his development agenda for the State. The 8-member Committee had the following terms of reference:

- a. To ascertain and document the locations of and balances on all bank accounts operated by Imo State government, its Ministries, Departments and Agencies as at May 29, 2019.
- b. To review all financial transactions and where necessary a forensic audit, with a view to ascertaining sources of funds and the application of same.
- c. To review such disbursements/applications of State resources to ascertain the propriety of charges levied on accounts, interest payment on loans and deposits where applicable, authorization, etc.
- d. To review the operations of the Imo State Board of Internal Revenue (BIR) with a view to recommending appropriate strategies to reposition the agency for better performance and sustained growth.
- e. To conduct governance/financial reviews of key agencies of government with a view to:

1. Documenting all revenues generated or subventions/allocations between 2011-2019.
2. Reviewing the propriety of applications/disbursements of State resources between 2011-2019.
3. Recommending measures that would strengthen internal controls and enhance the performance of those key agencies of government.

In the course of the assignment, we carried out a review of the State's accounts with Commercial banks during the eight years preceding the Ihedioha administration.

Given the scope of work and the overriding need to accomplish this task in a professional manner, the State government, upon our recommendation, engaged the services of ten (10) consulting firms. After four months of work and extensive review of the bank accounts, a report was presented to the government on December 1, 2019.

Thereafter, the former Governor directed our Committee to liaise with the office of the Accountant General of the State with a view to formally notifying the bank and commencing the process of recovery.

On December 3, 2019, formal demands for the refund of the sums owed the State and arising from various infractions committed by the banks were issued by the Accountant General. By the demand notices, the affected banks were required to refund the claims made against them within thirty (30) days or show cause why they should not do so.

### **SUMMARY OF CLAIMS AGAINST THE BANKS**

Based on the joint report of the consortium of Consultants, the nine (9) banks that came under review were to refund the sum of **N74,602,631,560.46 (Seventy-Four Billion, Six Hundred and Two Million, Six Hundred and Thirty-One Thousand, Five Hundred and Sixty Naira and Forty-Six Kobo)** to the state as principal amount involved in such infractions and attendant penalties. In addition to that, the sum of **N38,221,701,806.96 (Thirty-Eight Billion, Two Hundred and Twenty-One Million, Seven Hundred and One Thousand, Eight Hundred and Six Naira and Ninety-Six Kobo)** were to be claimed covering the principal sum and attendant penalties arising from the aggregation of debit entries to the State accounts without proper narrations and for which no explanation was provided to the Committee despite repeated

demands. In summary, a total of **N112,824,333,367.42 (One Hundred and Twelve Billion, Eight Hundred and Twenty-Four Million, Three Hundred and Thirty-Three Thousand, Three Hundred and Sixty-Seven Naira and Forty-Two)** is being claimed against the banks.

Notably, a particular bank is liable to refund about **N73,281,899,828.66 (Seventy-Three Billion, Two Hundred and Eighty-One Million, Eight Hundred and Ninety-Nine Thousand, Eight Hundred and Twenty-Eight Naira and Sixty-Six Kobo)** of the primary amount and all of the secondary amount of **N38,221,701,806.96 (Thirty-Eight Billion, Two Hundred and Twenty-One Million, Seven Hundred and One Thousand, Eight Hundred and Six Naira and Ninety-Six Kobo)**.

At the expiration of the thirty (30) days, a majority were yet to respond in any form to the claims made against them leaving one with the impression that they have no factual basis to repudiate the claims.

When our Committee had its last meeting on January 14, 2020, a number of measures were being considered to ensure that these claims were pursued. Incidentally, these options required the approval of the Governor and had to be aborted following the change in guard on that fateful day.

We consider the amount involved as not just significant but humongous and its recovery is certainly deserving of whatever attention or effort that may be necessary. Based on the work we did in the Committee we are aware that our dear State is in dire financial straits and the recovery of the aforementioned claims would go a long way in augmenting the resources needed for the implementation of the State's development agenda. Also, if the recovery process is aggressively pursued with the required will, it would make it unnecessary for the State to have a recourse to bank borrowings in order to fund the provision of infrastructure and sundry services.

As citizens of Imo State, the members of our Committee feel a compelling obligation on our part to bring this very important issue to your attention. The pursuit of these claims and recovery of the outstanding claims require political will and leadership which can be provided by you. We therefore urge you to do all within your powers to ensure that the expected outcomes from the work of our Committee are realized for the benefit of our State and its citizens. On our part, we remain available to assist in whatever way your Excellency may consider useful.

Finally, it would be a grave and historical insult, assault and financial rape of the people of Imo State if the recovery of these claims from the affected banks is not vigorously pursued under whatever excuse. In this matter, history beckons on you to defend the interest of Imo State and we are convinced that you can pursue this goal with utmost good faith for the sake of posterity.

Please, accept the assurances of our esteemed regards.



**Nick Opara-Ndudu, FCA**  
Secretary



**Dr. Abraham Nwankwo**  
Chairman

**CC:**

Rt. Hon. Emeka Ihedioha, CON, KSC.