



NIGERIA EXTRACTIVE INDUSTRIES TRANSPARENCY

INITIATIVE (NEITI)

AGGREGATION/RECONCILIATION OF FINANCIAL FLOWS FROM
SOLID MINERALS INDUSTRY IN NIGERIA 2011

CORE EITI REPORT

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Abbreviations/Acronyms

AFS	Audited Financial Statements
ASMD	Artisanal and Small Scale Mining Department
C of O	Certificate of Occupancy
CAC	Corporate Affairs Commission
CBN	Central Bank of Nigeria
CGT	Capital Gain Tax
CIT	Private Sector participant Income Tax
EDT	Education Tax
EPRP	Environmental Protection and Rehabilitation Programme
EI	Extractive Industries
EITI	Extractive Industries Transparency Initiative
FCT	Federal Capital Territory
FEC	Federal Executive Council
FIRS	Federal Inland Revenue Services
FMO	Federal Mines Officer
FMOE	Federal Ministry of Environment
FOB	Free on Board
ISA	International Standards on Auditing
ISRE	International Standards on Review of Engagements
ISRS	International Standards on Related Services
LGA	Local Government Authority
MCO	Mining Cadastre Office
MDAs	Ministries, Departments and Agencies
MECD	Mines Environmental Compliance Department
MID	Mines Inspectorate Department
MMSD	Ministry of Mines and Steel Development
NCS	Nigeria Customs Service
NEITI	Nigeria Extractive Industries Transparency Initiative
NESS	Nigerian Exports Supervision Scheme
NGO	Non-Governmental Organizations
NGSA	Nigeria Geological Survey Agency
NIWA	National Inland Water Ways Agency
NSWG	National Stakeholder Working Group
OAGF	Office of the Accountant General of the Federation
P.A.Y.E	Pay As You Earn
Private SP	Private Sector Participants (Companies/entities)
Public SP	Public Sector Participants (Government /agencies)
RMAFC	Revenue Mobilization Allocation and Fiscal Commission
SBIR	State Board of Internal Revenue
SMMRP	Sustainable Management of Mineral Resources Project
T.C.C	Tax Clearance Certificate
TETFUND	Tertiary Education Trust Fund
TIN	Taxpayer Identification Number
TOR	Terms of Reference
VAT	Value Added Tax
WHT	Withholding Tax



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Independent Report of Findings on Aggregation/Reconciliation of 2011 Financial Flows from the Solid Minerals Industry in Nigeria

Haruna Yahaya & Co. (Chartered Accountants) were appointed pursuant to the NEITI Act 2007, by the National Stakeholders Working Group (NSWG) of the Nigeria Extractive Industries Transparency Initiative (NEITI) to undertake Financial, Physical and Process Audit of Solid Minerals Industry in Nigeria, 2011 and to prepare a report on aggregation/reconciliation of the financial flows of payments by Private Sector Participants/entities and receipts by the Federal Government of Nigeria. (“Engagement”)

The engagement was undertaken in accordance with the International Standards on Related Services applicable to agreed-upon procedures. (ISRS 4400). The procedures performed were in accordance with the provision of the Terms of Reference (TOR), except where stated otherwise in the report including its appendices.

Since the agreed procedures do not constitute either full audit or a detail review made in accordance with International Standards on Auditing or International Standards on Review of Engagements, we do not express any assurance on the transactions reported by the covered entities as at 2011.

The purpose of this report is to apprise the NSWG on the matters set out in the TOR and is not addressed to any third party or to be used for any other purpose except in accordance with the NEITI Act, 2007. It relates only to the subject matter specifically set out herein and does not extend to the whole financial statement of any of the covered entities.

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FRC/2013/ICAN/00000002270

Minna, Nigeria
November 25, 2013



EXECUTIVE SUMMARY



1.0 EXECUTIVE SUMMARY

1.1 Introduction

Nigeria is endowed with vast reserves of solid minerals that cut across the entire landscape of the country. These minerals deposits include, but not limited to, precious metals, stones and industrial minerals. The country was a major exporter of tin, columbite and coal in the early 1970s, however the advent of oil resulted in the decline of the sector as a major source of foreign exchange for the country.

Successive governments played lip service to the development of the sector until the return to democracy in 1999 when the need to diversify the revenue base of the country became paramount. A new national focus and strategy on mining evolved such that in 2007, the Nigerian Minerals and Mining Act (the Act) was enacted to revitalize the Nigerian mining industry. The enactment of the new law in 2007 was followed by the drafting of the National Minerals and Metals Policy in 2008, the release of a legislative framework to guide the development drive of the sector in 2011 and the conduct of advanced geological survey across the country to determine the available minerals across the length and breadth of the country. The Mining Cadastral Office (MCO) was also established to handle mining titles issuance and regulations, all of these activities (policy thrust, legislative framework, bureaucratic reforms and political will) have been able to drive a new wave of growth in the industry.

There are over 40 different types of minerals spread across the country, including gold, barite, bentonite, limestone, coal, bitumen, iron ore, tantalite / columbite, lead/zinc, barites, gemstones, granite, marble, gypsum, talc, iron ore, lead, lithium, silver, etc. these minerals have been identified for development.

As part of the strategies to reform the sector, the Ministry of Mines and Steel Development (MMSD) has identified seven (7) strategic minerals, namely, Coal, Bitumen, Limestone, Iron Ore, Barites, Gold and Lead/Zinc for priority development. The Government policy thrust is aimed at increasing mining's contribution to the economy to 5% by 2015, from its current level of 0.5%.

In an effort to promote transparency and accountability in the extractive industries, Nigeria voluntarily signed up to EITI in 2003 based on the premise that sustainable development and poverty reduction would be attained by institutionalizing a regime of transparency in revenue management of her extractive industry.

Extractive Industries Transparency Initiatives (EITI) is a global initiative that encourages Government, Extractive Companies, International Agencies and Non-Governmental Organizations (NGOs) to work together to develop a framework to promote transparency of payments and receipts made within the extractive industries sector. Currently, there are 44 EITI implementing countries out of which 26 are compliant countries and 18 candidate countries. Similarly, there are over 80 private sector participants supporting the EITI. The Mining Sector is complex in nature with greater diversity in minerals and geology. Numerous Private Sector Participants of varying sizes and often with greater environmental impact are involved in Solid Minerals Industry.



1.2 **Audit Objectives**

The audit objectives are to report on the reconciliation of revenue flows by Public and Private Sector Participants, quantities of solid minerals mined, quarried, processed, exported and the distribution/application of such revenue by Government Agencies and make recommendations on any issues arising there from.

1.3 **Scope of Work**

The scope of engagement covers reconciliation of actual payments by major companies and receipts by Government Agencies in the Solid Minerals Industry. That is, reconciliation of payments and receipts of revenues for the period under review (2011). The payments types considered in this audit and reported in the aggregation/reconciliation are:

- Royalty
- Taxation
- Annual Service Fees
- Levies
- Ground Rents

As an improvement on the previous audit, Annual Service Fees was separated from levies with a view to showing their contributions to the revenue generated from Solid Minerals Industry.

1.4 **Methodology**

The process of Data collection entails on-site visits to various stakeholders to administer audit templates and to have on-the-spot assessment.

The feedback from the populated audit templates by the major Private Sector Participants were analyzed and reconciled with those from the Public Sector Participants. Financial Statements, Feasibility Reports, Environmental Impact Assessments (EIAs) and supporting documents were also reviewed with the purpose of ascertaining the completeness, accuracy and validity of the computations of technical data, payments and receipts as provided by both Public and Private Sector Participants.

1.5 **Materiality Level**

The Private Sector Participants which provided the data that was used in this report were selected based on the agreed materiality level of payment of ₦10m and above of:



- Annual royalty paid by the Private Sector Participants engaging in mining/quarry activities
- Company Income Tax (CIT) and related taxes/fees paid by the Private Sector Participants that either uses extracted minerals as primary raw materials or as export products.

This selection was based on thorough review of the list of Private Sector Participants in the Nigeria Solid Minerals Industry provided by relevant Government Agencies in line with our audit approach and methodology with a view to ensuring that operators selected meet the set materiality threshold set by NEITI-NSWG as per the TOR.

1.6 **Private Sector Participants considered**

Based on the submission of the relevant Government Agencies, 773 Private Sector Participants were identified out of which 137 were selected for the audit exercise based on the volume of Solid Minerals Sector financial transactions carried out by them during the period under review and the level of their record keeping.

Furthermore, out of 137 Private Sector participants audited, 87 met the materiality threshold and were aggregated while the remaining 50 did not the materiality threshold and were not aggregated.



Table 1: Breakdown of activities engaged in by companies covered in this audit:

Activities	Aggregated	%of Total	Not Aggregated	% of Total	Grand Total
Buying Centres	3	3.45	3	6	6
Dredging	5	5.75	4	8	9
Exporters	-	0.00	11	22	11
Medium Scale Mining	5	5.75	8	16	13
Quarry: for Commercial	23	26.44	14	28	37
Quarry: for Construction	44	50.57	9	18	53
Quarry: for Manufacturing	7	8.05	1	2	8
Total	87	100	50	100	137

Diagram 1: Activities of companies covered

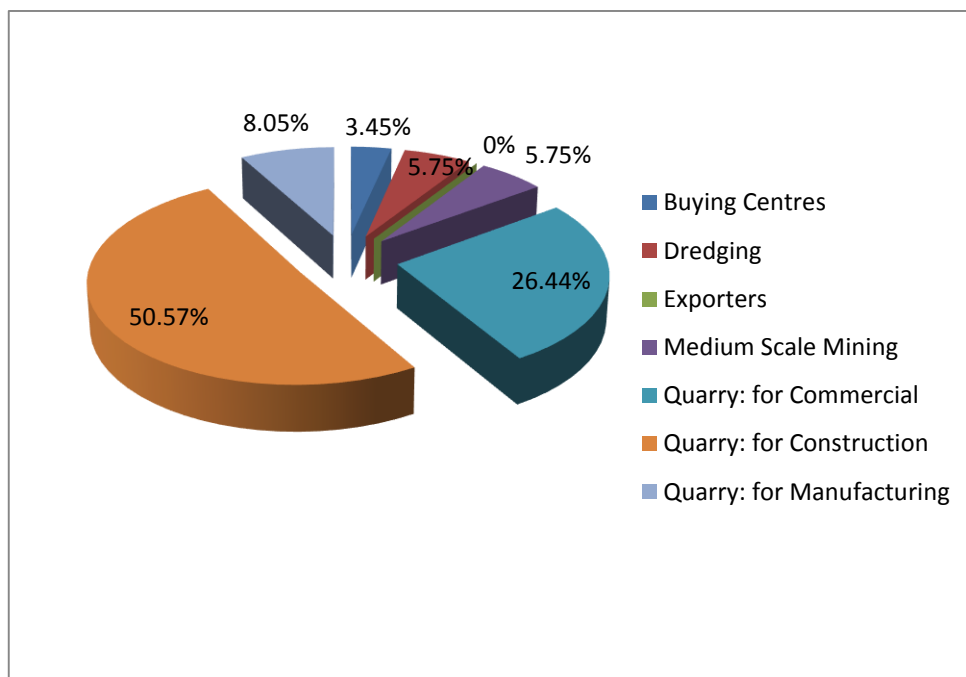


Table 1 and diagram 1 above show that majority of companies selected are in to quarrying for construction (44), commercial (23) and manufacturing (7), the rest are into medium scale mining (5), dredging (5) and buying centers (3). However, 50 companies did not meet the materiality threshold and were not aggregated.



1.7 Public Sector Participants considered:

- a.** Ministry of Mines and Steel Development
 - Mines Inspectorate Department
 - Artisanal and Small Scale Miners
- b.** Mining Cadastre Office
- c.** Central Bank of Nigeria
- d.** Nigeria Customs Service
- e.** Federal Inland Revenue Service
- f.** Office of the Accountant General of the Federation
- g.** Revenue Mobilization Allocation and Fiscal Commission
- h.** Tertiary Education Trust Fund

Chart 1: Confirmed Financial Flow of revenue from Companies to Government

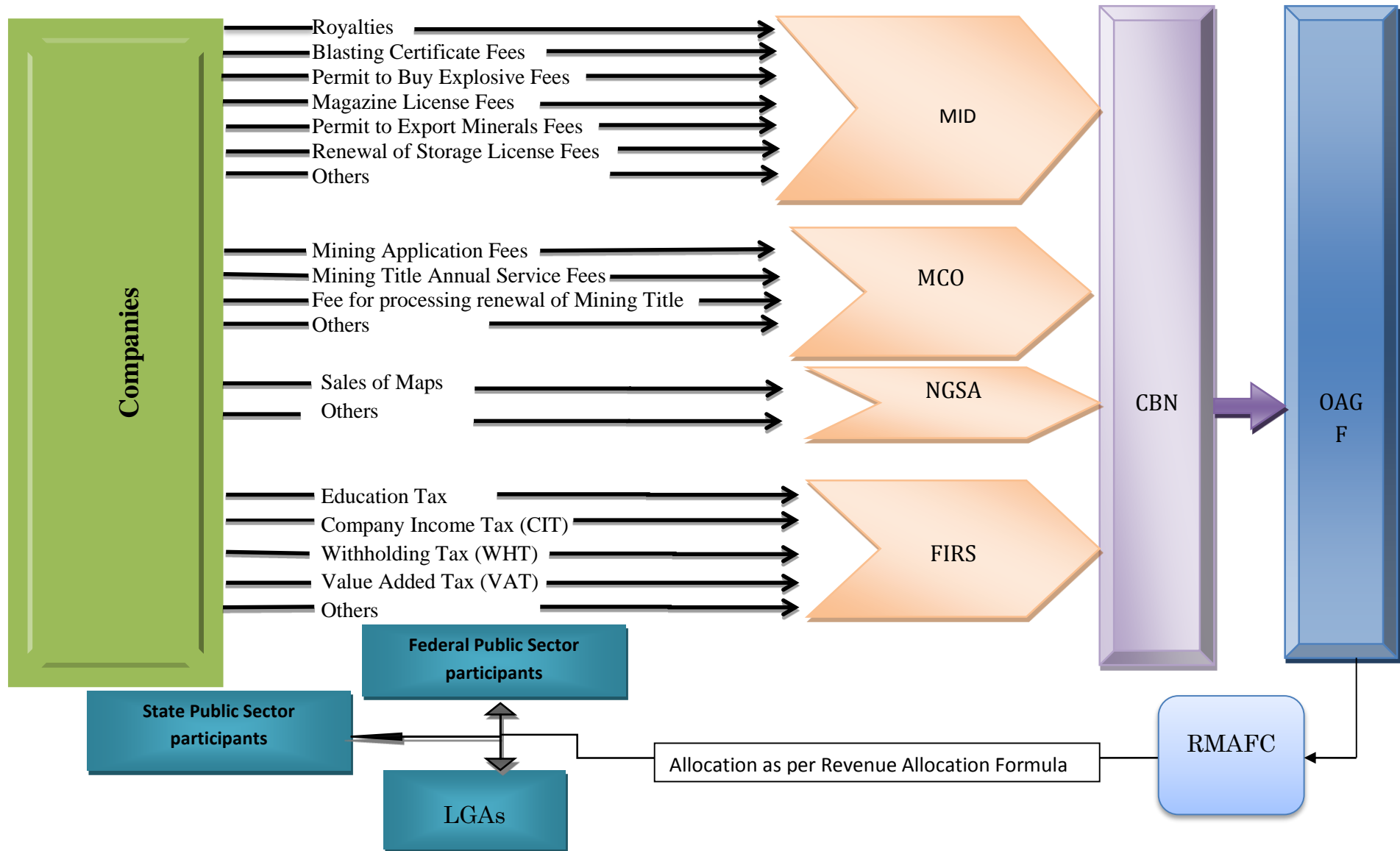
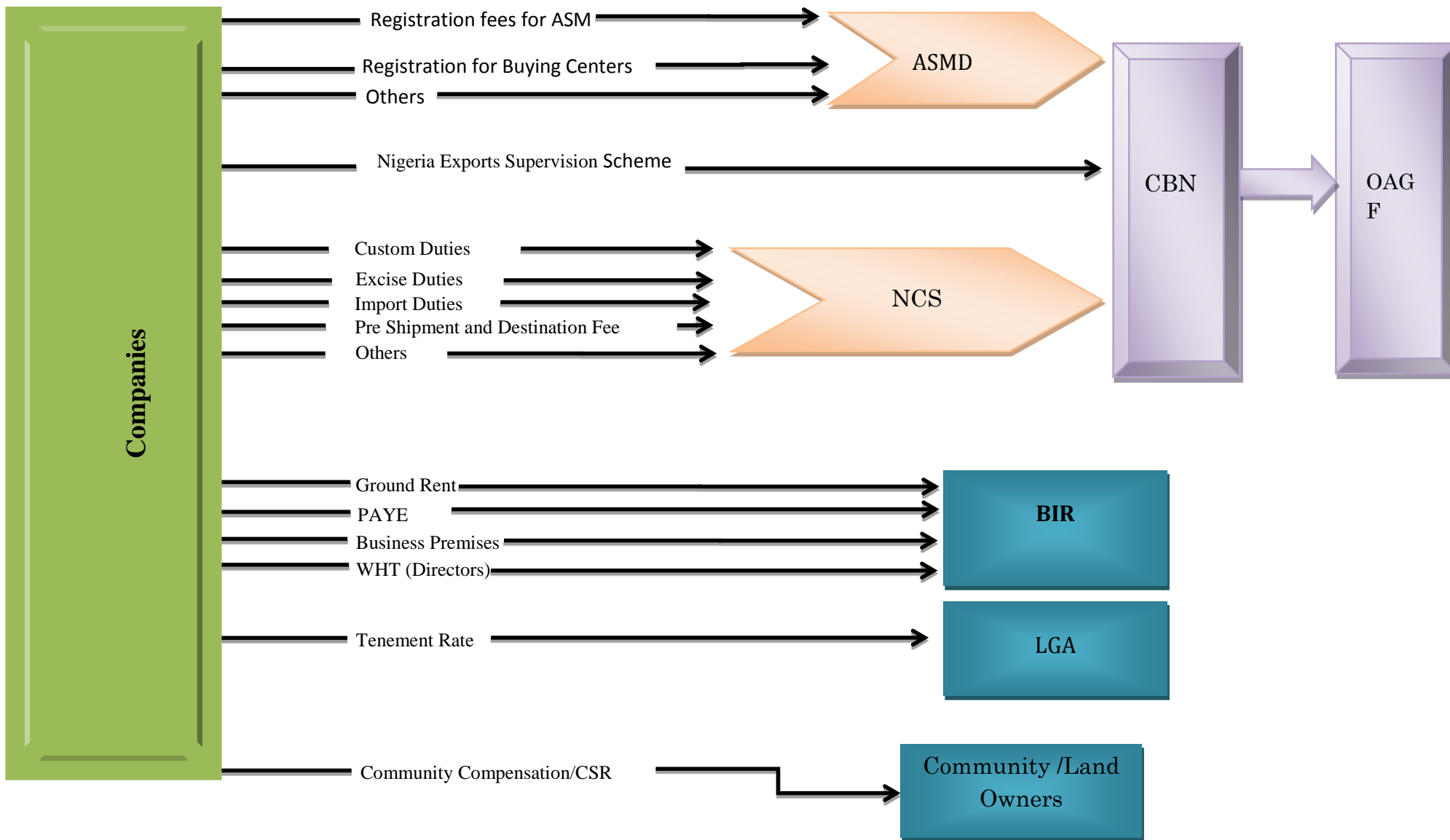




Chart 2: Unconfirmed Financial Flow of revenue from Companies to Government





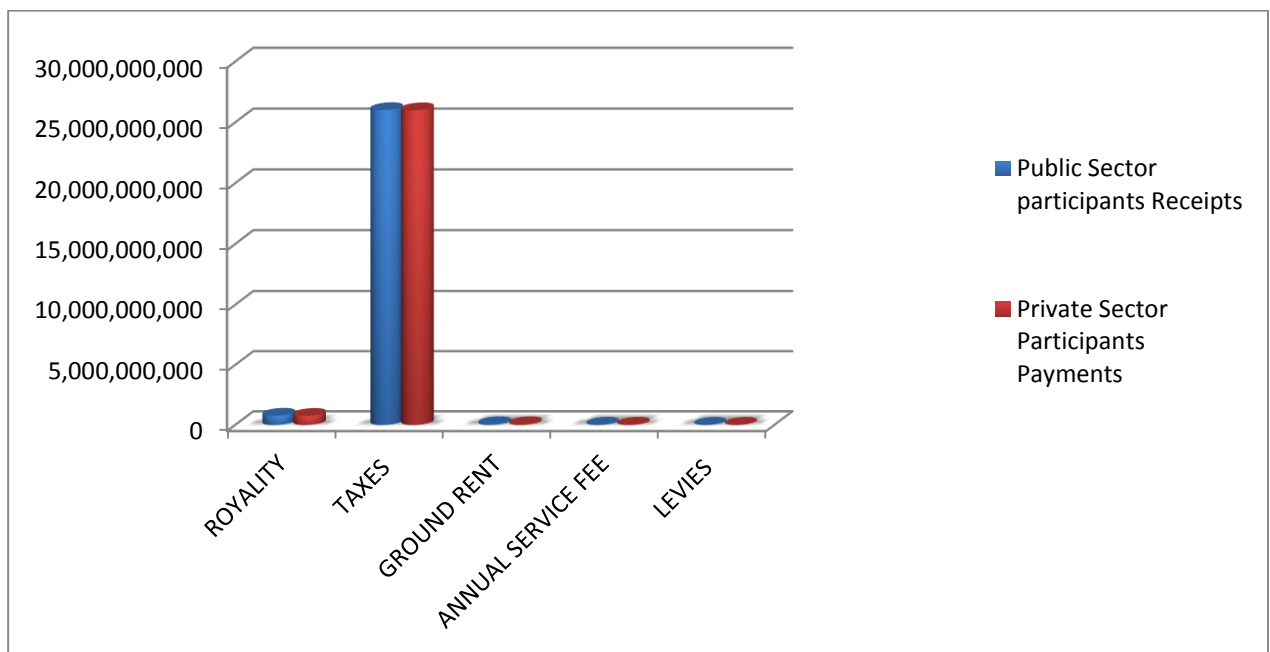
1.8 Aggregation/Reconciliation of Financial Flows in the Solid Minerals Industry

From the available records Government Agencies received **₦26,924,518,215** as against **₦26,891,374,345** paid by companies, this resulted to a variance of **33,143,870** (0.12%) as shown in table 2 below.

Table 2: Aggregation/Reconciliation of Financial Flows

Payments Streams	Government Record of Receipts ₦ (A)	Companies Record of Payments ₦ (B)	Variance ₦ (A-B)	% Variance
Royalty	781,500,261	765,582,167	15,918,094	2.04
Taxation	26,015,262,596	25,999,711,820	15,550,776	0.06
Annual Service Fee	30,094,000	30,094,000	0	-
Levies	26,140,783	24,465,783	1,675,000	6.41
Ground Rents	71,520,574	71,520,574	0	-
Total	26,924,518,215	26,891,374,345	33,143,870	8.51

Diagram 2: Aggregation/Reconciliation of Financial Flows





1.9 Comparison of revenue streams received by Government in two audit cycles

The aggregated revenue received by Government Agencies has increased significantly in 2011 as compared to previous years. The increase was largely due to the awareness created from the last audit cycle by NEITI and greater attention paid by Government to the Solid Minerals Industry.

Similarly, the volume of minerals mined/quarried has increased significantly while the major contributors to the revenue streams are Manufacturing and Construction Sectors as shown in table 3 below.

Table 3: 5 Years comparison of revenue streams received by Government in two Audit cycles.

Revenue Type	Previous Audit Cycle				Present Audit Cycle
	2007 ₦	2008 ₦	2009 ₦	2010 ₦	Present 2011 ₦
Royalty	406,594,968	529,860,890	607,183,460	749,886,526	781,500,261
Ground Rents	17,855,087	45,639,938	35,913,209	74,530,167	101,614,574
Taxation	7,736,030,690	8,988,540,870	18,737,959,053	16,522,313,860	26,015,262,596
Levies	33,338,050	16,762,800	43,941,653	20,211,060	26,140,783
Total	8,193,818,795	9,580,804,498	19,424,997,375	17,366,941,613	26,924,518,215
% Growth	0	16.93	102.75	-10.59	55.03



Diagram 3: Total Government receipts for 5 Years (2007- 2011)

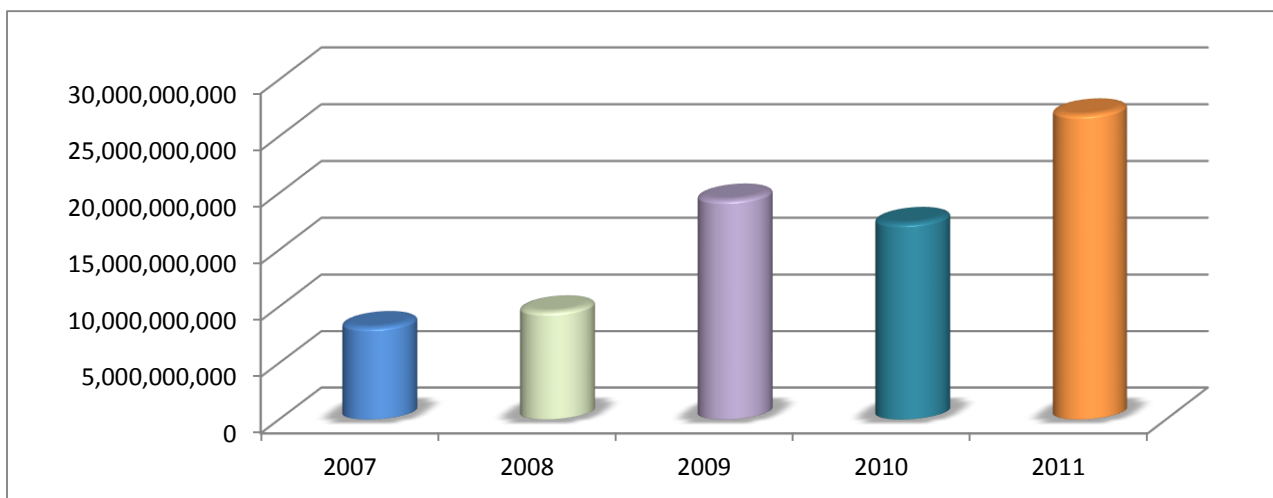


Table 3 and diagram 3 show 5 Years comparison of revenue streams received by Government in the two audit cycles. There have been persistent increase in revenue received with the exception of 2010 where revenue fell by 10.59%.

1.10 Summary of contribution to revenue by companies

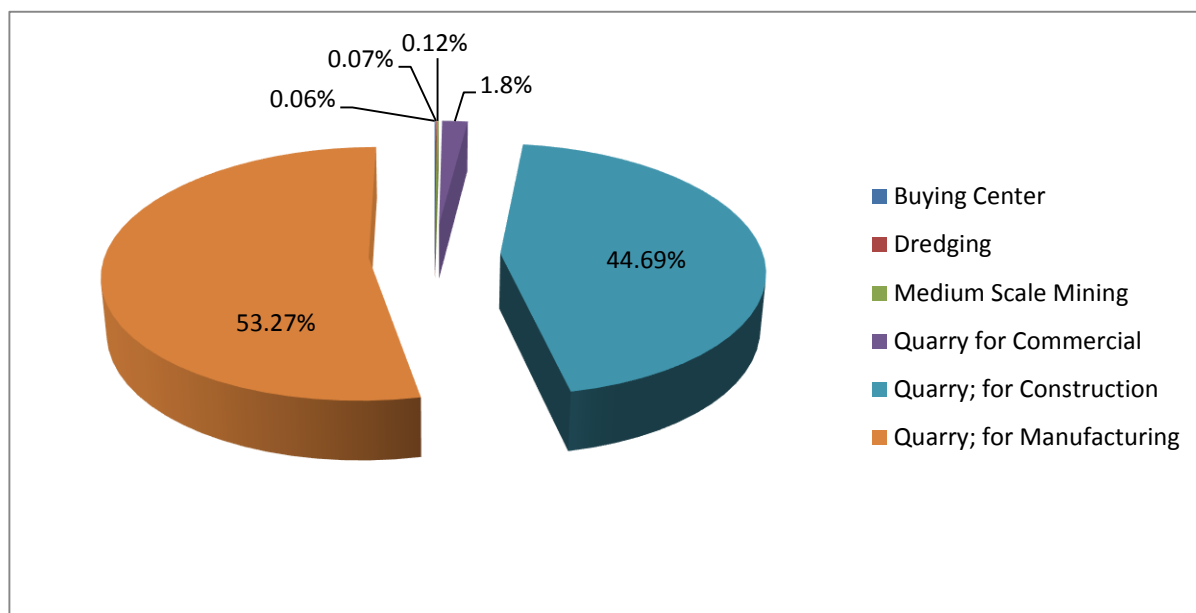
The contribution to revenue received by the companies based on their activities shows that quarry for Construction (44.69), Commercial (1.80) and Manufacturing (53.27) contributed higher than Medium Scale Mining (0.12), Dredging (0.07) and Buying Centres (0.06). Details are shown in Table 4 and diagram 4 below.



Table 4: Summary of contribution to revenue by activities of companies

Activities	Amount ₦	% Contribution
Buying Centre	15,840,549.74	0.06
Dredging	17,939,146.00	0.07
Medium Scale Mining	33,012,288.66	0.12
Quarry: for Commercial	483,392,934.53	1.80
Quarry: for Construction	12,017,275,956.84	44.69
Quarry: for Manufacturing	14,323,913,468.75	53.27
Total	26,891,374,344.52	100.00

Diagram 4: Pictorial representation of contribution to revenue by activities of companies





1.11 Analysis of Aggregation and reasons for discrepancies

Table 2 and diagram 2 contain summary of aggregation and discrepancies between the payments by the companies and receipts by Government Agencies. The Government's records show a total receipts of **₦26,924,518,215** while the companies' records show a total payments of **₦26,891,374,345** thereby giving an un-reconciled difference of **₦33,143,870 (0.12%)**. These discrepancies occurred mainly in taxation, royalties and levies. During the period under review there was a significant improvement in the record keeping of both Companies and Government Agencies.

Reasons for discrepancies:

a. Royalty

- The record of Government was higher than that of companies by **₦15,918,094** which is 2.04%
- China Civil Engineering Construction Company (CCECC) failed to provide details of their royalty payments for the period under review.
- Five (5) of the aggregated companies did not submit their completed templates and were not available for reconciliation. This contributed significantly to the discrepancies because the receipts from the Government Agencies could not be marched with that of the corresponding payments by companies. The companies are CCC Construction Nig. Ltd, ENL Construction Ltd., Mac Daniels Quarry Ltd., Master Rock Nig. Ltd and Qumecs Nig Ltd.
- There were apparent alterations and inconsistency between receipts presented by Hajaig Construction Company and MID office in Benue State. The Government receipts showed **₦527,500** while that of Hajaig Construction Company showed **₦4,250,000** this resulted to an unresolved discrepancies of **₦3,722,500**.
- The record of MID was incomplete with regards to payments made by Nigeria Road Company Ltd (NRC). The record of NRC is higher than that of MID by **₦ 121,600**.



b. Taxation

- The percentage variance in tax payment was 0.06%. That is, the Government records were higher than companies' records by ₦15,550,776.
- Financial and tax records of 27 companies were neither provided by FIRS nor the companies involved.
- FIRS record of ₦15,550,776 in tax payment in favour of Qumec Nigeria Limited could not be confirmed from the company's record.

c. Levies

- The discrepancy between Government and companies records for levies stood at ₦1,675,000(6.41%).
- There were inadequacies in the records of China Civil Engineering Construction Company (CCECC) due to incomplete templates and lack of substantive documentary evidence.
- 7 of the aggregated companies did not provide records relating to levies paid during the period under review, for which there were corresponding Government records. This contributed significantly to the discrepancies. The companies are: -
 - A.G. Vision
 - CCC Construction Nigeria Ltd.
 - CNC Engineering Company
 - ENL Construction Ltd.
 - Inter-Bau Construction Company Ltd.
 - Qumecs Nig. Ltd
 - State Quarry
- Records of NRC Ltd and Multiverse Resource Limited were higher than the Government record by ₦30,000.



1.12 Review of findings and recommendations in previous audit

a. Royalties	Recommendations	Status of remedial actions
<ul style="list-style-type: none"> • Royalty payments were made by the companies without adequate details of quantity produced or mined. There is no known Solid Minerals Industry Tax Policy documentation being followed by the companies. • Royalty payments are based on price schedule prepared by the MMSD in 2002 as against the current price. The audit revealed that royalty payment for granite for example was based on tonnage price of ₦800 as against ₦2000 to ₦3000 during the audit period. This has the effect of reducing the federation revenue collections from royalty to the tune of ₦4.048 billion • The Audit has observed revenue leakages in the process of exporting the components of minerals, \$15.2 m (FOB) worth of Ore was exported without royalty payments. This was traced to CBN records. Estimated Revenue loss arising from these lapses sum up to ₦70.3m 	<ul style="list-style-type: none"> • Develop reporting framework which will make it mandatory for operators in the sector to disclose their production quantities. • MMSD in collaboration with FIRS to develop specific tax law for Solid Minerals Sector. • This should also apply to cement companies. Royalties should be computed on the basis of quantities of raw materials (limestone, sand, gypsum, coal and iron ore) used in producing each ton of cement. • Review of the present industry Fiscal regime by providing a dynamic and industry wide simplified method of calculating royalty payments on solid minerals that is appropriate and regular. • An effective Framework by MMSD, CBN and other relevant agencies to ensure that royalties are paid for all minerals exported. 	<p>Economic Management Implementation Team has been charged with the responsibility of drafting Mining Income Tax Act (MITA).</p> <p>MMSD has commenced work on new price regime for royalty computation.</p>



b. Tax	Recommendations	Status of remedial actions
<ul style="list-style-type: none"> Covered entities operating in the solid minerals sector do not pay Capital Gain Tax (CGT). Operators in the sector do not adequately disclose in their financial statements, operating costs and/or production costs. This makes it difficult to determine the companies' taxable profits and ultimately their corporate tax payments. 	<ul style="list-style-type: none"> All changes in the ownership of mineral right license should be referred to the Federal Inland Revenue Services (FIRS) for Capital Gain Tax (CGT) Payments. A reporting framework which will ensure full disclosure by operating companies should be developed 	<ul style="list-style-type: none"> FIRS have commenced work to recover outstanding tax liabilities on CGT. Economic Management Implementation Team has been charged with the responsibility of drafting Mining Income Tax Act (MITA).

c. Institutional Linkages	Recommendations	Status of remedial actions
<ul style="list-style-type: none"> The audit has observed that no adequate collaboration exists between the various government agencies. This leads to revenue leakages as some of the licensed holders operate without the registration and knowledge of the State Mines Inspectorate Department registration. 	<ul style="list-style-type: none"> There is strong need for interface between relevant Ministries, Departments and agencies which will ensure that appropriate taxes and other payment are made by operators and received by the relevant agencies. 	<ul style="list-style-type: none"> MMSD has developed a Road Map to provide specific direction rapid transformation of the solid minerals and metal sector.



d. Export Issues & Illegal Mining Activities	Recommendations	Status of remedial actions
<ul style="list-style-type: none"> • The Nigerian Minerals and Mining Act 2007 require that any exporter of solid minerals must request for permit to export. The audit could not be provided with any evidence of request for permit to export minerals by the exporters • The Audit has observed the incessant smuggling of Solid Minerals out of the country by middle men and smugglers. • The Audit has observed persistent activities of some foreign nationals operating in the sector which constitute significant buyers of the Solid Minerals that are mined by artisanal and small scale miners, illegal miners. This has the following implications: <ul style="list-style-type: none"> ➤ It reduces value addition. ➤ It creates room for revenue leakages. ➤ Inaccurate production transaction records. 	<ul style="list-style-type: none"> • MMSD to interface with the Ministry of Trade and Investment and other relevant agencies to ensure that no Solid Minerals is exported without authorization. • The establishment of boarder market at strategic boarder points across the country in order to bring about flexible market control and provide a means of monitoring solid minerals sold in the international market. • Mineral buying centres need to be established with functional Mineral Analysis laboratories that meet ISO certification standards in the six(6) geo-political zones for the purpose of analyzing mineral extracted or discovered, while upgrading the existing laboratories to meet international standards. • The implementation of a pricing policy framework for the pricing regime of the mineral buying centres thereby making it attractive for miners. • Effective Monitoring of their activities by FMMSD and other relevant security agencies and local communities to ensure improved revenue. 	<p>Economic Management Implementation Team is working on interfacing the relevant Public Sector Participants.</p>



1.14 Findings

In addition to some findings highlighted in the last audit report which are still prevalence and have not been adequately addressed by the Government, we state below our findings for the current audit.

1. Private Sector Participants (Companies)

a. The following companies did not return populated templates and supporting documents.

- ENL Construction Company
- CCC Construction Nigeria Limited
- Qumecs Nigeria Limited
- Master Rock Nigeria Limited
- Mac Daniels Quarry
- Prodeco Nigeria Limited
- Geo Minerals Resources Nig. Limited

b. From the available records, companies that engage in export of solid minerals and pay NESS fees to CBN did not pay royalty on the exported minerals. The royalties due to Government have been computed as outstanding liabilities against those companies.

c. In the course of the audit, we observed that companies such as Beta Glass Plc and West Africa Ceramics Company Nig. Ltd source their raw materials locally for artisanal miners. However a review of MID records do not contain royalty payments by this companies nor by the artisanal miners

2. Public Sector Participants (Government Agencies)

a. There was no synergy between various Government agencies with regard to the export of solid minerals. The MMSD has no records of minerals exported. There was difference between the records of CBN and Nigeria Customs Service.

b. There was no proper measurement of solid minerals mined/quarried by the operators for the assessment of royalty. The MID only relied on the report given the company for computation of royalty payable which in most cases understated.

c. The Nigeria Tax Laws are yet to capture adequately income from Solid Minerals activities.



- d. Government implementation process of the regulatory frameworks and policies governing the solid minerals industry is slow, thereby making the regulators to be at the mercy of the operators.
- e. MMSD officials at the state offices do not have adequate logistics to effectively supervise and monitor operators, thereby giving room for the operators to only declare the quantity of solid minerals they want to pay royalties on. These logistics include vehicles and weighing machines etc.
- f. The activities of trade and buying centres which purchase gemstones and other products are not monitored, Government is losing revenue payable on these minerals which royalty has not been paid by the minerals suppliers.
- g. Quarries operated by construction companies in the solid minerals industry are abandoned after the completion of their construction projects without land reclamation of the quarried/mined out areas. This is contrary to the relevant provisions of the Nigeria Minerals and Mining Act, 2007.

Recommendations

- Presentation of proof of royalty payment should be made a prerequisite for the issuance of export permit/license of any mineral to be exported.
- The MID should be represented at all the export terminals by a qualified expert to ascertain whether the right royalty has been paid and also determine whether appropriate royalty and other levies have been paid.
- Government should recapitalize the Nigeria Mining Corporation and Nigeria Coal Corporation or alternatively engage in private partnership with viable mining companies to develop the Solid Minerals Industry.
- Mechanism should be put in place that any new entrant to the sector should show commitment to develop their concession and also beneficiate the minerals in order to increase the value addition.
- Government should encourage the establishment of buying centres for gold, precious and semi-precious stones at prevailing market prices and export license for this commodities should only be issued to mining license holders and registered buying centres.



- The difference between the records of the MID office in Benue State and Hajaig Construction Company to the sum of ₦3,722,500 should be further investigated, recovered and the appropriate officers involved should be sanctioned.
- For companies that failed to populate the templates and provide the relevant documents should be sanctioned appropriately in accordance with the NEITI Act, 2007.
- MMSD should collaborate with State Government, Ministry of Works and other Government Agencies awarding construction related contracts to gain access to the bill of quantities submitted by the companies in the course of bidding for contracts. This will enable the MMSD to have projections of the estimated quantity of sand, granites and laterite the companies intend to use for the construction.
- MMSD should carry out periodic audit of companies' royalty and other statutory remittances in order to recover outstanding payments of arrears or underpayments.
- There should be improved channels of communication between the MDAs especially those in charge of regulating Solid Minerals Industry.
- Trades and buying centres, which purchase gemstones and other mineral products, should be required to pay the applicable royalty on its purchases, where royalty has not already been paid by the supplier of the gemstones or other mineral products.
- Government should encourage local and foreign investors to develop the Solid Minerals Industry by having a robust regulatory framework in place that is all encompassing, similar to the Petroleum Profit Tax Act (PPT).
- Applicable incentives to the Solid Minerals Industry need to be properly defined as applicable in a Petroleum Profit Tax (PPT) and the proposed Petroleum Industry Bill (PIB).
- The existing institutional framework should be enhanced so that roles and responsibilities of Government Agencies involved in the areas of policy and regulations in the industry are clearly defined.
- In order to check the activities of quacks from different fields that write and submit sub-standard Environmental Protection and Rehabilitation Programme (EPRP) Report, there is need for a legislation to provide for the registration of Consultants for that purpose.



- Government should stimulate the Value chain in the Solid Minerals Industry and Nigeria Economy as a whole by critically looking at the need for infrastructural development in the sector as provided for under the National Integrated Infrastructure Master Plan.
- Government should undertake a comprehensive study on the mining environments and the associated health issues with a view to carry out the necessary amendment of the existing legislation and regulations on the environment as it relates to Nigeria Mining and Minerals Act, 2007.
- The Federal Ministry of Finance, FIRS, MMSD should collaborate to review and update the mining fiscal regime in order to have a unified approach that would attract and sustain investment in the sector, thereby guarantying sustainable development and more revenues for public Sector participants.
- There is need for the harmonization of relevant Tax laws by FIRS and SBIR to eliminate duplications and provisions so that potential investor will not be scared.
- MMSD should liaise with all manufacturing companies that derive their raw materials from solid mineral industry to deduct royalty payments from minerals supplied that royalty on the mined/quarried minerals has not been paid.



INTRODUCTION

2.0 Introduction

2.1 Overview of the Solid Minerals Industry

The Extractive Industries (EIs) produces essential inputs in the form of energy, metals and minerals for the global economy. They are very critical to modern industrial activities for socio-economic development and enhanced quality of life. Solid Minerals are recognized as the most valuable sector of the industrialized economy, their exploration and development exerts enormous capacity to support and catalyze growth in almost all economic sectors. Indeed, the per capita consumption of solid minerals resources is generally regarded as a major index of national prosperity.

There are five major activities of the mining industry viz: prospecting and exploration; development and mining; treatment and processing; application and utilization; and marketing and distribution.

The key stakeholders in the industry include the Federal and State Governments with the former dominating the scene due to constitutional provisions. The private sector such as foreign investors and local artisans and small-scale miners (who are in the majority), development partners such as the World Bank, UK-DFID and host communities also plays a major role in Solid Minerals Development in Nigeria.

Since 1903, when mineral exploration commenced in Nigeria, more than thirty-four assorted solid minerals have been discovered in substantial commercial quantities and are scattered across the three main geological formations. With aim of developing the industry, the Federal Government took some far-reaching decisions in the areas of policy and legislative initiatives, institutional and capacity development as well as direct investment in exploration, development, treatment, utilization and marketing of solid minerals. The Federal Ministry of Solid Minerals Development was created in 1995, among other things to regulate the sector in conjunction with Mining Cadastral Office, Geological Survey Agency and other relevant organizations.



In order to strengthen the Nigeria Solid Minerals Sector, the Mining and Minerals Act was enacted in 2007 while in 2008, a Mining and Minerals Policy was adopted. The mining regulation came into existence in 2011.

The industry has huge (but untapped) potentials, however there is an acute dearth of reliable data on revenue profile such as taxes, royalties, etc. Available evidence strongly suggests that due to the underdeveloped nature of the industry, unearned income in the form of opportunity costs are quite substantial with an estimated losses of over 1 billion US Dollars as contained in the 2007-2010 NEITI Audit Report. With a view to realizing the potentials in an equitable and transparent manner, some of the challenges to be addressed include the following: irreversibility of losses since minerals are non-renewable natural resources, determination and protection of property rights, need for robust system of governance and macro-economic management, improved wealth creation and distribution of benefits, improved environmental impact and health living of host communities.

In a similar vein, some issues that the Government and other stakeholders should focus attention on (as enumerated in the 2007-2010 NEITI Audit Report) are:

- Strengthening the regulatory agencies for effective supervision and monitoring.
- Stimulation of value-chain addition and integration in the industry.
- The need to formalize activities of artisans and small-scale miners.
- The re-organization and empowerment of artisanal miners considering their current large numbers.
- Control of the activities of major and small scale and medium miners on environmental degradation and climate change.
- Integration of the community and addressing their concerns such as social deviance, conflicts leading to loss of lives and property, ownership tussle as host communities want to be involved in all phases of mining and benefit-sharing as well as the issue of transparency and rule of law.
- Synergizing the various stakeholders in the sector in order to achieve optimum result.



Furthermore Government recently launched the Road Map on the development of the Solid Minerals; this is in a bid for Government to attract foreign investors to the Nigerian Solid Minerals Sector. This road map as well as the adoption of some of the salient issues raised in the previous audit has helped in the transformation process in the industry. This transformation resulted in the following:

- Increase in mineral exploration activities arising from the creation of the Nigeria Geological Survey Agency which has successfully carried out a geophysical survey of the country.
- Purchased of surveillance vehicle by the Ministry of Solid Minerals to address the issue of illegal mining across the country.
- The constitution of a committee saddled with the responsibility of developing tax law and policy for the industry as obtained in the oil and gas sector.
- The re-organization of the Mining Cadastral Office (MCO) to accelerate the process of administration of mineral titles on a first-come-first-serve and use-or-lose-it basis resulting in increase in mineral title acquisition by both local and international mining operators.
- Increasing the capacity of ministry staff to carry out designated functions as well as increasing the capacity of the Artisan and Small scale Miners to carry out mining in a sustainable manner through the activities of the Sustainable Management of Mineral Resources Project.
- Enactment of relevant laws and regulations needed to regulate mineral exploration and exploitation activities in a transparent manner. These laws include: The Nigerian Minerals and Mining Act of 2007, National Minerals and Metals Policy 2008, Nigerian Minerals and Mining Regulations 2011.

Extractive Industries Transparency Initiatives (EITI) is a global initiative that encourages Government, Extractive Companies, International Agencies and Non-Governmental Organizations (NGOs) to work together to develop a framework to promote transparency of payments and receipts made within the extractive industries sector. Currently, there are 44 EITI implementing countries out of which 26 are compliant countries and 18 candidate countries. Similarly, there are over 80 private sector participants supporting the EITI. The



Mining Sector is complex in nature with greater diversity in minerals and geology. Numerous Private Sector Participants of varying sizes and often with greater environmental impact are involved in Solid Minerals Industry.

EITI focuses on company payments to, and Government receipt of revenues from the extractive industries. It seeks to promote transparency on company payments and Government receipts of revenue from the extractive industries, because it is generally believed that transparency in payments and revenue can assist the Government in financial and macro-economic planning and ultimately reduces the risk and diversion of misappropriation of Government resources.

The EITI Reports disclose how much revenue governments actually received from the extraction of natural resources. Companies are also expected to disclose what they have paid in taxes, royalties and other fees, and the government discloses what it has received. These two sets of figures are compiled and reconciled by an independent reconciler, chosen by the EITI multi-stakeholder group in each EITI implementing country. The nucleus of the EITI Reports is for citizens to see how much their government is being paid for the natural resources in their country, often for the first time ask questions as to the utilizations.

However each implementing country goes beyond the reporting of the revenue and payment (financial) flow towards other non-financial flows.

The Nigeria Extractive Industry Transparency Initiative (NEITI) also becomes a compliant nation in 2004. In 2004 Nigeria established her own national body called Nigeria Extractive Industry Transparency Initiative (NEITI). As part of the requirement for membership, government must be willing to disclose all revenue accrued to it from the extractive industry, be accountable to the public, by disclosing what accrued from the sector and what the proceed from the sector was used for. Auditors must be engaged to audit the extractive industries and its corresponding government agencies to validate these payments and receipts.



NEITI seeks to be in conformity with the principles of global EITI; its specific objectives under the Act are to:

- ✓ Ensure due process and transparency in the payments by extractive industry companies and accountability in the revenue receipts of the Government and other statutory recipients;
- ✓ Monitor and ensure accountability in the revenue receipts of the Federal Government from extractive industry companies;
- ✓ Eliminate all forms of corrupt practices in the determination of payments, receipts, and posting of revenue accruing to the Government from extractive industry companies;
- ✓ Ensure transparency and accountability by the government in the application of resources from payments received from extractive industry companies.

Diagram 5

A diagrammatic presentation of the NEITI Solid Minerals Sector Audit

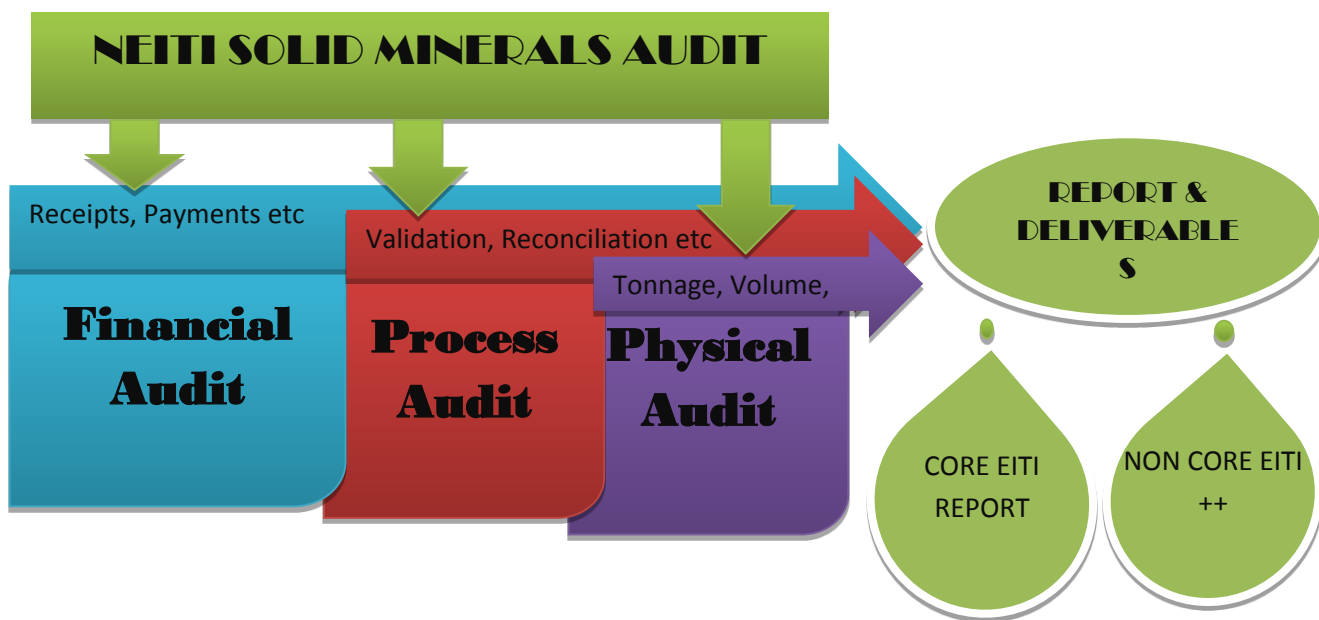


Diagram 5 shows segmentation of Solid Minerals audit from inception to report and deliverable.



2.1.1 Legal and Regulatory Frame Work Governing Solid Minerals Industry in Nigeria

The Nigeria Minerals and Mining Act, 2007 is the principal legislation that regulates the Nigerian Mining Sector. The Act vests the control, regulation and ownership of all mineral resources in the Federal Government of Nigeria (FGN).

The provisions of the National Minerals and Metals Policy and the Minerals and Mining Regulations also regulate the sector. The Mining Regulations contain specific provisions with respect to royalties, fees and compensation payable by holders of mining rights.

The administration of the mining industry is vested in the Ministry of Mines and Steel Development (MMSD), operating through the following departments and agencies:

- Mines Inspectorate Department
- Mines Environment and Compliance Department
- Artisanal and Small-Scale Mining Department
- Mining Cadastre Office

a. Mines Inspectorate Department (MID)

The MID has overall responsibility for operations in exploration, evaluation, mine development and production. Some of its functions include:

- General supervision of mining, quarrying and explosives matters to ensure safe mining operation and enhance high production of minerals and revenue generation.
- The development of a database of all mining and quarrying operators.
- Ensuring preparation of mineral returns by operators as required by the government prescribed by regulations.
- Supervision and enforcement of compliance by mineral title holders with all work programmes and safety regulations prescribed under the Act and any other law in force.
- Production of records of all mineral production nationwide.



b. Mines Environmental and Compliance Department (MECD)

The main function of the MECD is to ensure that companies adopt and maintain procedures that are environmentally friendly in their operations. It performs the following other functions:

- Establish environmental procedures and requirements applicable to mining operations.
- Review all plans, studies and reports required to be prepared by holders of mineral titles in respect of their environmental obligations under the Act.
- Monitor and enforce compliance by holders of mineral titles with all environmental requirements and obligations as required by law.
- Maintain regular environmental audits to ensure the adoption of environmentally friendly operations.

c. Mining Cadastre Office (MCO)

This is an autonomous agency responsible for the following functions:

- Consider applications for mining titles and permits.
- Issue, suspend and revoke (where necessary) mining titles, subject to government's rules and regulations.
- Receive and dispose applications for transfer, renewal, modification and relinquishment of mineral titles.
- Maintain a chronological record of all applications for mineral titles in a priority order.
- Maintain a register, and a general registry book of title holders.

d. Artisanal and Small-scale Mining Department (ASMD)

The ASM carries out among others the following functions:

- Organize, support and assist small scale mining operations.
- Provide extension services to mining cooperatives on exploration, exploitation, mineral processing, entrepreneurial training, environmental management, etc.
- Improve sustainable livelihood in ASMD communities.



Other Regulatory Bodies in Nigeria Solid Minerals Industry include:

e. Nigerian Investment Promotion Commission (NIPC)

The NIPC is responsible for registering foreign investments in Nigeria. It also acts as a liaison between investors and government ministries, departments, institutional lenders and other institutions concerned with business start-ups in Nigeria.

f. Nigerian Export Promotion Council (NEPC)

The NEPC is vested with the responsibility of administering export incentives in Nigeria.

Every exporter is required to register with the NEPC. This will entitle the exporter to qualify for the available incentives upon satisfying the prescribed requirements.

g. Corporate Affairs Commission (CAC)

CAC is responsible for the administration of CAMA, including regulation and supervision of the formation, incorporation, registration, management and winding-up of companies. It also has the powers to arrange and conduct investigation into the affairs of any Nigerian company if and when the interests of the shareholders and the public demand.

h. Federal Inland Revenue Service (FIRS)

The FIRS, established by the Federal Inland Revenue Service (Establishment) Act, 2007 is the regulatory body responsible for administering and collecting all taxes due to the Federal Government of Nigeria (FGN).

The FIRS is also empowered to conduct periodic review of taxpayers' records with a view to ascertaining the extent of compliance and has the power to sanction erring tax payers.

i. Immigration Act

The Immigration Act precludes any person other than a Nigerian citizen from accepting employment in the country without the consent in writing of the Minister of Interior.

This provision ensures that the Minister's consent in the form of expatriate quota (EQ).Approval is obtained before a foreigner is employed in Nigeria.



For expatriates engaged to work for a short period (e.g. 3 months), a Temporary Work Permit (TWP) is obtainable from the Immigration Department. The duration of the TWP is based on the approval granted by the Comptroller-General of Immigration.

TWP is valid for only one entry and is normally not extendable. However, a foreigner seeking to take up employment in Nigeria would have to obtain an STR (Subject to Regularization) Visa and a Combined Expatriate Residence Permit and Aliens Card (CERPAC) based on his employer's EQ approval.

j. Nigeria Customs Service (NCS)

The Nigeria Customs Service collects duties for imported goods based on the tariff which contain over 6,000 categories of goods. The Nigeria Customs Service does not collect duties on exported Solid Minerals, and all operators in the mining industry are exempted from custom duties on machineries and equipment imported for mining activities as stipulated in section 25 of the Nigerian Minerals and Mining Act, 2007 to attract potential investors to the Solid Minerals Industry.

k. Central Bank of Nigeria (CBN)

CBN act as a regulatory body in respect of following:

- To issue currency, keep reserves and safeguard the value of the Nigeria currency.
- To act as a banker and financial adviser to the Government.
- To promote monetary stability and a sound financial structure.
- To promote reliable, efficient and smooth operation of national payment and settlement systems.
- To influence credit situation to the advantage of the country.
- Collects Nigerian Exports Supervision Scheme (NESS) fee.



2.1.2 Types of Minerals Titles and Licences in Nigeria Solid Minerals Industry

A mining title can be granted to an individual, a company or a co-operative. The grant of exploration licence or mining lease could be by competitive bidding or on individual request. In competitive bidding, the government consolidates various mineral locations into blocks, and offer the blocks for sale to international and local investors with sufficient financial and technical capabilities to carry on mining operations.

The types of licences and leases granted are as follows:

a. Reconnaissance Permits (RP)

This permit is awarded to individuals, incorporated companies and mining co-operatives. Its duration is for one year and is renewable annually. The permit confers on the holder the non-exclusive right to search for mineral resources and the area covered is not limited.

However, drilling and other subsurface activities are not permitted. A holder is allowed to obtain and remove samples in small quantities only. This permit is not transferable.

b. Exploration Licence (EL)

The licence is awarded to incorporated companies, mining co-operatives and holders of a mining area. This has a duration of 3 years, renewable for 2 further periods of 2 years each (i.e, it shall not exceed 7 years). It confers on the holder the right to explore (discover, determine the characteristics and evaluate the economic value of mineral resources) on an exclusive basis for all mineral resources within the title area (established zone only). The mining activity is restricted to specified minerals.

The holder is allowed to remove, conduct bulk sampling and testing, export and sell mineral resources not exceeding established limits and the mining area is more than 200 sq km consisting of one contiguous polygonal area.



c. Small-Scale Mining Lease (SSML)

The licence is awarded to individuals, incorporated companies, mining co-operatives and holder of exploration licence in respect of a mining area. The holder of the lease has the exclusive right to carry out small-scale mining operations [mining operations involving low-level technology or methods not requiring substantial expenditure] within the title area. The mining area is greater than 5 acres but less than 3 Km.

d. Mining Lease (ML)

The licence is awarded to an incorporated company or any legal entity that has met the conditions for the issuance, in respect of a subject area of application, holders of Exploration Licence (EL) and SSML. All mining leases are for 25 years, renewable for a maximum period of 20 years.

The holder has the exclusive right to carry out all mining operations within the mining lease area. The land area is determined in relation to the ore body defined in the feasibility study and additional area for working of materials.

The holder also has the right to market, sell, export or otherwise dispose mineral products from mining, and the right to use water, wood, etc found on land.

e. Quarry Lease (QL)

The licence is awarded to individuals, incorporated companies, mining cooperatives and construction companies that need to extract minerals for own use and holders of Exploration Licence (EL). Minerals usually quarried include gravel, asbestos and gypsum amongst others.

QL confers the exclusive right to carry out quarry operations within the lease area. The holder has the right to remove and dispose any quarriable mineral specified in the lease. The quarry area is less than or equal to 5 sq km.



f. Water Use Permit (WUP)

Exclusive right to obtain and convey water and/or occupy land for the conveyance of water. The permit is usually granted to holders of EL, ML, QL and SSML. The WUP is for the duration of the original licence granted.

An individual or a company can make an application to the MCO for a licence to explore for a particular mineral of interest.

g. Transfer of Mineral Title

Mineral titles, with the exception of RP, are transferable under the Act, subject to the approval of the Minister and registration of the transfer with the MCO. Rights arising from a mineral title that are transferable under the Act can be wholly or partially assigned, sub-leased, pledged, mortgaged, charged or subject to any security interest.

The approval of the MCO shall not be required for an assignment to an affiliate, where the obligations of the affiliate are guaranteed by the assignor or by a parent company.



2.1.3 Taxes, Royalties & Fees in Nigeria Solid Minerals Industry

Companies involved in mining activities are assessed to tax under the Companies Income Tax Act (CITA), Laws of the Federation (LFN) 2007, as amended. However, individuals and partnerships engaged in mining activities are liable to tax under the Personal Income Tax Act (PITA), LFN 2007 (as amended in 2011).

a. Corporate Income Tax (CIT)

The profit of a company engaged in mining activity is liable to CIT at the rate of 30%. The tax is applicable on the total profits of the company, after adjusting for non-tax-deductible items, unutilized losses from prior years and capital allowances (depreciation), if any. The CIT is payable to the Federal Inland Revenue Service (FIRS).

If a mining company's turnover is below N1.0 million within the first five years of commencement of business, it will be liable to tax at the rate of 20%. However, this provision would not apply where such mining company is granted a pioneer status (see below).

b. Education Tax (EDT)

Nigerian companies engaged in mining activities are also liable to education tax (EDT) at the rate of 2% of their assessable profit. The EDT is also payable to the FIRS.

c. Treatment of Losses

Under the Act, losses incurred in a year of assessment can be carried forward and set-off against the assessable profits of the subsequent tax years (if any), up to a maximum of four (4) tax years, after which the loss shall lapse. However, the 4-year restriction only applies to losses incurred within the first three years of commencement of business, based on the amendment to CITA in 2007. Tax losses incurred after the first three years of commencement of business can be carried forward indefinitely.



d. Minimum Tax Provision

CITA stipulates that:

where in any year of assessment the ascertainment of total assessable profits from all sources of a company results in a loss, or where a company's ascertained total profits results in no tax payable, or where the tax payable is less than the minimum tax, there shall be levied and paid by the company the minimum tax as prescribed under the CITA.

The exceptions to this rule are:

- (i) Where a company is in its first four years of commencement of business
- (ii) Where a company is engaged in agricultural trade or business
- (iii) Where 25% or more of the company's equity capital is imported and evidenced by a Certificate of Capital Importation (COCI).

Therefore, where a mining company meets the above conditions, it would be exempted from the payment of minimum tax, after the tax relief/pioneer period.

e. Personal Income Tax (PIT)

An individual or partnership carrying on mining activities is liable to PIT on any profit or gain from such activity in line with the provisions of PITA. The effective applicable tax rate is about 19% on the total income or profits. PIT is payable to the States' Boards of Internal Revenue (SBIRs) where the individual or the partners is resident.

f. Valued Added Tax (VAT)

A mineral title holder is expected to charge VAT at the rate of 5% on all minerals sold locally. Minerals exported from Nigeria are, however, zero-rated based on the provision of the VAT Act.



g. Capital Gains Tax (CGT)

The Capital Gains Tax Act (CGTA), LFN 2007 (as amended) regulates payment of CGT in Nigeria. The rate of tax is currently 10% and is levied on capital gains accruing on disposal of chargeable assets, irrespective of whether the asset is situated in Nigeria or not. Capital Gains accruing outside Nigeria to a non-resident company or individual are subject to CGT only on the amount received or brought into Nigeria.

h. Stamp Duties

Stamp duties are payable on all dutiable documents and transactions. Stamp duties are applicable on the initial share capital of a company and on any subsequent increases in it. The current stamp duties rate on the authorised share capital of a company is 0.75%. This rate is, however, subject to periodic review by the Joint Tax Board (JTB).

Stamp duties may also apply on agreements entered into in Nigeria depending on the nature of the agreement.

i. Withholding Tax (WHT)

Dividends, interest, rent, royalty and other qualifying payments to shareholders, vendors and lenders are liable to WHT deduction at the appropriate rate. The rates vary between 5% and 10%, depending on the nature of the transaction and whether the beneficiary of the payment is a natural person, partnership or a limited liability company.

The WHT rate on dividend, interest, rent and royalty, when the beneficiary is resident in a country with which Nigeria has a Double Taxation Treaty (DTT) is 7.5%, compared to 10% that is generally applicable on such payments.

Nigeria currently has DTTs with United Kingdom, Netherlands, Belgium, Pakistan, Romania, Philippines, Czech Republic, Canada, South Africa, China and France. The DTTs with South Korea, Spain, Sweden and Russia are yet to be completely ratified.



j. Royalty

Royalty is payable by companies engaged in mining activities in Nigeria. It is calculated on ad valorem basis. The applicable royalty rates range from 3% to 5% depending on the type of mineral. The Minister may grant concession to a mineral title holder to defer payment of royalty on any mineral for a specific period, subject to the approval of the Federal Executive Council.

k. Annual Service Fees

Holders of a mineral title, other than the holder of an RP, shall pay an annual service fee to the MCO equal to the number of Cadastral Units that comprise the title area multiplied by the fee per Cadastral Unit for that type of title. This fee is payable on the anniversary of the issuance of the mining title.

l. Annual Surface Rent

Holders of a small-scale mining lease, mining lease, quarry lease, or water use permit shall pay annual surface rent to the owner or occupier of the land, subject to the approval of the Minister. It is also subject to review by the Minister at intervals of five (5) years.

m. Other Application and Licence Fees

Other fees/levies may be imposed by MMSD/MCO and relevant state or local government authorities.

n. Nigeria Export Supervision Scheme (NESS)

The Nigerian Export Supervision Scheme (NESS) was established under the Pre-Shipment Inspection of Exports Act No 10 of 1996. The enabling law stipulated that "...no goods shall be exported from Nigeria unless an inspecting agent appointed pursuant to section 12 of this Act". Section 12 of this Act empowers the president of the Federal Republic of Nigeria to appoint inspection agents to carry out this function. The scheme has three core mandates:



- To inspect and certify quality, quantity and price competitiveness of Nigerian exports
- To ensure Nigerian Exports conform to international standards
- Provide statistics on Nigerian Exports for planning and policy formulation/ fine-tuning

Export Guidelines

The export guidelines issued by Federal Ministry of Finance being the principal of NESS are as follows.

- Establishment of Nigeria Export Proceeds (NXP) form
- Sales Contract/Pro- forma invoice
- NEPC registration Certificate

Inspection Agents are expected to determine the quality, quantity and value of goods to be exported and issue Clean Certificate of Inspection (CCI) within 72 hours after inspection and satisfied that the export met the requirements earlier stated

NESS Levy

The exporter shall pay to designated bank the mandatory levy of:

0.5% FOB value of the export consignment for non- oil;

0.12% of the FOB value to the crude oil export (effective 01/5/2012)

Submit other documents like the final invoice to the Inspection Agent to enable them issue a Clean Certificate of Inspection (CCI)

Submit the CCI to the carrier of goods to facilitate loading and shipment.

After satisfactory inspection, the inspection Agent shall complete the relevant portion of the NXP form, retain the duplicate copy and forward the remaining four copies to the NCS.

Prohibited Export Products

- Scrap metals
- Raw hides and skin
- Timber (rough and sawn)



- Unprocessed rubber latex and rubber lumps
- And any other product that may be considered and exempted by FMF from time to time.

Shipment

Upon the shipment of the goods, the NCS shall complete the respective section of the NXP form, retain the triplicate copy and distribute the remaining three copies as follows:

2.2 Audit Objectives

The objectives of this audit are as follows:

- To report on the revenue flows and investment among the major players in the Solid Minerals Sector and also with regards to the transactions made by the participants (both public and private sector entities) in the Nigeria Solid Minerals Industry.
- To report on the quantities of solid minerals mined, quarried, processed and exported in a manner which is insightful and of such integrity that could be reasonably relied upon by NEITI.
- To track Solid Minerals Sector fund collected by the various Public Sector Participants to the Federations Account and how it is distributed, applied by Federal Agencies and also make recommendations on any issues arising in the course of the audit.
- To reconcile payments by major Private Sector Participants in the Solid Minerals Industry and receipts of revenues by Public Sector Participants.
- The Federal Government of Nigeria through NEITI can utilize lessons learnt from the audit to enhance transparency in Private Sector Participants' payments and Public Sector participant's receipts of revenue, disbursement and also utilization of these revenues by the relevant stakeholders.



2.3 Terms of Reference (TOR)

Under the Terms of Reference (TOR) for the financial audit of Solid Minerals Industry, we are to carry out the following tasks:

Financial Audit

- To report on the revenue flows and investment flows among the major players in the Solid Minerals Industry, as fully described with transactions made by participants (both public and private sector entities) in Nigeria's Solid Minerals Industry.
- To work together with Government Agencies to collate all data on payments by the major players in the Solid Minerals Industry and receipts by Public Sector participants Agencies.
- To match payments made by the major players in the Solid Minerals Industry with those received by Government Agencies.
- To ascertain if the payments are in conformity with applicable legislation.
- To report on outstanding balances payable/receivable at the end of the audit period.
- Ascertain the appropriateness of payments made with regards to minerals rights.
- To report on Federation revenue in term of budgets, actual and variance.
- To undertake special verification work on certain classes of transaction.
- To reconcile the financial transactions reported by payers and recipients, as regards the scope set out herein.
- To report on actual disbursements of funds from the Federation Account to beneficiaries to the extent that some element of those funds originated from the Solid Minerals Industry.
- To review financial statements for consistency between the major players in the Solid Minerals Industry and the Public Sector Participants.
- To review the capital investment and the operational cost for the major players in the Solid Minerals Industry.
- To review the capital investment in order to access the actual amount of the investment and to determine if the amortization and the depreciation declared is correct and does not improperly reduce the amount of taxable profits of the major players in the Solid Minerals Industry.



- To perform the audit of operational cost in order to access if the deductions claimed were actually incurred and correspond to the legitimate operational expenses as these affect the taxable profits of the major players in the Solid Minerals Industry.
- To reconcile the data so collected to ascertain if there is any disparity between the actual public Sector participants reported templates and aggregated Major Player's reporting templates.
- To analyze the tax deductions claimed by the major players in the Solid Minerals Industry for the purpose of identifying improper claims.
- To report on illegal mining activities and abandoned mine sites.

2.4 **Scope of Work**

The scope of engagement covers reconciliation of actual payments by major companies and receipts by Government Agencies in the Solid Minerals Industry. That is, reconciliation of payments and receipts of revenues for the period under review (2011). The payments types considered in this audit and reported in the aggregation/reconciliation are:

- Royalty
- Taxation
- Annual Service Fees
- Levies
- Ground Rents

As an improvement on the previous audit, Annual Service Fees was separated from levies with a view to showing their contributions to the revenue generated from Solid Minerals Industry.



2.5 **Caveat and Limitation of Scope**

We were required to undertake the assignment as set out in the Terms of Reference (TOR) for the engagement and we have strictly complied with that. If there are material misstatements caused either by fraud or other irregularity or error as a result of receipts or payments omitted from the audit reporting templates by the covered entities, our agreed upon approach will not be sufficient to detect them, because the audit exercise was based on the review, validation and comparison of information on audit reporting templates submitted by the covered entities. Information omitted by both or any of these parties would therefore not be captured in this report as we did not carry out investigation or forensic audit.

This report reflects only data and information received up to November 20, 2013 from covered entities in the aggregation/reconciliation of financial flows in the Solid Minerals Industry, based on transactions up to December 31, 2011.

Subsequent comments and adjustments have been taken into account as appropriate.

3.0 **Approach and Methodology**

The Approach and Methodology formulated for the audit was based on the Terms of Reference (TOR) which is in line with established procedures for carrying out specialized audit assignments as issued by International Standards on Auditing/International Standards on Review of Engagements on related services. (ISRS 4400 Engagement to perform agreed upon procedures regarding Financial Information).

These strategies and methodology provided the basic information and explanations we considered necessary in expressing our professional opinion regarding the financial audit of the solid minerals sector.



- 3.1 **Detailed Implementation Strategies:**
- a. Audit Preliminary Planning and Documentation
 - b. Financial Data Collection and Analysis
 - c. Non-Financial Data Collection and Analysis
 - d. Systems and Procedure Audit
 - e. Post Audit Evaluation; Reconciliation and Validation
 - f. Reporting and Documentation.

Diagram 6

This combined approach was used to achieve the desire result. These strategies are interwoven:



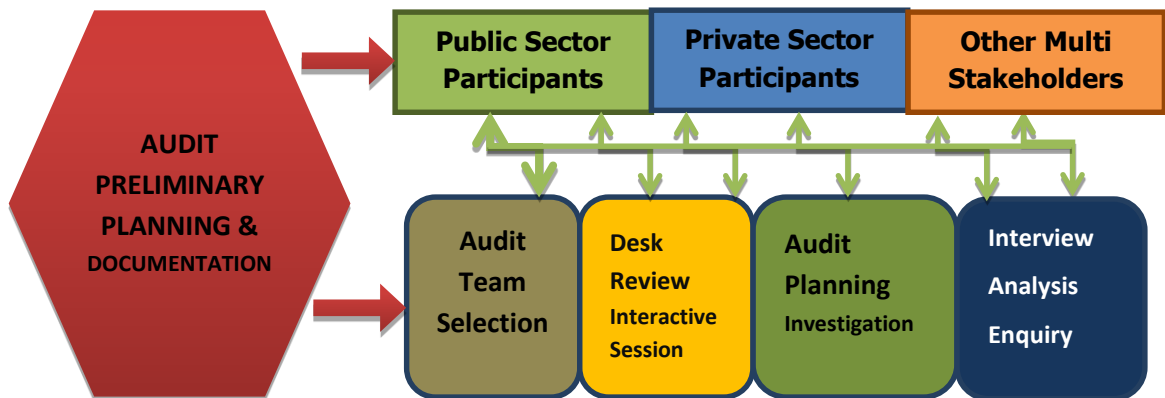


a. Audit preliminary planning and documentation

An appropriate audit planning procedure was conducted in a way that actualizes the achievement of the audit objectives as well as surpassing the audit bench mark. For the purpose of this Audit, we adequately planned for this audit task in order to provide an internationally acceptable professional opinion on the activities of all the major players in the solid minerals Industry.

Diagram 7

The audit preliminary planning and documentation is schematically presented below



This stage of the audit is a continuous component of the entire audit process; it involves the review of all available literatures and publications relating to the audit. A through desk review, walk through, interview, intuitions and observations were conducted to gain an understanding from the designed templates.



b. Financial data collection and analysis

The financial data collection and analysis strategy involved collection and analyses of information pertaining to the salient objectives and sub objectives of this audit. This involves;

- Financial System Flow Audit
- Quality Control Test
- Analysis of evidence
- Post Audit Evaluation

Diagram 8

A schematic presentation of this strategy



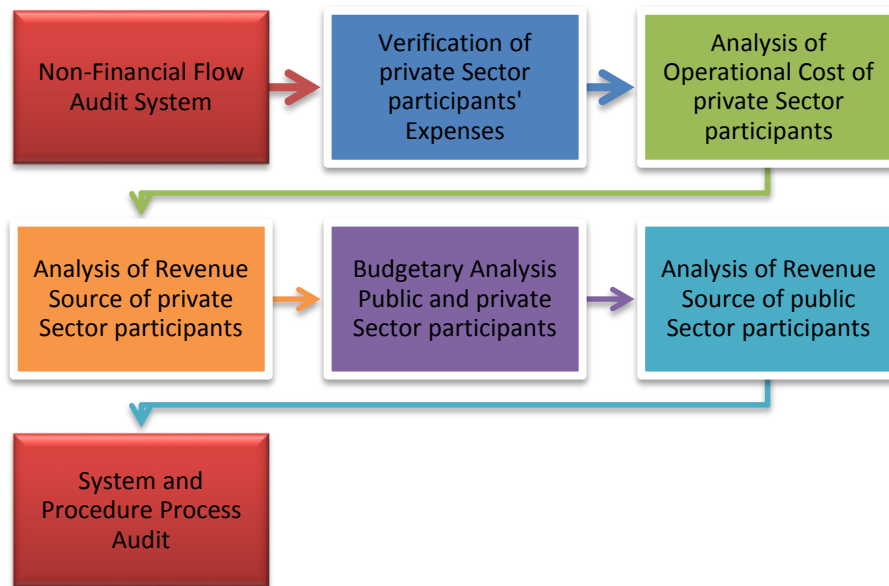


c. Non-financial data collection and analysis

The Non-financial data collection and analysis strategy involved collection and analyzing of non-financial information pertaining to the audit. This involves:

- Verification of private sector participants' expenses
- Analysis of Operational Cost of private Sector participants
- Analysis of Revenue Source of private sector participants
- Analysis of Revenue Source of Public Sector participants
- Budgetary Analysis of Public and private Sector participants

Diagram 9





In order to achieve the audit opinion on the non-financial flow of operators, we ensured that the objectives and sub-objectives set out below are achieved:

✓ **Verification of expenses of private sector participants**

This involves the following:

- Verified whether the amount expended relates to eligible expenditure:
- Verified whether expenditure has been borne and was incurred for the purpose of mining/quarry activities.
- Verified whether expenditure relates to the core operational activities of the private Sector participant.
- Verified whether expenditure are substantiated by appropriate documents and correctly entered in the accounts.
- Verified whether expenditure incurred and claimed falls within the periods are eligible and are accurately reflected in the Audited Financial Accounts.
- Confirmed that the expenditure incurred is not listed as ineligible expenditure in the contractual agreement.
- Confirmed the tax allowances, reliefs and incentives obtained by the beneficiary private Sector participants are justifiable and in line with extant legislations.

✓ **Analysis of Operational Cost of private Sector participants**

This involves the following:

- Ascertained and verified the unit cost for all operational cost and administrative cost e.g. drilling, blasting and loading, general pit maintenance
- Ascertained and verified the unit cost of plant consumables such as fueling and lubrications, lime, flux, acid etc.



✓ **Analysis of Revenue Source of private Sector participants**

This analysis was undertaken to:

- Ensure that all the private Sector participant's revenues are properly indicated in the financial reports:
- Ensure that the revenues from all sources are mentioned in the financial reports.
- Ensure that all sales are recorded in the sales ledger.
- Compare the receipt documents with the records in the sales ledger and cashbook.
- Review financial statements for consistency between the major players in the solid minerals sector and the relevant public Sector participants' agencies.

✓ **Analysis of Revenue Source of Public Sector Participants**

This analysis was undertaken to:

- Report on all matters arising and the comments provided by the respective Public Sector Participant's and conclusions, and instances of over or under-payment of amounts due to the Federation.
- Report on total remittance to Public Sector Participants coffer by major players.
- Confirm and identify each financial flow as it relates to the amounts paid to and received in the period under review.
- Confirm and identify the amounts accrued but not paid / received at the beginning and end of the period under review and any known disputed figures.
- Examine the records of financial flows relating to the following Public Sector Participants:
 - Federal Inland Revenue Service
 - Central Bank of Nigeria
 - Ministry of Mines and Steel Development (MMSD)
 - Mining Cadastral Office
 - Nigeria Customs Service
 - Office of the Accountant General of the Federation etc



✓ **Budgetary Analysis**

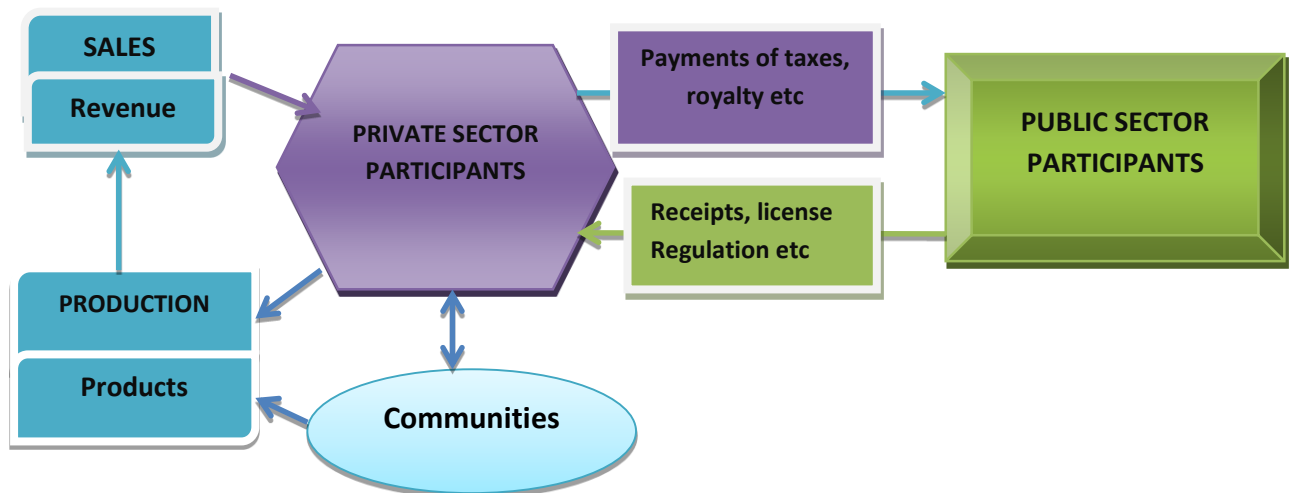
The scope of the audit procedures was based on evaluation of the budgetary provisions of major players. The auditors adopted a holistic approach in line with the specific requirements of the audit mission such as:

- Analysis of the Nigerian Public Sector participants’ revenue budget for 2011, showing the amount budgeted to be received from the solid minerals sector.
- Cascade the budget to each constituent private Sector participants, minerals type and state where the minerals are available.
- Analyzing the budget to constituent parts based on payment type e.g Royalty.
- Analyzing the viability and workability of the budget in terms of expected output.
- Monitor of actual against budget for each quarter and annual for the period 2011.
- Identify reasons for the divergences from budget and possible remedy to address the variance.

d. **System and Procedure Audit**

Diagram 10

The following basic flows exist within the solid minerals sector





e. Reconciliation and Validation

For the purpose of validating all information received, tripartite reconciliation and validation meetings were held concurrently in three (3) venues of Lagos, Abuja and Port Harcourt between the auditors, public and private Sector participants, while NEITI serves as observer.

f. Reporting and Documentation

The Audit teams followed agreed reporting timelines and framework as specified in the TOR. The Core EITI Report contains all our findings:

3.2 Materiality Threshold

The Private Sector Participants which provided the data that was used in this report were selected based on the agreed materiality level of payment of N1.0m and above of:

- Annual royalty paid by the Private Sector Participants engaging in mining/quarry activities
- Company Income Tax (CIT) and related taxes/fees paid by the Private Sector Participants that either uses extracted minerals as primary raw materials or as export products.

This selection was based on thorough review of the list of Private Sector Participants in the Nigeria Solid Minerals Industry provided by relevant Government Agencies in line with our audit approach and methodology with a view to ensuring that operators selected meet the set materiality threshold set by NEITI-NSWG as per the TOR.

3.3 Private Sector Participants considered

Based on the submission of the relevant Government Agencies, 773 Private Sector Participants were identified out of which 137 were selected for the audit exercise based on the volume of Solid Minerals Sector financial transactions carried out by them during the period under review and the level of their record keeping.

Furthermore, out of 137 Private Sector participants audited 87 met the materiality threshold and were aggregated while the remaining 50 did not the materiality threshold and were not aggregated.



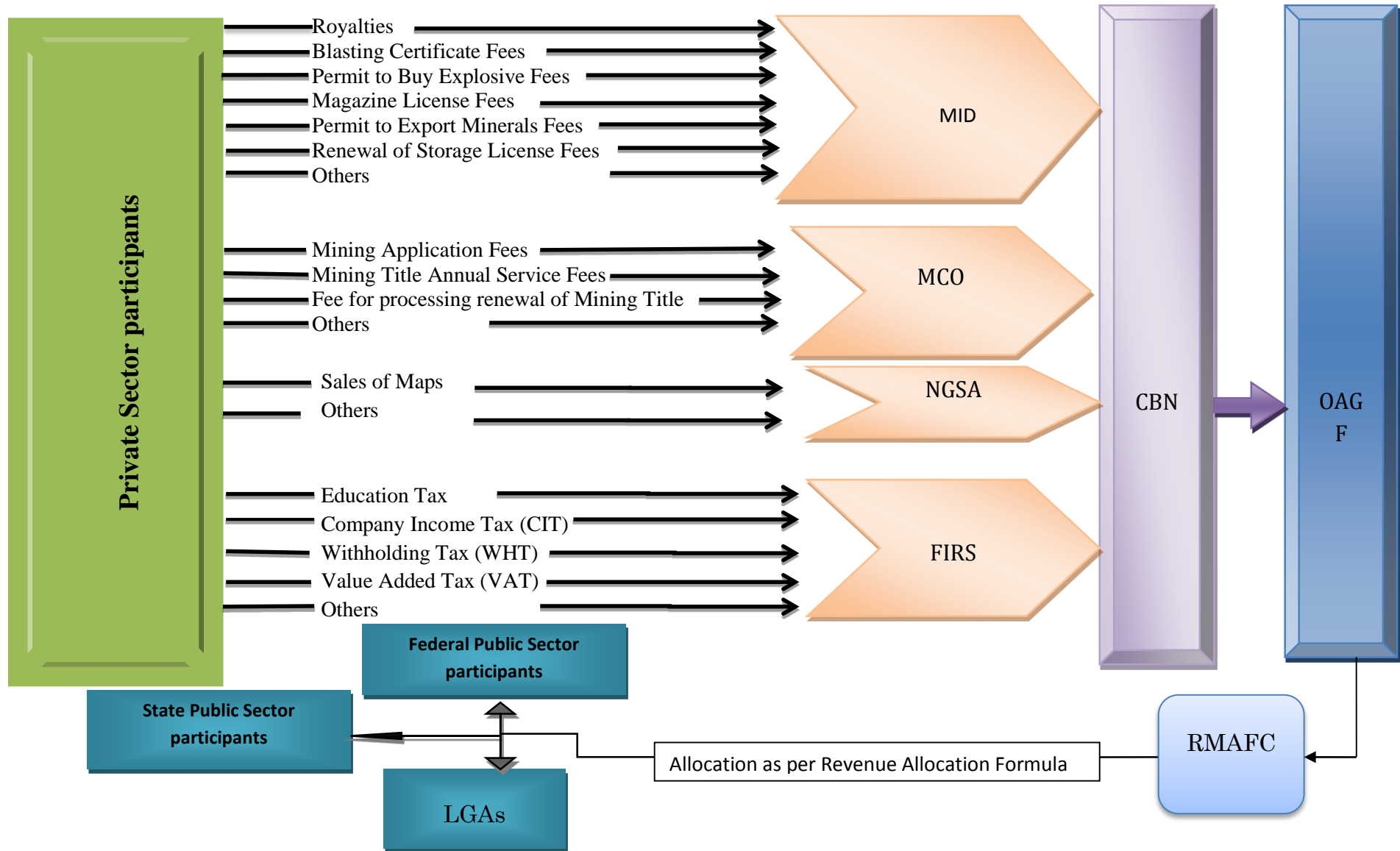
3.4 Schematics structure of the Nigeria Solid Minerals Industry stakeholder

Diagram 11

The diagram shows the structural linkages of the Nigeria Solid Minerals Industry

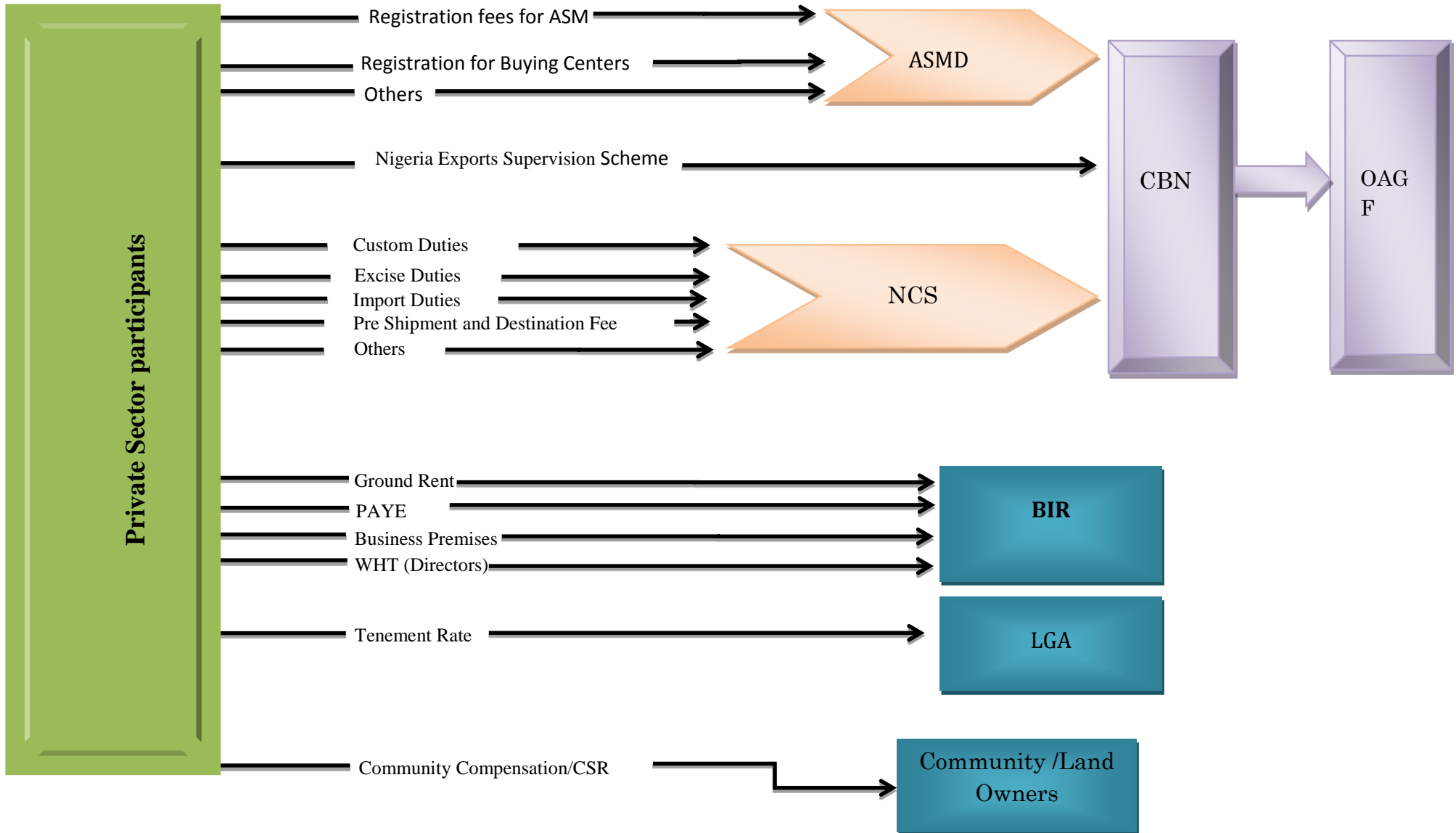


3.5 **Confirmed Financial Flow of revenue from Private Sector Participants to Public Sector Participants**
Chart 3





Unconfirmed Financial Flow of revenue from Private Sector Participants to Public Sector Participants
Chart 4





4.0 Activities of Private Sector Participants in the Solid Minerals Industry

Quarry

This is a small open-cut mine where large amounts of non-metallic rocks are dug or blasted out of the ground. No chemicals or water are used during the mining and processing stages. These rocks were not only cut or crushed for tiles or gravel, but are also sold as stone aggregates and granites by Private Sector Participants operating on commercial basis, while the non-commercial quarries use the stone aggregates and granites for their own production.

Mining

This is the process whereby Private Sector Participants extract solid minerals/ natural resources from shallow parts of the earth's crust.

Construction

This is an activity for Private Sector Participants involved in the process of sand, building or making of something that is of economic value to the society especially roads, buildings, bridges etc.

Sand Dredging

Dredging is an excavation activity carried out usually underwater at shallow seas or fresh water areas with the purpose of gathering up bottom sediments. This activity produces lots of sand which are used in construction and other important activities. It is also used as a way to replenish sand on some public beaches, where too much sand has been lost because of coastal erosion and to clear channels to improve navigation.

Manufacturing

This involves producing goods in large quantities in factories. The goods must be of economic value to the society. For solid minerals sector in this report, the Private Sector Participants manufacture cement, ceramic etc.



Minerals Buying Centre

In line with section 95 of the Nigerian Minerals and Mining Act 2007 which states that: “proceeds recovered under a small scale mining lease shall be sold to a licensed minerals procurement centre, hereinafter referred to as a “Minerals Buying Centre” and valid sales receipts obtained when required shall be produced for inspection by an authorized officer of the Mining Cadastre Office”.

For the period under review, three (3) minerals buying centres: (Spectrum Minerals, Astro Minerals Ltd and Magcober Nig Ltd) were among the selected Private Sector Participants covered in the aggregation/reconciliation of financial flows in Solid Minerals Industry in accordance with materiality level of ₦1.0m and above. Similarly from the list of Private Sector Participants not aggregated, there were six (6) minerals buying centre such as Dramatist Ventures, Granite Production Association, Geotess Nigeria Ltd, Gypsum Mining and Supply Association, Lale-Lale Ventures Ltd and Rock field Ind. Ltd.

4.1 Over view of the Systems and Procedures in the Solid Minerals Industry

Systems and procedures in the Solid Minerals Industry in Nigeria involve the following three (3) phases:

- ✓ Mining, Quarrying, Sand Dredging and Mineral Buying Centres production process.
- ✓ Solid Mineral transportation process.
- ✓ Sales and accounting (financial flows) process.

A walk through of the various processes was carried out by our audit teams to gain a better understanding of each phase. Process mapping of the phases was carried out to define the lower and upper boundaries of each of these phases. The various activities performed under each phase were mapped out in the following process steps.



Mining, Quarrying, Sand Dredging and Mineral Buying Centre Production Process.

The following production steps were audited,

Mining

- **Prospecting and Exploration**

Applying geological principles for mapping, appraisal, geophysical and geochemical methods, quality grade, reserves, drilling, surveying, sampling, analysis, testing and feasibility parameters.

This phase involves digging pits, sinking exploration shafts and core-drilling operations.

- **Development and Mining**

- Appraisal of field discoveries
- Acquisition of land
- Payment of compensations to Local Communities.
- Extraction by surface or underground methods either in open-pit or open-cut (strip) mines.
- Environmental management
- Stock piling and any other tertiary process.

- **Treatment and Processing**

- Crushing
- Classification
- Beneficiation
- Blending
- Refinement and concentration



Quarrying

- **Operation Stage**
 - Site surveying
 - Overburden stripping
 - Drilling of holes
 - Charging of holes with explosives.
 - Blasting
- **Production Stage**
 - Pay loader load dump trucks
 - Dumpers haulage to primary crusher
 - Primary and secondary crushing to give different sizes.

Sand Dredging

- **Operation Stage**
 - Land and waterfront acquisition
 - Site surveying which includes physical searching and geophysical survey.
 - Site clearing and preparation of water box.
 - Purchases and deployment of dredgers/ associated equipment and commencement of dredging.
- **Production Stage**
 - Dredging machines scoop and suck sand from the bottom of the river with the aid pump.
 - Conveying sucked sand to the water shore through pipeline
 - Water drains and flows back through water box to the river.
 - Sand stockpiles on the sand field.
 - Sales and distribution



Mineral Buying Centre

- **Operation Stage**

- Mining of gold and precious stones by Artisans on the titles not acquired by them
- They are mostly artisanal and small scale miners
- Minerals won are sold to a mineral buying centre that has the license to sell.

Transportation/Process

For mining, sand dredging and quarrying Private Sector Participants that operate on commercial basis transport their products by pay loaders and trucks while minerals won by the artisanal and small scale miners are sold to a minerals buying centre that has the license to sell.

Sales and Accounting (Financial flows) process

- For Private Sector Participants that operate quarries for the production of mainly limestone, stone aggregates and granites for their own use and those operating on commercial basis, their products are transferred into the private Sector participants' production records before being finally transferred into the private Sector participants' accounting books. Accrual basis of accounting is adopted by most of the operators in the industry.
- While for the Public Sector Participants, all the revenues received from the Private Sector Participants are first entered into their cashbooks before being taken to the approved Public Sector participants designated bank accounts. Thereafter, the money is transferred to Federation Account. The Public Sector Participants operate on cash basis of accounting concept. That is, they record their transactions when cash is actually received.



5.0 Covered Entities

A covered entity in Solid Minerals Industry audit 2011 includes both major Private and Public Sector Participants.

5.1 Public Sector Participants

.1. Ministry of Mine and Steel Development (MMSD)

The Ministry of Mines and Steel Development (MMSD) was established in 1985 by the Federal Public Sector participants of Nigeria to spur the rapid development of the country's solid minerals resources for economic benefit. It was set up to unlock the economic potentialities of the solid minerals sub-sector. It is the principal organ for information, policy and regulatory over-sight in the Solid Minerals Industry in Nigeria, it has the following departments:

a. Mining Inspectorate Department (MID)

MID is responsible for amongst others, the supervision of overall exploration activities as well as collecting royalties and other operational fees on behalf of Public Sector participants. The department also oversees the safe use of explosives in the minerals sector, some of the major Solid Minerals Industry fees collectable by MID on behalf of the Public Sector participants are mineral royalties, fees for explosives etc.

b. Artisanal and Small Scale Mining Department (ASMD)

ASMD is responsible for organizing, supporting and assisting small-scale mining operations as well as registering and administering ASM operators and mineral buying centres. Some of the fees collectable by ASMD on behalf of the Public Sector participants are registration fee for mining association, registration fee for buying centre etc.



c. Mines Environmental Compliance Department (MECD)

MECD is responsible for the following:

- Reviewing of all plans, studies and reports required to be prepared by holders of Mineral title in respect of their environmental obligations under the Nigerian Minerals and Mining Act, 2007.
- Monitoring and enforcing compliance by holders of mineral title with all environmental requirements and obligations established pursuant to Nigerian Minerals and Mining Act, 2007 its regulations and by any in force.
- Periodically audit the environmental requirements and obligations in line with the requirements of Nigerian Minerals and Mining Act, 2007, its regulations and any other extant laws in force and make appropriate recommendations thereon to the Minister.
- Liaising with other Public Sector participants Agencies with respect to the social and environmental issues involving in mining operations, mine closure and reclamation of land.

2. Mining Cadastre Office (MCO)

MCO has the exclusive responsibility of issuing and administering mineral titles in accordance with statutory guidelines. They are in charge of mapping mineral zones in the country, some of the major solid mineral sector fees collectable by MCO on behalf of the Public Sector participants are registration fee for reconnaissance permit, registration fee for exploration license, registration fee for small-scale mining lease, registration fee for mining lease, registration fee for water use permit annual service fees etc.

3. Nigeria Geological Survey Agency (NGSA)

NGSA conduct Geological survey to determine mineral deposits.

They also provide national geo-science information service to the nation's public and private sector organizations.



4. **Nigeria Custom Service (NCS)**

The Nigerian Customs Service collects duties for imported goods based on the tariff which contains over 6,000 categories of goods. The Nigeria Custom Service does not collect duties on exported Solid Minerals, and all operators in the mining industry are exempted from custom duties on machineries and equipment imported for mining activities as stipulated in section 25 of the Nigerian Minerals and Mining Act, 2007 to attract potential investors to the Solid Minerals Industry.

5. **Federal Inland Revenue Services (FIRS)**

FIRS is responsible for operating an efficient and transparent tax system that optimizes tax revenue collection and voluntary compliance. FIRS collects taxes from Private Sector Participants in the Solid Minerals Industry. In line with our TOR, we only focus on CIT, WHT, EDT and VAT.

6. **Tertiary Education Trust Fund (TETF)**

This organization is responsible for the administration of EDT collected by FIRS.

7. **Office of the Accountant General of the Federation (OAGF)**

OAGF is a functional agency within the total administration/organizational arrangements for the management and control of the public finances.

Other mandate of the OAGF includes the following:

- To supervise the accounts of Federal Ministries and Extra-Ministerial department.
- To collate, present and publish statutory financial statements of account required by the Minister of finance.
- To manage Federal Public Sector participants Investments.
- To maintain and operate the Federation Account.
- To maintain and operate the accounts of the Consolidated Revenue Fund, Development Fund, Contingencies Fund and other public funds and provide cash backing for the operation of the Federal Public Sector participants.



- To conduct routine and in-depth inspection of the books of accounts of Federal Ministries and Extra-ministerial Department to ensure compliance with rules, regulations, policies, and Internal Audit Guides.
- To investigate cases of fraud, loss of funds, assets and store items and other financial malpractices in the Public Sectors.

8. **Central Bank of Nigeria (CBN)**

CBN acts as a regulatory body in respect of following:

- To issue currency, keep reserves and safeguard the value of the Nigeria currency.
- To act as a banker and financial adviser to the Public Sector participants.
- To promote monetary stability and a sound financial structure.
- To promote reliable, efficient and smooth operation of national payment and settlement systems.
- To influence credit situation to the advantage of the country.
- To collect Nigerian Exports Supervision Scheme (NESS) fee.

9. **Revenue Mobilization Allocation and Fiscal Commission (RMAFC)**

RMAFC responsibilities are:

- Monitor the accruals into and disbursement of revenue from the Federation Account.
- Review from time to time the revenue allocation formulae and principles in operation to ensure conformity with changing realities, provided that any revenue formula which has been accepted by an Act of the National Assembly shall remain in force for a period of not less than five years from the date of commencement of the Act.
- Advise the Federal, State and Local Public Sector participants on fiscal efficiency and methods by which their revenue is to be increased.
- Determine the remuneration appropriate to political office holders, including the President, Vice-President, Governors, Deputy Governors, Ministers, Commissioners, Special Advisers, Legislators and holders of offices mention in Sections (84) and (124) of the Constitution of Federal Republic of Nigeria.
- Discharge such other functions as may be conferred on the Commission by the Constitution or any Act of the National Assembly.



10. **Corporate Affairs Commission (CAC).**

CAC is responsible for the incorporation and registration of Private Sector Participants in Nigeria. They keep register of all Private Sector Participants and receive their annual returns. They also ensure that registered Private Sector Participants comply with provisions of Private Sector Participants and Allied Matters Act (CAMA) 1990.

Other relevant Public Sectors visited during the Aggregation/Reconciliation of Financial Flows in the Solid Minerals Industry are as follows:

11. Nigeria Export Promotion Council (NEPC)
12. Nigeria Investment Promotion Council (NIPC)
13. Nigeria Port Authority (NPA)
14. Nigeria Shippers Council (NSC)
15. National Environmental Standards Regulations Enforcement Agency (NESREA)
16. National Iron Ore Mining Company of Nigeria (NIOMCO)
17. Ajaokuta Steel Company Limited
18. Public Sector participants Laboratories:
 - National Metrological Development Centre, Jos
 - National Iron Ore Mining Company of Nigeria, Itakpe
 - National Steel Raw Material Exploration Agency, Kaduna



5.2 Private Sector Participants covered in the Aggregation/Reconciliation of Financial Flows

A total of **137 (One Hundred and Thirty-Seven)** Private Sector Participants were audited by our audit teams out of which 87 (Eighty Seven) were aggregated while the remaining 50 (Fifty) were not aggregated. Because they did not meet the materiality threshold.

Below is the list of Private Sector Participants that met the **materiality** threshold of ₦1.0m, that were considered in the aggregation/reconciliation of financial flows.

Table 6: Names of aggregated operators and type of minerals mined/quarried

S/NO	COMPANY NAME/OPERATOR	STATE(S) OF OPERATIONS	ACTIVITIES	TYPE OF MINERAL MINED/QUARRIED
1	A.G. Vision	Abuja	Quarry: for Construction	Granite
2	ABL Granite Co Ltd	Ogun	Quarry: for Commercial	Granite
3	Ahmu International Mining Company	Oyo	Medium Scale Mining	Tourmaline
4*	Alren Construction Nigeria Ltd	Abuja	Quarry: for Construction	Granite, Laterite
5*	Arab Construction Nig. Ltd	Abuja	Quarry: for Construction	Granite
6	Ashaka Cement Plc	Gombe	Quarry: for Manufacturing	Limestone, Gypsum & Coal
7	Associated Granite Ind. Limited	Oyo	Quarry: for Commercial	Granite
8	Astro Minerals Ltd	Plateau	Buying Centre	Columbite
9	BiwaterNig Ltd	Niger	Quarry: for Construction	Granite
10	Blackstone Crushing Company Limited	Oyo	Quarry: for Construction	Granite
11*	BoriniProno& constr. Nig. Ltd.	Kaduna	Quarry: for Construction	Granite, Laterite
12*	Bulletine Construction Company Limited	Abuja	Quarry: for Construction	Granite, Laterite
13*	C &.C. Construction Comp. Ltd.	Abuja	Quarry: for Construction	Granite, Laterite
14	Cement Company of Northern Nigeria Plc.	Sokoto	Manufacturing/Mining	Limestone
15*	CCC Construction Nigeria Ltd	Abuja	Quarry: for Construction	Granite, Laterite



S/NO	COMPANY NAME/OPERATOR	STATE(S) OF OPERATIONS	ACTIVITIES	TYPE OF MINERAL MINED/QUARRIED
16*	CCECC Nig. Ltd	Abuja	Quarry: for Construction	Granite, Laterite
17*	CGC Nig. Ltd	Abuja	Quarry: for Construction	Granite
18	CIBI Nigeria Limited	Kaduna	Quarry: for Manufacturing	Granite, Dimension Stone
19	CNC Engineering Company	Abuja	Quarry: for Construction	Granite
20	Construction Surport Nig. Ltd	Lagos	Quarry: for Construction	Sand
21*	Crushed Rock Nig Ltd	Rivers	Quarry: for Commercial	Granite
22*	Crush Stones Industries Ltd	Rivers	Quarry: for Construction	Granite, Dolorite
23*	Dangote Cement Plc	Kogi	Quarry: for Manufacturing	Limestone
24*	Dantata&Sawoe Construction Co.	Abuja	Quarry: for Construction	Granite, Laterite
25	De Crown Quarry Ltd	Ogun	Quarry: for Commercial	Granite
26	Ebenezer mining & ceramic Ind. Ltd	Ondo	Quarry: for Commercial	Granite
27	Elegant One Nigeria Ltd	Ebonyi	Medium Scale Mining	Dolorite, Granite
28*	EnercoProrox	Abuja	Quarry: for Construction	Granite, Laterite
29	ENL Construction Ltd	Abuja	Quarry: for Construction	Granite, Laterite
30	Freedom Development Co. Ltd	Edo	Medium Scale Mining	Kaolin, Limestone, Sand
31	FW San He Concepts Ltd	Ogun	Quarry: for Commercial	Granite
32	Georgio Rock Ltd	Edo	Quarry: for Commercial	Granite
33	GilmorEng'g Ltd	Abuja	Quarry: for Construction	Granite, Laterite
34*	Gitto Construction Company	Abuja	Quarry: for Construction	Granite, Laterite
35	Glossands Ltd	Lagos	Dredging	Sand
36	Gyartagere Stone Crushing Co. Ltd	Plateau	Medium Scale Mining	Granite
37*	Habibu Engineering Nig. Ltd.	Abuja	Quarry: for Construction	Granite, Laterite



S/NO	COMPANY NAME/OPERATOR	STATE(S) OF OPERATIONS	ACTIVITIES	TYPE OF MINERAL MINED/QUARRIED
38*	Hajaig Const. Ltd	Kano	Quarry: for Construction	Granite
39*	Harvey Ltd	Edo	Quarry: for Commercial	Granite
40	Hitec Construction Company	Lagos	Quarry: for Construction	Granite
41	Hongyun Mining Ind. Co. Ltd	Abuja	Quarry: for Commercial	Granite, Laterite
42*	Inter-Bau Construction Company Ltd	Edo	Quarry: for Construction	Granite
43	Japaul Mines & Products Limited	Ondo	Quarry: for Commercial	Granite
44	JiaBao Quarry Nig Ltd	Ogun	Quarry: for Commercial	Granite
45*	Julius Berger Nig. Plc.	Abuja	Quarry: for Construction	Granite, Laterite
46*	Kopek Nig. Limited	Oyo	Quarry: for Construction	Granite, Laterite
47	LadliceNig Ltd	Lagos	Dredging	Sand
48*	Levant Construction Ltd	Abuja	Quarry: for Construction	Granite, Laterite
49	M.F.W Dredging & Marine	Rivers	Dredging	Sand
50	Mac Daniels Quarry Ltd	Ebonyi	Quarry: for Commercial	Limestone, Dolorite
51	MAC Engineering Const. Ltd.	Ekiti	Quarry: for Construction	Granite
52	Madodel Eng. and Construction Com.	Lagos	Dredging	Sand
53	Magcobar Manufacturing Nig. Ltd	Rivers	Buying Centre	Sand/Barytes
54	Master Rock Nig Ltd	Enugu	Quarry: for Construction	Granite, Dolorite
55*	Moulds Nig. Limited	Plateau	Quarry: for Construction	Granite
56	Milatex Nigeria Limited	Ogun	Quarry: for Commercial	Granite
57	Moelink Company Ltd	Lagos	Dredging	Sand
58*	Mother CAT Ltd.	Kaduna	Quarry: for Construction	Granite, Laterite
59	Multiverse Resources Limited	Ogun	Commercial Quarry	Granite



S/NO	COMPANY NAME/OPERATOR	STATE(S) OF OPERATIONS	ACTIVITIES	TYPE OF MINERAL MINED/QUARRIED
60	NRC Ltd	Adamawa	Quarry: for Construction	Granite
61*	P. W. Nigeria Limited	Abuja	Quarry: for Construction	Granite, Laterite
62	Para Crushing Nig. Ltd	Ogun	Quarry: for Commercial	Granite
63	Paul B Nigeria Plc	Ebonyi	Quarry: for Construction	Granite
64	Perfect Stone Quarry	Abuja	Quarry: for Commercial	Granite
65	Piccolo Bruneill Eng. Ltd	Cross River	Quarry: for Construction	Granite
66	Porcelainware Industries Ltd	Ogun	Medium Scale Mining	Kaolin, feldspar, Clay, laterite
67	Purechem Industries Limited.	Ogun	Quarry: for Manufacturing	Limestone, clay, laterite, shale, Granite
68*	Qumecs Nig. Ltd	Taraba	Quarry: for Construction	Laterite
69*	R.C.C (Nig) Ltd	Abuja	Quarry: for Construction	Granite, laterite
70*	Ratcon Construction Company Limited	Oyo	Quarry: for Construction	Granite
71	Roads Nigeria Limited	Sokoto	Quarry: for Construction	Granite, laterite
72*	Rockbridge Const. Co.Ltd	Benue	Quarry: for Construction	Granite
73*	S.CC (Nig) Ltd	Abuja	Quarry: for Construction	Granite, laterite
74*	Salini Nig. Ltd	Abuja	Quarry: for Construction	Granite, laterite
75	Samchase Nig. Limited	Ondo	Commercial Quarry	Granite
76	Saydown Ltd	Edo	Medium Scale Mining	Granite
77	Serena Nigeria Limited	Ondo	Quarry: for Commercial	Granite
78*	SetracoNig Limited	Abuja	Quarry: for Construction	Granite, laterite
79	Soject Nigeria Ltd	Abuja	Quarry: for Construction	Granite
80	Spectrums Minerals Ltd	Plateau	Buying Centre	Wolframite, Tin, Columbite
81	Star Advantage Co. Ltd.	Cross River	Quarry: for Commercial	Granite
82	State Quarry	Taraba	Quarry: for Commercial	Granite



S/NO	COMPANY NAME/OPERATOR	STATE(S) OF OPERATIONS	ACTIVITIES	TYPE OF MINERAL MINED/QUARRIED
83*	Triacta Nigeria Ltd	Abuja	Quarry: for Construction	Granite, laterite
84	Unichem Cement Company	Cross River	Quarry: for Manufacturing	Limestone
85	West African Portland Cement Plc	Lagos	Quarry: for Manufacturing	Limestone, Shale, Red allurium
86	Zeberceed Ltd	Abuja	Quarry: for Commercial	Granite
87	Zenith Const. Ltd.	Cross River	Quarry: for Construction	Granite

Note: * Indicate companies operating in more than one state, their financial information have been aggregated against the respective state(s) of operations.



5.3 Private Sector Participants not covered in the Aggregation/Reconciliation of Financial Flows

Below is the list of 50 (Fifty) Private Sector Participants not covered in the aggregation/reconciliation of financial flows, because they did not meet the **materiality threshold** of ₦1.0m.

Table 7: Names of operators NOT aggregated and type of minerals mined/quarried

S/NO	COMPANY NAME	STATE(S) OF OPERATIONS	ACTIVITIES	TYPE OF MINERALS MINED/QUARRIED
1	A.M Dung Nig Ltd	Plateau	Exporter	Zircon Sand
2	A.Y.U Civil Engineering	Adamawa	Quarry: for Construction	Granite
3	AFDIN Venture Nig. Ltd.	Nasarawa	Quarry: for Construction	Laterite
4	Allied Global Industrial Services Nig.	Cross River	Quarry: for Commercial	Laterite
5	Asphalt Unity Construction Ltd	Rivers	Quarry: for Construction	Granite
6	Beta Glass Plc	Delta,	Quarry: for Manufacturing	Silica
7	Bullet International Nigeria Limited	Abuja	Quarry: for Construction	Granite, laterite
8	Casagrande (Nig.) Ltd	Ogun	Quarry: for Commercial	Granite
9	China harbour Engineering Co. Nig Ltd	Lagos	Quarry: for Commercial	Granite
10	Concord Int Mining Ltd	Oyo	Medium Scale Mining	Lead, zinc
11	Dramatist Venture	Plateau	Buying Center	Gemstone, Kaolin, Limestone
12	ELCID Global Services Ltd	Lagos	Dredging	Sand
13	Emmloe Nig. Ltd	Akwa-Ibom	Medium Scale Mining	Laterite
14	ESUVIC Nigeria Limited	Plateau	Exporter	Zircon Sand
15	ETA-ZUMA Group West Africa Ltd.	Abuja	Quarry: for Commercial	Granite, laterite
16	Folaj Global Resources Ltd	Abuja	Quarry: for Commercial	Granite
17	Foundation Solid Nig. Ltd	Plateau	Quarry: for Construction	Laterite



S/NO	COMPANY NAME/OPERATOR	STATE(S) OF OPERATIONS	ACTIVITIES	TYPE OF MINERAL MINED/QUARRIED
18	Gems & Minerals Ltd.	Plateau	Mining	Lead, zinc
19	Geo Mineral Sand Resources Nig Ltd	Plateau	Buying Center	Tin
20	Geotess Nig Ltd	Plateau	Buying Center	Iron ore
21	Ginac Granite Co. Ltd	Cross Rivers	Quarry: for Commercial	Granite
22	High Glory Solid Mineral Company Ltd	Lagos	Dredging	Sand
23	Homan Engineering Co. Ltd	Rivers	Quarry: for Construction	Granite
24	Kaffo Mines Ltd	Niger	Mining	Marble
25	Kapital Granite Ltd	Ogun	Quarry: for Commercial	Granite
26	Lagoon Dredging & Marine Services Ltd	Lagos	Dredging	Sand
27	Mallinson & Partners Ltd	Lagos	Exporter	Zircon Sand
28	Microtek Mineral Nig Ltd	Lagos	Exporter	Zinc Ore (Sand)
29	National Iron Ore	Kogi	Medium Scale Mining	Iron
30	Niger Construction Limited	Edo	Quarry: for Construction	Granite
31	Oriental-Femab Mining Ltd	Lagos	Dredging	Sand
32	PGH Ltd	Cross River	Quarry: for Construction	Granite
33	Phillous International Ltd	Enugu	Dredging	Sand
34	Positive Pectals Universal Ltd	Lagos	Dredging	Sand
35	Prestige Quarry Ltd	Ogun	Quarry: for Commercial	Granite
36	Pricuche Nig. Ltd.	Ebonyi	Quarry: for Commercial	Granite
37	Rahma Integrated Services Ltd	Kano	Exporter	Zircon Sand
38	Resurrection Power Nig	Kogi	Commercial Quarry	Granite



S/NO	COMPANY NAME	STATE(S) OF OPERATIONS	ACTIVITIES	TYPE OF MINERALS MINED/QUARRIED
39	Roseland Deridge & Marine Ltd	Lagos	Dredging	Sand
40	S.G Minerals Ind. Ltd	Abia	Medium Scale Mining	Limestone
41	Shelter Clay Products Nigeria Ltd.	Niger	Medium Scale Mining	Clay
42	Shepherd's Value Pack Company Limited	Ogun	Quarry: for Commercial	Granite
43	Solid Unity Ltd	Plateau	Medium Scale Mining	Zinc Ore.
44	Specie Agro Mineral Company Ltd	Lagos	Exporter	Zinc Ore
45	Standard Construction Ltd	Kano	Quarry: for Construction	Granite
46	Suctone Ventures Ltd	Cross River	Quarry: for Commercial	Granite
47	Tarcma Nig. Limited	Taraba	Quarry: for Commercial	Laterite/Granite
48	Tec Engineering	Kogi	Quarry: for Construction	Granite
49	Victorina Company Ltd	Ondo	Quarry: for Commercial	Granite
50	Z.B.C.C Nig. Ltd	Kebbi	Quarry: for Construction	Granite



6.0 Aggregation/Reconciliation Process

6.1 Aggregation/Reconciliation

A total of 87 (Eighty-Seven) Private Sector Participants were aggregated based on **materiality level of ₦1,000,000 (One Million Naira) and above.**

The individual audit reporting templates of these Private Sector Participants we aggregated and consolidated as Private Sector Participants record templates.

Similarly, details of payments received by relevant Public Sectors from these Private Sector Participants/entities were aggregated and consolidated as the Public Sector participants' record templates. The two templates were reviewed, analyzed and reconciled by our audit teams.

6.2 Results of the Aggregation/Reconciliation

The reconciliation of the Private Sector Participants payments and relevant Public Sector receipts was carried out for the period under review.

Aggregation/Reconciliation of Financial Flows in the Solid Minerals Industry

Table 8: Aggregation/Reconciliation of Financial Flows

Payments Streams	Government Record of Receipts ₦ (A)	Companies Record of Payments ₦ (B)	Variance ₦ C (A-B)	% Variance D(C/A)
Royalty	781,500,261	765,582,167	15,918,094	2.04
Taxation	26,015,262,596	25,999,711,820	15,550,776	0.06
Annual Service Fee	30,094,000	30,094,000	0	-
Levies	26,140,783	24,465,783	1,675,000	6.41
Ground Rents	71,520,574	71,520,574	0	-
Total	26,924,518,215	26,891,374,345	33,143,870	8.51



Diagram 12

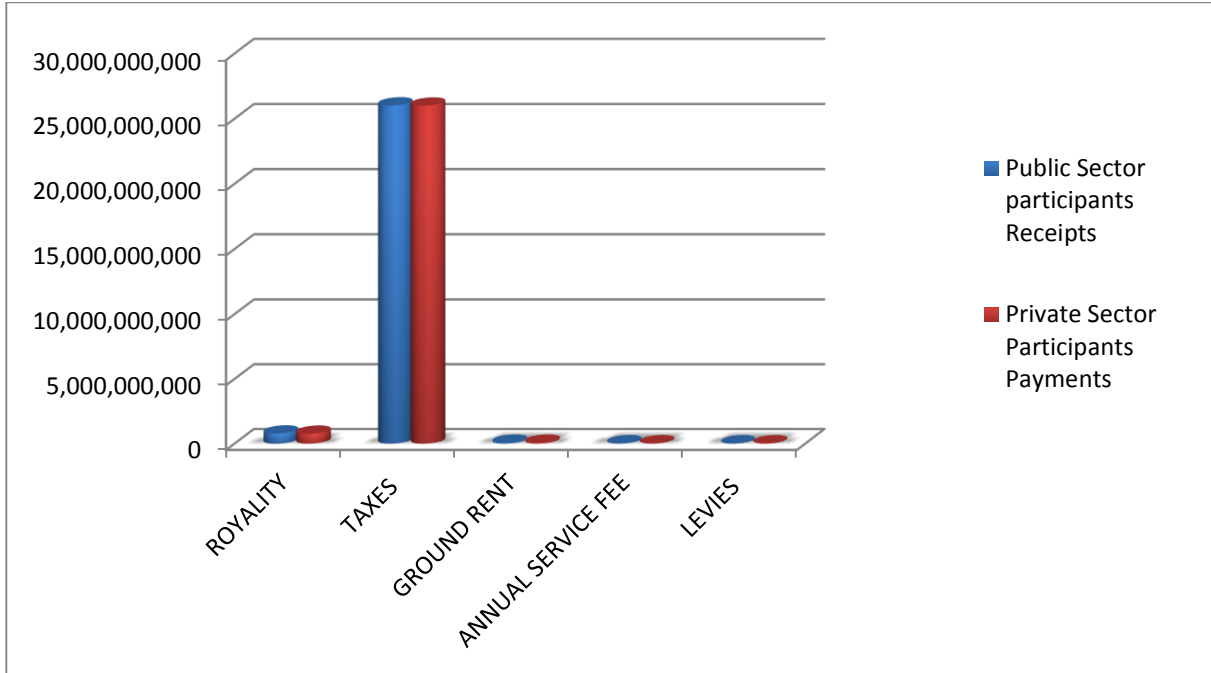




Table 9: Analysis of Payments Stream by companies

Payments Streams	Amount paid by companies ₦	% of Total Payments
Royalty	765,582,167.27	2.85
Taxation	25,999,711,820.25	96.68
Ground Rent	71,520,574.00	0.27
Annual Service fee	30,094,000.00	0.11
Levies	24,465,783.00	0.09
Total	26,891,374,344.52	100

Diagram 13

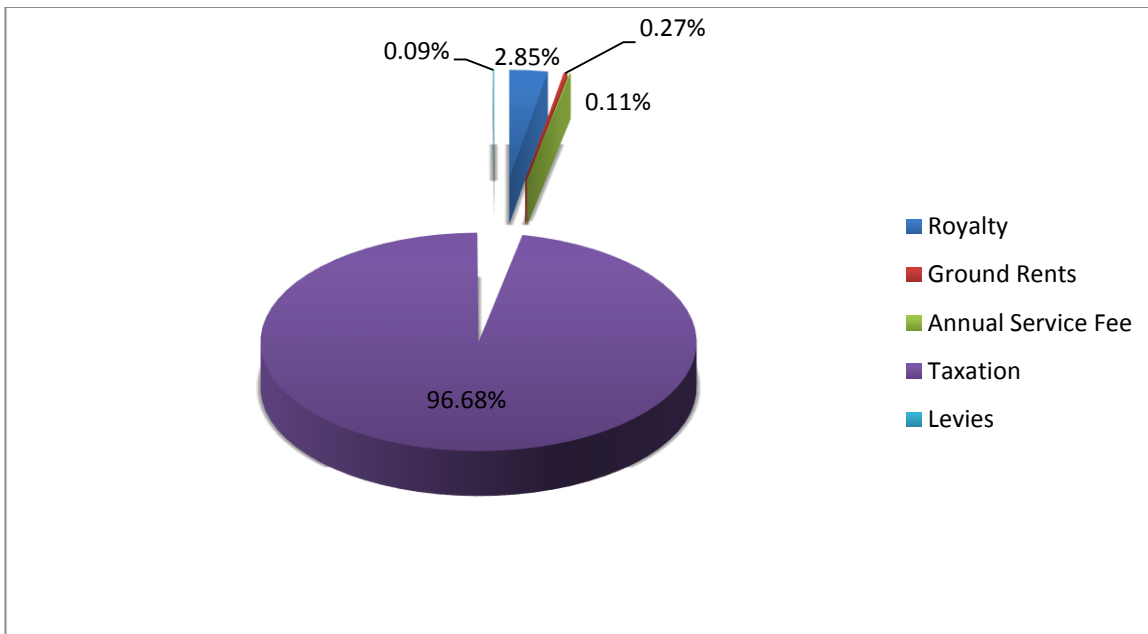
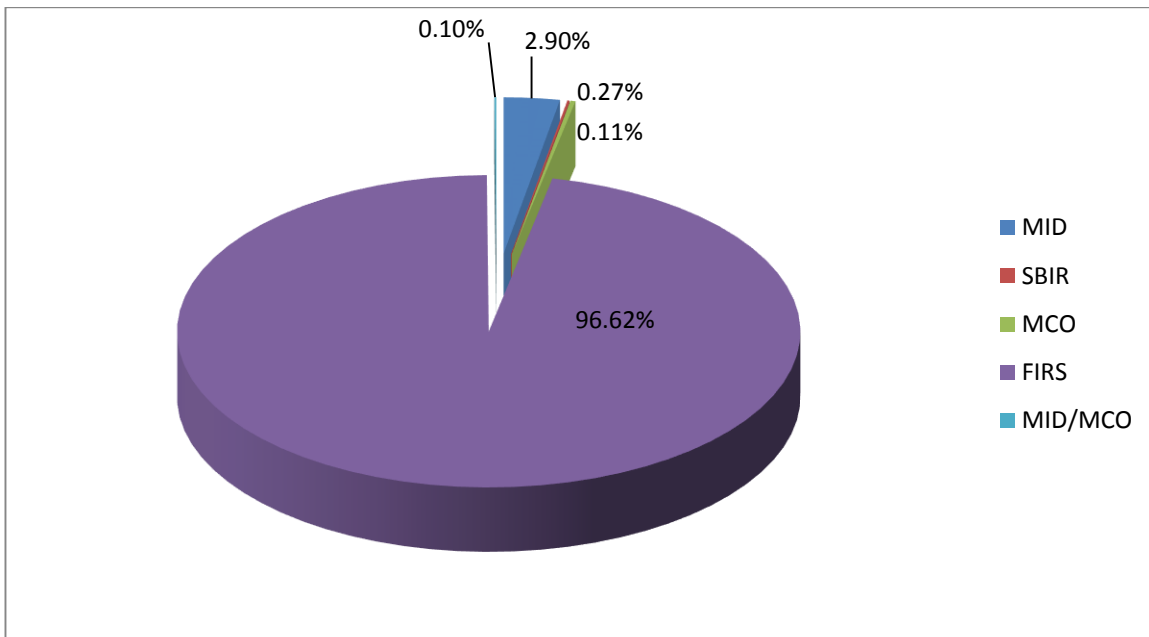




Table 10: Analysis of revenue generated by Government Agencies.

Reponsible Government Agencies	Revenue Streams	Amount generated by Government Agencies	% of Total Revenue generated by Government Agencies
		₦	
MID	Royalty	781,500,261	2.90
FIRS	Taxation	26,015,262,596	96.62
MCO	Annual Service Fee	30,094,000	0.11
MID/MCO	Levies	26,140,783	0.10
SBIR	Ground Rents	71,520,574	0.27
	Total	26,924,518,215	100

Diagram 14: Pictorial representation of revenue generated by Government Agencies.





7.0 Report on Payments made by Private Sector Participants

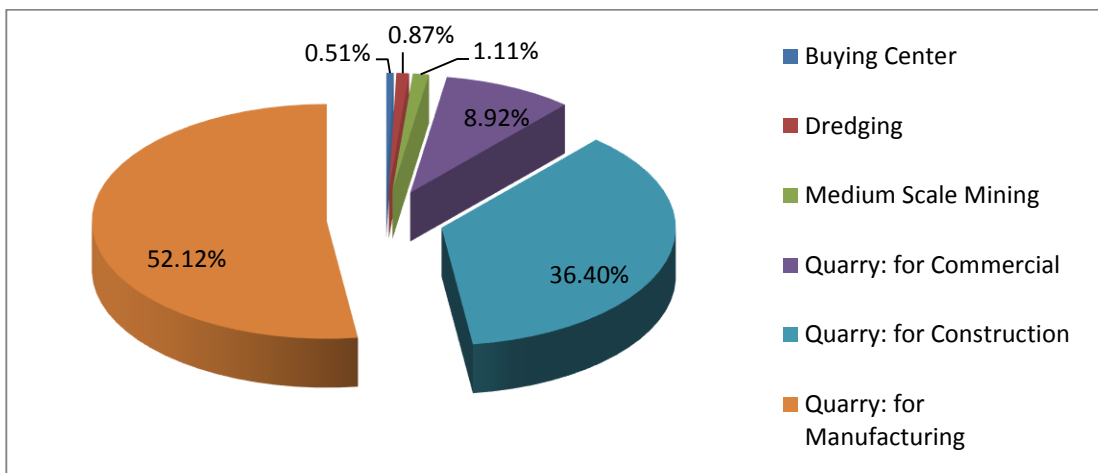
7.1 Royalty

Table 11: Sectorial Analysis of Royalty Paid by Private Sector Participants

Sector in the industry	Amount ₦	Contribution %
Buying Center	3,925,834.00	0.51
Dredging	6,669,000.00	0.87
Medium Scale Mining	8,484,807.00	1.11
Quarry: for Commercial	68,734,571.00	8.98
Quarry: for Construction	278,708,733.00	36.40
Quarry: for Manufacturing	399,059,222.00	52.12
Total	765,582,167.00	100.00

The total royalty paid by the Private Sector Participants during the period under review was ₦765, 582167.27 (Seven Hundred and Sixty-Five Million, Five Hundred and Eighty- Two Thousand, and One Hundred and Sixty-Seven Naira).

Diagram 15: Pictorial representation of Royalty Paid by Private Sector Participants



From the above, Manufacturing and construction Private Sector Participants contributed about 90% of royalty payment in Solid Minerals Industry. This shows that the industry is still dominated by



these two sectors (manufacturing and construction). For the public Sector participants to take real advantage of Solid Minerals Industry other sectors need to be developed.

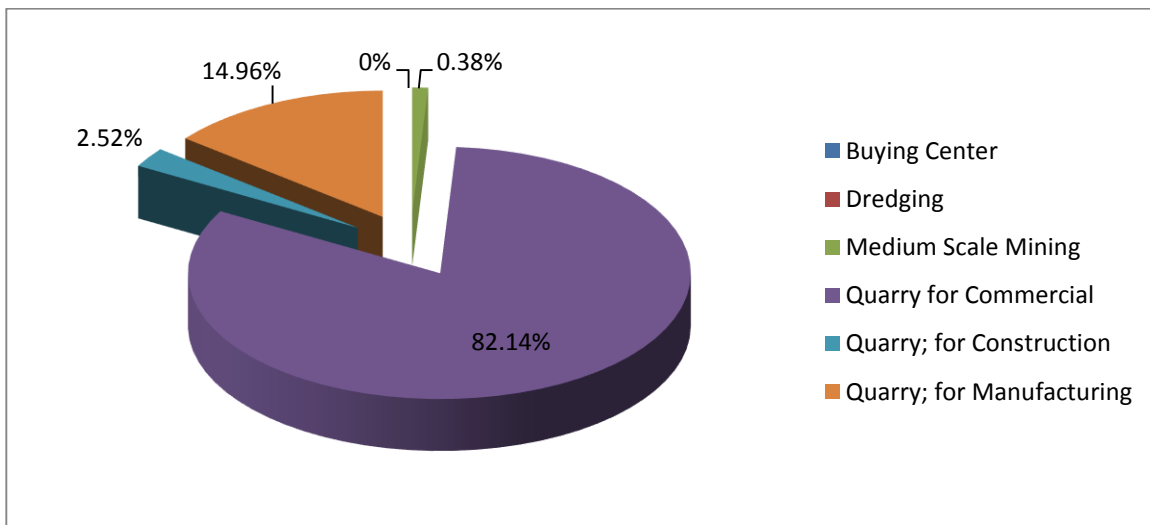
7.2 Ground Rents

Table 12: Sectorial Analysis of Ground Rents Paid by Private Sector Participants

Sector in the industry	Amount ₦	% Contribution
Buying Center	-	0.00
Dredging	-	0.00
Medium Scale Mining	275,000.00	0.38
Quarry: for Commercial	1,799,040.00	2.52
Quarry: for Construction	58,750,161.00	82.14
Quarry: for Manufacturing	10,696,373.00	14.96
Total	71,520,574.00	100.00

The total Ground Rent paid by the Private Sector Participants during the period under review was ₦71,520,574 (Seventy One Million, Five Hundred and Twenty Thousand, Five Hundred and Seventy- Four Naira).

Diagram 16: Pictorial representation of Ground Rents Paid by Private Sector Participants





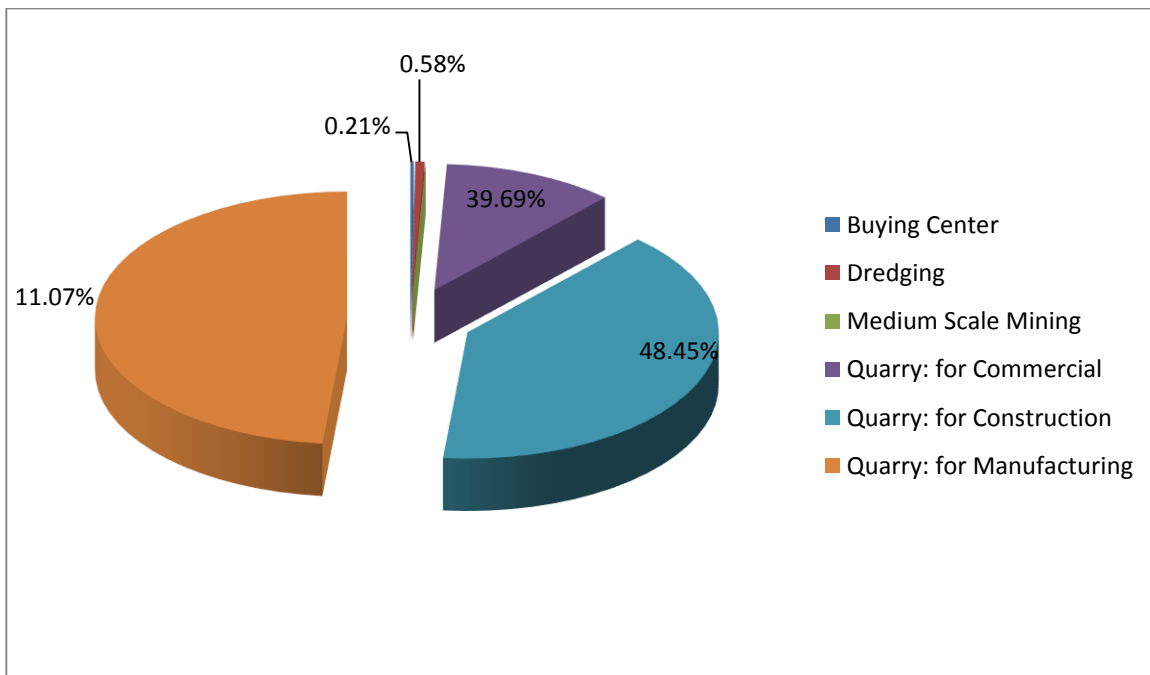
7.3 Annual Service Fee

Table 13: Sectorial Analysis of Annual Service Fee Paid by Private Sector Participants

Sector in the industry	Amount ₦	% Contribution
Buying Center	64,000.00	0.21
Dredging	175,000.00	0.58
Medium Scale Mining	-	0.00
Quarry: for Commercial	3,330,000.00	11.07
Quarry: for Construction	11,945,000.00	39.69
Quarry: for Manufacturing	14,580,000.00	48.45
Total	30,094,000.00	100.00

The total Annual Service Fee paid by the Private Sector Participants during the period under review was ₦30,094,000 (Thirty Million, Ninety-Four Thousand Naira).

Diagram 17: Pictorial representation of Annual Service Fee Paid by Private Sector Participants





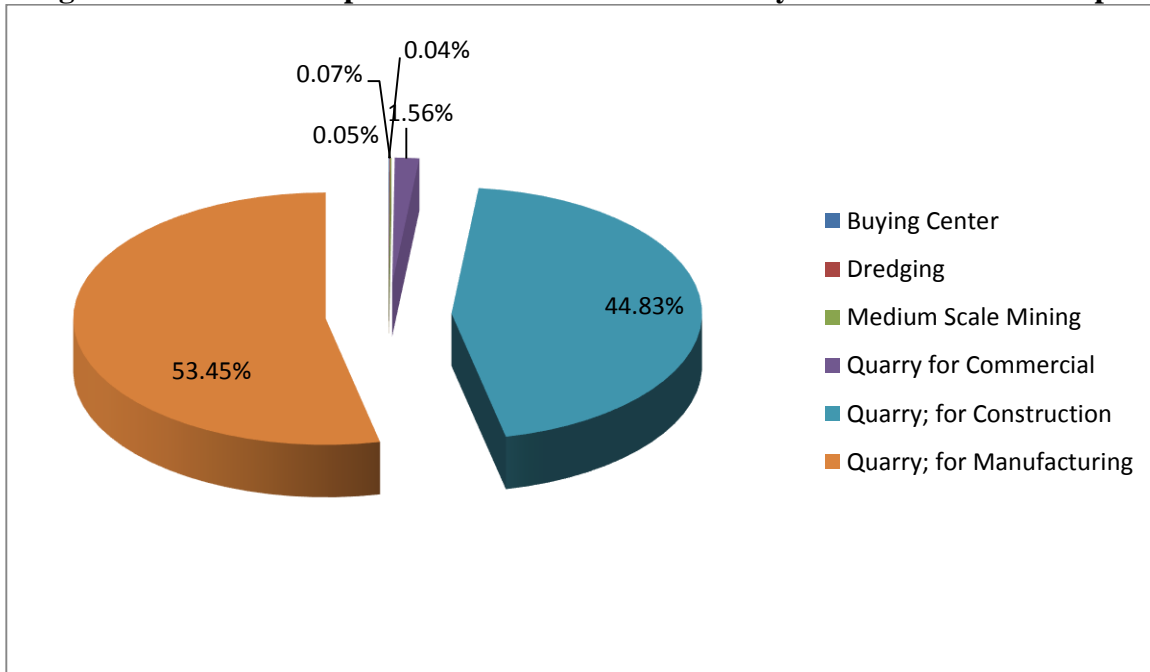
7.4 Taxation

Table 14: Sectorial Analysis of Taxation Paid by Private Sector Participants

Sector in the industry	Amount ₦	% Contribution
Buying Center	11,720,715.74	0.05
Dredging	11,075,146.00	0.04
Medium Scale Mining	18,975,481.66	0.07
Quarry: for Commercial	405,407,823.68	1.56
Quarry: for Construction	11,655,024,779.14	44.83
Quarry: for Manufacturing	13,897,507,874.03	53.45
Total	25,999,711,820.25	100.00

The total Taxation paid by the Private Sector Participants during the period under review was ₦25,999,711,820.25 (Twenty Five Billion, Nine Hundred and Ninety Nine Million, Seven Hundred and Eleven Thousand, Eighty Hundred and Twenty Naira).

Diagram 18: Pictorial representation of Taxation Paid by Private Sector Participants





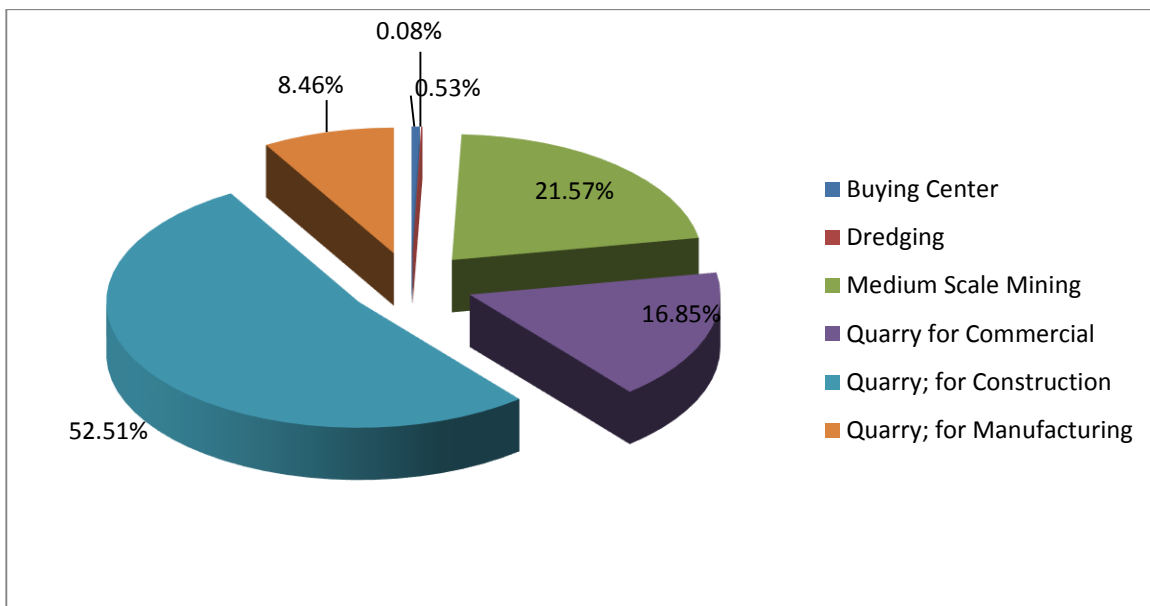
7.5 Levies

Table 15: Sectorial Analysis of Levies Paid by Private Sector Participants

Sector in the industry	Amount ₦	% Contribution
Buying Center	130,000.00	0.53
Dredging	20,000.00	0.08
Medium Scale Mining	5,277,000.00	21.57
Quarry: for Commercial	4,121,500.00	16.85
Quarry: for Construction	12,847,283.00	52.51
Quarry: for Manufacturing	2,070,000.00	8.46
Total	24,465,783.00	100.00

The total Levies paid by the Private Sector Participants during the period under review was ₦24,465,783 (Twenty-Four Million, Four Hundred and Sixty-Five Thousand, Seven Hundred and Eighty Three Naira).

Diagram 19: Pictorial representation of Levies Paid by Private Sector Participants





13.2 Disaggregate volume/tonnage of Solid Minerals types mined/quarried by the aggregated companies in 2011

Table 19

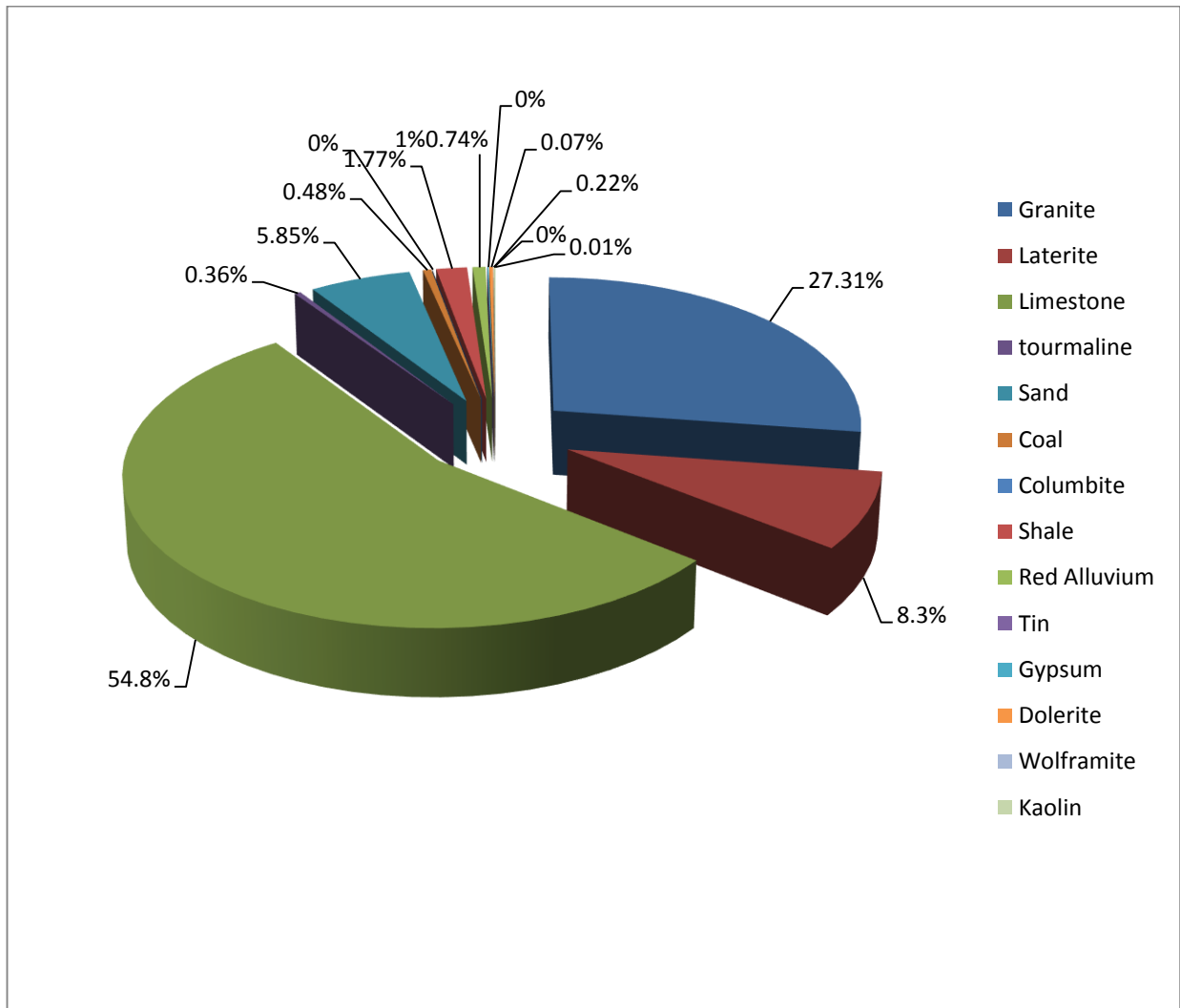
S/No.	Solid Minerals Types	Quantity (metric tonnes)	% Contribution
1	Granite	7,587,626.19	27.31
2	Laterite	2,304,615.85	8.30
3	Limestone	15,224,910.32	54.80
4	tourmaline	100,000.00	0.36
5	Sand	1,624,634.90	5.85
6	Coal	133,818.02	0.48
7	Columbite	200.00	0.00
8	Shale	491,469.91	1.77
9	Red Alluvium	204,779.13	0.74
10	Tin	400.00	0.00
11	Gypsum	20,072.70	0.07
12	Dolerite	61,212.00	0.22
13	Wolframite	85.00	0.00
14	Kaolin	27,609.00	0.10
	Total	27,781,433.02	100

The above table shows the disaggregate volume/tonnage of Solid Minerals types mined/quarried by the aggregated companies in 2011.



Disaggregate volume/tonnage of Solid Minerals types mined/quarried by the aggregated companies in 2011

Diagram 3





8.0 Solid Minerals Exported during the period under review

Nigeria Solid Minerals Industry consists of formal and informal players. The informal players are mostly artisan miners, medium scale operators and illegal miners who hardly keep any record. Some of the minerals mined in Nigeria are exported out of the country by both formal and informal players. There are no official records from ministry of Mines and steel development on the actual volume of minerals exported out of Nigeria within the period under review, however the few records available relates to transactions that were done by the formal players as they passed through the Central Bank of Nigeria, Nigeria Customs Service and Nigeria Export Promotion Council. These records indicate that a total of 7,115,088.50 Metric Tons of solid minerals valued at 11,999,613,577.00 Eleven Billion, Nine Hundred and ninety nine Million, Six Hundred and thirteen thousand Five Hundred and Seventy seven Naira as shown in table 16. A total of ₦43,183,904.70 was paid as Nigeria Export Supervision Scheme (NESS) fee as contained in the Central Bank of Nigeria’s record.

Table 16: Total Tonnage of Solid Minerals Products Exported in 2011

S/ N	Minerals	Quantity	CIV Value	PERCENTAGE
1	Zircon Sand	5,527.10	152,568,192.00	0.08
2	Zinc ores and concentrates	2,606,903.20	686,098,426.00	36.64
3	Tin ores and concentrates	117,243.40	323,416,703.00	1.65
4	Lead ores and concentrates	188,030.00	9,921,091,518.00	2.64
5	Manganese ores & concentrates	1,202,000.00	83,996,937.00	16.89
6	Sandstone	12,003.80	14,381.00	0.17
7	Aluminium ores and concentrates	100,100.00	86,553,600.00	1.41
8	Cement clinkers	2,882,130.00	363,288,597.00	40.51
9	Copper ores and concentrates	1,151.00	382,585,223.00	0.02
	Total	7,115,088.50	11,999,613,577.00	100.00

**Table 17: The total Ore components of the Solid Minerals products exported in 2011**

S/N	EXPOTER NAME	GOOD DESCRIPTION	NET MASS(KG)	CIF VALUE(N)
1	ALLRAY MARTIME SERV LTD	Lead ores and concentrates	540.00	60,952,500.00
2	ASHAKA CEMENT	Cement clinkers	2,882,130.00	363,288,597.00
3	ASIAN GLOBAL SERV.NIG.LTD	Lead ores and concentrates	15,462.00	454,504,403.00
4	ASIAN GLOBAL SERV.NIG.LTD	Manganese ores & concentrates	1,000,000.00	29,800,000.00
5	ASIAN GLOBAL SERV.NIG.LTD	Zinc ores and concentrates	2,338,000.00	130,000,000.00
6	BOTLA BOND LIMITED	Lead ores and concentrates	115,000.00	20,140,200.00
7	CELEBRATION MUTI-DYNAMIC LTD	Manganese ores & concentrates	100,000.00	7,324,687.00
8	CHARZOM CONCEPT LTD	Lead ores and concentrates	23.00	4,239,084.00
9	COSMIC FERRO ALLOYS LTD	Manganese ores & concentrates	2,000.00	33,800,500.00
10	ELCID GLOBAL SERVICES LIMITED	Zinc ores and concentrates	1,023.00	2,588,328.00
11	EMBASSY LIMITED	Lead ores and concentrates	1,000.00	3,418,800.00
12	ENEM INVESTCOM NIG.	Zinc Ore Lumps	25	2,160,000.00
13	ESUVIC NIGERIA LTD.	Zircon Sand	1,265.00	46,777,650.00
14	FG HAUXLEY LIMITED	Zinc ores and concentrates	396.40	23,990,958.00
15	FOLAJ GLOBAL RESOURCES LIMITED	Zinc Ore	971.8	25,471,734.00
16	FOLAJ GLOBAL RESOURCES LIMITED	Zircon Sand (Low Grade)	2,750.00	49,450,500.00
17	FOLAJ GLOBAL RESOURCES LTD	Zinc dust	2,000.00	20,000.00
18	GEO MINERALS AND RESOURCES NIGERIA LIMITED	Zircon Sand	150.8	5,292,908.00
19	HIGHGLORY SOLID MINERAL COMPANY LTD	Lead ores and concentrates	54,664.00	263,462,989.00
20	HIGHGLORY SOLID MINERAL COMPANY LTD	Zinc ores and concentrates	3,167.00	222,626,386.00
21	IZABELLA NIGERIA LIMITED	Lead ores and concentrates	25.00	190,000.00
22	KINGSEED GLOBAL RESOURCES LTD	Lead ores and concentrates	60.00	4,609,103.00
23	LOC METALS & MINERALS LTD.	Lead ores and concentrates	46.00	6,856,098.00
24	LOYLOC NIG LTD	Lead ores and concentrates	500.00	67,336,830.00
25	LOYLOC NIG LTD	Zinc ores and concentrates	1,100.00	10,789,431.00
26	MALLINSON AND PARTNERS LTD.	Zircon Sand	200	3,739,200.00



27	METAL WORLD RECYCLING LIMITED	Aluminium ores and concentrates	100.00	24,203,200.00
28	METAL WORLD RECYCLING LIMITED	Lead ores and concentrates	400.00	77,247,700.00
29	MICROTEK MINERAL (NIG) PVT. LIMITED	Zircon Ore (Sand)	921.3	41,893,534.00
30	MICROTEK MINERALS NIGERIA PVT LTD	Zinc ores and concentrates	259,000.00	8,474,375.00
31	MINL LIMITED	Aluminium ores and concentrates	100,000.00	62,350,400.00
32	O & M INTEGRATED CONCEPT LTD	Manganese ores & concentrate	100,000.00	13,071,750.00
33	RAHKMA INTEGRATED SERVICES LIMITED	Zircon Sand	240	5,414,400.00
34	SODEX MINES NIGERIA LTD	Tin (Solid Mineral)	25.4	49,715,250.00
35	SODEXMINES NIGERIA LIMITED	Tin ores and concentrates	117,218.00	273,701,453.00
36	SPECIE AGRO MINERAL RESOURCES NIGERIA LIMITED	Zinc Ore	100	6,122,000.00
37	SUN & SAND INDUSTRIES LIMITED	Copper ores and concentrates	1,151.00	382,585,223.00
38	SUN AND SAND INDUSTRIES LTD.	Zinc Ore	75	73,617,376.00
39	UNION AUTOPARTS MFG CO LTD	Lead ores and concentrates	310.00	8,958,133,811.00
40	UNITED CEMENT COMPANY LTD	Sandstone	12,003.80	14,381.00
41	WESTERN METAL PRODUCTS COMPANY LIMITED	Zinc Skimming	1,045.00	180,237,838.00
	TOTAL		7,115,088.50	11,999,613,577.00

Tables 16 and 17 indicates that a total of 7,115, 088.50 Metric Tons of solid minerals valued at 11,999,613,577.00 Eleven Billion, Nine Hundred and ninety nine Million, Six Hundred and thirteen thousand Five Hundred and Seventy seven Naira were exported in 2011.



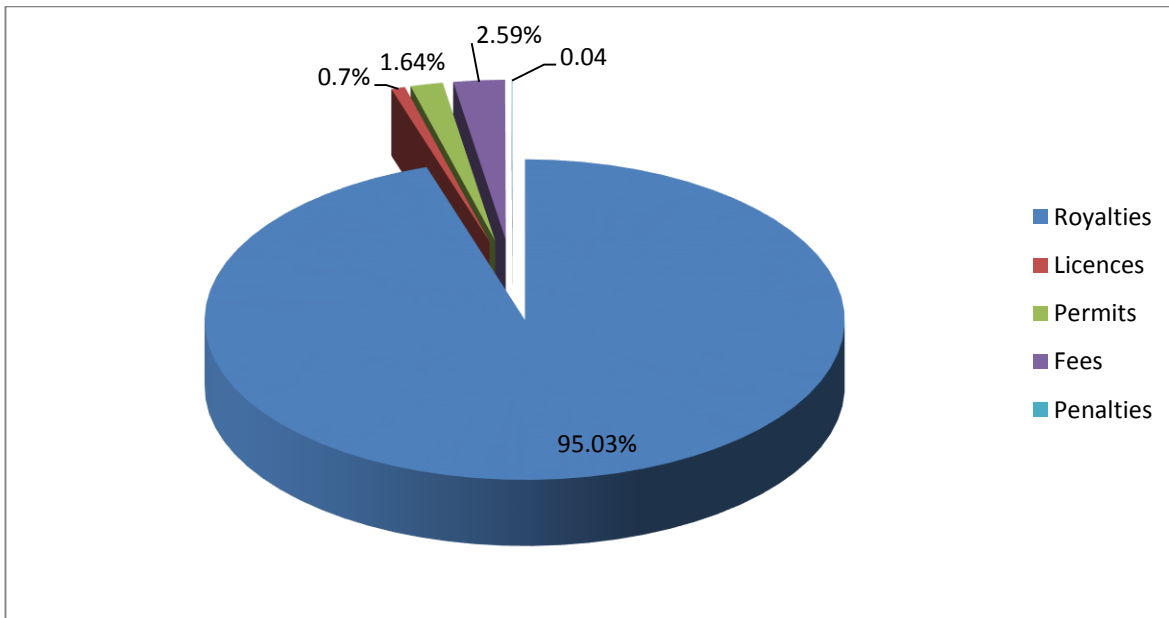
9.0 Revenue received by Ministry of Mines and Steel Development

Table 18: Breakdown of revenue received by Ministry of Mine and Steel Development

Payment Stream	Amount Aggregated ₦	Amount not Aggregated ₦	Total ₦
Royalties	781,500,261	88,046,381.42	869,546,642.42
Levies	26,140,783	60,742,694	86,883,477.40
Annual Service Fee	30,094,000	328,155,200	358,249,200
Total	837,735,044	476,944,275.82	1,314,679,319.82

Royalty contributed over 95% of the revenue earned by the MMSD, while fees and permits contributed 2.59% and 1.64 respectively.

Diagram 20:



**10.0 Summary of State by State Analysis of Payments received by MMSD****Table 19: State by State Analysis of Payments received by MMSD**

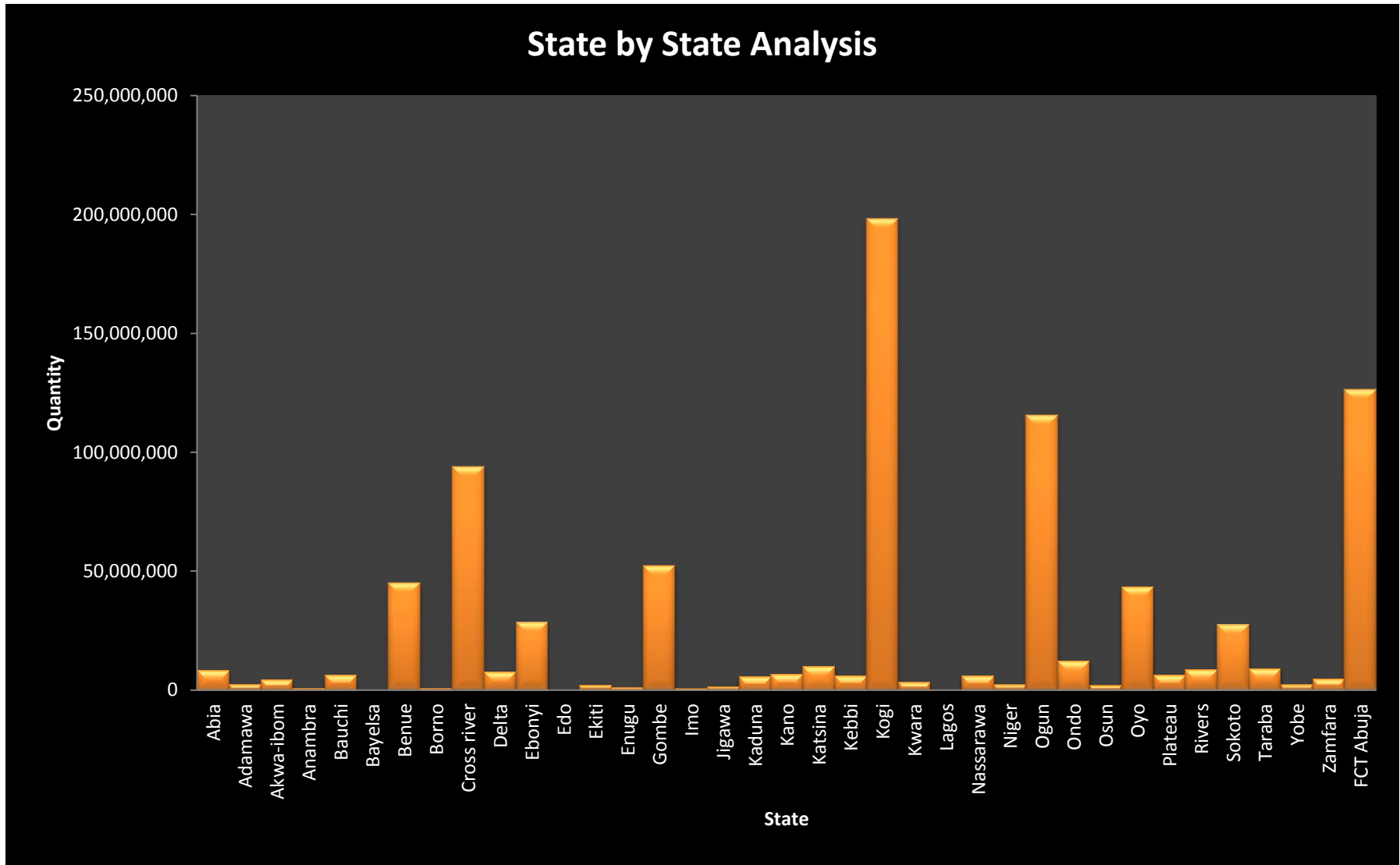
STATE	ROYALTIES ₦	LEVIES ₦	TOTAL ₦	% CONTRIBUTION
Abia	4,782,182	628,000.00	5,410,182.00	0.67%
Adamawa	1,870,991	180,000.00	2,050,991.00	0.25%
Akwa-ibom	3,600,913	90,000.00	3,690,913.00	0.46%
Anambra	727,110	5,000.00	732,110.00	0.09%
Bauchi	3,585,202	350,100.00	3,935,302.00	0.49%
Bayelsa	0	0	0.00	0.00%
Benue	40,898,540	266,000.00	41,164,540.00	5.10%
Borno	214,600	520,000.00	734,600.00	0.09%
Cross river	81,055,900	1,139,200.00	82,195,100.00	10.18%
Delta	4,308,945	1,731,000.00	6,039,945.00	0.75%
Ebonyi	25,825,250	1,678,433.00	27,503,683.00	3.41%
Edo	12,859,575	0	12,859,575.00	1.59%
Ekiti	1,513,651	180,000.00	1,693,651.00	0.21%
Enugu	371,142	385,000.00	756,142.00	0.09%
Gombe	48,103,409	505,000.00	48,608,409.00	6.02%
Imo	390,000	50,000.00	440,000.00	0.05%
Jigawa	802,292	185,000.00	987,292.00	0.12%
Kaduna	3,106,260	300,000.00	3,406,260.00	0.42%
Kano	3,906,855	724,000.00	4,630,855.00	0.57%
Katsina	8,903,409	320,000.00	9,223,409.00	1.14%
Kebbi	4,207,995	170,000.00	4,377,995.00	0.54%
Kogi	187,211,696	1,014,556.00	188,226,252.00	23.31%
Kwara	1,468,260	1,005,000.00	2,473,260.00	0.31%
Lagos	45,887,900	0	45,887,900.00	5.68%
Nassarawa	4,338,368	421,000.00	4,759,368.00	0.59%
Niger	948,577	482,677.00	1,431,254.00	0.18%
Ogun	99,029,169	2,370,000.00	101,399,169.00	12.55%
Ondo	8,085,607	1,000,500.00	9,086,107.00	1.13%
Osun	1,550,663	120,000.00	1,670,663.00	0.21%
Oyo	29,078,860	1,740,000.00	30,818,860.00	3.82%
Plateau	5,486,473	200,000.00	5,686,473.00	0.70%
Rivers	2,461,765	3,463,000.00	5,924,765.00	0.73%
Sokoto	24,135,673	10,000.00	24,145,673.00	2.99%



Taraba	5,776,175	290,000.00	6,066,175.00	0.75%
Yobe	1,334,260	161,000.00	1,495,260.00	0.19%
Zamfara	2,968,045	477,102.00	3,445,147.00	0.43%
FCT Abuja	110,704,549	3,979,215.00	114,683,764.00	14.20%
Total	781,500,261	26,140,783.00	807,641,044.00	100.0



Chart 5





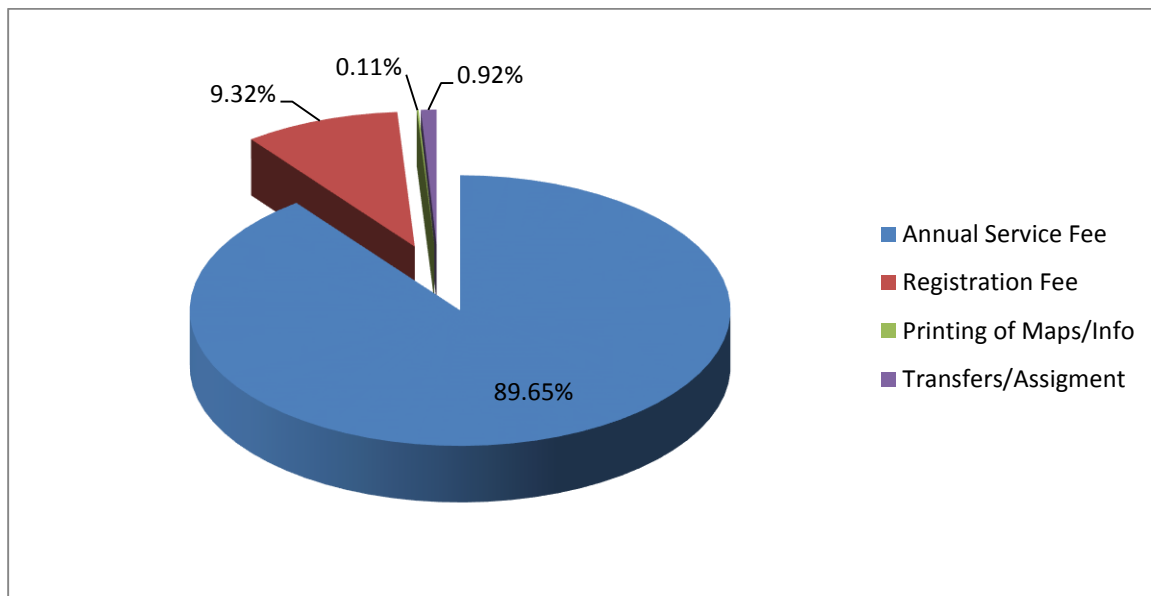
From the above analysis of payments received by MMSD during the period under review, Private Sector Participants operating in Kogi, Ogun, Cross River and FCT contributed over 58% of the total payments.

11.0 Summary of Revenue received by MCO from Private Sector Participants

Table 21: Revenue received by MCO from Private Sector Participants

Revenue Streams	Amount Generated ₦	% Contribution
Annual Service Fee	358,249,200	89.65
Registration Fee	37,270,000	9.32
Printing of Maps/Info	428,200	0.11
Transfers/Assignment	3,710,000	0.92
Total	399,657,400	100

Diagram 22



From the above analysis Annual Service Fee contributed over 90% of the total revenue generated by MCO in 2011.



12.0 Significant Findings/Implication

The players in Nigeria Solid Minerals Industry cut across the length and breadth of the country. This audit involves site visitations of Private Sector Participants' operational sites. Some of the significant issues observed during the course of our audit are as follow:

a. Reasons for Discrepancies in the Aggregation/Reconciliation

The summary of aggregation and discrepancies of payments between public and private sector participants. Public sector participants have a total receipts of **₦26,924,518,215** while the Private Sector participants record shows a total payments of **₦26,891,374,345** thereby giving an un-reconciled difference of **₦33,143,870 (8.50%)**. These discrepancies occurred mainly in taxation, royalties and levies. A significant improvement was observed in the record keeping of both public and private sector participants.

Below are the identified reasons for the discrepancies:

Royalty

- The record of Public sector participants was higher than that of private sector by **₦15,918,094** which is 2.04%.
- China Civil Engineering Construction Company (CCECC) failed to provide details of their royalty payments for the period under review.
- Five (5) of the aggregated private sector participants did not populate the template and were not available for reconciliation. This contributed significantly to the discrepancies because the receipts from the public sector participants could not be marched with that of the corresponding private sector participants. The companies are CCC Construction Nig. Ltd, ENL Construction Ltd., Mac Daniels Quarry Ltd., Master Rock Nig. Ltd and Qumecs Nig Ltd.
- There were apparent alterations and inconsistency between receipts presented by Hajaig Construction Company and MMSD mines officer in Benue State. The MMSD receipts showed **₦ 527,500** while that of Hajaig Construction Company indicated **₦4,250,000** this resulted to an unresolved discrepancy of **₦ 3,722,500**.



Table 22: Discrepancies between Government and companies receipts

S/No.	State	Private Sector participant	Receipt No.	Amount in Public Sector participants Record ₦	Amount in Private Sector Participants Record ₦	Differences ₦
1	Benue	Hajaig Construction Nig. Ltd	008713307	60,000	1,500,000	1,440,000
2	Benue	Hajaig Construction Nig. Ltd	008713314	25,000	250,000	225,000
3	Benue	Hajaig Construction Nig. Ltd	008713322	200,000	1,000,000	800,000
4	Benue	Hajaig Construction Nig. Ltd	008713330	60,000	500,000	440,000
5	Benue	Hajaig Construction Nig. Ltd	008713341	60,000	500,000	440,000
6	Benue	Hajaig Construction Nig. Ltd	008713347	80,000	500,000	420,000
7	Benue	Hajaig Construction Nig. Ltd	008713323	42,500	0	(42,500)
	Total			527,500	4,250,000	3,722,500

The record of MMSD was in complete in respect of payments made by Nigeria Road Company Ltd. (NRC). The record of NRC is higher than that of MMSD by ₦ 121,600.



Taxation

- The percentage difference in tax payment was 0.06%. That is public sector participants' recorded higher than private sector participants by ₦15, 550,776.
- Financial and tax records of twenty seven (27) companies were neither provided by FIRS nor the concerned companies.
- FIRS record of ₦15,550,776 in tax payment in favour of Qumec Nigeria Limited could not be confirmed from the company's record.

Levies

- The discrepancy between public and private sector participants for levies stood at ₦1,675,000 which is 6.41%, as shown in appendix 21.
- There were inadequacies in the records of China Civil Engineering Construction Company (CCECC) due to incomplete returned templates and lack of substantive documentary evidence.
- Seven (7) of the aggregated private sector participants did not provide records relating to levies paid during the period under review, in which there were corresponding public sector records. This contributed significantly to the discrepancies. The companies are: -
 - A.G. Vision
 - CCC Construction Nigeria Ltd.
 - CNC Engineering Company
 - ENL Construction Ltd.
 - Inter-Bau Construction Company Ltd.
 - Qumecs Nig. Ltd
 - State Quarry



- Records of NRC Ltd and Multiverse Resource Limited were higher than the public sector record by ₦ 30,000.

b. Exported Minerals in 2011

- A review of Central Bank of Nigeria records for export minerals, a total of 27 (Twenty Seven) private sector participants carried out transactions during the period under review.
- Central Bank of Nigeria (CBN) collects revenue for Nigeria Export Supervision Scheme (NESS) on behalf of Federal Ministry of Finance which is 0.05% of the value of exported non-oil products i.e Solid Minerals products.
- Total revenue collected by CBN as Nigeria Export Supervision Scheme (NESS) fee for the period under review was ₦43,183,904.70 (Forty-Three Million, One Hundred and Eighty-Three Thousand, Nine Hundred and Four Naira, Seventy Kobo).
- Exporters of Solid Minerals export their goods either directly or through agents.
- During interaction session with operators in the sector, it was discovered that most mined minerals are exported through our porous borders thereby beating customs and other security agencies.
- There is no synergy between the various public Sector participants' agencies particularly the supervising ministry i.e Ministry of Mines and Steel Development, Central Bank Nigeria, Custom Service, Nigeria Export Promotion Council and Mining Cadastral Office.
- From the available records from Ministry of Mines and Steel Development the aforementioned Private Sector Participants that export minerals did not pay the applicable royalties.
- The Nigeria Minerals and Mining Acts 2007 requires that any exporter of solid minerals must request for permit to export minerals. In defiant to the Act, there was no evidence of penalty meted on them by regulatory agencies.



c. Lessons Learned from Aggregation/Reconciliation

Below are some observations, findings and experience from this year's aggregation/reconciliation of financial flows in the Solid Minerals Industry:

Templates Training Workshop

- **Filling of Templates**

Despite the fact that NEITI had organized template workshop for the covered entities especially on how to fill the templates, some covered entities still have difficulties in filling them. Some don't have access to internet to fill the templates electronically. Also during our visitation, some were unable to fill the templates correctly, we took time to explain.

- **Supporting documents**

Save for few exceptions, the Private Sector Participants provide copies of the supporting documents of the amounts in the reporting templates which enable us to validate the information provided. For Private Sector Participants that did not provide supporting documents and also do not have audited accounts we requested them to provide certification by their external auditors, which they never did.

- **Reporting Deadline**

The deadline given to the Private Sector Participants to submit their filled templates with documents were not met by Private Sector Participants, we have to do serious follow up to get them to submit documents. This really took some time and resources to accomplish.

- **Improved documentation**

The covered entities both Private Sector Participants and Public Sector participants Agencies are now fully aware of NEITI and its functions. To that extent, there was full cooperation and compliance. Some Private Sector Participants engage professionals to put up their records and defend them at reconciliation/resolution of discrepancies meeting. Record keeping by the covered entities has significantly improved.



d. Public Sector Participants

1. Ministry of Mines and Steel Development (MMSD)

Findings	Implication
<ul style="list-style-type: none"> • Solid Minerals Industry in Nigeria is dominated by the activities of cement manufacturing private Sector participants, construction private Sector participants, commercial quarry private Sector participants, artisanal miners, small scale operators and informal miners. • We discovered that there are adequate regulatory frameworks and policies governing the Solid Minerals Industry in Nigeria, but the implementation processes are poor thereby making the regulators to be at the mercy of operators. • The audit exercise also revealed that the MMSD is in dire need of adequate resources to build capacity and logistics to effectively supervise the sector. The Federal Mines Offices (FMO) in the states are manned by qualified engineers, geologists and other professionals, however, there are needs for continuous training and development of staff in order to match up the challenges for the industry. • MMSD officials at the state offices do not have adequate logistics to effectively supervise and monitor the operators thereby giving room for the operators to only declare the quantity they want to pay royalties on. 	<ul style="list-style-type: none"> • Without full implementation of the regulatory frame work and policies governing the Solid Minerals Industry in Nigeria and adequate supervision, the industry will not be able to develop to meet the objectives of the various stakeholders especially in generating the much needed revenue to the public Sector participants.



a. Mining Inspectorate Department (MID)

<ul style="list-style-type: none">• There was no proper assessment of operators in the Solid Minerals Industry in Nigeria as it relates to what they produced, sold or consumed during the periods under review. Royalty payments were based on what the operators disclosed to the regulators, which in most cases were under stated.• There was no effective synergy/collaboration between MCO and the State Offices of the MID. This lack of effective synergy/collaboration makes it difficult for the regulators to monitor operators in the solid minerals industry. In many instances, it was observed that some of the licensed operators commenced operation on their sites without notifying the States MID for registration.• Many of the operators in the solid minerals industry in Nigeria visited during the audit exercise do not have adequate calibrated measuring equipment to measure the output of solid minerals consumed/sold.	<ul style="list-style-type: none">• The implication of this inadequacy to the sector is that the volume of mined/quarried minerals reported by the Private Sector Participants in their submission to the MID will be understated, thereby affecting the royalty payable.
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c. Mines Environmental Compliance Department (MECD)

<ul style="list-style-type: none"> • Some of the quarries visited during the audit exercise were operated by construction private Sector participants and abandoned after the completion of their construction projects. This is contrary to section 115 of the Nigerian Minerals and Mining Act, 2007 which states that “where land which is subject of a mining lease has been exploited, the reclamation mined out areas shall be restored by the applicant under the condition of its grant otherwise the relevant provision of section 10 of this Act shall apply”. • Some of the minerals title holders are not complying with environmental requirements and obligations as required by law 	<p>If the operators continue to flout this provision on reclamation and restoration there will be serious environmental degradation in the near future.</p>
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d. Mining Cadastre Office (MCO)

<ul style="list-style-type: none"> • The system audit revealed that the time between the applications for Mining/Quarry lease to the issuance of certificate takes between one (1) to three (3) years. • The audit revealed that most of the Private Sector Participants with mining titles are not in active mining/quarry. One thousand four hundred and forty three private Sector participants (1,443) holds three thousand one hundred and sixty three (3,163) mining titles, out of this figure only about thirty percent (30%) of these private Sector participants engage in active quarry, mining or exploration activities, while the rest are holding the titles as speculations. 	<ul style="list-style-type: none"> • Mineral titles were issued by MCO to many Private Sector Participants but only few are paying their annual fees and other fees as stated in Nigerian Minerals and Mining Act, 2007 thereby making the Public Sector participants to lose revenue. • The Public Sector participants will also be losing anticipated revenue due to delay in the issuance of mining titles because some Private Sector Participants can mobilize to
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<ul style="list-style-type: none"> We observed that mining titles are processed and issued only in Abuja without input from or recourse to mining officers in the states. 	<ul style="list-style-type: none"> site and start production without recourse to FMO in the state. The activities of non-active minerals title holders in the industry might hinder prospective investors from acquiring mining license.
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2. Federal Inland Revenue Services (FIRS)

<ul style="list-style-type: none"> Operators in the solid minerals sector are incorporated as Limited Liabilities Private Sector participants but some did not registered with the FIRS for the purpose of filing their annual tax returns. The industry lacks tax laws that specifically address the Nigeria Solid Minerals industry as obtainable in other developed countries such as Norway, South Africa etc. The Nigeria oil and gas industry has the Petroleum Profit Tax (PPT), while Private Sector participant Income Tax (CIT) is used for Mining/Quarrying. This does not capture completely tax payable by the mining Private Sector Participants. FIRS records do not tally with the private Sector participant’s record largely due to the timing delay in the FIRS web portal. There were delays in issuance of receipts to Private Sector Participants upon the payments of tax liability to the designated banks. We have cases where e-tickets were issued without corresponding receipts by FIRS, because of the delay in the FIRS web portal. 	<ul style="list-style-type: none"> This makes the Private Sector Participants to fail in fulfilling their statutory requirement to the Public Sector participants. The Public Sector participants is losing revenue, because of non-filing of annual tax returns by the operators.
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- Inadequate monitoring of registered mining/quarrying Private Sector Participants to ensure that all relevant taxes are paid. The system audit revealed that FIRS often waits until private Sector participants come around to request for their TIN number or tax clearance before tax queries are raised.
- System review shows that, WHT paid by Private Sector Participants on behalf of their clients are credited to the private Sector participants' tax account especially in cases where the beneficiary private Sector participants do not have TIN numbers. This has significantly contributed to the huge difference between private Sector participants and FIRS records.
- The financial statements of the Private Sector Participants covered did not provide adequate details/required information on their operating/production costs so as to enable us capture same in the aggregation/reconciliation of financial flows in the Solid Minerals Industry. These inadequacies affected proper determination of the Private Sector Participants' taxable profits and ultimately affected their tax payments (CIT, VAT, WHT, EDT and others) to the relevant tax authorities.



3. Corporate Affairs Commission (CAC)

<ul style="list-style-type: none"> It was discovered that many of the operators are incorporated as Limited Liabilities Private Sector participant but they do not file their annual returns with CAC. This makes them failed to fulfill their statutory requirements to the relevant Public Sector participants Agencies. 	<p>The implication to the economy is that the Public Sector participants are losing revenue that would have accrued to the Federation account.</p>
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Revenue Types

a Royalty

<p>Royalty is the sum of money paid by mining/quarry Private Sector Participants to the Federal Public Sector participants of Nigeria for minerals mined/quarried, sold or consumed. It is levied on the basis of section 33 of the Nigerian Minerals and Mining Act, 2007 which states; “Any mineral obtained in the course of exploration or mining operations shall be liable to pay royalty as prescribed in the regulations made under this Act”.</p> <p>Private Sector participants operating in the solid mineral industry are required to pay royalties immediately they commence minerals production and this is supposed to be paid monthly, but during the audit exercise, we discovered that some Private Sector Participants owned arrears of mineral royalties as at the cutoff date of the audit which they later paid in the following year.</p>	<p>If Private Sector Participants were allowed to delay payment of royalties for too long, it may become bad debt and the Public Sector participants will be losing revenue.</p>
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b. Ground Rents/Annual Surface Rents

<p>In line with section (102) of the Nigerian Minerals and Mining Act, 2007, which provides that “the lessee of a mining lease shall pay rent, in advance without demand being made of it, at such rate per annum as shall be determined by the Minister for all lands occupied or used by it in connection with its mining operations”.</p> <p>Ground rents are paid annually by the operators to relevant tax authority in the state where their mining/quarry sites are located. It was discovered that some of the operators in the industry did not pay ground rents/annual surface rents as at the cutoff date of the audit.</p>	<p>Revenue is being lost by the State Public Sector participants because of non-compliance by some of the operators in the Solid Minerals Industry.</p>
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c. Taxation

<p>Corporate tax is currently fixed at 30%, all the mining Private Sector Participants under consideration are on self -assessment. Self- assessment private Sector participants are allowed to forecast their profits for the year and pay some deposits based on their own assessment.</p> <p>The revenue accruing to the Public Sector participants from the payment of corporate taxes by the mining Private Sector Participants is insignificant. This situation arose as a result of:</p> <ul style="list-style-type: none"> • Accelerated depreciation as mining Private Sector Participants receive higher rates of capital allowances. • Carrying forward losses concessions granted to mining Private Sector Participants by the law. 	<p>Tax revenue is being lost by the Federal Public Sector participants due to our stated findings.</p>
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|--|--|
| <ul style="list-style-type: none">• During the audit assignment we did not see where CGT in respect of mines/quarries changing ownership was charged and paid to FIRS.• No proper record keeping as it relates to production cost of solid minerals mined/quarried. | |
|--|--|

d. Levies

<p>There are various fees allowed to be charged by the Nigerian Minerals and Mining Act of 2007, Nigerian Minerals and Metals Policy 2008 and the Nigerian Minerals and Mining Regulations 2011. There are delays in the payment of Annual Service Fees by Private Sector Participants as at when due.</p>	<p>There will be irregular revenue flow to the federation accounts because of the delay in payments by operators in the Solid Minerals Industry.</p>
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13.0 Outstanding Liabilities of Payments due to Public Sector Participants from Private Sector Participants covered

The total established liability for the period under review is ₦31,696,255.20. The breakdown is as follow: -

Value Added Tax (VAT)	18,721,594.00
Royalty	12,264,661.20
Annual Service Fee	710,000.00
Total	31,696,225.20

a Royalty

The following companies engaged in the export of minerals but did not pay the applicable royalties as required by law. The total revenue loss on exported minerals to the Federation Account in this regard is ₦9,851,910 (Table 23). It was also discovered that some operators have outstanding liabilities of royalty payments of ₦2,412,751.20.



The table below shows the total Ore components of the Solid Minerals products exported and the revenue loss to the Federation Account during the period under review.

Table 23

S/NO	NAME OF EXPORTERS	EXPORTED PRODUCTS	GROSS WEIGHT (M/TONS)	EXPORT VALUE ₦	AVERAGE MARKET PRICE ₦	(%) OF VALUE	UNPAID ROYALTY BY THE EXPORTERS ₦
1	Elcid Global Services Limited	Zinc Ore	23	1,553,328.00	30,000/T	3.00	20,700.00
2	Enem Investcom Nig. Ltd.	Zinc Ore Lumps	25	2,160,000.00	30,000/T	3.00	22,500.00
3	Esuvic Nigeria Ltd.	Zircon Sand	1,265	46,777,650.00	30,000/T	5.00	1,897,500.00
4	FG. Aauxley Ltd.	Zinc Ore (Raw) with zinc content 40PCCT	196.40	12,097,168.00	30,000/T	3.00	176,760.00
5	Folaj Global Resources Limited	Zinc Ore	971.80	25,471,734.00	30,000/T	3.00	874,620.00
6	Folaj Global Resources Limited	Zircon Sand (Low Grade)	2,750	49,450,500.00	30,000/T	5.00	2,475,000.00
7	Geo Minerals and Resources Nigeria Limited	Zircon Sand	150.80	5,292,908.00	30,000/T	5.00	135,720.00
8	High Glory Solid Mineral Private Sector participant Ltd	Zinc Ore	1,080	74,225,570.00	30,000/T	3.00	972,000.00
9	Mallinson and Partners Ltd.	Zircon Sand	200	3,739,200.00	30,000/T	5.00	300,000.00
10	Microtek Mineral (Nig) PVT. Limited	Zircon Ore (Sand)	921.30	41,893,534.00	30,000/T	5.00	1,381,950.00
11	Rahkma Integrated Services Limited	Zircon Sand	240	5,414,400.00	30,000/T	5.00	360,000.00
12	Sodex Mines Nigeria Ltd	Tin (Solid Mineral)	25.40	49,715,250.00	180,000/T	3.00	137,160.00
13	Specie Agro Mineral Resources Nigeria Limited	Zinc Ore	100	6,122,000.00	30,000/T	3.00	90,000.00
14	Sun and Sand Industries Ltd.	Zinc Ore	75	73,617,376.00	30,000/T	3.00	67,500.00
15	Western Metal Products Private Sector participant Limited	Zinc Skimming	1,045	180,237,838.00	30,000/T	3.00	940,500.00
	TOTAL		9,068.70	577,768,456.00			9,851,910.00

Source: Central Bank of Nigeria



Royalty

Table 24

S/No.	Company	Amount Assessed ₦	Amount Paid ₦	Outstanding Liabilities ₦
1	Ashaka Cement Plc	40,654,092.07	40,145,404.87	508,687.20
2	Multiverse Nig. Limited	2,462,484	1,969,184	493,300
3	Spectrums Minerals Ltd.	4,027,500	2,616,736	1,410,764
	TOTAL	47,144,076	44,731,325	2,412,751.20

Annual Service Fee

Table 25

The under listed companies has an established liability of N 710,000 for unpaid Annual Service Fee for period under review.

S/No.	Company	Amount Assessed ₦	Amount Paid ₦	Outstanding Liabilities ₦
1	Hongyun Nig. Ltd.	20,000	-	20,000
2	Gitto Construction Ltd	150,000	-	150,000
3	State Quarry	40,000	-	40,000
4	Zerberceed Limited	500,000	-	500,000
	Total	710,000	-	710,000



Taxation

Table 26

The established tax liability for the under listed private sector participants was due to in correct payment of VAT.

S/No.	Company	Amount Assessed ₦	Amount Paid ₦	Outstanding Liabilities ₦
1	Para Crushing Nig. Ltd.	3,149,499	3,143,491	6,008
2	Multiverse Plc	14,094,740	-	14,094,740
3	Milatex Plc	12,127,550	11,984,628.86	142,921.14
4	Zeberceed Nig. Ltd.	46,650,952	42,173,027	4,477,925
	Total	76,022,741	57,301,147	18,721,594



14.0 Recommendation and Conclusion

1. Ministry of Mines and Steel Development (MMSD)

- The supervising Ministry, MMSD should make it mandatory for operators in the Solid Minerals Industry to pay their royalties on minerals mined/quarried with adequate documentation of production and the rate should be based on the existing market price as at the date of computation.
- The operators in the sector should be compelled by the regulators to adequately disclose in their financial statements, the operating and production costs specifically on the minerals mined or quarried.
- The Financial Reporting Council of Nigeria should produce Accounting standard for solid minerals sector as obtained in the Petroleum Sector.
- It is imperative for MMSD to consolidate the developmental gains of the sector reforms. This is necessary for the attainment of the objectives of public Sector participants to make Nigeria a choice destination for foreign investment.
- Participants should treat all their quarrying/mining arms as business units, whereby operations from these activities can be adequately measured against applicable legislation/regulations.
- MMSD should collaborate with state Public Sector participants, Ministry of works and other agencies awarding construction related contracts to gain access to the bill of quantities submitted by Private Sector Participants in the course of bidding for contracts. This will enable the ministry to have projections of the estimated quantity of sand, granites and laterite the private Sector participants intends to use for the construction.
- MMSD should carry out periodic audit of private Sector participant's royalty and other statutory remittances in order to recover outstanding payments of arrears or underpayments.



- There should be improved channels of communication between the MDAs especially those in charge of regulating Solid Minerals Industry.
- Trades and buying centres, which purchase gemstones and other mineral products, should be required to pay the applicable royalty on its purchases, where royalty has not already been paid by the supplier of the gemstones or other mineral products.
- Government should encourage local and foreign investors to develop the Solid Minerals Industry by having a robust regulatory framework in place that is all encompassing, similar to the Petroleum Profit Tax Act (PPT).
- Applicable incentives to the Solid Minerals Industry need to be properly defined as applicable in a Petroleum Profit Tax and the proposed PIB.
- The existing institutional framework should be enhanced so that roles and responsibilities of Government Agencies involved in the areas of policy and regulations in the industry are clearly defined.
- In order to check the activities of quacks from different fields that write and submit sub-standard EPRP Report, there is need for a legislation to provide for the registration of Consultants for that purpose.
- Government should stimulate the Value chain in the Solid Minerals Industry and Nigeria Economy as a whole by critically looking at the need for infrastructural development in the sector as provided for under the National Integrated Infrastructure Master Plan.
- Government should undertake a comprehensive study on the mining environments and the associated health issues with a view to carry out the necessary amendment of the existing legislation and regulations on the environment as it relates to Nigeria Mining and Minerals Act, 2007.



a. Mining Inspectorate Department (MID)

- MMSD/MID should come up with a price list that will be periodically reviewed on regular basis to reflect the prevailing market price of the minerals mined, quarried, sold or consumed. This becomes imperative because the present practice used outdated price list and the Federal Public Sector participants are losing a lot of revenue as a result of these inadequacies.
- MMSD should collaborate with the Weight and Measurement Department (WMD) of Ministry of Commerce and Trade Investment to ensure that all weight measuring equipment are calibrated and certified by Weight and Measurement Department (WMD).
- MMSD/MID should come up with simple and consistent formulae of calculating minerals royalty payments. This is because the present formula is outdated and the Federal Public Sector participants are losing a lot of revenue from the royalty paid by the operators.
- The state FMO should be empowered and motivated to effectively discharge their responsibilities

b. Mines Environmental Compliance Department (MECD)

MMSD/MECD and FMOE should sanction appropriately any Private Sector Participants that fail to comply with environmental requirements and obligations as stipulated in the Nigerian Minerals and Mining Act, 2007.

c. Mining Cadastre Office (MCO)

- MCO should regularly handle non payment of renewal fee and other fees by mineral titles holder through announcement in the media and direct communication.
- Adequate records need to be kept i.e. ledgers should be opened for each type of payments received from the operators.
- The time limit for issuance of mining license/title should be strictly adhered to as stipulated in the Mining Act, 2007.
- Monthly status report of all mining title holders should be sent from MCO headquarters to all FMO in each state of the Federation in order to effectively monitor the activities of the mineral title holders.



- There should be a regular review of current status of all minerals title holders in order to revoke licenses of speculators and moribund Private Sector Participants.
- Inter-ministerial and agencies platform should be established to address challenges in the sector. The benefit of such forum will enable public Sector participants to monitor Private Sector Participants' activities from all frontiers. i.e for annual renewal of minerals title, it should be mandatory for every private Sector participant to present evidence of tax remittance as well as tax clearance certificate from FIRS.
- There is no presence of MCO in the states, it is therefore important that all applications for mining titles should be routed through the FMO in the states. This will help in the effective monitoring of mining Private Sector Participants.
- There should be serious technical and financial evaluation of Private Sector Participants that applied for license by MCO before such license is approved.
- Any Private Sector Participants granted mineral license should be given three (3) years to mobilize to site and commence full operation, failure to do that' should result to revocation of such license which be re-awarded to any serious private Sector participant that has capacity.
- MCO should regularly monitor the performance of all Private Sector Participants given mining licenses.
- Transfer of titles/licenses by unserious Private Sector Participants to another private Sector participant should be discouraged.
- MCO should take urgent steps to discourage monopoly of the solid minerals sector by the big players involved in the manufacturing and sectors that derive their primary raw material from mining/quarrying activities (e.g cement manufacturing private Sector participants, construction private Sector participants etc), or the processing of solid minerals as a result of their activities.



3. Federal Inland Revenue Services (FIRS)

- MMSD should make sure that all changes in the ownerships of minerals rights and licenses are referred to FIRS for advice on CGT payments by the Private Sector Participants operating in solid minerals sector as obtained in the Petroleum Sector.
- FIRS in collaboration with NEITI and other relevant stakeholders should develop solid minerals tax law to appropriately capture and codify the basis of tax payments by the major players in Solid Minerals Industry as obtained in the Petroleum Profit Tax Act.
- The MMSD should collaborate with FIRS to ensure that appropriate taxes (Capital Gain Tax) are paid upon assignment or transfers of mineral rights.
- The MMSD and the FIRS should review the deduction of mineral royalty as tax deductible expenses because this will significantly affects the corporate tax payments by the operators in the solid minerals sector in Nigeria.
- The Federal Ministry of Finance, FIRS, MMSD should collaborate to review and update the mining fiscal regime in order to have a unified approach that would attract and sustain investment in the sector, thereby guarantying sustainable development and more revenues for public Sector participants.
- There is need for the harmonization of relevant Tax laws by FIRS and SBIR to eliminate duplications and provisions so that potential investor will not be scared.

4. Corporate Affairs Commission (CAC)

- CAC should publish the list of defaulters who failed to file returns in the media and also sanction them appropriately.

5 Export Minerals

- In order to check the incessant smuggling of Solid Minerals products out of the country, boarder market should be created at the strategic boarder point across the country. This will bring about flexible market control and a means of monitoring solid minerals sold to international markets.



- Minerals Analysis laboratories that meet ISO certification standards should be established in each of the six (6) geo-political zone of the country for the purpose of analyzing minerals extracted or discovered. While the existing laboratories such as the National Metallurgical Development Center Jos, National Iron Ore Mining Private Sector participant of Nigeria Itakpe, National Steel Raw Materials Exploration Agency Kaduna etc should be upgraded and equipped to conform to international standards
- Public Sector participants should encourage miners and exporters to patronize these laboratories.
- The activities of foreign nationals especially Chinese operating in the solid minerals sector should be regulated and effectively monitored. This is because in most cases, they are the primary buyers of the mined minerals from artisanal, informal miners and illegal miners. Stiffer penalties should be meted on the defaulters.

6. Revenue Types

a. Royalty

MID should effectively exercise its general supervisory role over all reconnaissance, exploration and mining operations to ensure Private Sector Participants complied with provisions of the Act by paying their royalties promptly and correctly.

b. Ground Rents/Annual Surface Rents

The MMSD should make it mandatory for Private Sector Participants to pay their ground rents/annual surface rents promptly and accurately.



c. Taxation

- The MMSD should make it mandatory for Private Sector Participants to pay their taxes as at when due to FIRS by making sure those operators shown their TCC before the renewal of their mineral titles.
- FIRS should open a dedicated bank accounts and a desk office at MMSD that will be saddled with responsibilities of administering tax from solid minerals sector and the officer in charge should go for regular inspection to ensure compliance.

d. Levies

The MMSD should make it mandatory for Private Sector Participants to pay their levies as at when due to the Public Sector Participants.



Appendix 1

**Disaggregate Report of Government Agencies Receipts and Companies Payments of Royalty
Period: January 2011-December 2011**

All Amounts in Naira

ROYALTY				
S/NO	COMPANIES	GOVERNMENT RECEIPTS	COMPANIES PAYMENTS	VARIANCE
1	A.G. Vision	945,000	945,000	-
2	Abl Granite Co Ltd	1,180,000	1,180,000	-
3	Ahmu International Mining Company	2,500,000	2,500,000	-
4	Alren Construction Nigeria Ltd	795,000	795,000	-
5	Arab construction Nig. Ltd	13,882,208	13,882,208	-
6	Ashaka Cement Plc	40,145,405	40,145,405	-
7	Associated granite Ind. Limited	749,189	749,189	-
8	Astro Minerals Ltd	1,215,000	1,215,000	-
9	BiwaterNig Ltd	22,300	22,300	-
10	Blackstone Crushing Company Limited	2,673,600	2,673,600	-
11	Boriniprono& constr. Nig. Ltd.	7,153,250	7,153,250	-
12	Bulletine Construction Company Limited	5,049,065	5,049,065	-
13	C &.c. Construction comp. Ltd.	1,949,200	1,949,200	-
14	C.C.N.N Plc	17,371,560	17,371,560	-
15	CCC Construction Nigeria Ltd	9,487,655		9,487,655
16	CCECC Nig. Ltd	5,797,255	486,800	5,310,455
17	CGC Nig. Ltd	4,048,192	4,048,192	-
18	Cibi Nigeria Limited	370,566	370,566	-



19	Cnc Engineering Company	4,860,000	4,860,000	-
20	construction Support Nig. Ltd	1,450,000	1,450,000	-
21	Crushed Rock Nig Ltd	24,765,698	24,765,698	-
22	Crush Stones Industries Ltd	2,097,000	2,097,000	-
23	Dangote Nigeria Limited	238,604,588	238,604,588	-
24	Dantata & Sawoe Construction Co.	9,762,052	9,762,052	-
25	De Crown Quarry Ltd	1,235,000	1,235,000	-
26	Ebenezer Mining & Ceramic Ind. Ltd	510,000	510,000	-
27	Elegant One Nigeria ltd	1,084,000	1,084,000	-
28	Enerco Prorox	371,000	371,000	-
29	ENL Construction Ltd	675,084		675,084
30	Freedom Development Co. Ltd	407,500	407,500	-
31	Fw San He Concepts Ltd	3,960,000	3,960,000	-
32	Georgio Rock Ltd	4,382,200	4,382,200	-
33	Gilmor Engr. Ltd	3,077,990	3,077,990	-
34	Gitto Construction Company	2,555,000	2,555,000	-
35	Glossands Ltd	570,000	570,000	-
36	Gyartagere Stone Crushing Co. Ltd	412,949	412,949	-
37	Habibu Engineering Nig. Ltd.	1,699,812	1,699,812	-
38	Hajaig Const. Ltd	527,500	4,250,000	(3,722,500)
39	Harvey Ltd	589,000	589,000	-
40	Hitec Construction Company	3,518,230	3,518,230	-
41	Hongyun Mining Ind. Co. Ltd	1,293,000	1,293,000	-
42	Inter-Bau Construction Company Ltd	893,044	893,044	-
43	Japaul Mines & Products Limited	1,714,000	1,714,000	-



44	JiaBao Quarry Nig Ltd	1,492,000	1,492,000	-
45	Julius Berger Nig. Plc.	98,855,520	98,855,520	-
46	Kopek Nig. Limited	5,750,000	5,750,000	-
47	Ladlice Nig Ltd	2,052,000	2,052,000	-
48	Levant Construction Ltd	1,240,000	1,240,000	-
49	M.F.W Dredging &Matrine	1,453,500	1,453,500	-
50	Mac Daniels Quarry Ltd	3,159,000		3,159,000
51	Mac Engineering const. Ltd.	296,410	296,410	-
52	Madodel Eng. and construction com.	1,596,000	1,596,000	-
53	Magcobar Manufacturing Nig. Ltd	94,098	94,098	-
54	Master Rock Nig Ltd	330,000		330,000
55	Moulds Nig. Limited	2,088,000	2,088,000	-
56	Milatex Nigeria Limited	2,704,559	2,704,559	-
57	Moelink Company Ltd	997,500	997,500	-
58	Mother Cat Ltd.	4,730,090	4,730,090	-
59	Multiverse Resources Limited	1,969,184	1,969,184	-
60	NRC Ltd	360,000	481,600	(121,600)
61	P. W. Nigeria Limited	6,625,485	6,625,485	-
62	Para Crushing Nig. Ltd	3,730,430	3,730,430	-
63	Paul B Nigeria Plc	740,000	740,000	-
64	Perfect Stone Quarry	1,617,760	1,617,760	-
65	Piccolo Bruneill Eng. Ltd	500,000	500,000	-
66	Porcelainware Industries Ltd	3,681,200	3,681,200	-
67	Purechem Industries Limited.	2,158,017	2,158,017	-
68	Qumecs Nig. Ltd	800,000		800,000



69	R.C.C (Nig) Ltd	41,912,459	41,912,459	-
70	Ratcon Construction Company Limited	17,626,533	17,626,533	-
71	Roads Nigeria Limited	891,868	891,868	-
72	Rockbridge Const. CO.Ltd	480,800	480,800	-
73	S.CC (Nig) Ltd	6,571,200	6,571,200	-
74	Salini Nig. Ltd	4,029,265	4,029,265	-
75	Samchase Nig. Limited	316,000	316,000	-
76	Saydoun Ltd	812,107	812,107	-
77	Serena.Nigeria Limited	56,748	56,748	-
78	SetracoNig Limited	8,893,560	8,893,560	-
79	Soject Nigeria Ltd	312,000	312,000	-
80	Spectrums Minerals Ltd	2,616,736	2,616,736	-
81	Star Advantage Co. Ltd.	1,086,605	1,086,605	-
82	State Quarry	867,689	867,689	-
83	Triacta Nigeria Ltd	4,677,600	4,677,600	-
84	Unichem Cement Company	38,975,347	38,975,347	-
85	West African Portland Cement Plc	61,433,739	61,433,739	-
86	Zeberceed Ltd	11,428,960	11,428,960	-
87	Zenith Const. Ltd.	3,141,200	3,141,200	-
	Total	781,500,261	765,582,167	15,918,094



Appendix 2

Disaggregate Report of Government Agencies Receipts and Companies Payments of Taxation Period: January 2011-December 2011

All Amounts in Naira

TAXATION				
S/NO	COMPANIES	GOVERNMENT RECEIPTS	COMPANIES PAYMENTS	VARIANCE
1	A.G. Vision	226,951,048.39	226,951,048.39	-
2	Abl Granite Co Ltd	526,000.00	526,000.00	-
3	Ahmu International Mining Company	90,018.00	90,018.00	-
4	Alren Construction Nigeria Ltd			-
5	Arab construction Nig. Ltd	112,676,809.00	112,676,809.00	-
6	Ashaka Cement Plc	1,394,940,150.88	1,394,940,150.88	-
7	Associated granite ind. Limited			-
8	Astro Minerals Ltd	112,000.00	112,000.00	-
9	BiwaterNig Ltd			-
10	Blackstone Crushing Company Limited			-
11	Boriniprono& constr. Nig. Ltd.	1,082,618,216.00	1,082,618,216.00	-
12	Bulletine Construction Company Limited	74,398,705.00	74,398,705.00	-
13	C &c. Construction comp. Ltd.			-
14	C.C.N.N Plc	1,011,818,131.00	1,011,818,131.00	-
15	CCC Construction Nigeria Ltd			-
16	CCECC Nig. Ltd			-
17	CGC Nig. Ltd	291,525,391.20	291,525,391.20	-
18	Cibi Nigeria Limited	19,139,334.00	19,139,334.00	-
19	Cnc Engineering Company	4,785,450.00	4,785,450.00	-



20	Construction Support Nig. Ltd	5,165,593.63	5,165,593.63	-
21	Crushed Rock Nig Ltd	168,939,918.58	168,939,918.58	-
22	Crush Stones Industries Ltd			-
23	Dangote Nigeria Limited	7,195,892,543.00	7,195,892,543.00	-
24	Dantata& Sawoe Construction Co.	2,521,041,679.00	2,521,041,679.00	-
25	De Crown Quarry Ltd	658,000.00	658,000.00	-
26	Ebenezer Mining & Ceramic Ind. Ltd			-
27	Elegant One Nigeria ltd			-
28	Enerco Prorox	1,421,572.82	1,421,572.82	-
29	ENL Construction Ltd			-
30	Freedom Development Co. Ltd	668,114.00	668,114.00	-
31	Fw San He Concepts Ltd	5,501,951.00	5,501,951.00	-
32	Georgio Rock Ltd	17,742,072.00	17,742,072.00	-
33	Gilmor Engr. Ltd	296,105,191.00	296,105,191.00	-
34	Gitto Construction Company	24,650,177.00	24,650,177.00	-
35	Glossands Ltd	429,667.00	429,667.00	-
36	Gyartagere Stone Crushing Co. Ltd	712,549.60	712,549.60	-
37	Habibu Engineering Nig. Ltd.	30,245,052.00	30,245,052.00	-
38	Hajaig Const. Ltd			-
39	Harvey Ltd			-
40	Hitec Construction Company			-
41	Hongyun Mining Ind. Co. Ltd	3,296,122.00	3,296,122.00	-
42	Inter-Bau Construction Company Ltd	4,873,030.00	4,873,030.00	-
43	Japaul Mines & Products Limited	115,576,300.00	115,576,300.00	-
44	JiaBao Quarry Nig Ltd	236,841.00	236,841.00	-



45	Julius Berger Nig. Plc.			-
46	Kopek Nig. Limited	169,707,159.46	169,707,159.46	-
47	LadliceNig Ltd			-
48	Levant Construction Ltd			-
49	M.F.W Dredging &Matrine	10,645,479.00	10,645,479.00	-
50	Mac Daniels Quarry Ltd			-
51	Mac Engineering const. Ltd.			-
52	Madodel Eng. and construction com.			-
53	Magcobar Manufacturing Nig. Ltd	9,132,872.74	9,132,872.74	-
54	Master Rock Nig Ltd			-
55	Moulds Nig. Limited			-
56	Milatex Nigeria Limited	11,984,628.00	11,984,628.00	-
57	Moelink Company Ltd			-
58	Mother Cat Ltd.	217,320,020.00	217,320,020.00	-
59	Multiverse Resources Limited			-
60	NRC Ltd	476,000.00	476,000.00	-
61	P. W. Nigeria Limited	3,657,057,529.00	3,657,057,529.00	-
62	Para Crushing Nig. Ltd	3,043,491.00	3,043,491.00	-
63	Paul B Nigeria Plc	43,743,191.00	43,743,191.00	-
64	Perfect Stone Quarry	6,580,996.00	6,580,996.00	-
65	Piccolo Bruneill Eng. Ltd			-
66	Porcelainware Industries Ltd	15,470,487.00	15,470,487.00	-
67	Purechem Industries Limited.	46,778,660.58	46,778,660.58	-
68	Qumecs Nig. Ltd	15,550,776.00		15,550,776.00
69	R.C.C (Nig) Ltd	1,407,745,904.96	1,407,745,904.96	-



70	Ratcon Construction Company Limited	73,758,229.57	73,758,229.57	-
71	Roads Nigeria Limited	13,365,497.00	13,365,497.00	-
72	Rock bridge Const. CO. Ltd	206,247,620.00	206,247,620.00	-
73	S.CC (Nig) Ltd			-
74	Salini Nig. Ltd	117,726,351.00	117,726,351.00	-
75	Samchase Nig. Limited	25,831,402.00	25,831,402.00	-
76	Saydown Ltd	2,746,862.66	2,746,862.66	-
77	Serena. Nigeria Limited	1,186,713.90	1,186,713.90	-
78	SetracoNig Limited	817,558,252.93	817,558,252.93	-
79	Soject Nigeria Ltd	72,517,009.00	72,517,009.00	-
80	Spectrums Minerals Ltd	2,475,843.00	2,475,843.00	-
81	Star Advantage Co. Ltd.	1,417,811.60	1,417,811.60	-
82	State Quarry			-
83	Triacta Nigeria Ltd	146,331,186.70	146,331,186.70	-
84	Unichem Cement Company	1,214,368,299.00	1,214,368,299.00	-
85	West African Portland Cement Plc	3,014,570,755.57	3,014,570,755.57	-
86	Zeberceed Ltd	42,173,027.00	42,173,027.00	-
87	Zenith Const. Ltd.	35,012,913.48	35,012,913.48	-
	Total	26,015,262,596	25,999,711,820	15,550,776



Appendix 3

Disaggregate Report of Government Agencies Receipts and Companies Payments of Ground Rents

Period: January 2011-December 2011

All Amounts in Naira

GROUND RENT				
S/NO	COMPANIES	GOVERNMENT RECEIPTS	COMPANIES PAYMENTS	VARIANCE
1	A.G. Vision			-
2	Abl Granite Co Ltd	-	-	-
3	Ahmu International Mining Company	200,000	200,000	-
4	Alren Construction Nigeria Ltd	-	-	-
5	Arab construction Nig. Ltd	-	-	-
6	Ashaka Cement Plc	-	-	-
7	Associated granite Ind. Limited	-	-	-
8	Astro Minerals Ltd	-	-	-
9	Biwater Nig Ltd	-	-	-
10	Blackstone Crushing Company Limited	-	-	-
11	Boriniprono & constr. Nig. Ltd.	3,703,614	3,703,614	-
12	Bulletine Construction Company Limited	-	-	-
13	C & c. Construction comp. Ltd.	-	-	-
14	C.C.N.N Plc	9,900,000	9,900,000	-
15	CCC Construction Nigeria Ltd	-	-	-
16	CCECC Nig. Ltd	-	-	-
17	CGC Nig. Ltd	-	-	-
18	Cibi Nigeria Limited	-	-	-



19	Cnc Engineering Company	-	-	-
20	Construction Support Nig. Ltd	-	-	-
21	Crushed Rock Nig Ltd	1,550,000	1,550,000	-
22	Crush Stones Industries Ltd	-	-	-
23	Dangote Nigeria Limited	-	-	-
24	Dantata & Sawoe Construction Co.	10,510,500	10,510,500	-
25	De Crown Quarry Ltd	-	-	-
26	Ebenezer Mining & Ceramic Ind. Ltd	-	-	-
27	Elegant One Nigeria ltd	-	-	-
28	Enerco Prorox	-	-	-
29	ENL Construction Ltd	-	-	-
30	Freedom Development Co. Ltd	-	-	-
31	Fw San He Concepts Ltd	-	-	-
32	Georgio Rock Ltd	-	-	-
33	Gilmor Engr. Ltd	-	-	-
34	Gitto Construction Company	-	-	-
35	Glossands Ltd	-	-	-
36	Gyartagere Stone Crushing Co. Ltd	-	-	-
37	Habibu Engineering Nig. Ltd.	-	-	-
38	Hajaig Const. Ltd	350,000	350,000	-
39	Harvey Ltd	-	-	-
40	Hitec Construction Company	-	-	-
41	Hongyun Mining Ind. Co. Ltd	-	-	-
42	Inter-Bau Construction Company Ltd	-	-	-
43	Japaul Mines & Products Limited	49,520	49,520	-



44	Jia Bao Quarry Nig Ltd	-	-	-
45	Julius Berger Nig. Plc.	43,495,047	43,495,047	-
46	Kopek Nig. Limited	100,000	100,000	-
47	Ladlice Nig Ltd	-	-	-
48	Levant Construction Ltd	91,000	91,000	-
49	M.F.W Dredging & Matrine	-	-	-
50	Mac Daniels Quarry Ltd	-	-	-
51	Mac Engineering const. Ltd.	-	-	-
52	Madodel Eng. and construction com.	-	-	-
53	Magcobar Manufacturing Nig. Ltd	-	-	-
54	Master Rock Nig Ltd	-	-	-
55	Moulds Nig. Limited	-	-	-
56	Milatex Nigeria Limited	150,000	150,000	-
57	Moelink Company Ltd	-	-	-
58	Mother Cat Ltd.	-	-	-
59	Multiverse Resources Limited	-	-	-
60	NRC Ltd	-	-	-
61	P. W. Nigeria Limited	200,000	200,000	-
62	Para Crushing Nig. Ltd	-	-	-
63	Paul B Nigeria Plc	-	-	-
64	Perfect Stone Quarry	-	-	-
65	Piccolo Bruneill Eng. Ltd	-	-	-
66	Porcelainware Industries Ltd	-	-	-
67	Purechem Industries Limited.	346,373	346,373	-
68	Qumecs Nig. Ltd	-	-	-



69	R.C.C (Nig) Ltd	300,000	300,000	-
70	Ratcon Construction Company Limited	-	-	-
71	Roads Nigeria Limited	-	-	-
72	Rock bridge Const. CO. Ltd	-	-	-
73	S.CC (Nig) Ltd	-	-	-
74	Salini Nig. Ltd	-	-	-
75	Samchase Nig. Limited	-	-	-
76	Saydoun Ltd	75,000	75,000	-
77	Serena. Nigeria Limited	49,520	49,520	-
78	Setraco Nig Limited	-	-	-
79	Soject Nigeria Ltd	-	-	-
80	Spectrums Minerals Ltd	-	-	-
81	Star Advantage Co. Ltd.	-	-	-
82	State Quarry	-	-	-
83	Triacta Nigeria Ltd	-	-	-
84	Unichem Cement Company	-	-	-
85	West African Portland Cement Plc	450,000	450,000	-
86	Zeberceed Ltd	-	-	-
87	Zenith Const. Ltd.	-	-	-
	Total	71,520,574	71,520,574	-

**Appendix 4****Disaggregate Report of Government Agencies Receipts and Companies Payments of Levies****Period: January 2011-December 2011****All Amounts in Naira**

LEVIES				
S/NO	COMPANIES	GOVERNMENT RECEIPTS	COMPANIES PAYMENTS	VARIANCE
1	A.G. Vision	105,000		105,000
2	Abl Granite Co Ltd	130,000	130,000	-
3	Ahmu International Mining Company	4,860,000	4,860,000	-
4	Alren Construction Nigeria Ltd	140,000	140,000	-
5	Arab construction Nig. Ltd	160,000	160,000	-
6	Ashaka Cement Plc	270,000	270,000	-
7	Associated granite Ind. Limited	60,000	60,000	-
8	Astro Minerals Ltd	60,000	60,000	-
9	Biwater Nig Ltd	145,000	145,000	-
10	Blackstone Crushing Company Limited	90,000	90,000	-
11	Boriniprono & constr. Nig. Ltd.	484,600	484,600	-
12	Bulletine Construction Company Limited	120,000	120,000	-
13	C &c. Construction comp. Ltd.	180,000	180,000	-
14	C.C.N.N Plc	-	-	-
15	CCC Construction Nigeria Ltd	440,000		440,000
16	CCECC Nig. Ltd	760,000	100,000	660,000
17	CGC Nig. Ltd	150,000	150,000	-
18	Cibi Nigeria Limited	50,000	50,000	-
19	Cnc Engineering Company	130,000	-	130,000



20	Construction Support Nig. Ltd	-	-	-
21	Crushed Rock Nig Ltd	230,000	230,000	-
22	Crush Stones Industries Ltd	2,892,000	2,892,000	-
23	Dangote Nigeria Limited	800,000	800,000	-
24	Dantata & Sawoe Construction Co.	120,000	120,000	-
25	De Crown Quarry Ltd	80,000	80,000	-
26	Ebenezer Mining & Ceramic Ind. Ltd	70,000	70,000	-
27	Elegant One Nigeria ltd	100,000	100,000	-
28	Enerco Prorox	20,000	20,000	-
29	ENL Construction Ltd	20,000	-	20,000
30	Freedom Development Co. Ltd	140,000	140,000	-
31	Fw San He Concepts Ltd	400,000	400,000	-
32	Georgio Rock Ltd	480,000	480,000	-
33	Gilmor Engr. Ltd	240,000	240,000	-
34	Gitto Construction Company	140,000	140,000	-
35	Glossands Ltd	-	-	-
36	Gyartagere Stone Crushing Co. Ltd	40,000	40,000	-
37	Habibu Engineering Nig. Ltd.	80,000	80,000	-
38	Hajaig Const. Ltd	100,000	100,000	-
39	Harvey Ltd	214,000	214,000	-
40	Hitec Construction Company	150,000	150,000	-
41	Hongyun Mining Ind. Co. Ltd	70,000	70,000	-
42	Inter-Bau Construction Company Ltd	120,000	-	120,000
43	Japaul Mines & Products Limited	250,000	250,000	-
44	JiaBao Quarry Nig Ltd	220,000	220,000	-



45	Julius Berger Nig. Plc.	1,170,000	1,170,000	-
46	Kopek Nig. Limited	190,000	190,000	-
47	Ladlice Nig Ltd	-	-	-
48	Levant Construction Ltd	210,000	210,000	-
49	M.F.W Dredging & Matrine	20,000	20,000	-
50	Mac Daniels Quarry Ltd	-	-	-
51	Mac Engineering const. Ltd.	741,006	631,006	110,000
52	Madodel Eng. and construction com.	-	-	-
53	Magcobar Manufacturing Nig. Ltd	-	-	-
54	Master Rock Nig Ltd	-	-	-
55	Moulds Nig. Limited	120,000	120,000	-
56	Milatex Nigeria Limited	102,500	102,500	-
57	Moelink Company Ltd	-	-	-
58	Mother Cat Ltd.	460,000	460,000	-
59	Multiverse Resources Limited	180,000	190,000	(10,000)
60	NRC Ltd	95,000	115,000	(20,000)
61	P. W. Nigeria Limited	520,000	520,000	-
62	Para Crushing Nig. Ltd	120,000	120,000	-
63	Paul B Nigeria Plc	140,000	140,000	-
64	Perfect Stone Quarry	130,000	130,000	-
65	Piccolo Bruneill Eng. Ltd	90,000	90,000	-
66	Porcelainware Industries Ltd	20,000	20,000	-
67	Purechem Industries Limited.	150,000	150,000	-
68	Qumecs Nig. Ltd	50,000	-	50,000
69	R.C.C (Nig) Ltd	410,000	410,000	-



70	Ratcon Construction Company Limited	500,000	500,000	-
71	Roads Nigeria Limited	140,000	140,000	-
72	Rock bridge Const. CO. Ltd	90,000	90,000	-
73	S.CC (Nig) Ltd	770,000	770,000	-
74	Salini Nig. Ltd	563,677	563,677	-
75	Samchase Nig. Limited	271,500	271,500	-
76	Saydoun Ltd	157,000	157,000	-
77	Serena. Nigeria Limited	783,500	783,500	-
78	Setraco Nig Limited	530,000	530,000	-
79	Soject Nigeria Ltd	126,000	126,000	-
80	Spectrums Minerals Ltd	70,000	70,000	-
81	Star Advantage Co. Ltd.	190,000	190,000	-
82	State Quarry	70,000	-	70,000
83	Triacta Nigeria Ltd	460,000	460,000	-
84	Unichem Cement Company	20,000	20,000	-
85	West African Portland Cement Plc	780,000	780,000	-
86	Zeberceed Ltd	-	-	-
87	Zenith Const. Ltd.	390,000	390,000	-
	Total	26,140,783	24,465,783	1,675,000

**Appendix 5****Disaggregate Report of Government Agencies Receipts and Companies Payments of Annual Service Fee****Period: January 2011-December 2011****All Amounts in Naira**

ANNUAL SERVICE FEE				
S/NO	COMPANIES	GOVERNMENT RECEIPTS	COMPANIES PAYMENTS	VARIANCE
1	A.G. Vision	-	-	-
2	Abl Granite Co Ltd	-	-	-
3	Ahmu International Mining Company	-	-	-
4	Alren Construction Nigeria Ltd	-	-	-
5	Arab construction Nig. Ltd	40,000	40,000	-
6	Ashaka Cement Plc	1,990,000	1,990,000	-
7	Associated granite Ind. Limited	-	-	-
8	Astro Minerals Ltd	-	-	-
9	Biwater Nig Ltd	400,000	400,000	-
10	Blackstone Crushing Company Limited	-	-	-
11	Boriniprono& Constr. Nig. Ltd.	100,000	100,000	-
12	Bulletine Construction Company Limited	20,000	20,000	-
13	C &c. Construction comp. Ltd.	-	-	-
14	C.C.N.N Plc	-	-	-
15	CCC Construction Nigeria Ltd	-	-	-
16	CCECC Nig. Ltd	340,000	340,000	-
17	CGC Nig. Ltd	2,730,000	2,730,000	-
18	Cibi Nigeria Limited	40,000	40,000	-
19	Cnc Engineering Company	-	-	-
20	Construction Support Nig. Ltd	-	-	-
21	Crushed Rock Nig Ltd	2,430,000	2,430,000	-
22	Crush Stones Industries Ltd	2,672,000	2,672,000	-
23	Dangote Nigeria Limited	1,700,000	1,700,000	-
24	Dantata & Sawoe Construction Co.	80,000	80,000	-
25	De Crown Quarry Ltd	-	-	-
26	Ebenezer Mining & Ceramic Ind. Ltd	-	-	-
27	Elegant One Nigeria ltd	-	-	-



28	Enerco Prorox	-	-	-
29	ENL Construction Ltd	-	-	-
30	Freedom Development Co. Ltd	-	-	-
31	Fw San He Concepts Ltd	60,000	60,000	-
32	Georgio Rock Ltd	160,000	160,000	-
33	Gilmor Engr. Ltd	-	-	-
34	Gitto Construction Company	-	-	-
35	Glossands Ltd	-	-	-
36	Gyartagere Stone Crushing Co. Ltd	120,000	120,000	-
37	Habibu Engineering Nig. Ltd.	-	-	-
38	Hajaig Const. Ltd	100,000	100,000	-
39	Harvey Ltd	120,000	120,000	-
40	Hitec Construction Company	-	-	-
41	Hongyun Mining Ind. Co. Ltd	-	-	-
42	Inter-Bau Construction Company Ltd	-	-	-
43	Japaul Mines & Products Limited	-	-	-
44	Jia Bao Quarry Nig Ltd	140,000	140,000	-
45	Julius Berger Nig. Plc.	2,130,000	2,130,000	-
46	Kopek Nig. Limited	-	-	-
47	Ladlice Nig Ltd	-	-	-
48	Levant Construction Ltd	280,000	280,000	-
49	M.F.W Dredging & Matrine	20,000	20,000	-
50	Mac Daniels Quarry Ltd	-	-	-
51	Mac Engineering const. Ltd.	-	-	-
52	Madodel Eng. and construction com.	45,000	45,000	-
53	Magcobar Manufacturing Nig. Ltd	-	-	-
54	Master Rock Nig Ltd	-	-	-
55	Moulds Nig. Limited	-	-	-
56	Milatex Nigeria Limited	40,000	40,000	-
57	Moelink Company Ltd	110,000	110,000	-
58	Mother Cat Ltd.	135,000	135,000	-
59	Multiverse Resources Limited	-	-	-
60	NRC Ltd	-	-	-
61	P. W. Nigeria Limited	673,000	673,000	-
62	Para Crushing Nig. Ltd	40,000	40,000	-
63	Paul B Nigeria Plc	-	-	-
64	Perfect Stone Quarry	120,000	120,000	-
65	Piccolo Bruneill Eng. Ltd	40,000	40,000	-
66	Porcelainware Industries Ltd	-	-	-
67	Purechem Industries Limited.	300,000	300,000	-



68	Qumecs Nig. Ltd	-	-	-
69	R.C.C (Nig) Ltd	320,000	320,000	-
70	Ratcon Construction Company Limited	160,000	160,000	-
71	Roads Nigeria Limited	740,000	740,000	-
72	Rock Bridge Const. CO. Ltd	30,000	30,000	-
73	S.CC (Nig) Ltd	-	-	-
74	Salini Nig. Ltd	-	-	-
75	Samchase Nig. Limited	40,000	40,000	-
76	Saydoun Ltd	-	-	-
77	Serena. Nigeria Limited	60,000	60,000	-
78	Setraco Nig Limited	340,000	340,000	-
79	Soject Nigeria Ltd	20,000	20,000	-
80	Spectrum Minerals Ltd	64,000	64,000	-
81	Star Advantage Co. Ltd.	-	-	-
82	State Quarry	-	-	-
83	Triacta Nigeria Ltd	325,000	325,000	-
84	Unichem Cement Company	-	-	-
85	West African Portland Cement Plc	10,550,000	10,550,000	-
86	Zeberceed Ltd	-	-	-
87	Zenith Const. Ltd.	270,000	270,000	-
	Total	30,094,000	30,094,000	-



Appendix 6

Disaggregate Report of Royalty Receipts by Government Agencies on the volume/tonnage of Solid Minerals mined/quarried by Aggregated Companies

S/No.	Companies	Tonnage of Solid Minerals mined/quarried	Royalty ₦
1	A.G. Vision	23,625.00	945,000.00
2	ABL Granite Co Ltd	29,500.00	1,180,000.00
3	Ahmu International Mining Company	100,000.00	2,500,000.00
4	Alren Construction Nigeria Ltd	28,156.25	795,000.00
5	Arab construction Nig. Ltd	347,055.20	13,882,208.00
6	Ashaka Cement Plc	1,358,252.86	40,145,404.87
7	Associated Granite Ind. Limited	18,729.73	749,189.00
8	Astro Minerals Ltd	225.00	1,215,000.00
9	Biwater Nig Ltd	557.50	22,300.00
10	Blackstone Crushing Company Limited	66,840.00	2,673,600.00
11	Borini Prono & Constr. Nig. Ltd.	253,344.27	7,153,250.00
12	Bulletine Construction Company Limited	178,821.05	5,049,065.00
13	C & C. Construction Comp. Ltd.	48,730.00	1,949,200.00
14	C.C.N.N Plc	694,862.40	17,371,560.00
15	CCC Construction Nigeria Ltd	313,728.04	9,487,655.00



S/No.	Companies	Tonnage of Solid Minerals mined/quarried	Royalty ₦
16	CCECC Nig. Ltd	144,931.38	5,797,255.00
17	CGC Nig. Ltd	101,204.80	4,048,192.00
18	CIBI Nigeria Limited	9,264.15	370,566.00
19	CNC Engineering Company	121,500.00	4,860,000.00
20	Construction Support Nig. Ltd	72,500.00	1,450,000.00
21	Crushed Rock Nig Ltd	619,142.45	24,765,698.00
22	Crush Stones Industries Ltd	52,425.00	2,097,000.00
23	Dangote Nigeria Limited	9,544,183.52	238,604,588.00
24	Dantata & Sawoe Construction Co.	345,739.34	9,762,052.00
25	De Crown Quarry Ltd	30,875.00	1,235,000.00
26	Ebenezer Mining & Ceramic Ind. Ltd	12,750.00	510,000.00
27	Elegant One Nigeria Ltd	27,100.00	1,084,000.00
28	ENERCO Prorox	13,139.58	371,000.00
29	ENL Construction Ltd	16,877.10	675,084.00
30	Freedom Development Co. Ltd	20,375.00	407,500.00
31	FW San He Concepts Ltd	99,000.00	3,960,000.00
32	Georgio Rock Ltd	109,555.00	4,382,200.00
33	Gilmor Engr. Ltd	109,012.15	3,077,990.00
34	Gitto Construction Company	90,489.58	2,555,000.00
35	Glossands Ltd	28,500.00	570,000.00
36	Gyartagere Stone Crushing Co. Ltd	10,323.73	412,949.00
37	Habibu Engineering Nig. Ltd.	60,201.68	1,699,812.00



S/No.	Companies	Tonnage of Solid Minerals mined/quarried	Royalty ₦
38	Hajaig Const. Ltd	13,187.50	527,500.00
39	Harvey Ltd	14,725.00	589,000.00
40	Hitec Construction Company	87,955.75	3,518,230.00
41	Hongyun Mining Ind. Co. Ltd	45,793.75	1,293,000.00
42	Inter-Bau Construction Company Ltd	22,326.10	893,044.00
43	Japaul Mines & Products Limited	42,850.00	1,714,000.00
44	JiaBao Quarry Nig Ltd	37,300.00	1,492,000.00
45	Julius Berger Nig. Plc.	3,148,363.00	98,855,520.00
46	Kopek Nig. Limited	203,645.83	5,750,000.00
47	LadliceNig Ltd	102,600.00	2,052,000.00
48	Levant Construction Ltd	43,916.67	1,240,000.00
49	M.F.W Dredging & Marine	72,675.00	1,453,500.00
50	Mac Daniels Quarry Ltd	78,975.00	3,159,000.00
51	MAC Engineering Const. Ltd.	7,410.25	296,410.00
52	Madodel Eng. and Construction Com.	79,800.00	1,596,000.00
53	Magcobar Manufacturing Nig. Ltd	4,704.90	94,098.00
54	Master Rock Nig Ltd	8,250.00	330,000.00
55	Moulds Nig. Limited	73,950.00	2,088,000.00
56	Milatex Nigeria Limited	67,613.97	2,704,558.65
57	Moelink Company Ltd	49,875.00	997,500.00
58	Mother Cat Ltd.	167,524.02	4,730,090.00



S/No.	Companies	Tonnage of Solid Minerals mined/quarried	Royalty ₦
59	Multiverse Resources Limited	49,229.60	1,969,184.00
60	NRC Ltd	9,000.00	360,000.00
61	P. W. Nigeria Limited	234,652.59	6,625,485.00
62	Para Crushing Nig. Ltd	93,260.75	3,730,430.00
63	Paul B Nigeria Plc	18,500.00	740,000.00
64	Perfect Stone Quarry	40,444.00	1,617,760.00
65	Piccolo Brunell Eng. Ltd	12,500.00	500,000.00
66	Porcelain Ware Industries Ltd	88,962.33	3,681,200.00
67	Purechem Industries Limited.	87,471.64	2,158,017.35
68	Qumecs Nig. Ltd	3,555.56	800,000.00
69	R.C.C (Nig) Ltd	1,484,399.60	41,912,459.30
70	Ratcon Construction Company Limited	440,663.34	17,626,533.40
71	Roads Nigeria Limited	31,586.99	891,868.00
72	Rockbridge Const. Co. Ltd	12,020.00	480,800.00
73	S.CC (Nig) Ltd	232,730.00	6,571,200.00
74	Salini Nig. Ltd	142,703.14	4,029,265.00
75	Samchase Nig. Limited	7,900.00	316,000.00
76	Saydoun Ltd	20,302.68	812,107.00
77	Serena. Nigeria Limited	1,418.70	56,748.00
78	Setraco Nig Limited	314,980.25	8,893,560.00
79	Soject Nigeria Ltd	7,800.00	312,000.00
80	Spectrums Minerals Ltd	475.00	2,616,736.00



S/No.	Companies	Tonnage of Solid Minerals mined/quarried	Royalty ₦
81	Star Advantage Co. Ltd.	27,165.13	1,086,605.20
82	State Quarry	21,692.23	867,689.00
83	Triacta Nigeria Ltd	165,665.00	4,677,600.00
84	Unichem Cement Company	1,559,013.86	38,975,346.50
85	West African Portland Cement Plc	2,834,143.16	61,433,739.00
86	Zeberceed Ltd	285,724.00	11,428,960.00
87	Zenith const. Ltd.	78,530.00	3,141,200.00
	Total	27,781,448.02	781,500,261.27



Appendix 6

State by State Analysis of Royalty payments on Solid Minerals Mined/Quarried by Private Sector Participants covered in the Aggregation/Reconciliation of Financial Flows in 2011

STATE	JANUARY	FEBUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
ABIA	-	868,000.00	440,000.00	590,000.00	520,000.00	1,131,000.00	1,058,000.00	610,400.00	526,560.00	690,000.00	742,000.00	1,169,000.00
ADAMAWA	41,600.00	285,000.00	299,200.00	-	407,200.00	330,400.00	0	291,400.00	156,000.00	501,800.00	247,200.00	0.00
AKWA IBOM	81,800.00	284,400.00	835,230.00	28,700.00	54,400.00	28,400.00	626,250.00	669,610.00	39,900.00	103,040.00	27,600.00	1,524,350.00
ANAMBRA	26,000.00	-	-	-	401,000.00	0	0	0.00	0.00	0.00	0.00	463,000.00
BAUCHI	495,200.00	530,000.00	447,950.00	612,400.00	457,350.00	445,600.00	760,900.00	717,000.00	307,300.00	859,150.00	362,100.00	288,900.00
BAYELSA	-	-	-	-	0.00	-	-	0.00	0.00	0.00	350,000.00	0.00
BENUE	-	10,697,250.00	98,500.00	142,500.00	6,606,810.00	2,957,805.00	30,000.00	10,638,075.00	5,068,330.00	90,000.00	5,539,965.00	3,029,305.00
BORNO	35,000.00	23,000.00	117,600.00	25,400.00	47,100.00	87,000.00	23,000.00	19,100.00	55,200.00	247,000.00	106,000.00	49,200.00
CROSS-RIVER	5,833,459.00	4,784,495.00	523,420.00	14,713,877.00	15,350,909.20	3,618,114.60	5,443,437.60	9,296,702.20	7,332,575.50	4,050,276.80	6,733,854.60	16,414,778.70
DELTA	158,000.00	468,500.00	414,689.25	291,000.00	691,000.00	189,500.00	436,800.00	1,045,900.00	113,000.00	2,800,200.00	317,000.00	790,000.00
EBONYI	400,000.00	2,304,600.00	2,818,680.00	1,726,400.00	4,462,200.00	2,598,600.00	1,800,000.00	2,683,160.00	2,762,780.00	3,453,570.00	2,344,700.00	1,249,560.00
EDO	696,245.00	1,718,114.24	1,306,175.00	432,174.60	937,475.40	673,250.40	994,045.40	517,939.80	3,345,456.88	991,233.00	1,054,320.20	588,821.60
EKITI	37,000.00	212,500.00	155,000.00	132,500.00	125,000.00	342,550.00	150,000.00	125,000.00	252,000.00	195,000.00	145,000.00	301,000.00
ENUGU	260,000.00	-	47,390.00	20,000.00	20,000.00	10,000.00	2,000.00	0.00	0.00	333,400.00	51,000.00	391,050.00
GOMBE	4,836,192.17	180,000.00	3,683,480.64	142,400.00	4,765,900.00	152,600.00	5,214,864.40	694,301.00	80,000.00	27,397,485.95	205,000.00	4,789,440.50
IMO	30,000.00	50,000.00	-	100,000.00	0.00	0.00	105,000.00	0.00	0.00	0.00	0.00	305,000.00
JIGAWA	810,000.00	40,000.00	40,000.00	45,000.00	15,000.00	37,000.00	125,700.00	50,000.00	75,000.00	26,500.00	90,000.00	120,000.00
KADUNA	653,479.60	179,370.00	285,220.00	345,029.00	473,031.60	167,970.00	945,967.00	581,850.00	346,480.00	455,250.00	132,200.00	956,070.00
KANO	471,000.00	359,741.00	1,515,700.00	173,277.75	485,433.00	581,850.25	635,500.00	124,659.50	225,557.50	1,585,185.00	395,927.25	111,924.00
KATSINA	684,600.00	101,000.00	1,412,120.00	60,000.00	1,211,500.00	442,920.00	479,000.00	1,407,000.00	0.00	2,532,920.00	464,000.00	1,257,250.00
KEBBI	-	380,614.00	-	237,040.00	1,601,190.00	406,685.00	642,660.00	1,022,280.00	10,000.00	102,360.00	660,000.00	883,020.00
KOGI	10,137,799.40	13,572,763.20	14,545,497.20	13,189,832.40	14,581,577.00	10,925,789.60	13,541,656.70	17,256,544.60	10,151,124.60	30,386,174.80	20,382,308.60	29,716,314.40





Report on the Aggregation/Reconciliation of Financial Flows from Solid Minerals Industry in Nigeria 2011

STATE	JANUARY	FEBUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
KWARA	197,150.00	221,000.00	310,000.00	167,000.00	132,000.00	147,000.00	256,900.00	120,000.00	1,107,160.00	293,000.00	101,300.00	237,500.00
LAGOS	2,817,000.00	548,000.00	12,045,260.00	289,000.00	915,500.00	1,664,000.00	567,000.00	301,098.00	13,165,340.00	3,545,000.00	9,736,460.00	3,723,000.00
NASARAWA	170,000.00	245,600.00	632,500.00	528,500.00	198,000.00	1,092,000.00	459,000.00	700,000.00	900,100.00	35,000.00	479,000.00	421,000.00
NIGER	-	172,545.00	351,750.00	310,000.00	126,750.00	19,450.00	160,000.00	319,105.00	620,654.25	40,000.00	141,000.00	68,000.00
OGUN	4,552,021.69	7,983,519.61	13,528,776.87	8,533,635.00	4,095,574.00	18,743,847.45	14,963,203.53	8,756,337.80	12,306,812.75	4,545,321.20	4,627,993.49	12,918,900.33
ONDO	394,214.00	408,440.00	482,750.00	781,680.00	1,452,809.00	1,564,760.00	816,040.00	3,035,500.00	1,996,130.00	296,300.00	640,000.00	523,154.00
OSUN	10,000.00	386,500.00	136,900.00	-	266,000.00	75,000.00	173,200.00	135,800.00	143,400.00	484,970.00	64,600.00	177,750.00
OYO	3,670,774.75	2,814,529.50	3,025,764.00	3,960,576.00	3,937,018.50	3,536,632.50	4,013,418.30	3,683,935.30	4,078,078.00	3,480,266.00	3,497,299.00	3,589,558.20
PLATEAU	96,147.00	100,000.00	873,583.00	12,300.00	844,482.00	586,000.00	794,800.00	610,000.00	543,230.00	1,081,000.00	340,597.50	405,000.00
RIVERS	740,000.00	300,000.00	685,545.00	316,600.00	60,000.00	1,713,792.50	940,000.00	1,106,625.00	260,000.00	1,844,880.00	180,000.00	330,000.00
SOKOTO	11,363,925.00	1,247,350.00	1,586,425.00	1,106,550.00	3,488,350.00	1,252,825.00	1,578,015.00	1,648,625.00	569,000.00	1,814,800.00	1,935,375.00	0.00
TARABA	98,000.00	55,800.00	1,244,023.00	287,535.00	1,534,761.00	322,920.00	75,600.00	1,148,310.00	40,000.00	725,439.95	791,843.45	2,641,943.00
YOBE	60,000.00	318,000.00	84,650.00	130,000.00	0.00	480,000.00	450,000.00	15,000.00	252,500.00	260,000.00	90,000.00	158,000.00
ZAMFARA	180,000.00	623,090.00	328,820.00	113,200.00	60,780.00	60,000.00	574,920.80	458,596.80	426,500.00	241,142.00	1,025,127.20	520,848.00
FCT	15,016,838.35	13,726,057.20	7,668,303.17	26,839,686.53	1,068,234.90	6,302,249.15	21,130,152.75	11,658,918.60	4,536,991.65	4,873,099.25	355,221.20	13,303,792.27
MCO	8,396,000.00	12,967,900.00	23,256,500.00	18,898,200.00	28,466,100.00	23,734,200.00	62,306,000.00	53,854,500.00	36,875,000.00	36,027,000.00	45,399,724.00	49,476,276.00
SUB TOTAL	73,449,445.96	79,157,678.75	95,227,402.13	95,281,993.28	99,860,435.60	86,421,711.45	142,273,031.48	135,303,273.60	108,668,161.13	136,387,763.95	109,755,716.49	152,892,706.00



Appendix 7

Financial Audit Reporting Templates

					
DATA COLLECTION TEMPLATE 2011 AUDIT OF SOLID MINERALS SECTOR					
Annual receipt of payments Government Agencies in the financial year ended 31st December, 2011					
Government Agency: CENTRAL BANK OF NIGERIA					
Type of payments	Date of payment	Lodgment Reference	Amount Received (₦)	Amount Budgeted (₦)	Variance
Ministry of Mines and Steel development					
Nigerian Mining Cadastre Office					
Federal Ministry of Environment					
Federal Inland Revenue Services (FIRS)					
Nigeria Customs Services					
Ministry of Commerce: Weight & Measurement Department					
(6) Nigerian Exports Supervision Scheme (NESS)					
Total Amount Received	0	0	0	0	0



N.B This additional information is required (i) Evidence of transfer to consolidated revenue account (ii) Bank statement of monthly revenue (iii) evidence of direct payment into consolidated revenue account from any other source(s) as it related to solid minerals Sector.		
Comments/Remarks		
Declaration:		
We acknowledge for and on behalf of CBN, that the information provided in this template is accurate and complete and nothing is left out. All the supporting documents required to substantiate the information were provided.		
Name: _____		Name: _____
Governor/ Representative: _____		Director of Operations: _____
Signature/Date: _____		Signature/Date: _____



DATA COLLECTION TEMPLATE 2011 AUDIT OF SOLID MINERALS SECTOR													
Monthly receipt of payments Government Agencies in the financial year ended 31st December, 2011													
Government Agency: CENTRAL BANK OF NIGERIA													
payment to consolidated revenue	Amt in Jan	Amt in Feb	Amtin March	Amtin April	Amtin May	Amtin June	Amtin July	Amtin Aug	Amtin Sept	Amtin Oct	Amtin Nov	Amtin Dec	Total
	(N)	(N)	(N)	(N)	(N)	(N)	(N)	(N)	(N)	(N)	(N)	(N)	(N)
(1) Federal ministry of Steel and solid mineral development													
(A) Department of Artisanal and Small-Scale Mining													
(B) Nigeria Geological Survey Agency													
(C) Mines Inspectorate Department													



(D)Nigerian Mining Cadastre Office													
(2) Federal Ministry of Environment													
(3)F (FIRS)													
(4)Nigeria Customs Services													
(5)Ministry of Commerce:													
(6) NESS													
Total Amount Received	0												

N.B This additional information is required (i) Evidence of transfer to consolidated revenue account (ii) bank statement of monthly revenue (iii) evidence of direct payment into consolidated revenue account from any other source(s) as it related to solid mineral Sector

Comments/Remarks

Declaration:

We acknowledge for and on behalf of CBN, that the information provided in this template is accurate and complete and nothing is left out. All the supporting documents required to substantiate the information were provided.



Name: _____	Name: _____
Governor/ Representative: _____	Director of Operations: _____
Signature/Date: _____	Signature/Date: _____





DATA COLLECTION TEMPLATE 2011 AUDIT OF SOLID MINERALS SECTOR

Annual receipt of payments from mining companies/operators in the financial year ended 31st December, 2011

Government Agencies: Federal Inland Revenue Services (FIRS)

Name/Address of Tax Payer:-----

TIN No-----

Type of payments	Date of payment	Receipt No. issued	Actual Amount Assessed	Amount received	Outstanding Balance
			(₦)	(₦)	(₦)
Value Added Tax (VAT)					
Corporate Income Tax (CIT)					
Education Tax					
Withholding Tax					
Others					

Comments/Remarks

Declaration:



<p>We acknowledge for and on behalf of Federal Inland Revenue Services, that the information provided in this template is accurate and complete as nothing is left out. All the supporting documents required to substantiate the information were provided.</p>	
<p>The information represents true and fair presentation of amount received from the above named company during the year. The information supplied met the requirements of NEITI Audit.</p>	
Name: _____ _____	Name: _____ _____
Chairman/CEO _____	Director of Finance _____
Signature/Date: _____	Signature/Date: _____