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Fédération Internationale de Football Association (FIFA)

Central Review 2015 – Key Findings Report

Nigeria Football Federation

2016-IA-26

05 October 2016

Summary of Central Review Results (Key Findings)		
Number	Assessment (related to the Member Association reviewed)	
6		In performing the described procedures, we detected circumstances which may indicate or lead to a misuse of funds (defined as cases where the use of FIFA Development Funds could not be traced to supporting documentation or the use was not aligned with FIFA prescribed purposes) or other non-compliance with FIFA regulations. Corrective action should be taken within 12 months in accordance with FIFA.
1		In performing the described procedures, we detected a misuse of funds (defined as cases where the use of FIFA Development Funds could not be traced to supporting documentation or the use was not aligned with FIFA prescribed purposes) or other non-compliance with FIFA regulations. These findings require immediate action.

Distribution list

This central review report is exclusively written for and distributed to the following persons. In addition, the key findings will be communicated to the Audit & Compliance Committee of the Fédération Internationale de Football Association (FIFA).

Fatma Samoura	Secretary General, FIFA
Patrizia Waldvogel	Head of Consolidation & Compliance, FIFA
Kjetil Siem,	Acting Chief Member Association Officer, FIFA
Frédéric Guillemont	Deputy Head of Development Programmes, FIFA
Dr. Mohammed Sanusi	General Secretary, Nigeria Football Federation
Dave Atabo	Director Finance & Admin, Nigeria Football Federation
Emanuel E Ikpeme, Ph.D	Deputy General Secretary, Nigeria Football Federation
Christopher Anderkin	Deputy Director Finance & Admin, Nigeria Football Federation
David Mason	FIFA Senior Relationship Partner, PwC
Richard Thomas	Engagement Leader, PwC

Overview of the central review performed

Member Association	Nigeria Football Federation (NFF)
Title	Central Review 2015
Objectives	Inspect the Nigeria Football Federation's use of FIFA development funds and inspect adherence with FIFA regulations related to the use of FIFA development funds during the calendar year 2015.
Scope	<p>The review focused on:</p> <ul style="list-style-type: none"> • Reconciliation of FIFA development funds provided to the NFF with NFF's records; • Inspect NFF's use of development funds; • Inspect NFF's adherence with relevant FIFA regulations related to development funds.
Not in the Scope of this Engagement	<p>Explicitly not in the scope of the central reviews are:</p> <ul style="list-style-type: none"> • Forensic investigations; • FIFA's decision process for granting development funds to Member Associations • Effectiveness of FIFA's oversight and monitoring of development funds provided to Member Associations • Effectiveness of FIFA's internal control processes over the development funds provided to Member Associations • Accuracy and completeness of Member Association financial statements • Effectiveness and efficiency of Member Association processes/controls • All taxes or tax-related matters; • Detailed IT Audit and effectiveness of IT systems, Cyber Security • Compliance with local laws and regulations • FIFA funding provided to Member Associations not under the FIFA Development Programmes • Member Association's compliance with FIFA regulations other than those related to the use of FIFA development funds or with the FIFA Code of Ethics and FIFA Code of Conduct • These procedures are neither an audit, nor a review nor Agreed upon procedures in accordance with International Standards on Assurance Engagements
Fieldwork Period	16 – 18 August 2016
Kick-off Meeting	16 August 2016
Closing Meeting	18 August 2016
Engagement Team	<p>Alister Pinzon Martinez (Team Leader) Ayodeji Aderibigbe (Team Member) Richard Thomas (PwC Switzerland, Engagement Leader)</p>
Contacts	<p>Dave Atabo, Director Finance & Administration, NFF Emanuel E Ikpeme, Ph.D, Deputy General Secretary, NFF</p>

Background of review & limitations

General remarks

As part of the Fédération Internationale de Football Association's (FIFA) objectives to advance football globally, FIFA provides development funds to its Member Associations. Member Associations use these funds to promote, for example, youth football, technical development, football infrastructure and events. To help ensure the proper handling and use of FIFA development funds, FIFA has asked PwC to conduct central reviews at a number of Member Associations selected by FIFA. For the central review programme 2015, the Nigeria Football Federation has been selected in scope.

The objective of the central review programme is to inspect the Member Association's use of FIFA development funds during site visits and inspect adherence with FIFA regulations related to the use of FIFA development funds during the calendar year 2015 based on procedures agreed with FIFA.

This central review has been conducted through a combination of interviews with Member Association personnel, inquiries, review and inspection of documentation and, where applicable, substantive testing to inspect the adherence to FIFA regulations when it comes to use of FIFA development funds. Where exceptions or deficiencies were identified, high level recommendations for improvement have been made.

The central review engagement is a standard engagement pursuant to article 394 seq. of the Swiss Code of Obligations. These services do not constitute an audit or review of the annual financial statements or special purpose financial statements or any other type of assurance services pursuant to Swiss Auditing Standards, International Standards on Assurance Engagements or any other recognized assurance framework. Therefore, we do not express an opinion or any other form of assurance within the meaning of those standards.

Inherent limitations

PwC conducted the central review programme activities with due care. Nevertheless, it cannot be ruled out that potential errors or illicit activities may not or not immediately be detected. In this context, we would like to draw your attention to the intrinsic limitation of the services provided, in particular, in the light of the scope and the methods to be applied (e.g. sampling). In addition, illicit activities are normally accompanied by measures of concealment and manipulated documentation which is why they are not necessarily detected during a review.

This review was conducted for the exclusive benefit of the FIFA Audit & Compliance Committee, the FIFA Executive Committee and the Management of FIFA and not for third parties. Therefore, aspects which could be of interest to third parties may not be covered by our review activities. There may be facts which would be assessed differently by third parties, for instance in connection with a specific business incidence.

Intended users and purpose of the report

Our report is solely for the purpose set forth in this section and in the Review Scope on page 3 of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties not mentioned.

Member Association Confirmation/Comments

The Nigeria Football Federation hereby confirms the factual correctness of the observations made by the review team.

For the improvement opportunities/deficiencies cited, the following corrective action will be taken:

On behalf of
The Nigeria Football Federation

Emmanuel E. Dapone, Ph.D
Deputy General Secretary, Nigeria Football Federation

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Finding	Risk	Recommendation to NFF	Rating
3. Disbursements of FIFA Development Funds			
3.1 Use of / Supporting documentaion for disbursements of FIFA Development Funds			
<p>The NFF made all disbursements from FIFA Development Programmes in cash. Specifically, NFF issued cash to its employees in charge of individual FIFA Development Programmes. We understand that these employees were then to use the money to pay other parties (i.e. suppliers) in connection with FIFA Development Programmes. Due to this process it could not be determined if the final recipient actually received these funds.</p> <p>In reviewing the dedicated account, <u>nine cases totalling USD 801,929</u> were identified where there was no supporting documentation to substantiate the subsequent disbursements (i.e. the disbursements made by the NFF employee, if any).</p>	<p>Lack of transparency over the use of FIFA Development Funds.</p> <p>Funds received from FIFA may be misused or misappropriated. Funds may not be aligned with the FIFA prescribed purposes.</p> <p>Management is unable to demonstrate that there has not been fraudulent use of FIFA Development Funds.</p>	<p>Supporting documentation must be retained as evidence for the appropriateness of all payments made using FIFA Development Funds (e.g. contracts, invoices, proof of performance/delivery notes, confirmations of receipt).</p> <p>For the cases cited in our finding, NFF should discuss these cases with FIFA. If adequate supporting documentation cannot be obtained, FIFA should be refunded these Development Funds.</p> <p>Cash payments are to be reduced to a minimum level.</p>	▲

(b) Planning & Admin:- The problem on this payment bothers on Exchange rate. As at the time of making the payment the exchange rate at the parallel market crash to an alarming rate. That accounts for the difference in the sum reported. But all supporting documents are attached to the payment voucher.

© Youth Football:- There was an error in posting or reporting the figure (i.e \$92,375) as it was not part of our Budget or monies withdrawn from the Bank for that purpose. It was an error of posting.

(d) Infrastructure: All the documents that relate to tendering and award of contract were tendered. The evidence of part-payment to the contractor was also tendered. We promise to contact the contractor within two weeks to provide the office with invoices for payment made so far and same will be forwarded to PWC Switzerland.

On behalf of
The Nigeria Football Federation

Emmanuel E. Ikpeme, Ph.D, Deputy General Secretary, Nigeria Football Federation

We would mention the Nine (9) items here:

(a) Furnishing of New Secretariat at National Stadium for \$150,000.

This documentation/ attachment has been sent to you via email and DHL and you have acknowledged receipts.

We do hope that the documentation forwarded to you would be communicated to FIFA accordingly and we promised that all attachments would be done right on time in the course of the subsequent Audit report/visit.

(b) World Cup qualifier Swaziland vs Nigeria for &100,000.

This documentation/ attachment has been sent to you via email and DHL and you have acknowledged receipts.

We do hope that the documentation forwarded to you would be communicated to FIFA accordingly and we promised that all attachments would be done right on time in the course of the subsequent Audit report/visit.

(c) Computer Appreciation Training for All Staff for \$29,655.19.

This documentation/ attachment has been sent to you via email and DHL and you have acknowledged receipts.

We do hope that the documentation forwarded to you would be communicated to FIFA accordingly and we promised that all attachments would be done right on time in the course of the subsequent Audit report/visit.

(d) Computer Appreciation Training for All Staff for \$20,000.

This documentation/ attachment has been sent to you via email and DHL and you have acknowledged receipts.

We do hope that the documentation forwarded to you would be communicated to FIFA accordingly and we promised that all attachments would be done right on time in the course of the subsequent Audit report/visit.

(e) CHAN qualifier Burkina Faso vs Nigeria for \$367,304.64.

This documentation/ attachment has been sent to you via email and DHL and you have acknowledged receipts.

We do hope that the documentation forwarded to you would be communicated to FIFA accordingly and we promised that all attachments would be done right on time in the course of the subsequent Audit report/visit.

<p>5</p> <p>Page 8: Reporting Transactions above \$5,000 Dollars.</p>	<p>The Nigeria Football Federation was not able to report transaction above \$5,000 because there was no enough space provided and most of the transactions captured are above \$5,000. However, we have noted this observation and in future we will work accordingly.</p>	<p>Please accept this error as an oversight.</p>
<p>6</p> <p>Page 9 of your report. Expenses for Youth Football amounting to USD 92K was not from FIFA Development Programme.</p>	<p>The amount was captured in error and sent to you as this was not part of FIFA Development Fund. This amount is not seen in FIFA FAB Account Cash Book or Bank Statement.</p>	<p>Please accept this error as an oversight.</p>
<p>7</p> <p>Page 10 Variances on Bank Charges.</p>	<p>We do not have control over Bank Charges, as they are automated. Accordingly, the Bank Statement is the correct one. The \$14,342 reported by the Auditor was a perceived typographical error. Kindly stick to the one reported by the Nigeria Football Federation, which is in consonant with the Bank Statement.</p>	<p>Please accept this error as an oversight.</p>
<p>8</p> <p>Page 11 item 2.1 Dedicated Bank Accounts for FIFA Development Funds.</p>	<p>The lodgements made to FIFA dedicated account was done in error and will not repeat itself anymore.</p>	<p>We have put measures in place to make sure that is only money from FIFA that would be lodged in the FIFA dedicated Accounts. Even with the new Federal Government new policy on Treasury Single Account, we have written to Federal Government through Accountant General for a dedicated FIFA Account to be opened to avoid mixing up lodgements into FIFA Dedicated Accounts.</p>
<p>9</p> <p>Page 12: Signatory Power for Dedicated Bank Account.</p>	<p>We have dual signatories for FIFA Dedicated Accounts, Signatory A and Signatory B, i.e The General Secretary and Director Finance, which is in lin</p>	<p>We are aware that Bank sent the Signature cards to your mail. The Signature Cards shows two Signatories A & B for every transaction.</p>