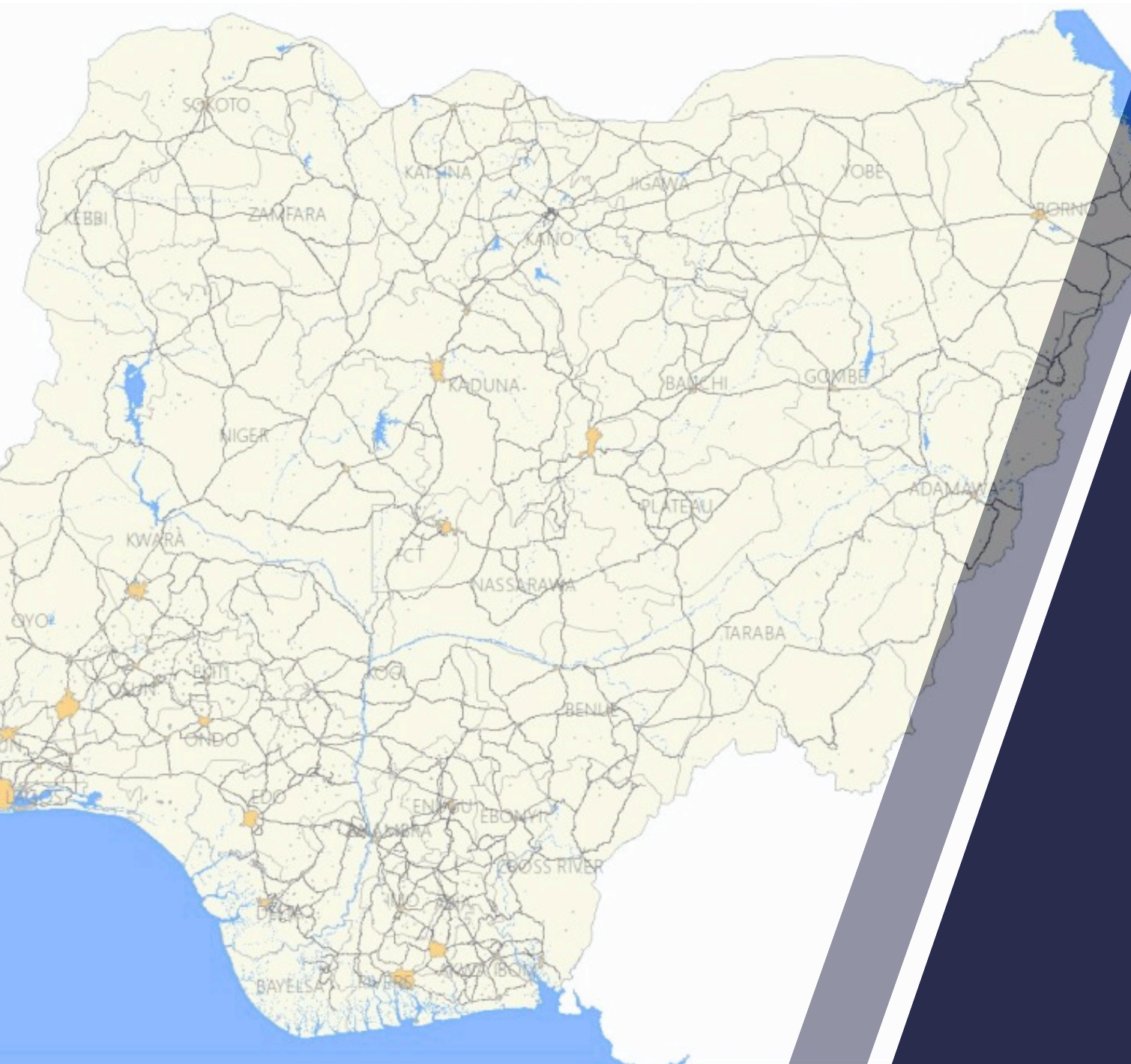




ANALYSIS OF THE PERFORMANCE AUDIT REPORT ON FERMA (2016–2018)



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Summary

This audit report evaluates the Federal Roads Maintenance Agency (FERMA), highlighting significant deficiencies in financial management, procurement, and project execution. FERMA displayed weak budget utilization, with unimplemented or underfunded projects despite budgetary provisions. Non-compliance with the Public Procurement Act was evident, including contract awards without competitive bidding and poor documentation. Furthermore, several road maintenance projects faced delays, cost overruns, or abandonment, raising concerns about value for money. The agency also lacks an effective internal control framework, with minimal oversight and inadequate audit trails.

To address these issues, the report recommends strengthening FERMA's financial management through transparent reporting and periodic reconciliations. Procurement processes should fully comply with the Public Procurement Act, ensuring competitive bidding and complete records. An independent project monitoring system is essential to ensure timely and quality project delivery, while robust internal controls and regular internal audits are critical for accountability. Capacity building through staff training is also advised to enhance operational efficiency and technical expertise. Immediate corrective action is necessary to improve transparency, optimize resource use, and deliver better road infrastructure services.



The Major Findings from the FERMA Performance Audit Report on Monitoring of the Maintenance of Federal Roads (2016–2018)

1. Inadequate Strategic Plans for Monitoring and Evaluation

- FERMA did not develop a comprehensive road maintenance plan or a strategic policy for monitoring and evaluation.
- Maintenance activities were conducted on an ad-hoc basis, leading to unsystematic contract awards.

2. Over-reliance on Emergency Repairs

- FERMA primarily focused on emergency repairs, neglecting routine and periodic maintenance that could prevent road failures.
- This led to increased road deterioration and higher maintenance costs.

3. Insufficient Technical Staff

- Most state field offices had less than 50% of their staff with technical skills, limiting FERMA's ability to perform effective road maintenance.
- Staff shortages resulted from retirements, deaths, and inadequate recruitment of skilled personnel.

4. Inadequate and Unserviceable Project Vehicles

- Many state and zonal offices had only one or no serviceable project vehicle, affecting road inspection and maintenance monitoring.
- Most project vehicles purchased in 2006/2007 had outlived their useful life.

5. Ineffective Deployment of Monitoring Equipment

- Equipment such as Falling Weight Deflectometers (FWDs) and Dynamic Cone Penetrometers (DCPs) were not fully deployed or maintained, limiting FERMA's ability to conduct objective road condition assessments.

6. Lack of Reliable Road Inventory and Condition Database

- FERMA relied on visual inspections rather than structured data collection methods to assess road conditions.
- This led to subjective evaluations and an incomplete road condition database.

8. Inadequate Utilization of Observation Camps

- Observation camps established for road monitoring were not fully utilized due to a lack of technical personnel and operational support.

9. Incomplete Reporting of Monitoring and Evaluation Activities

- FERMA failed to provide detailed monitoring reports, including critical indicators such as traffic crash data and travel time records.

10. Inadequate Budget Allocation for Monitoring and Evaluation

- Only ₦978.8 million (1.36% of the budget) was allocated for Monitoring and Evaluation over the audit period, hindering FERMA's ability to oversee road maintenance effectively.

11. Lack of Access to Statutory Funding

- Despite a provision for 5% of pump prices of petrol and diesel to be allocated to FERMA, the agency did not receive the full statutory funding, affecting road maintenance operations.

12. Inconsistent Prioritization of Road Maintenance

- FERMA used federal funds to maintain state and local government roads, diverting resources from federal trunk roads.

13. Poor Coordination with Key Stakeholders

- FERMA's collaboration with the Federal Ministry of Works and Housing (FMW&H), Federal Road Safety Corps (FRSC), and other stakeholders was inadequate, leading to inefficiencies in road maintenance and data collection.

14. Insufficient Monitoring of Road Maintenance Contracts

- FERMA did not adequately supervise contractors, leading to substandard work and incomplete road projects.

15. Lack of Performance Indicators

FERMA did not establish clear performance indicators for measuring its effectiveness, making it difficult to assess its achievements.

16. Ineffective Road Monitoring Process

- FERMA's monitoring process lacked standardization, with no approved Monitoring and Evaluation Manual to guide field operations and inspections.

17. Absence of Multi-level Monitoring System

- FERMA did not implement a multi-tiered monitoring system to ensure regular oversight and accountability for road maintenance at all levels.

18. Delayed Repairs and Maintenance

- Due to limited resources and poor planning, road repairs were often delayed, exacerbating road deterioration and increasing repair costs.

19. Poor Maintenance of Government Assets

- FERMA failed to maintain its own operational equipment and vehicles, further hampering road monitoring and maintenance efforts.

20. No Effective Use of Constituency Project Funds

- Funds allocated for constituency projects were not properly accounted for, with no clear monitoring or reporting mechanisms to track the utilization of these funds.



The major weaknesses in the FERMA Performance Audit Report on Monitoring of the Maintenance of Federal Roads (2016–2018)

1. Inadequate Financial Analysis

- While the report identified funding shortfalls, it did not provide a comprehensive breakdown of FERMA's budget, fund allocation, or expenditure patterns.
- There was no detailed examination of how funds were mismanaged or whether allocated resources were appropriately utilized for intended purposes.

2. Limited Stakeholder Engagement

- The report did not adequately include input from external stakeholders such as road users, contractors, local communities, or transportation associations.
- This omission limited the depth of insights into the real-life impact of FERMA's activities on the public and businesses.

3. Over-reliance on FERMA's Internal Data

- The findings were based heavily on FERMA's internal records and reports without significant external validation.
- This raises concerns about the accuracy of the data used, as FERMA may have underreported inefficiencies or issues.

4. No Benchmarking Against Industry Standards

- The report did not compare FERMA's performance against international or regional road maintenance standards.
- This omission makes it difficult to assess whether FERMA was operating effectively or meeting best practices in road infrastructure management.

5. Weak Analysis of Procurement Practices

- While the report mentioned the mismanagement of asphalt plant procurement, it did not thoroughly assess FERMA's overall procurement process.
- There was no detailed evaluation of whether procurement followed due process, nor was there a breakdown of procurement irregularities.

6. Absence of Environmental and Social Impact Assessment

- The report did not evaluate the environmental or social impacts of FERMA's road maintenance activities.
- Consideration of issues such as environmental degradation or community displacement would have provided a more holistic view of FERMA's operations.

7. Lack of Accountability Recommendations

- Although the report identified several inefficiencies, it did not suggest concrete actions to hold specific individuals or departments accountable.
- There were no recommendations for sanctions, penalties, or performance improvement plans for those responsible for mismanagement or operational failures.

8. Insufficient Assessment of Technology Usage

- The report did not assess FERMA's adoption of modern technologies, such as Geographic Information Systems (GIS) or automated road condition monitoring tools, which could improve road maintenance efficiency.
- It missed an opportunity to recommend digital transformation strategies to enhance monitoring and data accuracy.

9. No Evaluation of FERMA's Collaboration with Other Agencies

- FERMA's coordination with other agencies, such as the Federal Ministry of Works and Housing (FMW&H) and the Federal Road Safety Corps (FRSC), was not thoroughly assessed.
- Stronger inter-agency collaboration could improve road maintenance and reduce overlapping responsibilities.

10. Absence of a Future Action Plan

- The report lacked a detailed, forward-looking action plan to address the issues identified.
- There were no specific timelines, responsibilities, or performance metrics provided to guide FERMA in improving its operations and achieving its mandate.

Major transparency issues in the FERMA Performance Audit Report on Monitoring of the Maintenance of Federal Roads (2016–2018)

1. Lack of Public Disclosure of Financial Allocation and Utilization

- The report identified inadequate budget allocation and funding for FERMA but did not provide a detailed breakdown of how allocated funds were used.
- There was no transparency in how funds for specific projects were managed or whether resources were diverted for other purposes.

2. Opaque Procurement Process

- The report highlighted issues with FERMA's procurement of asphalt plants but did not disclose details of the procurement process, such as the criteria for vendor selection or whether due process was followed.
- There was no transparency in how contracts were awarded or whether they complied with procurement regulations.

3. Inadequate Reporting on Contract Monitoring and Performance

- FERMA's contract monitoring process was criticized, but the report did not provide transparency on the performance of specific contractors or projects.
- It failed to identify contractors who delivered substandard work or provide evidence of any penalties imposed.

4. No Disclosure of Road Maintenance Prioritization Criteria

- The report did not explain the criteria FERMA used to prioritize road maintenance projects, leading to suspicions of arbitrary decision-making or favoritism.
- Transparency in project prioritization is essential to ensure fairness and efficient use of resources.

5. Unclear Accountability for Monitoring Failures

1. While the report pointed out monitoring and evaluation lapses, it did not specify which individuals or departments were responsible for these failures.

6. Absence of Public Road Condition Database

1. FERMA's failure to maintain a comprehensive road condition database was noted, but the report did not clarify why this critical information was not made publicly available.
- Public access to road condition data would improve transparency and allow independent assessments of FERMA's performance.

7. No Transparency in Emergency Repair Decisions

- FERMA's heavy reliance on emergency repairs was highlighted, but the report did not disclose the criteria or approval processes for classifying projects as emergencies.
- Without clear justification, emergency repairs may be used to bypass standard procurement and oversight procedures.

8. Hidden Status of Observation Camps

- Observation camps were found to be underutilized or inactive, but the report did not disclose detailed information on their location, operational status, or the personnel assigned to each camp.
- Public knowledge of observation camp locations and roles would enhance transparency in road monitoring efforts.

9. Incomplete Reporting on Stakeholder Coordination

- Although the report mentioned inadequate coordination with stakeholders like the Federal Ministry of Works and Housing and the Federal Road Safety Corps, it did not disclose details of these interactions.
- Transparency in inter-agency collaboration would help identify areas for improvement and foster better cooperation.

10. No Publicly Available Performance Indicators

- The report criticized FERMA for failing to establish clear performance indicators, but it did not provide recommendations on what performance metrics should be tracked and disclosed publicly.
- Transparent performance indicators would allow stakeholders and the public to assess FERMA's effectiveness in meeting its road maintenance mandate.



1. **Inadequate Budget Allocation for FERMA**
Only ₦978.8 million (1.36% of FERMA's total budget) was allocated for Monitoring and Evaluation (M&E) activities during the review period.
2. **Non-Disbursement of Statutory Funds from Fuel Price Levies** FERMA did not receive the 5% of fuel pump prices that it is statutorily entitled to for road maintenance.
3. **Poor Contract Monitoring and Supervision**
FERMA failed to monitor contractors effectively, leading to substandard and incomplete road maintenance projects.
4. **Mismanagement of Procurement Processes**
FERMA wasted over ₦1.08 billion on unnecessary asphalt plant procurement, with some plants abandoned or vandalized.
5. **Insufficient Deployment of Project Vehicles and Equipment** Most state offices had only one or no operational project vehicles, limiting FERMA's ability to conduct inspections.
6. **Lack of Technical Staff in Field Offices**
Most state field offices had fewer than 50% of their staff with technical skills necessary for effective road maintenance monitoring.
7. **Ineffective Utilization of Observation Camps** Observation camps meant for road monitoring were underutilized due to insufficient technical personnel and operational resources.
8. **No Comprehensive Road Condition Database** FERMA did not maintain a reliable road inventory and condition database, relying on subjective visual inspections.
9. **Over-reliance on Emergency Repairs**
FERMA focused primarily on emergency repairs rather than routine and periodic maintenance, leading to higher costs and faster road deterioration.
10. **Lack of Accountability for Monitoring Failures** The report did not identify specific individuals or departments responsible for monitoring failures, leading to a lack of accountability.

1. **In 2017**, the Senate Committee on Works conducted an oversight visit to FERMA to assess its operations and budget utilization.
2. **In 2016**, the House of Representatives held a public hearing to investigate FERMA's operations and the poor state of federal roads.
3. **The National Assembly** proposed replacing FERMA with a Federal Roads Authority (FRA) in 2017, but the bill has not been passed into law as of 2025.
4. **In 2018**, the Senate summoned FERMA officials to explain the agency's failure to maintain federal roads effectively.
5. **In 2020**, FERMA officials were questioned by the House of Representatives Committee on Works about the poor state of federal roads.
6. **In 2019**, the National Assembly recommended that FERMA recruit more technical staff to address the shortage of skilled personnel.
7. **In 2020**, lawmakers allocated funds for road projects in their constituencies, some of which were executed by FERMA, despite not being part of the federal road network.
8. **In 2017**, there were reports of lawmakers influencing FERMA's operations, including the award of contracts and prioritization of projects.
9. **The National Assembly** proposed replacing FERMA with a Federal Roads Authority (FRA) in 2017, but the bill has not been passed into law as of today.
10. **In 2021**, the Senate Committee on Public Accounts questioned FERMA officials about the mismanagement of funds, particularly the procurement of asphalt plants that were not needed.
11. **In 2019**, the National Assembly encouraged FERMA to collaborate with the Federal Road Safety Corps (FRSC) to improve data collection and monitoring of road conditions.

Conclusion

The 2020 performance audit report on the Federal Roads Maintenance Agency (FERMA) was submitted to the National Assembly, yet as of 2025, there is no public record of significant follow-up actions or tangible reforms based on its findings. This highlights a broader pattern of weak oversight, lack of enforcement, and disregard for audit recommendations within Nigeria's public sector. Performance audits are meant to evaluate the efficiency, effectiveness, and transparency of public agencies. Despite the submission of the FERMA audit report in 2020, there has been no indication that its findings led to corrective actions, structural reforms, or accountability measures. This suggests that either the audit revealed inefficiencies that were ignored, or the recommendations were never seriously considered by policymakers. The case of FERMA is not unique; many government agencies have undergone audits with no substantial outcomes, reinforcing the perception that these exercises are mere formalities rather than genuine efforts to improve governance.

The National Assembly's approach to FERMA has been incoherent and contradictory, making it difficult to determine what exactly its intentions are regarding the agency. This inconsistency is reflected in two conflicting trends. Over the years, the National Assembly has repeatedly proposed that FERMA be either dissolved, merged with another agency, or undergo major reforms. These proposals stem from concerns about inefficiency, poor road maintenance outcomes, corruption, and possible redundancy with other road-related agencies. However, despite these discussions, no decisive action has been taken to either restructure or dissolve the agency, leaving it in an uncertain operational state. Ironically, while legislators debate scrapping or reforming FERMA, they have also consistently proposed increases in its budget allocations. This contradiction raises questions: If FERMA is ineffective or redundant, why continue increasing its funding?

This dual approach leaves the public confused about whether the government intends to fix FERMA, dismantle it, or simply keep funding it without reforms. FERMA is just one of many government agencies where performance audits have failed to result in meaningful action. The failure to act on audit findings reflects a systemic problem—a lack of political will, weak enforcement mechanisms, and an absence of accountability structures. If agencies that undergo audits continue to operate without reforms or consequences, it undermines the credibility of the entire audit and oversight process.

The National Assembly's unclear stance on FERMA and the lack of follow-through on its audit report contribute to the public's growing distrust in governance. It reinforces the perception that government institutions operate with little accountability, where reports are produced, debated, and then shelved with no action taken. In an era where Nigeria faces severe infrastructure challenges and financial constraints, ensuring transparency and efficiency in public spending is more critical than ever. FERMA's situation exemplifies a pattern of legislative indecision, policy inconsistency, and failed accountability mechanisms. Without a clear roadmap for either reforming, merging, or dissolving FERMA, and without ensuring that audit findings lead to concrete actions, Nigeria risks wasting public funds, enabling inefficiency, and undermining its own oversight institutions. audits across government agencies lead to real accountability and reform. And until necessary measures are ruthlessly taken, FERMA remains yet another example of an agency under audit scrutiny, with no meaningful outcomes to show for it.
