

# ANNUAL REPORT AND ACCOUNTS 2008





**Permit us  
to reveal our  
identity**



-  We are the National Identity Management Commission (NIMC - “pronounced Nimcee”);
-  We are established by law (Act No. 23 of 2007) to foster the orderly development of an Identity Sector and build a modern Identity Management System for Nigeria;
-  We will create, operate and manage a secure, sustainable National Identity Database.
-  We will build and manage an Identity Authentication and Verification Service Infrastructure.
-  We will establish Permanent Registration Centres across the country to enrol every Nigerian and legal resident at his/her convenience - no more queuing up for registration.
-  We will issue a chip based, highly secure and user friendly multi-application Smart Card to facilitate online / offline identity authentication and verification.

*The Commission exists to establish and regulate a reliable and sustainable system of national identity management that enables a citizen or legal resident to assert his identity.*



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*It aims to achieve this by setting and maintaining identification standards, creating and managing a secure database, an identity token and a secure means to irrefutably confirm the identity of an individual that will promote national security and enhance socio-economic development.*



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## ORGANIZATIONAL MANDATE

The NIMC Act 2007 provides for the establishment of the NIMC, its functions, powers, establishment of the National Identity Database, assignment and use of General Multi-purpose cards, and the National Identification Number (NIN). The Act also provides the Commission with powers to make regulations connected with its functions. NIMC Act 2007 provides for the repeal of the law that created the former Department of National Civic Registration (DNCR) and the transfer of its assets and liabilities to the NIMC.

Consequently, the Commission's mandate can be categorized into four major action tracks, namely:

- a) Establish the National Identity Management Commission as the primary legal, regulatory and institutional mechanism for implementing Government's reform initiative (in the identity sector) as contained in the National Policy and NIMC Act, particularly Sections 1, 2, 5 and 6.
- b) Wind up and take over the assets and liabilities of the former DNCR which no longer exist, including the personnel in both the State and Local Government Offices nationwide;
- c) Establish, operate and manage the National Identity Management System (NIMS):
  - i. Carry out the enrolment of citizens and legal residents as provided for in the Act;
  - ii. Create and operate a National Identity Database;
  - iii. Issue Unique National Identification Numbers (NIN) to qualified citizens and legal residents;
  - iv. Issue a National Identity Smart Card to every registered person 16 years and above;
  - v. Provide a secure means to access the National Identity Database so that an individual can irrefutably assert his/her identity [Person Identification Verification Services (PIVS) Infrastructure];
  - vi. Harmonize and integrate Identity Databases in Government Agencies to achieve resource optimization; through shared services platform;
  - vii. Collaborate with private sector and/or public sector institutions to deliver on the NIMS; and
  - viii. Register births and deaths through specific collaboration with the National Population Commission.
- d) Foster the orderly development of an identity sector in Nigeria.

## CORE VALUES

**T**he Commission is committed to promoting the highest standard of ethical behaviour among its management and employees. Our core values emphasize Transparency, Promptness, Integrity, Excellence and Professionalism.

**Transparency:** In the pursuit of creating a national identity management system that is transparent and accountable, NIMC employees are required to maintain the highest ethical standards and create an atmosphere of confidence through openness and clarity in the discharge of their responsibilities.

**Promptness:** The requirement for promptness and efficiency, as well as the culture of timeliness and accuracy in service delivery, is a cardinal feature of NIMC.

**Integrity:** Commitment to honesty and dedication to duty is the remarkable virtue that forms the hallmark of all NIMC staff.

**Excellence:** Our burning desire and unquenchable thirst for excellence summed up our motivation to offer the very best.

**Professionalism:** Members of Staff of NIMC exhibit a high degree of professionalism in the discharge of their responsibilities. As such, they are competent, accountable, respectful, creative and, above all, team players.

**GOVERNING BOARD**

Under Section 2 (1) of the National Identity Management Commission Act. 2007, Membership of the Board of the Commission shall consist of:

- 1) Chairman;
- 2) A representative of each of the following institutions:
  - a) The Independent National Electoral Commission (INEC)
  - b) The National Health Insurance Scheme (NHIS)
  - c) The Federal Road Safety Commission (FRSC)
  - d) The Federal Inland Revenue Service (FIRS)
  - e) The National Pension Commission (PENCOM)
  - f) The Nigerian Police Force (NPF)
  - g) The Nigeria Immigration Service (NIS)
  - h) The Office of the National Adviser (ONSA)
  - i) The Department of State Security Services (SSS)
  - j) The Economic and Financial Crimes Commission (EFCC)
  - k) The Chief of Defence Staff (CDS)
  - l) The Corporate Affairs Commission (CAC)
  - m) Three persons who are knowledgeable in Information Communication Technology (ICT) or identity management to represent the public interest.
- 3) Director General/Chief Executive Officer

During the year under consideration, the Governing Board of the Commission was yet to be constituted as at 31 December, 2008 by the President who is empowered under section 2 (2) of the NIMC Act to appoint the Board. In that period, the Commission was being supervised by the Secretary to the Government of the Federation (SGF) who approved and took all decisions which would otherwise have been approved or taken by the Board. The SGF is the “Acting Chairman of the Commission”.

## CORPORATE INFORMATION cont'd

### Principal Officers

Mr. Chris 'E. Onyemenam	Director General/Chief Executive Officer
Engr. Aliyu A. Aziz	Director, Identity Database (IDD)
Mr. Mike C. Esotu	Director, Finance and Investment (till June 2010)
Mrs. Aderonke Agunbiade	Director, Human Capital Management Services
Mr. Abdullahi Ibrahim	Deputy Director/Head, Finance & Account
Mr. Ameen Akoshile	Deputy Director, Corporate Services
Mr. I. A. Adagiri	Deputy Director, Process & State Co-ordination
Mr. Ike Udunni	Head, Legal Services

### Management Committee

Mr. Chris 'E. Onyemenam	Director General/Chief Executive Officer
Engr. Aliyu A. Aziz	Director, Identity Database (IDD)
Mr. Mike C. Esotu	Director, Finance and Investment (till June 2010)
Mrs. Aderonke Agunbiade	Director, Human Capital Management Services
Mr. Abdullahi Ibrahim	Deputy Director/Head, Finance & Account
Mr. Ameen Akoshile	Deputy Director, Corporate Services
Mr. I. A. Adagiri	Deputy Director, Process & State Co-ordination
Mrs. Cecilia Yahaya	Assistant Director, Special Duties
Mr. Ben Alofoje	Assistant Director Research & Strategy, Office of DG/CEO
Mrs. Uchenna Chigbo	Assistant Director, Technical Assistant, Office of Director IDD
Miss Florence Igbokei	Assistant Director, Admin/Protocol Office of DG/CEO
Mr. Ike Udunni	Head, Legal Services

**National Headquarters**

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Zone 5, Wuse,  
P. M. B. 18, Garki,  
Abuja – Nigeria.  
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**24 Hours Phones**

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**Bankers:** Central Bank of Nigeria (CBN)  
Finbank Plc  
Skye Bank Plc  
United Bank for Africa (UBA) Plc  
Zenith Bank Plc

**Joint Auditors:** Messrs S. S. Afemikhe & Co. and Dele Otitoju & Co.  
(Chartered Accountants (Chartered Accountants)  
Plot 46, Ishawu Adewale Street S.W. 419, Keterengwari Rd  
Off Modupe Johnson Crescent P.O.Box 1047, Minna  
Surulere, Lagos Niger State.  
Website: [ssafemikheconsulting.com](http://ssafemikheconsulting.com)  
e-mail: [info@ssafemikheconsulting.com](mailto:info@ssafemikheconsulting.com)

## NIMC STATE OFFICES

1. ABIA  
Plot P3, Government Station Layout  
Umuahia.
2. ADAMAWA  
Opp. The Scope Newspaper  
Behind Fed. Sec. Complex, Yola.
3. AKWA-IBOM  
Fed. Secretariat, Abak Road  
Uyo.
4. ANAMBRA  
6, Ndukonwu Street  
Off Zik Avenue, Near State C.I.D.  
Amawbia, Awka.
5. BAUCHI  
No. 3, Abdulkadir Ahmed Close  
Behind CBN Zonal Office  
P.M.B. 0281 Bauchi.
6. BAYELSA  
Eketi Layout  
Opp. Osiri Hotel  
Yenagoa.
7. BENUE  
Jonah Jang Crescent,  
Beside Federal Secretariat  
Makurdi.
8. BORNO  
Near Int'l Airport Junction  
Jos Road, P.M.B. 1479, Maiduguri.
9. CROSS RIVER  
Murtala Muhammed Highway  
Near Calabar City Gate, Calabar.
10. DELTA  
Federal Secretariat Complex  
Okpanan Road, Asaba.
11. EBONYI  
No. 21, Emefor Street  
Ntezi-Aba, Abakaliki.
12. EDO  
No. 1, Nat. Identity Card Road  
Off Isekhure Way, Sapele Road Benin.
13. EKITI  
15, Olora Street, Federal Housing Complex  
Road, Adebayo  
Ado-Ekiti.
14. ENUGU  
Emene Industrial Area, (By Enugu-  
Abakaliki Expressway), Proda Junction,  
Enugu.
15. GOMBE  
Fed. Low-Cost Housing Estate, (By Police  
Out-Post), Gombe.
16. IMO  
Port-Harcourt Road, New Owerri.
17. JIGAWA  
Room 411, 3rd Floor, Federal Secretariat  
Complex, Sani Abacha Road, Dutse.
18. KADUNA  
Federal Secretariat, Kawo - Kaduna.
19. KANO  
TAL-UDU, FCE Junction by Gwarzo Road,  
Kano.
20. KATSINA  
Federal Secretariat Complex, Kano Road,  
Katsina.
21. KEBBI  
No. 29, Ahmadu Bello Way, Near Bindawa  
Commercial Center  
Birnin -Kebbi.
22. KOGI  
Plot 18, Lokongoma Phase 1, Along Kabba-  
Okene, Road, By FRSC Lokoja.
23. KWARA  
Opp. Dangote Flour Mills, ASA DAM Rd,  
Beside Kwara State House of Assembly,  
Ilorin.

- |   |  |
|---|--|
| <p>24. LAGOS<br/>Plot 1, Obafemi Awolowo Way, Opp.<br/>Alausa Secretariat, Ikeja - Lagos.</p>     | <p>37. FCT<br/>ITF House, Adetokunbo Ademola<br/>Crescent, Wuse II, Abuja.</p> |
| <p>25. NASARAWA<br/>Shendam Road, Near Fed. Min. of Justice,<br/>Lafia.</p>                       |  |
| <p>26. NIGER<br/>Mamman Kontagora Road<br/>Along Federal Secretariat Complex Road,<br/>Minna.</p> |  |
| <p>27. OGUN<br/>Federal Secretariat Complex<br/>Oke-Mosan, Abeokuta.</p>                          |  |
| <p>28. ONDO<br/>Igbatoro Road, Near Federal Secretariat,<br/>Akure.</p>                           |  |
| <p>29. OSUN<br/>Biket Junction Area, New Ikirun Road,<br/>Osogbo.</p>                             |  |
| <p>30. OYO<br/>Beside Adegoke House, Iyana Express, New<br/>Garage. Ibadan.</p>                   |  |
| <p>31. PLATEAU<br/>Lamingo Dam Road, Opp. Human Right<br/>Commission, Katton Rikkos, Jos.</p>     |  |
| <p>32. RIVERS<br/>238, Aba Road, Port-Harcourt.</p>   |  |
| <p>33. SOKOTO<br/>Old Airport, Gusau Road, Sokoto.</p>  |  |
| <p>34. TARABA<br/>Plot 12, Rd "E", GRA Ext. Jalingo.</p>  |  |
| <p>35. YOBE<br/>Federal Secretariat, Along Gashua Road,<br/>Damaturu.</p>                         |  |
| <p>36. ZAMFARA<br/>Kantin Daji Area, Opp. Gusau Motor Park,<br/>Gusua.</p>                        |  |



**Amb. Baba Gana Kingibe, CFR**  
Secretary to the Government of the Federation (SGF)  
May 2007 - September, 2008



**Alhaji Mahmud Yayale Ahmed, CFR**  
Secretary to the Government of the Federation (SGF)  
September 2008 - To Date

# PRINCIPAL OFFICERS



**Barr. Chris 'E. Onyemenam**  
Director General/CEO



**Engr. Aliyu A. Aziz**  
Director (IDD)



**Mrs. Aderonke Agunbiade**  
Director (Human Capital Management)



**Mr. Mike Esotu**  
Director (Finance & Investment)



**Mr. Ameen Akoshile**  
Deputy Director, Corporate Services



**Mr. Abdullahi Ibrahim**  
Deputy Director/Head of Finance & Investments



**Mr. Ikechukwu Udunni**  
Head, Legal Services



**Barr. Chris 'E. Onyemenam**  
Director General/CEO

Chris 'E. Onyemenam holds a B.Sc. (First Class Honours) degree and M.Sc. degree in Sociology, as well as LLB degree, all from the University of Lagos. He is a seasoned administrator and professional manager with over 25 years post qualification experience spanning various sectors, including Academics, Manufacturing, Banking and Financial Services, Non-governmental and Consulting. Until his calling to public service, he was the Chief Economic Strategist and Head of Research, Economic Intelligence and Franchise Enhancement Group at Zenith Bank Plc. He was also the pioneer Executive Secretary and, later, Director Operations and Administration at the Nigerian Economic Summit Group (NESG), where he participated actively in the development of major national policy initiatives under the annual Nigerian Economic Summit. Prior to this, Chris was the pioneer Executive Secretary of the Money Market Association of Nigeria. He was also at one time the Permanent Secretary of the South African based African Business Roundtable (ABR). In 2006 he worked as the Secretary/Director General of the Secretariat of the Presidential Implementation Committee on the Implementation of Government decisions on the Consumer Credit System, Outsourcing Initiative and the Harmonisation of Identification Schemes in Nigeria. The visionary, excellent and thorough work of the Committee gave birth to the National Identity Management Commission (NIMC), Nigeria. Chris Onyemenam is currently the Director General/CEO of the Commission.



**Engr. Aliyu A. Aziz**  
Director (IDD)

Aliyu Aziz Abubakar is an Engineer with over 21 years post qualification experience in Engineering & Information Technology spanning both the private and public sectors. Until he joined NIMC, he was the Information Technology Adviser to the former Minister of the Federal Capital Territory (FCT). He was at a time, Deputy Director, Information Technology at Bureau of Public Enterprises and the Principal Consultant, Management Information System (MIS) Department, Afri-Projects Consortium (APC). Aliyu has also consulted for National Poverty Alleviation Programme (NAPEP) on Local and Wide Area Networking, Satellite Communications and Management Information System, as well as the Nigeria Police Force on computerization of training schools. He was a senior member of staff of the Secretariat of the Presidential Implementation Committee (PIC) on the Implementation of Government Decisions on Consumer Credit System, National Outsourcing Initiative and Harmonization of Identification Schemes in Nigeria. Aliyu Aziz is the Director, Information Technology/National Identity Database Department of NIMC.



**Mr. Mike Esotu**  
Director (Finance & Investment)

Mike C. Esotu is a banker with over 17 years post qualification cognate experience in the banking sector. He is the immediate past Managing Director/Chief Executive Officer of UBA Private Equity Limited (UBAPE), a wholly owned Private Equity/Venture Capital subsidiary of United Bank for Africa (UBA). While at UBAPE, he had exclusive responsibility for the management of UBA's private equity fund known as the Small & Medium Enterprises Equity Investment Scheme (SMEEIS) fund. He was also part of the team responsible for the development of a microfinance subsidiary. Prior to his appointment at UBAPE, he functioned as Regional Credit Manager and Head, Commercial Lending Group in the Risk Management Directorate of United Bank for Africa Plc. Mike has been the Director of Finance and Investment since June 2007.



**Mrs. Aderonke Agunbiade**  
Director (Human Capital Management)

Aderonke Agunbiade is an Economist with over 21 years post qualification experience in both the public and private sectors. She was at one time an Administration Officer in Pension and Gratuity, Office of Head of Civil Service of the Federation. As a Senior management staff of First Bank, Ronke served in various capacities in the Bank's Credit Department, Human Capital Management Department, Foreign Operations, Customer Service and Head Office Operation Support. She rose to Group Head Relationship Teams at the Bank before her present assignment. Aderonke is Director, Human Capital Management Services (HCM) of NIMC.



**Mr. Abdullahi Ibrahim**  
Deputy Director/Head of Finance & Investments

Abdullahi Ibrahim holds a B.Sc. degree in Accounting from the University of Lagos. He is a Fellow of the Institute of Chartered Accountants of Nigeria with over 18 years post qualification experience in both the private and public sectors. He served in various senior management capacities at the Zenith Bank Plc where he had primary responsibilities for region-wide and Head Office Services in Cash Management, Interbank Clearing & Settlement, Branch Operations Coordination, Supervision and Inspection, Treasury Operations and Management, as well as Foreign Correspondence Banking. He was a senior member of staff of the Secretariat of the Presidential Implementation Committee (PIC) on the Implementation of Government Decisions on Consumer Credit System, National Outsourcing Initiative and Harmonization of Identification Schemes in Nigeria. Ibrahim is the Deputy Director and Head, Finance and Investment.



**Mr. Ikechukwu Udunni**  
Head, Legal Services

Ike Udunni is a legal practitioner with over 21 years post call experience with the Federal Ministry of Aviation and Justice. While in the Ministry of Aviation, he served in the Committee on Aviation Policy, Nigerian Airways Judicial Commission of Inquiry, Inter-Ministerial Committee on the Delisting of Nigeria from FATF blacklist. He was a member of the Inter-Ministerial Committee on the Drafting of a new Merchant Shipping Bill and the Presidential Commission on the Reform of the Administration of Justice in Nigeria. He also served in the Secretariat of the Presidential Implementation Committee (PIC) on the Implementation of Government Decisions on Consumer Credit System, National Outsourcing Initiative and Harmonization of Identification Schemes in Nigeria. Ike has varied experience in general legal practice (Litigation) in Civil, Criminal, Corporate Law and Finance, as well as drafting of Legal Instruments. He is the Head of Legal Services of NIMC.

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## GLOSSARY

APC	-	Afri-Project Consortium
BEO	-	Back-End Operation
BPP	-	Bureau of Public Procurement
CAC	-	Corporate Affairs Commission
CBN	-	Central Bank of Nigeria
DNCR	-	Department of National Civic Registration
EFCC	-	Economic and Financial Crimes Commission
FCT	-	Federal Capital Territory
FEC	-	Federal Executive Council
FEO	-	Front- End Operation
FIRS	-	Federal Inland Revenue Service
GMPC	-	General Multipurpose Card
HIC	-	Harmonization and Integration Committee
ICPF	-	Integrated Card Production Facility
IDM	-	Identity Card Management
INEC	-	Independent National Electoral Commission
MRW	-	Mobile Registration Workstation
NADRA	-	National Database and Registration Authority
NCIR	-	National Civil Identity Registry
NHIS	-	National Health Insurance Scheme
NID	-	National Identity Database
NIMC	-	National Identity Management Commission
NIMS	-	National Identity Management System
ONSA	-	Office of the National Security Adviser
PENCOM	-	National Pension Commission
PIC	-	Presidential Implementation Committee
PPP	-	Public Private Partnership
PIA	-	Privacy Impact Assessment
SGF	-	Secretary to the Government of the Federation
SOX	-	Sarbanes Oxley Act
TSP	-	Technology Service Provider
UBA	-	United Bank for Africa
UBAPE	-	UBA Private Equity Limited
WAN	-	Wide Area Network
SGF	-	Secretary to the Government of the Federation
SSS	-	State Security Services

## DIRECTOR GENERAL'S STATEMENT



**Barr. Chris 'E. Onyemenam**

**Director General/CEO**

After an eventful 2007 in which the National Identity Management Commission (NIMC) eventually took off, everyone looked forward to a busy 2008, and indeed it was. We received Handover Notes on the Department for National Civic Registration (DNCR) from the Federal Ministry of Interior, two (2) months to the end of the 2007 fiscal year and with the NIMC still finding its feet. It was therefore not advisable to commence the take-over of the assets and liabilities of the defunct DNCR at that time of the year. Also, given the recent history of the Nigerian Identity Card project, it was important for a proper procedure to be adopted towards taking over the defunct DNCR - an important aspect of the three-track mandate of the NIMC.

On January 9th, 2008, the NIMC took physical possession of the premises of the defunct DNCR, with an estimated 10,302 members of staff. ID Card production under the 2001 SAGEM Contract had stopped in December 2006.

The news of the reported take over generated significant enthusiasm on the part of the DNCR staff. Unfortunately, not so much for the hope that the National Identity Management System (NIMS) holds for the future, but rather, and more importantly, for the window of opportunity it created for the resolution of innumerable staff related matters with huge financial implications. The stage was therefore set for what seemed a long journey towards complete resolution of the human resource related issues.

Fortunately the Presidential Implementation Committee (the body that commenced the implementation of the identity sector reforms before the NIMC was established) had approved a framework for managing the human resource issue, which was incorporated as a clause in the NIMC Act that was eventually signed into law. Management was thus under obligation to give effect to these remedial measures along with the equally relevant and urgent need to implant an identity management system in Nigeria. In 2008, the process for the selection of technology service providers for the back end component of the National Identity Management System (NIMS) was concluded with the choice of Galaxy Backbone Plc, Interglobal Ltd and NADRA.

Also NIMC entered into negotiations with the SAGEM SA of France for the take-over of the Identity Card Personalization Facility (ICPF), assets and liabilities, under the 2001 contract signed with the Federal Ministry of Interior. The primary rationale for engaging SAGEM is to first bring the 2001 contract to a close properly, and then decide, based on an assessment of the status of the assets, on what aspects could be reused. It is hoped that the exercise would help re-channel part of existing government investment in the 'SAGEM ID Card issuance scheme into the NIMS project.

Negotiations with the Front End Partners (FEPs) entered the second stage with a view to achieving technical and financial closing, but was not concluded due in part to the need to finalise the selection of service providers (NADRA, Interglobal and Galaxy Backbone) for the back end. The continued global economic meltdown impacted various negotiation processes significantly with prospective bidders taking a short term perspective and hedging against the now volatile financial sector. This did not help matters at all.

Most of the procurement processes initiated in 2007 were concluded in 2008; notable amongst these were the procurement process for the selection of Project Management Consultants and provision of certain equipment and services. A lot of time was spent on setting up the organizational structure of the NIMC, winding up the defunct DNCR, managing the human resource issues and coping with the change management processes.

Although several donor agencies were approached, only one responded positively - the UK's Department for International Development (DFID), which provided technical support to the NIMC under its Coalition for Change (C4C) Project. The C4C, through its Anti-corruption Programme, helped to set up three operational functions - Procurement Unit, Audit Unit and Inspectorate, Compliance and Monitoring Unit - by providing technical consultancy, training and operational support at such a material time. The private sector support continued in 2008 with Zenith Bank Plc and UBA Plc providing technical and financial assistance.

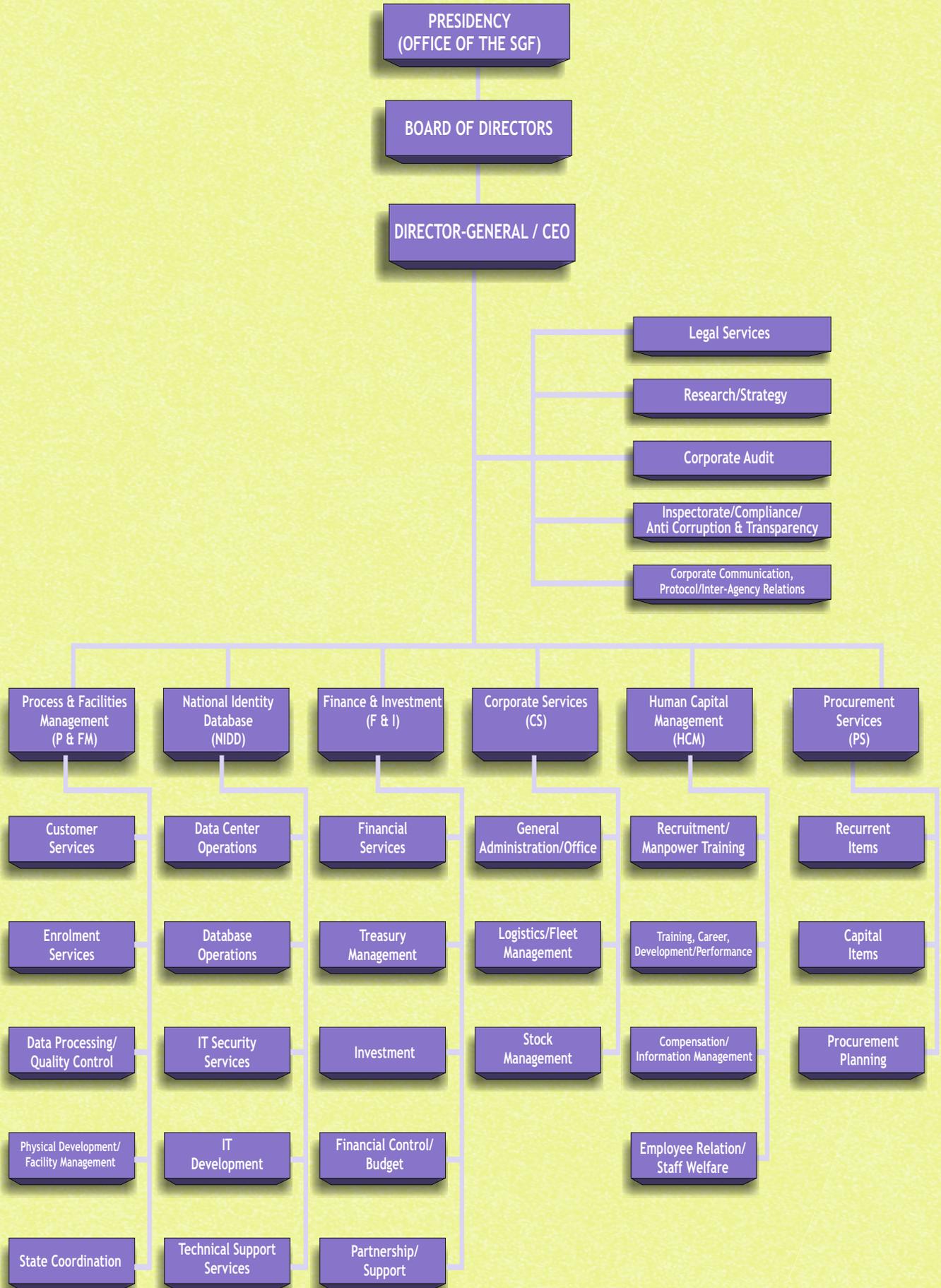
The challenge of poor perception and apathy bordering on indignation, which was experienced during the public hearing before the NIMC bill was enacted in 2007, though still deep, began to whittle down in 2008. Also in 2008 efforts were made to ascertain the level of citizen apathy as part of a Privacy Impact (and risk) Assessment Study. The outcome of the study will help NIMC develop appropriate policy framework, technology, administrative and related processes through which these issues and risk can be addressed.

Deliberate steps were taken in 2008 to give effect to the harmonization and integration mandate of the NIMC as provided for in Section 5 (a) of the NIMC Act. In this regard government stakeholder institutions were consulted, a Harmonization Assessment Study was commissioned and the Connectivity and Disaster Recovery Infrastructure contract was awarded by Government to Galaxy Backbone Plc. It was an important development which underscored the President Yar ádua Administration's commitment to the implementation of the NIMS.

The milestone set for 2008 fiscal year was threefold: quickly set up the NIMC organizational structure, implement a proper winding up process on the DNCR, and select and award contracts for the implementation of the back end component of the NIMS, to meet government's obligations on the Public Private Partnership (PPP) and demonstrate its commitment to the NIMS Policy. The intention was very clear and unambiguous: convince the private sector of government's irreversible commitment to the implementation of the NIMS so as to elicit reciprocal action from the private sector which had been offered a ten-year (10) Concession on the front end component. Management believes NIMC has substantially met this objective as the Commission is operational, back end service providers had been selected and one contract awarded, and a due diligence commenced on the winding up of the defunct DNCR. The future looks brighter now for the NIMS; it's only a matter of time before the project would take-off.

Once again let me deeply appreciate the support and exceptional guidance of the Office of the Secretary to the Government of the Federation, the continued cooperation and dedication of Staff and Management of the NIMC and the invaluable assistance of Zenith Bank Plc, United Bank for Africa Plc and First Bank Plc. As usual, to God be the glory.

# ORGANIZATIONAL STRUCTURE



### 1.1 Introduction

The absence of a credible National Identity Management System (NIMS) in Nigeria poses specific challenges that directly impact the lives and livelihood of every Nigerian, at home and abroad. Efforts at addressing this issue date back, perhaps, to the late 1960s.

The Ministry of Internal Affairs (now Ministry of Interior) through its Department of National Civic Registration (DNCR) had been responsible (since 1978/79) for implementing the National Identity Card scheme which was introduced with the signing of a contract in 2001, between the Federal Government and the SAGEM SA of France. The project led to the introduction of Sixty Thousand (60,000) units of Mobile Registration Workstations (MRW), the development of a Data Centre, and the collection, in 2003, of a biometric linked personal information of over fifty two million (52m) Nigerians (although only an estimated 37.5million were certified unique and complete records and ID cards issued).

But this facility is for card production and did not provide for modern identity management practices, especially identity verification infrastructure. The National Identity Card project executed under the defunct Department of National Civic Registration (DNCR) was therefore a 'closed system' because it focused mainly on ID Card personalisation and issuance.

Government's efforts at reforming the identity sector to allow for identity authentication and verification and shared identity infrastructure, through the creation of an 'open system' with access to a National Identity Database (NID) and upgrading of the identity card to smart cards, brought about the National Identity Management System project under the National Identity Management Commission (NIMC).

Consequently, in 2007, Government approved a National Policy and Institutional Framework for an Identity Management System in Nigeria. The National Identity Management Commission Act No. 23, 2007 was subsequently signed into law, establishing the main agency responsible for implementing Government's reform agenda in the identity sector.

### 1.2 The NIMC Mandate

The NIMC Act provides for the establishment of the NIMC to create, operate, manage and maintain the National Identity Database (NID), register individuals, assign unique National Identification Numbers (NIN), issue the General Multipurpose Card (GMPC), and undertake other related activities.

NIMC's mandate is to deploy a credible National Identity Management System and Infrastructure for Nigeria that is secure, reliable, scalable, widely accessible,

and can uniquely identify citizens and legal residents; introduce a General Multi-purpose Card (GMPC) and a trusted individual identity authentication and verification infrastructure; and harmonize and integrate identity database in government agencies.

### 1.3 Action Tracks of the NIMC Mandate

In line with the provisions of the NIMC Act, Management has identified at least three (3) distinct action tracks as follows:

- i. Establishment of the NIMC as the regulatory, legal and institutional framework for an orderly development of an identity sector in Nigeria and for delivering on the identity management solution for Nigeria;
- ii. Effect the winding up of the DNCR through the takeover, by the NIMC, of the assets and liabilities of the former DNCR (which was managed under the Federal Ministry of Interior); and
- iii. Implement a National Identity Management System for Nigeria. that provides a central Identity Database, unique Identification Number (NIN), secure identity token (Smart card) and identity verification, as well as harmonise and integrate identity databases in government agencies to achieve shared facilities and resource optimization in a scalable manner.

### 1.4 Challenges and Constraints

The main challenges with identity management are the same across the world. It has become imperative in the light of various global happenings for the government to have more reliable data on citizens' identity in Nigeria. Some of these realities include:

- Lack of accurate citizen's data (demographic and biometric);
- Absence of real time access and retrieval of identity information as and when needed;
- Non-existence of valid citizen, immigrant and visitors' information trails and tracking systems for improved national security;
- Balancing effective security and identity systems with liberty and privacy in today's world;
- The political model of the country as well as existing international and multinational agreements which can prove debilitating, generally; and
- The massive capital investment which is usually required to set up and manage an effective and sustainable identity management system.

Other challenges that have been identified in the Nigerian landscape include:

- Multiplicity of identity card systems;
- Data protection issues, including privacy rights;
- Capacity bottlenecks and cost outlay;
- Sustainability and maintenance of the system; awareness creation and

- possible underutilization;
- Cultural intrusion and accessibility;
- Data integrity and reliability - identification, authentication and verification of end users;
- Quality of service delivery in the public sector;
- Meeting the challenges posed by criminality in the financial services industry vis-a-vis the need to protect customer information;
- Targeting most vulnerable groups including the physically challenged;
- Getting accurate up to date data essential for planning, implementation, monitoring and sustaining development initiative;
- Lack of global processes for managing identities;
- Lack of streamlined, administrative and established governance structure for identity management.

These challenges have manifested in so many ways within the Nigerian polity. Some of the more obvious manifestations include the repetitive and periodic issuance of voters' registration cards; process/procedures for elections; socioeconomic intervention programmes – poverty alleviation, healthcare; education and development programs - not being properly targeted; the phenomenon of ghost workers, etc.

A lot of these challenges will be solved through choice of technology - viz digital identity management systems, capturing of biometric data, and provision of same in digital platform for easy access as against legacy systems which are mostly paper based.

The complete migration from paper based systems to a digital identity management system promises to greatly impact the polity and the economy. This initiative promises to increase the capacity of Nigerians to compete and participate in today's digital world and will be felt across every sector of the economy and every aspect of daily life.



Ten fingerprint biometric capture using forensic grade fingerprint scanners

## THE NATIONAL IDENTITY MANAGEMENT SYSTEM (NIMS)

### 2.1 Concept of NIMS

The NIMS comprises a National Identity Database (also known as a Central Identity Repository or Register, CIDR), issuance of a unique National Identification Number (NIN) and a chip-based, secure identity card, and a network of access and means to irrefutably prove or assert the identity of an individual. It also covers the harmonization and integration of identity databases in government agencies. The most important thing about the NIMS is that it will provide a Universal Identification Infrastructure for the entire country. This will help bring real and recognizable benefits to the Government, each of us - individually and collectively, and all legal residents in Nigeria.

### 2.2 Benefits of the NIMS

When the NIMS is fully operational, it will amongst others:

- (a) Provide a convenient and simplified process for enrolment into the National Identity Database for the issuance and use of the National Identification Number (NIN) and the Identity (Smart) Card;
- (b) Help protect you from identity theft and fraud by providing a simple, reliable, sustainable and universally acceptable means of confirming your identity at all times;
- (c) Make life easier by providing you with an easy and convenient means of proving your identity anywhere in Nigeria and beyond;
- (d) Help reform our political process by facilitating the work of the managers of the electoral process;
- (e) Make it harder for criminals to use false or multiple/duplicate/ghost identities. This will help Government, through the enhanced performance of the Law Enforcement Agencies (LEAs), to protect us all from crime - especially Advance Fee Fraud and terrorism;
- (f) Reassure us all that civil/public servants are who they say they are, no ghost workers phenomenon again;
- (g) Help us as a nation to better manage our national currency, achieve financial inclusion and deepening of the Consumer Credit System, which will help to grow the economy, create employment opportunities and raise the standard of living of Nigerians;
- (h) Help to harmonize and integrate identity databases in government agencies (and also in the private sector) and optimize use of government resources, so that service delivery is enhanced across the economy;
- (i) Promote and help to make tax and other government revenue generation processes easier because identities will be easy to prove;
- (j) Help to launder Nigeria's image because Nigerians can prove their identity.

### 3.1 Introduction

The NIMC commenced operations immediately after the law establishing it was enacted on May 25, 2007 from an Office location on the third floor of the Federal Secretariat Complex Annex 1, and with staff strength of ten (10) (whose salaries were being paid mostly by the private sector) and an interim organizational structure. In November/December 2007, the Federal Ministry of Interior submitted its Handover Notes to the Office of the Secretary to the Government of the Federation. Following a directive by the Secretary to the Government of the Federation on January 9, 2008, the Management Team of NIMC formally took physical possession of the assets and liabilities of the former DNCR in line with the provisions of Section 32 of the NIMC Act 2007.

Management commenced immediately the process of ascertaining, on an interim basis, the various assets of the defunct DNCR. It went further to develop a number of policies for its internal operations and is currently developing various policies by which it would guide the orderly development of the identity sector.

### 3.2 Provision of Office Space: Head Office, States and Local Government Areas

The Application Forms used in the 2003 registration exercise, during the National ID Card project executed under the 2001 SAGEM Contract, were stored in a block of three-floor office space within the premises of the defunct DNCR, until 2008 when the NIMC Management took over and renovated it as the temporary Head Office of the NIMC. The project is in two phases and approval was given in November 2008 for the renovation of the two storey building and Administrative Block which is the phase One. The Phase Two is the renovation of the production complex. The Forms have now been relocated.

All the State Offices of the former DNCR were retained and renamed NIMC Offices. Also all the DNCR Local Government Offices were retained and renamed NIMC Offices. All the State Offices in twenty-three (23) States are in properties owned by the defunct DNCR, while the remaining thirteen (13) States and the FCT are in rented properties. Most of the Local Government Offices were initially located in rented properties.

During the year, Management embarked on the relocation of these offices to spaces provided by the Local Government Areas, to save cost and resolve the problems of poor contracting and huge rental arrears inherited from the DNCR. Part of the DNCR-owned properties in the twenty-three (23) States, when renovated, would form the nucleus of the permanent registration centers scheme under the National Identity Management System (NIMS).

### 3.3 NIMC Organizational Structure at Take-Off

An Organizational Structure was adopted for the take-off of the NIMC leading to the creation of seven Departments, aside from the office of the DG/CEO, through which the functions of the NIMC are currently undertaken.

These Departments are:

- a) National Identity Database
- b) Human Capital Management
- c) State Coordination
- d) Corporate Services
- e) Finance and Investment
- f) Legal Services
- g) Procurement Department

The Head of each Department is a member of the Management of the NIMC. The service scheme processes and procedures of the NIMC are being worked out in the context of these departments. Some Consultants were retained to help develop policy documents and procedures, as well as set up new operational units; and, where necessary, new Staff were either recruited or qualified staff were redeployed.

### 3.4 The Human Resources Verification Exercise

Although NIMC commenced operations with a staff strength of ten (10) at take-off, thirty four (34) established vacancies were approved to be filled.

An important Management action shortly after formal takeover of DNCR was a Staff audit to ascertain the nominal roll of 10,302 members of Staff indicated in the handover notes.

At the date of this report six thousand six hundred and eight persons (6,608) have so far successfully completed the verification process. The audit exercise and subsequent work done by NIMC HR Consultants revealed a wide range of discrepancies and issues, notable amongst which are:

- a. High number of staff who did not turn up for verification.
- b. High rate of absenteeism due in part to the discontinuation of personalization of ID Cards since December 2006;
- c. Some members of staff who have not attended promotion exams for several years; and a high incidence of improper and inadequate documentation of members of staff.
- d. Discrepancies in appointment letters, promotion letters, educational certificates, letters of upgrade, conversions and advancement;
- e. Predominance of junior Staff (mostly with WASCE and constituting over 80% of the DNCR Staff strength);
- f. High number of Senior Staff (mostly in the Administrative and

- Executive Cadre) deployed to or employed by the DNCR remaining in the same position or location for several years, in some cases up to 19 years;
- g. Parents, their children and even spouses working either in the same Department or Unit or Office;
  - h. Some members of staff suspected of having other gainful employment;
  - i. Staff training and development very low especially on the SAGEM facilities; and
  - j. Staff of the DNCR unable to operate the main facilities deployed by SAGEM for the ID card personalization.

### 3.5 Staff Training, Welfare and Manpower Development

Most of the staff of the former DNCR are in the junior cadre while those in the senior cadre are mostly Administrative and Executive staff. Records showed that training was not given any major attention - mainly due to the fact that the SAGEM project was a Turnkey project and it was not handed over to ascertain the DNCR's capacity to manage it, which would have raised the need for training and recruitment of appropriate staff.

In the year under review, Management embarked on the training of staff in the middle cadre towards building a core staff for the NIMS project and to also take over the manning of SAGEM facilities when they are handed over.

Deliberate efforts were made also to promote a conducive atmosphere by conducting 'Change Management seminars' as part of the process of change management, including the creation of a Customer Care Centre. Also, local and International Training Programmes were conducted for different cadre of DNCR staff in the following areas:

- Computer Appreciation Training
- Secretarial Assistant Training
- Effective Communication Skills
- Personal Assistant Training
- Attitude Re-Oriented
- Procurement and Legal Training
- Management and Leadership Training
- Network and Specific Software Training Programmes

In particular IT training was conducted and is still ongoing in the following areas:

- i. Oracle Certification
- ii. Cisco Certification
- iii. Microsoft Certification (especially SQL database Certification)
- iv. Java Certification

This is focused essentially on training a group of Nigerian Engineers who will take over from Technology Service Providers (SAGEM) to both the defunct DNCR and NIMC.

Part of the staff liabilities that could easily motivate staff was verified and paid while some of other staff related matters, including unpaid arrears (excluding monetization) of promotion, duty tour and proper placement, were resolved.

Management actively engaged the unions it inherited and in some cases their leaders were sent on training programmes.

### **3.6 Office Equipment and Safety**

In 2008, management undertook a tour of some State Offices in the geopolitical zones and subsequently embarked on the upgrading of items of office furniture (tables, chairs, fire-proof cabinets, air conditioners and equipment), in line with the need to automate the work process of the NIMC at take-off. A specific number of office equipment and items of furniture were procured and distributed to all State Offices. Management has continued to insure the assets inherited from DNCR, including buildings, office equipment and vehicles (except some of those in the States), against fire, house breaking and burglary. In the case of vehicles, comprehensive insurance package was taken out for this purpose.

### **3.7 Security and Safety of Properties**

In February 2008, management arranged for a firm, supported by the Nigerian Police, to provide security at the Head Office, since there was no proper arrangement put in place after the rationalization of that cadre of staff. In all the State Offices, four (4) security men and a cleaner were immediately hired by each State Coordinator. Furthermore, Management arranged for automated physical access control and security infrastructure for the entire Head Office premises in view of the nature of the facility.

### **3.8 Distribution of ID Cards under the SAGEM Scheme**

Following the stock verification in the Distribution section of the Production Complex, Management ascertained that six (6) States did not receive their ID cards. Although four (4) other States had received theirs, they did not commence distribution. However, Management has ensured the delivery of ID Cards to the six (6) states and facilitated distribution activities throughout the ten (10) States.

### **3.9 Registration and Issuance of Identity Cards under the SAGEM Scheme**

From records handed over to NIMC, SAGEM Project delivered 60,000 Mobile Registration Workstations (MRWs) which were used in the massive registration exercise in 2003. These MRWs are still in the various states and, in some cases, in the Local Government Area Offices. Skeletal registration exercise is currently going on in the States and Local Government offices. Continuous registrations are being encouraged, as a way of sustaining public awareness towards conducting the verification that would follow the integration and harmonization of existing

databases into a single National Identity Database, as provided for in Section 14 of the NIMC Act. Unfortunately, the ID card personalization facility, from available records, was shut down in December 2006. Thus, no ID cards can be personalised based on the data being collected.

### 3.10 Financial Matters

There are no separate and therefore complete historical financial records for the DNCR as the Finance/Accounts Department at the Federal Ministry of Interior (FMI) handled its accounts and finances. However, the due diligence report has provided a basis for incorporating identified important financial assets and liabilities of the former DNCR into the financial statement for the NIMC in 2008.

In the fiscal year 2008, except for the personnel cost which was still appropriated as part of the Federal Ministry of Interior, NIMC received a total sum of N1.13 billion and N2.5 billion as recurrent and capital expenditures respectively.

Unfortunately due to late release of funds and the procurement process, only a sum of N1.228 billion was utilized from the capital expenditure provisions. The balance was returned to the Treasury.

### 3.11 Power Supply

The former DNCR premises/ facility was not connected to public power supply. Of the five (5) generators inherited by NIMC, only one was in good working condition.

The Administration Block has since been reconnected to PHCN. The Production Complex has not. This would require some further works including the relocation of a 750KVA Transformer within the premises. Unfortunately power supply within the area is poor. The equipment at the Data Centre require stable and regular power supply. Due to the fact that the entire facility is not connected to PHCN, there is high consumption of fuel to operate generators.

### 3.12 The SAGEM Project

#### 3.12.1 *Nature of the Contract with SAGEM*

In 2001 the Federal Government, through the Federal Ministry of Interior (then Federal Ministry of Internal Affairs), awarded a Turnkey Contract to Messrs SAGEM SA of France for the implementation of the National Identity Card Programme. A copy of the SAGEM contract was handed over to the Commission by the Federal Ministry of Interior as part of the Handover Notes.

The implementation of the Contract was supervised by the Federal Ministry of Interior (FMI) between 2001 and 2006. The cost of the contract from available records is about \$215,911,000.00 (off-shore component) and N2,089,600,000.00 (on-shore component). From available records,

except for the eight million (8m) units of blank ID cards and related consumables not delivered, all the equipment have been delivered by the end of the contract in December 2006.

Also records show that SAGEM has submitted a claim in the sum of \$6.110m as fees for professional support and maintenance services it claimed it rendered. Meanwhile the sum of \$2.444m, representing 40% deposit payment made by Government on the eight (8) million blank ID cards and consumables is outstanding to the credit of NIMC. SAGEM had also requested that the deposit be converted to part payment of its fees, to leave a balance of \$3.666m as outstanding claims. Both claims and request were not responded to by FMI.

### 3.12.2 *Professional Support and Maintenance Services*

SAGEM SA of France was not formally contracted to provide professional support and maintenance services; and the contract was not formally brought to a close by December 2006. Also, the value of the eight million (8m) ID Cards and consumables not delivered is estimated at \$6.110m. SAGEM's claim for professional support and maintenance services is \$6.11m. The resulting balance of US \$3.666m formed the basis of discussion on the closure of the Agreement between NIMC and the SAGEM, which is being concluded.

The facility created under the SAGEM contract was shut down in December 2006 when the last batch of card personalization was completed.

Although Management commenced discussions on the handover and possible upgrade to enable a 'reuse' of the assets, this has not been concluded and has delayed the decision on the final design of the 'back-end' of the NIMS. It is important to note here that SAGEM bid for the 'front end' component of the NIMS but was unsuccessful. In the course of negotiation for the asset handover, it indicated interest in the 'back end' and was advised to bid for it. At the close of responses to the RFP (Request for Proposal), SAGEM did not respond.

### 3.13 National Identity Management System (NIMS) Project

In 2008, Management commenced the implementation of the procurement process for 'back end' component of the NIMS as approved by the Federal Executive Council (FEC) at its meeting of May 16, 2007. First it reached an agreement with Galaxy Backbone Plc as follows:

- a) Connectivity Infrastructure and Disaster Recovery Centre to be developed and implemented in collaboration with Galaxy Backbone Plc based on competitive pricing; and
- b) System Integration Services and Enterprise Servers and Storage Solutions to be developed and implemented by third parties through competitive bidding.

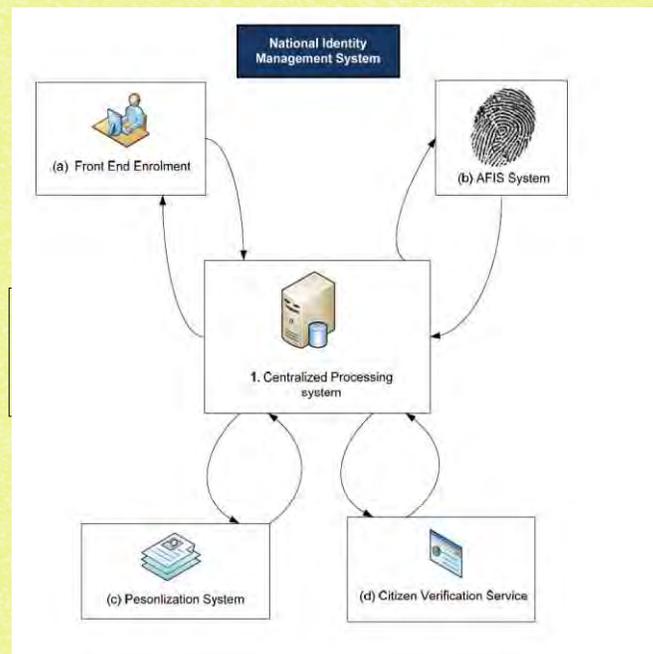
Consequently, Management obtained approval for and commenced the procurement process in February 2008.

3.13.1 *Development and Implementation of Connectivity Infrastructure and Disaster Recovery Centre*

NIMC engaged the services of Galaxy Backbone Plc in the deployment of Connectivity Infrastructure and Disaster Recovery Centre, and related applications/ professional services to support its Back end operations: These services are subdivided into different components as follows:

- i. Establishment and Management of NIMC Wide Area Network (WAN) connectivity to:
  - 36 State Offices at 5120kbps bandwidth pool
  - Backhaul connectivity between primary and Disaster Recovery Data Centre.
- ii. Construction of a disaster recovery site:
  - Data Centre Infrastructure
  - Energy Centre
  - General Infrastructure
- iii. Collocation services DR/BC heartbeat in Abuja.
- iv. Provisioning an Abuja Metro Fibre Optic Link to fourteen (14) government agencies to create access to the ID database with redundancy under the harmonization project.

The procurement process was concluded on December 3, 2008 with the Federal Executive Council approval. Contract was subsequently awarded and implementation commenced. The contract is expected to be concluded in 2009.



## OTHER ACTIVITIES OF THE NIMC

### 4.1 Procurement Activities in 2008

As would be expected, NIMC sought to take full advantage of the takeover of assets of the defunct DNCR. Accordingly, a couple of procurement activities were undertaken to fast track the establishment of the NIMC at the State and Local Government Levels. These included items of office furniture and fittings.

The procurement activities for the reporting year were categorized into four:

- i. Pre-operational and advisory services which include service procurement and implementation of the following:
  - (a) Privacy Impact Assessment Study;
  - (b) Due Diligence (Audit and Valuation of Assets of the former DNCR);
  - (c) Harmonization and Integration Assessment Study;
  - (d) Engagement of individual consultants (Procurement, Audit, Corporate Communication, Security and Compliance Units);
  - (e) Project Management Consultants; and
  - (f) Communication and Marketing Plan Consultants.
- ii. Procurement of services directly related to the core objects of the Commission's mandate which have been explained above (system integration, enterprise server and connectivity infrastructure);
- iii. Procurement for works- refurbishing of the Commission's temporary headquarters and some State Offices;
- iv. Procurement of goods, including;
  - a) Purchase of Vehicles (5 nos. Project vehicles);
  - b) Purchase of office equipment (computers, printers, copiers, and all other IT equipment), furniture (office furniture, fireproof cabinets, air conditioners, etc); and
- v. Stationaries for the headquarters and the 36 State Offices.

The procurement processes for each of the categories stated above were conducted in line with the requirements of the Public Procurement Act. Approvals were obtained as appropriate (Tenders Board/Office of the Secretary to the Government of the Federation/Federal Executive Council) and all contracts were subsequently awarded.

#### 4.1.1 *Privacy Impact Assessment Study (PIA)*

Previous efforts at developing an Identity Management System in Nigeria did not conduct a Privacy Impact Assessment (PIA) Study due in part to the fact that the focus was on issuance of identity card rather than identity management. In line with the imperatives of an identity management system, Management procured the services of a consortium of firms to conduct a privacy impact assessment study.

# PHOTO GALLERY

## INTERNATIONAL CONFERENCE & EXHIBITION ON IDENTITY MANAGEMENT IN NIGERIA



L-R I. Talba, Perm. Sec, OSGF, Chris 'E Onyemenam, DG NIMC  
Sen. Nuhu Aliyu, Col. M.B. Ali (ONSA),  
Dr. B. Herdan, CB UK



L-R Demola Aladekomo, CEO Chams, H.E., Liyel Imoke,  
Governor Cross River State, Sen. Sanusi Daggash,  
Minister National Planning



L-R Alh. M.K. Ahmed, DG PENCOM Engr. Aliyu Aziz Director IDD NIMC



A cross section of participants at the Conference



Sen. Hosea Ehinlanwo Chair Senate Committee on National ID  
and National Population Commission.



Cross section of participants at the Conference



L-R Demola Aladekomo, CEO Chams, H.E., Liyel Imoke, Gov Cross Rivers State,  
Sen. Sanusi Daggash, Minister National Planning, Chris 'E Onyemenam DG, NIMC.  
Representative of OSGF



Chief Oba Otudeko, Chairman Honeywell Group  
Session Chair at the Conference

# PHOTO GALLERY

## INTERNATIONAL CONFERENCE & EXHIBITION ON IDENTITY MANAGEMENT IN NIGERIA



Cross section of participants at the conference closing dinner



Cultural display during the Conference closing dinner



L-R Alhaji I. Talba, Perm. Sec. OSGF,  
Chris 'E Onyemenam, DG NIMC



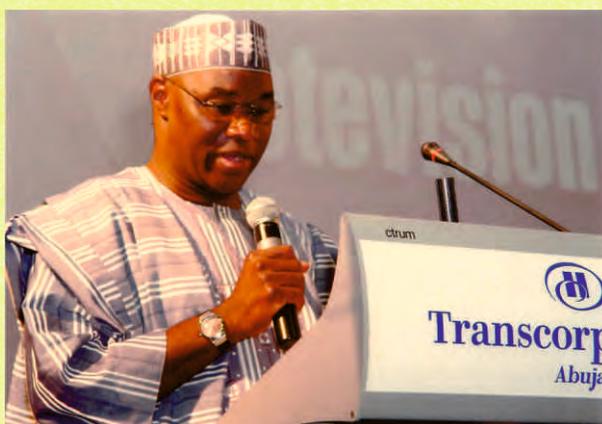
Dr. Bernard Herdan, CB UK Special Guest Speaker



Prof. Anya O. Anya, Chairman TD Ltd  
Session Chair at the Conference



Chairman, FIRS, Mrs. Ifueko Omoigui-Okauru  
Panellist during a Session at the Conference



Alhaji I. Talba, Perm Sec OSGF delivering the  
Opening Speech on behalf of the SGF  
Alhaji M. Yayale Ahmed



Cross section of conference participants

The study involved the review of extant laws/acts, the constitution, and international conventions regarding privacy of information and associated risks, as well as identity management issues. It is expected that the study will produce a PIA Report (and privacy policy), with recommendations and strategies for the implementation of an Identity Management System that ensures that the scope of privacy risks is identified, and mitigate such privacy risks with sufficient in-built mechanism in order to facilitate public trust and acceptability.

Approval for the award of contract was given by the Office of the Secretary to the Government of the Federation (OSGF). The firms each executed contractual agreements acceptable to the Federal Government of Nigeria.

The six (6) consulting firms selected were required to coordinate and conduct the study in the respective zones assigned to them. Each firm was also to have in place a team of an appropriate mix of multi-disciplinary professionals with in-depth knowledge of research, data gathering and analysis technique.

The key deliverables of the study:

- A PIA report with recommendations and strategies for implementation of the Identity Management System that ensures that privacy risks are sufficiently mitigated and that there is maximum consensus amongst all stakeholders.
- Development of a Privacy Policy to guide the Commission in its assignment. The Policy is expected to be reviewed at a Stakeholders' Forum.

#### 4.1.2 *Conduct of Due Diligence, Valuation and Audit of Assets and Liabilities of former DNCR*

Section 32(1) of the NIMC Act: provides for the repeal of the National Civic Registration Act No. 51 of 1979, by which the defunct Department for National Civic Registration was established under the Federal Ministry of Interior. Subsections (2), (3), (4), (5) and (6); provides for the NIMC to take over the assets and liabilities effectively as an administrative process. The provisions of the Act gave effect to some of the Federal Executive Council's decisions of March 22, 2006 on the reform of the Identity Sector in Nigeria.

In line with Section 32 of the NIMC Act, the consortia of consulting firms of BGL, SIAO and Olusola Adekanola & Co were engaged, through a competitive bidding process, to assist the Commission in conducting due diligence, audit and valuation of assets and liabilities of the former DNCR at the Abuja Office and in all the 36 States of the Federation and the FCT. The contract was awarded in August 2008, following approval of the Federal Executive Council. The audit exercise provided a basis for determining the value of the assets which was subsequently incorporated into the financial statement and Annual Accounts of the NIMC for 2008.

The scope of work included:

- a) Comprehensive evaluation and detailed analysis of the status of the DNCR especially in areas of technical, financial, legal, human resources and information technology;
- b) Valuation of the real estate;
- c) Audit of all assets and liabilities with regard to the aforementioned;
- d) Assessment of all other relevant issues and stakeholders' of the department.

#### 4.1.3 Project Management Consultants

The selection process for the Project Management Consultants commenced in 2007 and was concluded with all approvals obtained in 2008, with a revised scope of work, project cost and a duration of one (1) year. The contract will spill over into 2009.

The consortium of Alteq/Quanteq was engaged to provide support for the different aspects of the project and the scope of work included:

- Providing Project Management Consultancy Services for the implementation of the NIMS, assist in the conceptualization and setup of the proposed National Identity Management Commission, participate in the evaluation and selection of service providers;
- Manage the transition from existing ID schemes to ensure minimal service disruptions to those schemes;
- Develop work breakdown structures, project definitions etc;
- Develop project imperatives and detailed project charter and plans for key initiatives relating to the different aspects of NIMS implementation; oversee initial implementation of key initiatives of the NIMS; and
- Provide project management for the implementation of the front end and back end of the NIMS and supervise the work of other consultants.

#### 4.1.4 Communication & Marketing Plan Consultants

In 2008, NIMC concluded a procurement process with the selection of Lowe Lintas Limited as communication consultants and the Key Deliverables included:

- (i) Develop a Communication Policy and Awareness Campaign Plan, including a brand DNA and corporate logo.
- (ii) Help set up a Corporate Communication Unit at NIMC.

## 4.2 Harmonization and Integration of Databases in Government Agencies

Part II Section 5(a) of the NIMC Act provides for the harmonization and integration of databases in various government agencies. In this respect, Management in 2008 commenced scheduled meetings with the top management of identified agencies to

share thoughts on how this function of the NIMC would be undertaken. In the course of the year Management visited the Federal Road Safety Commission (FRSC), National Population Commission (NPopC), National Pension Commission (PENCOM) and National Health Insurance Scheme (NHIS). It also visited the Office of the Chief of Defense Staff (OCDS), State Security Services (SSS), Economic and Financial Crimes Commission (EFCC) and Security and Exchange Commission (SEC). Other institutions visited include the Corporate Affairs Commission (CAC), Federal Inland Revenue Services (FIRS), Independent National Electoral Commission (INEC), and Office of the National Security Adviser (ONSA). These institutions are expected to nominate a representative each to the Governing Board of the NIMC (Section 2 of the Act) when it is constituted.

A proposal to constitute a Harmonization and Integration Committee was made in this instance and a Position Paper on the work of the Committee was also articulated to provide a basis for the Committee to start work.

Furthermore, following due process, a firm was engaged to undertake a Harmonization and Integration Assessment Study (including a draft policy) to guide the NIMC on how to proceed on the subject.

### 4.3 Harmonization and Integration Assessment Study

The study involved the identification and documentation of identity management, information and security requirements, as well as the existing identity management systems of various statutory, social services, security, electoral and other government agencies. The harmonisation study would produce a strategy document outlining the minimal information requirements of Identity Management Solution, that capture the informational and integration requirements of all identified agencies into a single streamlined national identity management framework.

The Key Deliverable included Strategy document outlining harmonization and integration requirements of the various agencies into a national identity management system.

### 4.4 Capacity Building Programmes – Training, Workshops And Seminars

In the course of the year under review the National Identity Management Commission (NIMC), in pursuant to its strategy of harnessing global best practices and building capacity in identity management, sponsored different cadres of staff to participate in several international/local training programmes (courses, workshops, conferences and seminars).

#### 4.4.1 International Capacity Building Programmes:

The Commission very early in the year committed its executive management staff to participate in a two (2) Day workshop on Digital Identity Management Documents and



LR- Mr. Chris 'E Oyemenam, DG NIMC, Gen. Owoye Azazi, Chief of Defence Staff

Solutions organised by the German Federal Foreign Office in Pretoria, South Africa, from 23 – 24 January 2008. The prime objective of the workshop was to share Germany's experiences in the field of Electronic identification and applications. Key issues discussed included, but not limited to: Identity management lifecycles and e-Government; documents personalization; interoperable travel documents; data capture, issuance and border control. As a newly established Commission, the Workshop was indeed a huge learning experience for the management staff attendees and the Commission.

Similarly some staff members, attended a Two-Day international conference and exhibition on “Security Document World 2008” and “Identity Loop 2008” in London from April 22 – 23, 2008. The Conference provided a forum for interaction with participants from different parts of the world on trends, concepts, ideas and solutions on various National Identity Management and Card Schemes. Discussions covered various issues on e-ID development, 21<sup>st</sup> century employee ID, large scale ID management techniques, and National ID projects and innovations in traditional document.

Since project management strikes at the root of what NIMC is trying to accomplish, it sought to build capacity in project management techniques by sending some core NIMC staff to participate in Project Management and Management Skills Training held in Washington DC from November 14-21, 2008. Staff attendees came back with deepened knowledge in project management skills and contemporary management techniques.

The need to institute world class services informed the Commission's sponsorship of some of its officers to a training programme on Strategic Public Relations and Protocol. The week long programme sought to enhance participants' skills in event management,



Staff training at Quanteq

protocol and customer relations management.

#### 4.4.2 Local Capacity Building Programmes

Management organized various Change Management Seminars and Workshops, Various other capacity building programmes in which members of staff participated locally included: Workshop on Budget Breakdown which exposed them to different budgeting techniques for recurrent and capital projects; open and in-house Training Courses organised for various cadre of staff by some training institutions, including ASCON.

Furthermore in its quest to enhance harmonious labour relationships, NIMC arranged for some of the labour officials to attend workshops on resistance reduction strategies in change management to acquaint them with strategies for positive engagement in a change process using social dialogue approach.

In view of the highly technological driven nature of identity management, a significant number of staff members (291) received specialized training in various IT related programmes and skills, such as Oracle, CCNA, UNIX etc. PC Basics, Microsoft Office Productivity Tools. Even the NIMC Drivers were not left out as drivers across the 36 NIMC State offices including FCT and Headquarters were given refresher/enlightenment courses on Road Traffic Codes, Regulations, Compliances and Safety on Wheel.

#### 4.5 Enlightenment and Consensus Building Activities

The concept of identity management based on a universal identification infrastructure for Nigeria is not generally understood and accepted in Nigeria. The NIMS represent a paradigm shift away from an emphasis on ID Card issuance to

identity management based on the unique National Identification Number (NIN). Part of the consensus building activities was the initiation and execution of the International Conference and Exhibition on National Identity Management System, as well as engagement of strategic stakeholders in September 2008.

### 4.5.1 International Conference & Exhibition on the NIMS

An International Conference with the theme “Developing Nigeria's Identity Management System and Infrastructure” was organized by the Commission for all Stakeholders and the Public, between September 21-23, 2008 at the Transcorp Hilton Hotel Abuja. Delegates and resource persons were drawn from fourteen (14) countries, including high profile personalities from government, business, civil society/non-profit organizations, international agencies and diplomatic corps.

The Conference was part of an ongoing process to harness worldwide examples of best practices, stimulate involvement of the public and private sectors, and continually reaffirm the priorities for the implementation of an effective National Identity Management System Infrastructure.

Specifically, the objectives of the Conference were to:

- Share best practices in developing national identity management systems amongst country officials;
- Highlight how an appreciation of identity management could make for better business strategies to the benefit of the whole country;
- Enable best in class suppliers to explain and demonstrate how they could



Chris 'E Onyemenam, DG NIMC delivering his presentation at the International Conference on Identity Management at the Transcorp Hilton Abuja

contribute to a successful implementation of Nigeria's identity management system;

- Refine the messages that would contribute to ensuring the identity management system was accepted by all.

The 3-day conference afforded participants the opportunity to examine all the various issues that have emerged on the identity management landscape such as Identity Management and Counter terrorism; Enhancing economic growth, trade and development through Identity management; Benefits of improved identity management to business; Deepening consumer credit through effective ID management system, Integrated identity management based on e-ID, Smart Cards, RFID and identity verification systems, Privacy and legal rights, and Data sharing amongst others. Various recommendations that have been helpful to the NIMC in its implementation of the NIMS were proffered at the conference.

The conference applauded the public private partnership (PPP) arrangement designed for the NIMS project and therefore canvassed for its sustainability. It identified funding as strategic to the growth and success of any project, and therefore recommended that a seamless scheme be established to finance the NIMS project. The participants also proposed that NIMC should strengthen its professional workforce and deploy robust technology processes and risk management framework to enable it achieve its goals.

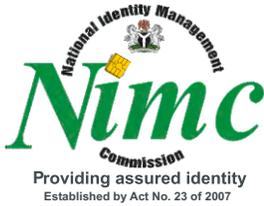
As a way forward the conference conceded that an integrated national identity management infrastructure was timely for Nigeria but the integrity of the system must be guaranteed to earn consumer confidence and trust.



L-R Mr. Osita Chidoka, Corps Marshall FRSC, Mr. Trevor Carlile, Director of Service Delivery, Criminal Records Bureau UK, Sen. Hosea Ehinlanwo, Chairman Senate Committee on National ID, Prof. Anya OFR, Chairman TD Ltd.

# Can You Spot the Difference?

There's only one way: Their National Identification Number (NIN)



...Very soon

- ◆ **No more Multiple or Duplicate Identities;**
- ◆ **No more Ghost identities;**
- ◆ **Simplifies KYC (Know Your Customer);**
- ◆ **Enables you to assert your identity anytime, anywhere.**

**...it's a game changer; enrol once and be identified for life.**



# 2008 Audited Accounts

## 6.0 AUDITED ACCOUNTS FOR 2008

**Report of the Management of the Commission**

The Management of the Commission has the pleasure in presenting its report and accounts for the year ended 31 December, 2008.

**Functions and Powers of the Commission**

The functions and Powers of the Commission are set out in Part 11. Section 5 of NIMC Act. No. 23 of 2007 as follows:

- a) Create, manage, maintain and operate the National Identity Database established under section 14 of the Act, including the harmonization and integration of existing identification databases in government agencies and integrating them into the National Identity Database;
- b) Carry out the registration of citizens of Nigeria into the National Identity Database;
- c) Carry out the registration of non-citizens of Nigeria who are lawfully resident in Nigeria;
- d) Issue a General Multi-purpose Identity Card to any person registered pursuant to paragraphs (b) and (c) of this section;
- e) Collate information obtained by the Commission in pursuance of its functions under this Act and reproducing such information as may be required, from time to time;
- f) Assign a unique National Identification Number to any person registered pursuant to paragraphs (b) and (c) of this section, and the National Identification Number shall be incorporated into or made compatible with other existing identity related databases or registers in respect of which information or data relating to the registered person has been registered, documented or stored;
- g) Ensure the preservation, protection, sanctity and security (including cyber-security) of any information or data collected, obtained, maintained or stored in respect of the National Identity Database;
- h) Establish and maintain secured communication links with any existing relevant identity related database or agency;
- i) Maintain secured communication links with end users in any public or private organization, agency or body, including Card Acceptance Devices, Government Service Centres;
- j) Collaborate with relevant bodies and agencies in setting of standards and technical specifications for telecommunications links between organizations and for the devices utilized for such communications established or maintained, pursuant to paragraphs (j) and (k) of this section;
- k) Respond to verification enquiries regarding the identification of individuals;
- l) Perform such other duties which, in the opinion of the Commission, are necessary or expedient for the discharge of its functions under this Act;
- m) Enter into any form of agreement with any private or public sector based agency or organization for the development or establishment of the Identity Management Solution or for the realization of any of its functions;
- n) Research and monitor developments in the identity sector;
- o) Carry out the registration of births and deaths in Nigeria;
- p) Collaborate with relevant bodies and agencies in the setting of standards and technical specification for ICT links between organizations, and for the devices utilized for such communications established or maintained pursuant to paragraphs (i) and (j) of this section.

The Act, under Section 6, also empowers the Commission to:

- a) request for any information on data from any person on matters relating to its functions under the Act;
- b) fix the terms and conditions of service including remuneration of the employees of the Commission;
- c) establish and operate administrative and monitoring offices in the States, Local Government and Area Councils;
- d) monitor any matter that may affect the functions of the Commission; and
- e) do such other things which by this Act or any other enactment are required or permitted to be done by the Commission.

The Commission by these Objects and Powers and provisions of Section 32 (1-6) took over the Assets and Liabilities of the former Department for National Civic Registration (DNCR).

NIMC has its headquarters in Abuja with branches in 36 states of the Federation and Abuja; and it also has offices in the 774 Local Government Councils.

#### **Partner Agencies**

The Commission is expected to work with similar major government institutions as set in section 2 (b) (i-xiv) of the Act for the purpose of streamlining, harmonizing and integrating existing databases with the National Identity Database, so as to provide interoperability and framework for the issuance and use of a secure and reliable General Multipurpose Card (GMPC), enhance e-governance, establish a person identification verification infrastructure and offer opportunities for various other services including payment solutions for both public and private sectors. It is partly in recognition of the need to achieve the harmonization and integration on a sustainable basis that these partner agencies are nominated as permanent members of the Board.

#### **Fund for the Commission**

Under section 10 (1) of the Act, the Commission is empowered to establish and maintain a fund which shall come from the following sources:-

- i) Initial take-off grant from the Federal Government;
- ii) Annual subvention from the Federal Government;
- iii) Fees and other charges received by the Commission;
- iv) All other sums accruing to the Commission in the form of grants-in-aid, gifts, testamentary dispositions, endowments, bequests and donations; and
- v) Other sums that may accrue to the Commission from time to time.

#### **Expenditure of the Commission**

The Commission is expected to expend the fund for operating purposes in support of the institution's mission and functions. In particular, section 10 (2) of the Act empowers the Commission to apply the proceeds of the fund for the following expenditures:

- i) Cost of administration of the Commission
- ii) Payment of salaries, fees or other remuneration or allowances, payable to the officers or employees of the Commission;
- iii) Reimbursements to members of the Board or any committee set up by the Board for such expenses as may be expressly authorized by the Commission in accordance with the rates approved by the Board;

- iv) Maintenance of any property vested in the Commission; and
- v) Purposes of all or any of the functions of the Commission.

**Valuation of Assets taken over from the defunct DNCR**

The NIMC Act No. 23 of 2007 in section 31 and 32 repealed the DNCR Act and vested the assets and liabilities of the defunct National Civic Registration (DNCR) in the NIMC.

The DNCR had been responsible for implementing the Nigerian National Identity Card Scheme which was introduced with the signing of a contract in 2001 between the Federal Government of Nigeria and SAGEM SA of France. Consequently, in August 2008, NIMC appointed a Consortia of consultants led by BGL Plc, SIAO Partners and Olusola Adekanola & Co with the mandate to carry out Due Diligence, Asset Valuation and Audit Consultancy Services on the Assets and Liabilities of the defunct DNCR. In particular three firms of Quantity Surveyors and Estate Valuers- Barin Epega & Company, Maseli & Partners and Ubosi Eleh & Co carried out the valuation on behalf of the consortia.

The NIMC gave the Consortia robust terms of reference and instructions without any restrictions whatsoever, thus allowing them to apply full professional standards and practices in respect of physical inspection, identification, verification and inventory of all the assets of DNCR throughout the federation, in which they carried out survey of all the assets and conducted due diligence valuation thereon.

The basis adopted by the Consortia in arriving at the opinion of value of the assets by the consortia at 4<sup>th</sup> December 2008, which is in line with international valuation standards as published by the International Valuation Standards (IVS) 2005 7<sup>th</sup> Edition reported to and discussed with the NIMC, is Open Market Value using the following options:-

**a) Cost Approach**

This comparative approach considers the possibility that as a substitute for the purchase of a given asset (Land & Building, Plant, Machinery, Equipment, Furniture & Fitting, together with Motor Vehicle and Motor Cycles) one could construct or procure another property or asset as either a replica of the original or one that could furnish equal utility. The approach involves an estimate of depreciation to take account of age of the property.

**b) Sales Comparison Approach**

This comparative approach considers the sales of similar substitute properties or assets and related market data and establishes a Forced Sale value estimate, by processes involving comparison, but having taken cognizance of the usual diminution in value that is often occasioned by a foreclosure and have therefore made suitable deductions from the Open Market Value computations to arrive at the Forced Sale Value.

The summary of the Consortia valuation is stated below.

S/N	DESCRIPTION	OPEN MARKET VALUE (N)	FORCED SALE VALUE (N)
1	Land and Building	5,801,399,095	4,122,915,246
2	Plant, Machinery, Equipment, Furniture and Fittings	12,811,291,325	8,120,755,396
3	Motor Vehicles / Motor Cycles	111,145,000	63,530,000
	<b>GRAND TOTAL</b>	<b>18,723,835,420</b>	<b>12,307,200,642</b>

NIMC accepted the following valuation for the assets taken over from DNCR

**i) Land and Buildings**

Open Market value of N5,801,399,095

Land and Buildings generally appreciate in value over time without loss in value due to usage, time or obsolescence. The valuation reflects the characteristic and trend in real assets value after acquisition. It is envisaged that the useful life of these real assets will continue to increase over time for the successful operations and benefits of NIMC.

**ii) Plant and Machinery, Equipment, Furniture and Fittings**

Forced sales value of N8.1 billion is accepted because these assets are of a wasting nature and reduce in useful economic life after acquisition following the level of usage. It is more prudent to capitalize these assets in the books of NIMC at the lower value of open market and forced sales value, considering the amount of time they have been put to use.

**iii) Motor Vehicles / Motor Cycles:**

Forced sales value of N63.53 million is acceptable for this class of assets because they are subject to rapid wear and tear resulting from frequent usage. The bad roads that motor vehicle ply considerably expose them to a shorter economic useful life after acquisition. It is more prudent to capitalize motor vehicles on the book of NIMC at the lower value of open market and forced sales value considering the amount of time they have been put to use in DNCR.

**iv) Intangible Assets – Software of N5.7 billion**

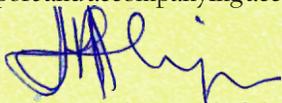
Value recommended for Audit

**v) None of the NIMC assets was under any encumbrance as at 31 December, 2008**

**Joint Auditors**

The Joint Auditors, Messrs S. S. Afemikhe & Co. and Dele Otitoju & Co. (Chartered Accountants) have indicated their willingness to continue in office.

The report and accompanying accounts were approved by the Governing Board subsequently.



Ag. Secretary to the Board of the Commission  
Abuja, Nigeria.  
December, 2010

## REPORT OF THE AUDITORS



**S. S. Afemikhe & Co.**  
(Chartered Accountants)

Plot 46, Ishawu Adewale Street  
Off Modupe Johnson Crescent  
Surulere, Lagos

Email: [info@ssafemikheconsulting.com](mailto:info@ssafemikheconsulting.com)  
Website: [www.ssafemikheconsulting.com](http://www.ssafemikheconsulting.com)

**Dele Otitoju & Co.**  
(Chartered Accountants)

S. W. 419, Keterengwari Road  
P. O. Box 1047, Minna  
Niger State.

Email: [mosesdele09@yahoo.com](mailto:mosesdele09@yahoo.com)



### Report of the Auditors

We have examined the financial statements of the Commission for the year ended 31 December 2008 set out on page 43 to 51 which have been prepared in accordance with the accounting policies set out on page 46.

### Respective Responsibilities of the Management and Auditors

The management of the Commission is responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those financial Statements and to report our opinion to you.

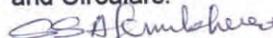
We conducted our audit in accordance with generally accepted auditing standards. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the account. It also includes an assessment of the significant accounting estimates and judgment made by the Commission in the preparation of the accounts, and of whether the accounting policies are appropriate to the Commission's circumstances, consistently applied and adequately disclosed.

### Basis of Opinion

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide sufficient evidence to give reasonable assurance that the accounts are free from material mis-statement. The Commission has kept proper books, and proper returns adequate for the purpose of our audit were received from branches not visited by us. In forming our opinion, we also evaluated the overall adequacy of the information presented in the accounts. As noted in Note 3, the basis applied in the valuation of the Systems Software amounting to N5.7billion included in the NIMC valuation report is yet to be provided.

### Opinion

In our opinion, except for the information on Software valuation that is yet to be provided, the financial statements together with the accounting policies and notes thereto give a true and fair view of the state of the Commission's affairs for the year ended December 31, 2008, and of its surplus and cash flow statement for the year ended on that date and in agreement with the National Identity Management Commission Act No. 23 of 2007 which established the Commission, and the Statements of Accounting standards issued by the Nigerian Accounting Standards Board as well as comply with the relevant Federal Government Financial Regulations and Circulars.

  
**S. S. Afemikhe & Co.**  
(Chartered Accountants)

April, 2010  
Abuja, Nigeria

  
**Dele Otitoju & Co.**  
(Chartered Accountants)



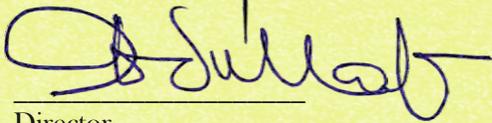
## FINANCIAL STATEMENTS

Balance sheet as at December 31, 2008

			2008		2007
	Notes	₹	₹	₹	₹
Capital employed					
Fixed capital	2		15,264,090,811		10, 222,281
Intangible Assets					
Software of Valuation	3		5,700,000,000		-
Current Assets					
Prepayments	4	356,344,632		-	
Cash and Bank	5	<u>356,497,522</u>		<u>219,769,202</u>	
		<u>712,842,154</u>		<u>219,769,202</u>	
Current Liabilities					
Accruals	6	452,479,000		-	
Other Creditors	7	307,792,896		90,412	
Joint Auditors		<u>7,000,000</u>		<u>-</u>	
		<u>767,271,896</u>		<u>90,412</u>	
Net Current Assets/ (Liabilities)			<u>(54,429,742)</u>		<u>219,678,790</u>
			<u>20,909,661,069</u>		<u>229,901,071</u>
Financed by:					
Accumulated Funds	8		<u>20,909,661,069</u>		<u>229,901,071</u>
			<u>20,909,661,069</u>		<u>229,901,071</u>



Director General/Chief Executive Officer



Director

The notes on pages 46 to 51 form part of these financial statements.

Income and Expenditure Statement for the year ended December 31, 2008

	Notes	2008 ₦	2007 ₦
Revenue /Funds			
Federal Government Subvention/ (Net)	9	3,244,232,001	230,000,000
Private Grants Sponsorship and Donation	10	-	64,000,000
<b>Total Income</b>		<b><u>3,244,232,001</u></b>	<b><u>294,000,000</u></b>
<b>Expenditure:</b>			
Operation /Administration	11	<u>1,807,868,450</u>	<u>62,252,535</u>
		<u>1,807,868,450</u>	<u>62,252,535</u>
Excess of Income over expenditure		1,436,363,551	231,747,465
Depreciation		(38,360,779)	(1,846,394)
Surplus / (Deficit) for the year transferred To accumulated fund		<b><u>1,398,002,772</u></b>	<b><u>229,901,071</u></b>

The notes on pages 46 to 51 form part of these financial statements.

## Cash flow statement for the year ended December 31, 2008

	2008		2007	
	₱	₱	₱	₱
Cash flow from operating activities				
Surplus / (Deficit) for the year	1,398,002,772		229,901,071	
Adjustment for:				
Depreciation	<u>38,360,779</u>		<u>1,846,394</u>	
Operating profit before working				
Capital changes	1,436,363,551		231,747,465	
(Increase)/ Decrease in trade				
and other receivables	(356,344,632)		-	
(Increase)/ Decrease in accounts payable	<u>363,254,219</u>		<u>90,412</u>	
		<u>6,909,587</u>		<u>90,412</u>
Net cash flow from operating activities		1,443,273,138		231,837,877
Cash flow from Investing Activities				
Purchase of fixed assets	(1,306,544,818)		(12,068,675)	
		<u>(1,306,544,818)</u>		<u>(12,068,675)</u>
Net cash flow from operating/ investing activities		136,728,320		219,769,202
Cash & Cash equivalent at beginning		219,769,202		-
Cash & Cash equivalent at end of period		<u>356,497,522</u>		<u>219,769,202</u>
Represented by:				
Cash and Bank		356,497,522		219,769,202
Cash & Cash equivalent at end of period		<u>356,497,522</u>		<u>219,769,202</u>

### 1 Principal Accounting Policies

#### i) Basis of Accounting

The financial statements have been prepared under the historical cost convention.

#### ii) Fixed Assets

These are stated at cost less provision for depreciation during the year.

#### iii) Depreciation

Fixed assets are depreciated on a straight line basis at rates considered adequate to write off the cost over their estimated useful lives. The rates per annum applied during the year are as follows:

	%
Office Building	10
Office Furniture & Fittings	20
Office Machines & Equipment	12.5
ICT and Computer Equipment	33.33
Motor Vehicles	25

#### iv) Gross Income

This consists of revenue received under section 10 (1) of the NIMC Act, 2007 and in particular Federal Government recurrent and capital grant as well as banks interest income.

2 Fixed Assets

	Notes	Land & Building ₹	Motor Vehicle ₹	ICT & Computer Equipment ₹	Plant & Machinery Equipment, Furniture & Fittings ₹	Total ₹
<b>COST</b>						
Balance as at 1-01-08		-	-	2,588,750	9,479,925	12,068,675
Asset taken over from DNCR at valuation	12	5,801,399,095	63,530,000	-	8,120,755,396	13,985,684,491
Additions in the year		-	19,900,000	1,208,457,468	78,187,350	1,306,544,818
Balance as at 31-12-08		<u>5,801,399,095</u>	<u>83,430,000</u>	<u>1,211,046,218</u>	<u>8,208,422,671</u>	<u>15,304,297,984</u>
Accum . Depm at 1-01-08		-	-	571,371	1,275,023	1,846,394
Depm. Charged for the year		-	414,583	35,464,245	2,481,951	38,360,779
Accum. Depm. at 31-12-08		-	<u>414,583</u>	<u>36,035,616</u>	<u>3,756,974</u>	<u>40,207,173</u>
Net book value at 31-12-08		<u>5,801,399,095</u>	<u>83,015,417</u>	<u>1,175,010,602</u>	<u>8,204,656,697</u>	<u>15,264,090,811</u>
Net book value at 31-12-07		-	-	<u>2,017,379</u>	<u>8,204,902</u>	<u>10,222,281</u>

Notes to the valuation of assets

The assets taken over from the defunct DNCR by NIMC were valued as at 4 December, 2008 using the following basis:-

- i) **Lands and Buildings**  
Lands and Buildings were valued at open market value
- ii) **Plant and Market, Equipment, Furniture and Fittings**  
These were valued on a focused sale basis
- iii) **Motor Vehicles / Motor Cycles:**  
These were valued on a forced sales basis
- iv) **Intangible Assets – Software of N5.7 billion**  
This was the value recommended by the Due Diligence Consortia

3. This is the value placed by the Due Diligence Consultants on Integrated Card Production Facility under the 2001 agreement with SAGEM France which was installed and operated in several servers at the Data Centers as part of the assets taken by the NIMC.

	2008 ₦	2007 ₦
4. Payment to SAGEM	<u>356,344,632</u>	<u>-</u>

This is the value of advance payment verified by the due diligence consultants for the supply of 8million blank ID cards by SAGEM France which were not supplied as at 4 December, 2008 when the DNCR assets were valued.

	2008 ₦	2007 ₦
5. Cash and Bank		
Zenith Bank PLc, Abuja	110,770,654	206,671,136
Zenith Banks Overheads A/C	-	-
Fin Bank Plc	100,184	13,098,066
Skye Bank Acct.	73,148,434	-
UBA Plc (Dom)	339,600	-
UBA Plc (Salary)	172,138,650	-
CBN Capital A/C	-	-
	<u>356,497,522</u>	<u>219,769,202</u>

6 Amount due to SAGEM	<u>456,479,000</u>	<u>-</u>
-----------------------	--------------------	----------

This represents claims on NIMC by SAGEM France for professional services rendered but not yet paid as at 31December, 2008.

7. Other Liabilities		
Local Contractors	90,925,439	-
Staff Liabilities	180,498,790	90,412
Rent Liabilities	36,368,667	-
	<u>307,792,896</u>	<u>90,412</u>

These are liabilities as verified by the due diligence consultants for executed contracts carried out by local contractors and other third party liabilities and staff salaries which has remained unpaid and outstanding.

	2008	2007
	₦	₦
<b>8. Accumulated Fund</b>		
Accumulated Fund brought forward	229,901,071	-
Net Surplus/ (Deficit) for the year	1,398,002,772	229,901,071
DNCR Capital transferred	<u>19,281,757,226</u>	<u>-</u>
	20,909,661,069	229,901,071
Accumulated fund carried forward	<u><u>20,909,661,069</u></u>	<u><u>229,901,071</u></u>
<b>9. Federal Government Grants (Net)</b>		
Initial Take - Off Grants	-	200,000,000
Capital Grants	1,228,357,468	-
Recurrent subvention personnel	881,375,706	-
Recurrent subvention Overhead	<u>1,134,498,827</u>	<u>30,000,000</u>
	<u><u>3,244,232,001</u></u>	<u><u>230,000,000</u></u>
<b>10. Other Income</b>		
(Private Sponsorships/ Grants/ Donations)		
Zenith Bank Plc	-	31,000,000
UBA Plc	-	22,500,000
Diamond Bank Plc	-	500,000
Intercontinental Plc	-	500,000
First Bank Plc	<u>-</u>	<u>9,500,000</u>
	<u><u>-</u></u>	<u><u>64,000,000</u></u>

11. Expenditure:

Operations / Administration	2008	2007
	₦	₦
Salaries and Wages	667,304,128	-
Insurance Charges	330,156,478	-
Licenses and Patents	264,000	-
Medical	120,000	-
NIMC Football Club	1,542,000	-
Library Expenses	8,843,728	-
Professional fee/ Services	158,541,817	-
Audit Fees	7,000,000	-
Motor vehicle repairs & maintenance	15,151,551	-
Security Services	19,112,565	-
Entertainment / Hospitality	8,193,757	-
Clearing and Fumigation	7,296,170	-
Terminal / Burial Benefit	2,012,650	-
Office Accommodation/ Rent	30,559,912	-
Management C'tees/ Sitting Allowance	14,663,911	-
Electricity, Fuel & Other Utility	42,360,762	-
Maintenance of Plant / Generator	13,436,495	-
Foreign Training	5,554,927	-
Local Transport and Travelling	96,037,741	559,000
Local Training and Seminar	130,077,236	2,401,250
Office Consumables/ Stationeries	85,961,111	5,335,075
Telephone & Courier Expenses etc.	3,872,149	912,683
Overseas Travel	26,454,788	1,000,000
Printing and Publications	14,468,846	2,489,000
Publicity and Advertisement	33,520,500	6,184,322
Stakeholders' Workshop on consumer credit	-	18,769,165
Computer consumables and internet hosting	17,655,135	50,505
Development and Evaluation of RFP	-	5,042,178
Hotel Accommodation	-	295,936
Public Hearing/ Policy Expenses	-	2,675,600
Repairs and Maintenance	67,569,792	613,130
Professional Fees - Legal/ Policy Advocacy	-	9,199,712
Media Awareness Campaign	-	5,280,000
Bank Charges	136,301	103,879
Honorarium	-	1,341,000
	<u>1,807,868,450</u>	<u>62,252,535</u>

12. The value placed on Motor Vehicles, Plant and Machinery, Equipment, Furniture and Fittings is the lower of the forced sale value and open market value because it is more prudent considering the wasting nature, rapid wear and tear of these assets due to environmental factors and frequency of usage and might have lost its economic life many years after acquisition by former DNCR.

However, the open market value was adopted for Land and Building because it is our view that generally, real properties appreciate in values over time, without loss due to usage, time or obsolescence. It is envisaged that the useful life of these real assets will continue to appreciate over time for the successful operation and benefits of NIMC.

	Personnel Cost	Overheads/ Operation Cost	Capital Grant	Total
13. F.G. Subvention/Grants Amount received (Net)	N 881,375,706	N 1,134,498,827	N 1,228,357,468	N 3,244,232,001
	<u>881,375,706</u>	<u>1,134,498,827</u>	<u>1,228,357,468</u>	<u>3,244,232,001</u>

14. In the course of the evaluation of the assets that NIMC took over from DNCR, the consortia of consultants valued the Database that NIMC inherited from DNCR at the date of valuation 4 December, 2008 at N52billion. This sum represents the cost of regenerating similar records in the event of loss, theft or damage. However, the sum representing the database cannot be capitalized as it is intangible asset whose cost was written off by DNCR when it was incurred on the creation of the database.

# Can you identify one from the other? ...yes we can, its our job!



## ...very soon

- ◆ No more Multiple or Duplicate Identities;
- ◆ No more Ghost Identities;
- ◆ Simplifies KYC (Know Your Customer);
- ◆ Enables you to assert your identity anytime, anywhere.

...it's a Game Changer: Enrol once and be identified for life.



# Is he truly who he says he is?

*...we will tell you!*



*Providing assured identity*

Established by Act No. 23 of 2007

**...very soon**

- ◆ No more Multiple or Duplicate Identities;
- ◆ No more Ghost Identities;
- ◆ Simplifies KYC (Know Your Customer);
- ◆ Enables you to assert your identity anytime, anywhere.

**...it's a Game Changer: Enrol once and be identified for life.**

