



**OFFICE OF THE AUDITOR GENERAL FOR  
LOCAL GOVERNMENTS**

**KEBBI STATE, BIRNIN KEBBI**

**ANNUAL AUDIT REPORT**

**FOR**

**THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2023**

**SUBMITTED BY**

**FARUK B. MUHAMMAD** FCNA, FCFA

*AUDITOR GENERAL FOR LOCAL GOVERNMENTS*

*KEBBI STATE, BIRNIN KEBBI*

# PREAMBLE

Local governments, being the third tier of government and literally “the closest to the people”, is viewed by government as the primary vehicle for conveying dividend of democracy to the common man in Nigeria. In order to achieve and demonstrate credible improvements in service delivery, local governments must take concerted efforts towards providing basic amenities to the grass root population within the state.

While Local Government authorities are saddled with the above responsibilities using tax payer’s funds, the Office of the Auditor General for Local Governments is equally empowered to scrutinize, evaluate, analyse, summarise and form opinion thereof; as to whether the public funds entrusted those authorities are being truly and fairly managed. Moreover, the findings and/or opinion of the Auditor General are being forwarded to the Executive and Legislative arms of Government (within ninety days from the date of receiving financial statements of the Local Governments) for further necessary actions.

These powers and responsibilities of the Auditor General are explicitly stated in the section 85(2) & (5) and 316(1) of the 1999 Constitution of the Federal Republic of Nigeria (as amended), section 12(1-2) of the Kebbi State Local Governments Auditor General Law 2021 and 39.1 of the Financial Memoranda.

*However, having received the Annual Financial Statements of 21 Local Governments and their Co-funded organisations between 20<sup>th</sup> – 31<sup>st</sup> July, 2023, I have audited and certified it, in accordance with Section 85(2) and (5) of the Constitution of the Federal Republic of Nigeria and section 12(1-2) of the Kebbi State Local Governments Auditor General Law 2021. And observations, comments and recommendations are made accordingly.*

The Annual Report for the fiscal year 2024 contains reports of the Financial Statements as well as financial operations of the 21 Local Governments in Kebbi State and their Co-funded organisations. The Financial Statements provide information that can be useful in assessing the financial activities of the Local Governments in the State. The report is intended to meet the needs of users which include taxpayers, members of the Executive and the legislature arms, investors, research institutions among others.

Moreover, the report is also intended to recognize and encourage improved practices in government's financial reporting and management. We discuss a number of issues encountered during the audit, and provide a glimpse into the changes in future accounting and auditing standards in the Local Government Council.

## ACKNOWLEDGEMENT

Bismillahir Rahmani Raheem. All praises and adorations are due to Allah the almighty, the beneficent, the merciful, for sparing our lives and for giving me the courage and strength to stand in the pages of history, for the successful compilation, completion, and fulfillment of this constitutional responsibility.

On the very outset, I would like to extend my sincere and heartfelt gratitude to the Executive Governor of Kebbi State, the peoples Governor **Comrade Dr. Nasir Idris** (*KauranAbdullahin Gwandu*) for finding me capable and qualified for the position of Auditor General for Local Governments; and for the countless supports he offered to this office.

Similarly, I also like to extend our propound gratitude to the Members of the State House of Assembly, particularly the Public Account Committee for their unwavering support and cordial relationship since their inception. To this end we say thank you once again.

My heart felt appreciation goes to the Directors and the entire staff of this office for their tireless efforts toward achieving this milestone. Indeed, your resilient and doggedness are highly commendable and appreciated.

Lastly, it is also pertinent at this juncture to reiterate our prayers to His Excellency, the State Governor **to approve the commencement of 0.5% of Local Governments FAAC revenue contribution to the Office of the Auditor General for Local Government as enshrined in section 22.1 of Local Governments Auditor General Law 2021**. These funds if approve would be used in the constructions of seven Zonal Offices, 21 Local Government Offices, procurement of verification vehicles, processing and production of audited reports to the local governments and Annual Reports to the Executives and Legislators. Other areas of expenditure include provision of ICT equipment, stationaries, purchase of Mikano generator and its maintenance, Transport and Duty Tour Allowances to the staff among others.

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**OFFICE OF THE AUDITOR GENERAL  
FOR LOCAL GOVERNMENTS**  
P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

**AUDIT CERTIFICATE**

The Financial Statements of the 21 Local Government Councils for the period from 1<sup>st</sup> January to 31<sup>st</sup> December 2023 have been examined by my office in accordance with the Section 316(1) of the 1999 Constitution of the Federal Republic of Nigeria (As amended), Section 15(1) of the Kebbi State Local Government Auditor General Law 2021, Financial Memoranda, the provision number 146 (1 ), 2 ( a & b) Part 1X of the Local Government Law 2008 and in line with International Public Sector Accounting Standard (Cash Basis).

I have obtained substantial information and explanations required for my audit. Base on the records made available to me, I hereby certify that the Audited Financial Statements are the true reflection of the transactions of all the Local Government Councils in Kebbi State.

**Faruk B. Muhammad FCNA, FCFA**

Auditor General for Local Governments

Kebbi State



# OFFICE OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS

P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

## STATEMENT OF FINANCIAL RESPONSIBILITY

The Directors of Finance and Supplies of the Local Governments are responsible for the preparation and fair presentation of the financial Statements in accordance with IPSAS and relevant sections of the Financial Memoranda. The presentation shall be done within Ninety (90) days after the expiration of the preceding year.

## STATEMENT OF RESPONSIBILITY OF THE AUDITOR GENERAL

It is my responsibility as the Auditor General for Local Governments, Kebbi State, to form an uninterrupted and independent opinion on the Annual Financial Statements prepared and submitted by the Treasurers of the 21 Local Government in Kebbi State as indicated in Section 15(3) of the Kebbi State Local Government Auditor General Law 2021, chapter 32 of the Financial Memoranda, and provisions number 146 {1 }, 2 { a & b} Part 1X of the Local Government Law 2008. Furthermore, I carried out my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). Those standards required adherence to ethical requirements, plan and perform the audit to obtain reasonable assurances as to whether the financial statements are free from material misstatements.

Faruk B. Muhammad FCNA, FCFA

Auditor General for Local Governments

Kebbi State



# OFFICE OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS

P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

## ACCOUNTING POLICY

The Accounts have been prepared based on the Cash basis accounting framework and it is in compliance with the requirements of the International Public Sector Accounting Standard (IPSAS). The Cash basis IPSAS means a basis of accounting that recognizes transactions and other events only when cash is received or paid. The Accounts also comply with the provisions of the 1999 Constitution of the Federal Republic of Nigeria, Kebbi State Local Governments Law (2008) and Financial Memoranda.

Faruk B. Muhammad FCNA, FCFA

Auditor General for Local Governments

Kebbi State



# OFFICE OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS

P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

## OPINION OF THE AUDITOR GENERAL

I have audited the Books of Account and Annual Financial Statements of the 21 Local Governments Councils, which comprises the statement of Cash flow, statement of Assets and Liabilities, statement of Consolidated Revenue Funds, Statement of Capital Development Fund and Notes to the Financial statement. I have also audited the financial records of the Joint Local Government Accounts, Local Government Service Commission (Training Funds), 21 Local Government Education Authority, Local Government Staff Pension Board, Primary School Staff Pension Board, Emirate Councils, Primary Health Care Development Agency (Basket Funds), and Social Security Welfare Fund for the year ended 31<sup>st</sup> December 2023. The accounts as presented to me appeared to be prepared in accordance with the Generally Accepted Auditing Standards as well as the guidelines of the **International Public Sector Accounting Standards (IPSAS)**.

In my opinion, the accounting books and records together with the supporting documents for the period under review (as presented to me) appeared to be properly maintained and also reflect “free and fair” view of the public funds entrusted to those organisations. Moreover, all the information and explanation necessary for the purpose of my audit were also made available to me, except on the contrary as indicated in the report.

Faruk B. Muhammad FCNA, FCFA

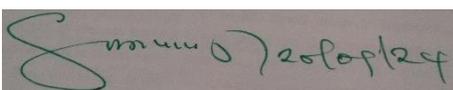
Auditor General for Local Governments

Kebbi State

## **MANAGEMENT REPORT OF THE AUDITED FINANCIAL STATEMENTS OF 21 LOCAL GOVERNMENT COUNCILS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2023**

The Summary Financial Statements bring together the financial performance of the 21 Local Governments in the state and their co-funded organisations. All these institutions were audited by the Office of the Auditor General for Local Governments. The guidelines of the Generally Accepted Auditing Standards were strictly adhered to. Moreover, we have obtained necessary information and explanations required for the purpose of our examinations.

In planning and performing these audits, auditors follow professional standards in considering risks in internal controls over financial disclosure, financial management and compliance to the laid down rules with aim of ensuring value for money. Risks and internal control weaknesses found during the financial statement audit were brought to management's attention through a "management letter". It is management's responsibility to responds to the observations raised. As part of the audit process, Auditors General follow-up all actions planned by management to ensure that control deficiencies are remedied. Where compliance was not achieved then the Auditor General notify the House of Assembly in his annual report through the Public Account Committee.

A rectangular box containing a handwritten signature in green ink. The signature appears to be 'Faruk B. Muhammad' followed by a date '07/20/2024'.

**Faruk B. Muhammad FCNA, FCFA**

Auditor General for Local Governments

Kebbi State

## REPORT OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS ON THE CONSOLIDATED FINANCIAL STATEMENT OF THE 21 LOCAL GOVERNMENTS

It is the requirement of the Section 85(5) of the Constitution of the Federal Republic of Nigeria 1999 and sections 8.4 and 15.1-3 of the Local Governments Auditor General Law 2021 that the Auditor General should report on the Audited Financial Statements to the State House of Assembly within 90 days of the receipt of the Statements from the Local Governments' Treasurers. The Financial Statements of the 21 Local Governments in the State for the year ended 31st December, 2023 were last submitted to me by the Local Governments Treasures on the 9<sup>th</sup> August, 2024. In accordance with above provisions, I have examined and certified the accounts, subject to the comments and observations contained in this Report.

### CONSOLIDATED FINANCIAL STATEMENT OF THE 21 LOCAL GOVERNMENTS OF KEBBI STATE CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2023

<b>CashFlows from Operating Activities:</b>	<b>NOTES</b>	<b>ACTUAL YEAR 2023</b>	<b>YEAR 2022</b>
<b>Receipts:</b>			
Statutory Allocations: FAAC	1	41,894,686.234.92	36,996,806,223.17
Value Added Tax Allocation	1	23,447,844,888.81	15,436,079,824.56
<b>Sub-Total: Statutory Allocation</b>		<b>65,342,531,123.73</b>	<b>52,432,886,047.73</b>
Direct Taxes	2	289,499,936.59	162,150,765.09
Licenses	2	253,117,599.13	140,522,516.11
Mining Rents:	2		
Royalties	2		
Fees:	2	59,875,989.73	34,898,402.66
Fines	2	22,419,737.72	18,146,949.00
Sales	2	38,242,862.72	71,225,755.18
Earning from Commercial Undertakings	2	242,384,453.72	238,531,662.20
Sales/Rent of Government Buildings	2	192,251,647.22	154,970,433.52
Sale/rent on Lands and Others	2	42,105,611.00	94,973,931.11
Repayments: General	2		
Investment Income	2	7,968,765.08	4,874,687.00
Interest earned	2		
Re-Imbursement	2		
<b>Sub-Total-Independent Revenue</b>		<b>1,147,866,602.91</b>	<b>920,295,101.87</b>
<b>Other Revenue Sources of the.....Government</b>	<b>3</b>	<b>9,535,627,456.13</b>	<b>6,786,348,619.04</b>
<b>Total Receipts</b>		<b>76,021,025,182.77</b>	<b>60,139,529,768.64</b>
<b>Payments</b>			
Personnel Costs	4	11,704,714,356.73	11,610,757,325.08
Federal/States/LGC Gov. Contribution to Pension	5	5,412,644,264.06	3,528,120,162.74
Overhead Charges	6	762,300,000.00	833,191,057.99

Consolidated Revenue Fund Charges (Incl, Service Wide Votes)	7		
Subvention to Parastatals	8	19,146,858,296.38	18,498,195,412.65
Other Operating Activities		6,307,406,461.53	8,025,951,700.75
Other Transfer		3,309,575,470.62	275,041,492.51
<b>Total Payments</b>		<b>46,643,498,849.32</b>	<b>42,771,257,151.72</b>
<b>Net Cash Flow from Operating Activities</b>		<b>29,377,526,333.45</b>	<b>17,368,272,616.92</b>
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>			
Capital Expenditure: Administrative Sector	11	5,689,334,206.20	4,182,277,299.87
Capital Expenditure: Economic Sector	11	11,599,656,749.69	5,717,298,840.93
Capital Expenditure: Law and Justice	11		
Capital Expenditure: Area development	11	2,604,531,329.49	2,700,181,999.73
Capital Expenditure: Social Service Sector	11	9,436,835,954.94	4,700,383,412.62
Capital Expenditure: Funded from Aid and Grants	10		
<b>TOTAL</b>		<b>29,330,358,240.32</b>	<b>17,300,141,553.15</b>
<b>Net Cash Flow from Investment Activities</b>		<i>(29,330,358,240.32)</i>	<i>(17,300,141,553.15)</i>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from Aid and Grants	10		
Proceeds from External Loan	19		
Proceeds from Internal Loans: FGN/Treasury Bonds	20		
Proceeds from Internal Loan: NTBs etc	21		
Proceeds from Development of Nat Resources	23		
Proceeds of Loans from other Funds	24		
Repayment of External Loans (Including Servicing)	19		
Repayment of FGN/Treasury Bonds	20		
Repayment of Internal Loan-NTBs	21		
Repayment of Loans from Development of Nat. Resources	23		
Repayment of Loans from Other Funds	24		
<b>Net Cash Flow from Financing Activities:</b>			
<b>Net (Increase)/Decrease in other Cash Equivalent</b>		<b>47,168,093.13</b>	<b>68,131,063.77</b>
<b>Cash &amp; Its Equivalent as at 1<sup>st</sup> January 2022</b>		<b>188,339,605.96</b>	<b>120,208,542.19</b>
<b>Cash &amp; Its Equivalent as at 31<sup>st</sup> December, 2023</b>		<b>235,507,699.09</b>	<b>188,339,605.96</b>

## **REVENUES**

The overall performance of Revenue was 25% from the previous year's figures. This was achieved as a result of increased in all revenue sectors (i.e. Statutory Allocation, Independent Revenue as well as other sources of Government revenue.

### **Statutory allocations and VAT**

The cumulative amounts received from the Federation Account as Local Governments share of both Statutory Allocation and VAT appeared to have increased by 25% from what was received in the preceding year. These is a positive development in a situation where the economy is going through hard time.

### **Independent Revenue**

The locally generated revenue of the 21 Local Governments in the State increased by N227.57 million naira compared to amount generated in the previous year. However, there is serious need a for holistic review of IGR in the Local Governments, in terms of collection, banking and record maintenance. Because the amount presented to us was IGR was just 2% of the total amount accrued to the Local Governments during the year under review.

## **EXPENDITURE**

### **Recurrent Expenditure**

Recurrent Expenditure for the year under review engulf 61% of the total receipt. Details of the breakdown showed that Personnel Emoluments account for N11.7 billion, representing 25% of the total recurrent expenditure. Contribution to both Local Governments and Primary School Pensions stood at N5.41 billion representing 11.6% of the total recurrent expenditure. Similarly, the Overhead costs expenditure for the period under review amounted to N762.30 million or 2% of the total expenditure. Subventions to Parastatals (co-funded organisations) also account for N6.31 billion.

## **Capital Expenditure**

The Capital expenditure on the other hand amounted to N29.33 billion, which is equivalent to 39% of the total receipts for the year under review.

Sector analysis of the capital expenditure show that the Economic sector recorded the highest expenditure of N11.60 Billion; the Social sector N9.44 Billion; Administrative sector expended N5.69 Billion and Area sector spent N2.60 Billion respectively.

# **ADDITIONAL OBSERVATIONS ON THE CONSOLIDATED FINANCIAL RECORDS OF THE 21 LOCAL GOVERNMENTS IN KEBBI STATE FOR THE YEAR ENDED 31ST DECEMBER, 2023**

## **1. STATE OF ACCOUNTS**

Audit inspection of the available records revealed an appreciable improvement from the previous year's observations in the areas of records maintenance and update. However, the culture of non-attachment of supporting documents to the payment vouchers still persisted in virtually all the 21 local governments. These contravene the provisions of chapter 14.1 -9 of the Financial Memoranda.

The possible risk of abusing Chapter 14 may include, material misstatement, fraud or outright diversion of public funds to unintended beneficiaries. Though the Treasurers in their responses assured me of compliance going forward, but I deem it necessary to report the matter and make it clear that henceforth, appropriate sanctions will be applied to the erring officer(s).

## **2. SUBSIDIARY RECORDS**

Audit examinations of the available records in respect of the 21 Local Governments bring to the fore, the high level of inadequacies and inconsistency in subsidiary records keeping and these findings have been forwarded to the respective Local Governments. These observed anomalies are summarized below:

- a. Departmental Vote of Expenditure Account, either not prepared or not updated.
- b. Movable and immovable Assets registers were either not properly kept or not maintained.
- c. Revenue cash books and allied records, not maintained and/not updated.
- d. Investment register/ ledgers were not kept.
- e. Store ledger, not maintained or updated.

### **3. INTERNAL CONTROL:**

Section 14.10 of the Financial Memoranda stipulated that “Section 14.10 of the Financial Memoranda state that “All Payment Vouchers shall be submitted to the Internal Auditor for prepayment audit. Such vouchers shall not be paid the Treasurer until the Internal Auditor has audited the payment voucher”. While scrutinizing the available records of the 21 Local Governments for the period under review, we observed serious slack on internal control and checks. The prepayment audit roles of the Internal Auditors were flagrantly thrown to the bay by the Officers Controlling the Votes, Treasurers and/or Councils Chairmen.

Conversely, it is also disheartening to report that Local Governments’ Internal Auditors were not alive to their responsibilities throughout the period under review. To expose the level of their ineffectiveness, none of the Internal Auditors wrote and submitted any quarterly reports for the attention (s) of their Chairmen, Audit Alarm Committee and/or the Auditor-General for Local Governments.

### **BANK RECONCILIATION STATEMENT**

It’s quite absurd to note that throughout the period covered by this report most of the Local Government Councils did not make even an attempt to reconcile their Cash Books with the Bank Statements, in compliance with the Financial Memoranda Provision number 19.25. In many atimes, cheques are not quoted against withdrawal made by most of the Local Government Councils which is a serious contravention of Financial Memoranda provision chapter 19.

### **SUBMISSION OF ACCOUNTS**

The late submissions of Financial Statements by the Local Government Treasurers have become recurring issue which calls for concern and change of modus operandi. The 2023 Annual Financial Statements (Nos. 1 – 4) with the Notes to the Accounts were first submitted to my Office on 20<sup>th</sup> June, 2023, three months behind the provisions of the 1999 Constitution (as amended) in section 85(5). Timeliness in preparation and publication of Annual Financial Statements is considered to be of paramount importance globally, if these Statements are to be relevant and useful.

It is my pleasure to report that prior to writing this report, we had constructive and fruitful engagements with the Local Government Treasurers on modalities that will aid preparation and submission of Annual Financial Statements within the prescribed period. Parts of my recommendations are:

- (i) Every Local Government shall constitute team of Accountants that will ensure timely preparation and submission of Annual Financial Statement to my office for audit.
- (ii) An Allowance of at least N100,000.00 should be approved as allowances to the team on monthly basis to serve as motivator.

**ALEIRO LOCAL GOVERNMENT COUNCIL**

**OF KEBBI STATE**

**AUDITED FINANCIAL STATEMENTS**

**FOR**

**THE YEAR ENDED**

**31<sup>ST</sup> DECEMBER 2023**



**OFFICE OF THE AUDITOR GENERAL  
FOR LOCAL GOVERNMENTS**  
P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

**AUDIT CERTIFICATE**

The Financial Statements of Aleiro Local Government Council for the period from 1<sup>st</sup> January to 31<sup>st</sup> December 2023 have been examined by my office in accordance with the Section 316(1) of the 1999 Constitution of the Federal Republic of Nigeria (As amended), Section 15(1) of the Kebbi State Local Government Auditor General Law 2021, Financial Memoranda, the provision number 146 (1 ), 2 ( a & b) Part 1X of the Local Government Law 2008 and in line with International Public Sector Accounting Standard (Cash Basis).

I have obtained substantial information and explanations required for my audit. Base on the records made available to me, I hereby certify that the Audited Financial Statements are the true reflection of the transactions of Aleiro Local Government Council, Kebbi State.

**Faruk B. Muhammad FCNA, FCFA**

Auditor General for Local Governments  
Kebbi State



# ALIERO LOCAL GOVERNMENT COUNCIL

P.M.B 9008 ALIERO, KEBBI STATE

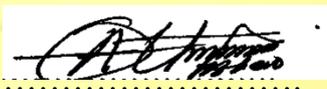
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## ALIERO LOCAL GOVERNMENT

### STATEMENT OF FINANCIAL RESPONSIBILITY

These financial statements have been prepared by the treasurer of Aliero Local government Council in accordance with the provisions of the finance (council and management) Act 1958 as amended. The financial statements comply with generally accepted accounting practice.

The treasurer is responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance that the transactions recorded are within statutory authority and properly record the use of all public finance resources by the local government council. To the best of my knowledge, this system of internal control has operated adequately throughout the reporting period.

Sign:   
Treasurer

Date: 2/9/2024.....

We accepted responsibility for the integrity of these financial statements, the information they contain and their compliance with the finance (control and management) Act 1958 as amended.

In our opinion these financial statement fairly reflect the financial position of local government as at 31<sup>st</sup> December 2023 and its operation for the year ended on that date.

  
Treasurer  
Date: 2/9/2024.....

  
Chairman  
Date: 2/9/2024.....



# OFFICE OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

## STATEMENT OF OPINION OF THE AUDITOR GENERAL

I have examined the financial statement of Aleiro Local Government Council for the year ended 31st December, 2023, The statement presented by the Treasurer appeared to be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and also in compliance to IPSAS (Cash Basis) accounting Standards. The statement presented comprises Statement of Cash Flow, Statement of Assets and Liabilities, Statement of Consolidated Revenue Funds as well as Statement of Capital Development Funds.

The presented statements are evaluated and tested using the Generally Accepted Auditing Standards (GAAS) which are the set-out requirement and guidelines on how to conduct audit examinations. Prior to the above, I have obtained substantial information and explanations needed for the purpose of my audit.

In my opinion, the Financial Statements as presented to me shows “true and fair” view of the states of affairs of the Aleiro Local Government Council as at 31st December, 2023 and of the financial transactions for the fiscal year ended on that date, subject to the observations contained herein.

**Faruk B. Muhammad FCNA, FCFA**

Auditor General for Local Governments

Kebbi State



# ALIERO LOCAL GOVERNMENT COUNCIL

P.M.B 9008 ALIERO, KEBBI STATE

*Our Ref:*..... *Your Ref:*..... *Date:*.....

## ACCOUNTING POLICY

The Accounts have been prepared based on the Cash basis accounting framework and it is in compliance with the requirements of the International Public Sector Accounting Standard (IPSAS). The Cash basis IPSAS means a basis of accounting that recognizes transactions and other events only when cash is received or paid. The Accounts also comply with the provisions of the 1999 Constitution of the Federal Republic of Nigeria, Kebbi State Local Governments Law (2008) and Financial Memoranda.

2/9/2024

**ABDULLAHI UMAR**

Director Finance and Supply  
Aliero Local Government

**ALIERO LOCAL GOVERNMENT OF NIGERIA**  
**CASH FLOWS STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2023**

ANNUAL BUDGET 2023 ₦	CASH FLOW FROM OPENRATING ACTIVITIES	NOTES	ACTUAL YEAR 2023		YEAR 2022
			₦	₦	₦
	<u>Receipt</u>				
1,719,335,386	Statutory Allocation: FAAC	1	1,331,385,223.41		521,100,863.96
729,867,343	Value Added Tax Allocation	1	860,297,679.98		771,210,574.68
	<b>Sub-total - Statutory Allocation</b>		<b>2,191,682,903.39</b>		<b>1,292,311,438.64</b>
250,000,000.00	Direct Taxes	2	26,231,200.00		23,577,164.30
	Licences	2			
	Mining Rents:	2			
	Royalties	2			
	Fees:	2			
	Fines	2			
	Sales	2			
	Earnings:	2			
	Sales/Rent of Government Buildings:	2			
	Sale/Rent on Lands and Others:	2			
	Repayments-General:	2			
	Investment Income	2			
	Interest Earned	2			
	Re-imburement	2			
	<b>Sub-total – Independent Revenue</b>		<b>26,231,200.00</b>		23,577,164.30
	Other Revenue Sources on the .....Government	3	20,243,803.35		
	<b>Total Receipts</b>		<b>2,238,157,906.74</b>		<b>1,315,888,602.94</b>
	<u>Payments:</u>				
415,207,480.00	Personal Costs (Including Salaries on CRF charges)	4	327,465,596.83		380,238,620.63
133,051,885.00	Federal/ State/ LGC Gov't Contribution to Pension:	5	138,368,650.21		
159,300,000.00	Overhead Charges:	6	36,000,000.00		36,000,000.00
	Consolidated Revenue Fund Charges (Incl. Service Wide Votes)	7			
597,972,372.00	Subvention to Parastatals:	8	528,007,762.40		
2,119,853,638.00	Other Operating Activities		790,652,246.51		863,676,184.20
	Other Transfers				
	<b>Total Payment</b>		<b>1,820,494,255.95</b>		<b>1,279,914,804.83</b>
	<b>Net Cash Flow from Operating Activities</b>		<b>417,663,650.79</b>		<b>35,973,798.11</b>
	Cash Flows from Investment Activities:				
	Capital Expenditure: Administrative Sector:	11			
	Capital Expenditure: Economic Sector	11	(17,142,857.14)		(17,142,857.14)
	Capital Expenditure: Law and Justice:	11			
	Capital Expenditure: Region Development	11			
	Capital Expenditure: Social Service Sector:	11	(400,490,477.00)		
	Capital Expenditure: Funded from Aid and Grants:	10			
	<b>Net Cash Flow from Investment Activities:</b>		<b>(417,633,334.14)</b>		<b>(17,142,857.14)</b>
	<u>Cash Flow From Financing Activities</u>				
	Proceeds from Aid and Grants	10			
	Proceeds from Exernal Loan:	19			
	Proceeds from Internal Loans: FGN/Treasury Bonds:	20			
	Proceeds from Internal Loan: NTBs etc:	21			
	Proceeds from Development of Net Resources	23			
	Proceeds of Loans from Other Funds	24			
	Repayment of External Loans (Including Servicing)	19			
	Repayment of FGN (Treasury Bonds:	20			
	Repayment of Internal Loan-NTBs	21			
	Repayment of Loan from Development of Net Resources:	23			
	Repayment of Loans from Other Funds	24			
	<b>Net Cash Flow from Investment Activities:</b>				
	Movement in Other Cash Equivalent Accounts				
	(Increase)/ Decrease in Other Equivalent Accounts				
	<b>Total Cash flow from Other Cash equivalent Accounts</b>				
	Net Cash for the year		30,316.65		18,830,940.97
	Cash & Its Equivalent as at 1 <sup>st</sup> January, 2023		21,668.37		2,274,398.20
	Cash & Its Equivalent as at 31 <sup>st</sup> December, 2023		51,985.02		21,105,339.17

## STATEMENT NO. 2

**ALIERO LOCAL GOVERNMENT OF NIGERIA**  
**STATEMENT OF ASSETS AND LIABILITIES AS AT 31<sup>ST</sup> DECEMBER, 2023**

ANNUAL BUDGET 2023 ₦		NOTE	CURRENT YEAR 2023	PREVIOUS YEAR 2022
			₦	₦
	<b>ASSETS:</b>			
	<u>Liquid Assets:</u>			
	Cash Held by AGF			
	- Bank Balance		51,985.02	21,668.37
	- Pension Account (CBN/ Bank):			
	- Other Bank of the Treasury			
	- Cash balances of Trust & Other Funds of the FGN/ States/ LGC:	12	417,663,650.79	35,973,798.11
	- Cash balances with Federal Pay Offices/ Sub-Treasury	13		
	- Cash Held by Ministries Department & Agencies:	14		
	<b>TOTAL LIQUID ASSETS</b>		<b>417,715,635.81</b>	<b>35,995,466.48</b>
	<b>Investments and Other Cash Assets:</b>			
	Federal/ State/ Local Government Investments	15	17,142,857.14	17,142,597.14
	Imprests:	16		
	Advances:	17		
	Revolving Loans Granted:	18		
	Intangible Assets			
	<b>TOTAL – INVESTMENTS AND OTHER CASH ASSTS</b>		<b>17,142,857.14</b>	<b>17,142,857.14</b>
	<b>TOTAL ASSETS</b>		<b>434,858,492.95</b>	<b>53,138,063.62</b>
	<b>LIABILITIES:</b>			
	<u>PUBLIC FUNDS</u>			
	CONSOLIDATED REVENUE Fund:			
	Capital Development Fund:		417,663,650.79	35,973,798.11
	Trust & Other Public Funds:		17,194,842.16	17,164,525.85
	Police Reward Fund			
	<b>TOTAL PUBLIC FUNDS</b>		<b>434,858,492.95</b>	<b>53,138,063.62</b>
	<b>EXTERNAL AND INTERNAL LOANS</b>			
	External Loans: FGN/State/LGC	19		
	FGN/States/LGC Bonds & Treasury Bonds	20		
	Nigerian Treasury Bills (NTB)	21		
	Development Loan Stock	22		
	Other Internal Loan (Promissory Notes)	23		
	Internal Loans from Other Funds	24		
	<b>TOTAL EXTERNAL AND INTERNAL LOANS</b>			
	<b>OTHER LIABILITIES</b>			
	Deposits:-	25		
	<b>TOTAL LIABILITIES</b>		<b>434,858,492.95</b>	<b>53,138,063.62</b>

**STATEMENT NO. 3**  
**ALIERO LOCAL GOVERNMENT OF NIGERIA**  
**STATEMENT OF CONSOLIDATED REVENUE FUND FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2023**

	NOTES	ACTUAL YEAR 2023	FINAL BUDGET 2023	INITIAL/ORIGINAL BUDGET 2023	SUPPLEMENTARY BUDGET 2023	VARIANCE ON FINAL BUDGET
<b>Opening Balance:</b>		N	N	N	N	%
<b><u>ADD: REVENUE</u></b>						
<b>Statutory Allocations: FAAC</b>	1	1,331,285,223.41	1,719,335,386.00	1,719,335,386.00		367,706,359.24
Value Added Tax Allocation	1	860,297,679.98	729,867,543.00	729,867,543.00		(130,430,136.98)
<b>Sub-Total- Statutory Allocation</b>		<b>2,191,682,903.39</b>				
Direct Taxes	2	26,231,200.00	250,000,000.00	250,000,000.00		223,768,800.00
Licences	2					
Mining Rents:	2					
Royalties	2					
Fees:	2					
Fines	2					
Sales	2					
Earnings	2					
Sales/Rent of Government Buildings:	2					
Sales/Rent on Lands and Others:	2					
Repayment: General:	2					
Investment Income	2					
Interest Earned	2					
Re-Imbursements	2					
<b>Sub-Total – Independent Revenue</b>		<b>26,231,200.00</b>	<b>250,000,000.00</b>	<b>250,000,000.00</b>		<b>223,768,800.00</b>
Other Revenue Sources of the Government	3	20,243,803.35				
<b>TOTAL REVENUE:</b>		<b>2,238,157,906.74</b>	<b>2,829,633,065.98</b>	<b>2,699,202,929.00</b>		<b>461,045,022.26</b>
<b><u>LESS: EXPENDITURE</u></b>						
Personal Costs	4	327,465,596.83	415,207,480.00	415,207,480.00		87,741,883.17

Federal/ States/ LGC Govt Contribution to Pension:	5	138,368,650.21	597,972,372.00	597,972,372.00		459,603,721.79
Overhead Charges:	6	36,000,000.00	159,300,000.00	159,300,000.00		123,300,000.00
Consolidated Revenue Fund Charges (Incl Service Wide Votes)	7					
Subvention to Parastatals:	8	807,773,435.28				
<b>OTHER RECURRENT PAYMENTS/EXPENDITURE:</b>						
Repayments: External Longs/FGN/States/LGC	19					
Repayments: FGN/States/LGC Bonds & Treasury Bonds	20					
Repayments: Nigeria Treasury Bills (NTB)	21					
Repayments: Development Loan Stock	22					
Repayments: Other Internal Loans (Promissory Notes)	23					
Repayments: Internal Loans from Other Funds	24					
<b>TOTAL EXPENDITURE</b>		<b>1,820,494,255.95</b>	<b>1,279,914,804.83</b>			<b>670,645,604.96</b>
<b>OPERATING BALANCE:</b>		400,542,462.02				
<b>APPROPRIATIONS/TRANSFERS:</b>						
Transfer to Capital Development Funds:	9	400,490,477.00				
<b>Closing Balance:</b>		<b>51,985.02</b>				

**STATEMENT NO. 4**

**ALIERO LOCAL GOVERNMENT OF NIGERIA**

**STATEMENT OF CONSOLIDATED REVENUE FUND FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2023**

	NOTES	TOTAL CAPITAL EXPENDITURE 2023	FINAL BUDGET 2023	INITIAL/ORIGINAL BUDGET 2023	SUPPLEMENTARY BUDGET 2023	PERFORMANCE ON TOTAL
<b>Opening Balance:</b>		N		N		%
<b><u>ADD: REVENUE</u></b>		400,490,477.00				
<b>Transfer from Consolidated Revenue Fund:</b>	9					
Aid and Grants	10					
External Longs/FGN/States/LGC	19					
FGN/States/LGC Bonds & Treasury Bonds	20					
Nigeria Treasury Bills (NTB)	21					
Development Loan Stock	22					
Other Internal Loans (Promissory Notes)	23					
Internal Loans from Other Funds	24					
<b>TOTAL REVENUE AVAILABLE:</b>						
<b><u>LESS: CAPITAL EXPENDITURE</u></b>						
Capital Expenditure: Administrative Sector:	11					
Capital Expenditure: Economic Sector	11					
Capital Expenditure: Law and Justice:	11					
Capital Expenditure: Regional Development	11					
Capital Expenditure: Social Service Sector:	11	400,490,477.00				
Capital Expenditure: Funded from Aid and Grants:	10					
<b><u>TOTAL CAPITAL EXPENDITURE:</u></b>						
Intangible Assets						
<b>CLOSING BALANCE:</b>						

## **ANALYSES OF FINANCIAL STATEMENT**

### **Revenues**

The overall performance of Revenue was 74% of the budgeted figure during the course of the year. This result appeared to be positive compared to previous year's performance. The success was recorded as a result of increase in both statutory Allocation and Value Added Tax (VAT) from the Federation Account. Details of the performance by Revenue heads are outlined below:

#### **Statutory allocations**

Suru Local Government received the sum of N1.33 billion as statutory allocation from the FAAC (comprising Statutory Allocation, Distribution of Electronic Money Transfer Levy and Share of Exchange Gain).

#### **Share of Value Added Tax**

The share of Suru Local Government from the Value Added Tax collection was estimated to be N729.87million. However, it is delighted to see that the sum of N861million was received during the year under review, which is greater than the amount received in the previous period.

### **Direct Taxes**

## **EXPENDITURE**

### **Recurrent Expenditure**

Recurrent Expenditure recorded a budget performance of 142%, inclusive of Personnel Emoluments amounted to N327.47 million out of the budgeted sum of N415.21 million. It also includes contributions to both Local Governments and Primary School Staff Pensions and Gratuity which amounted to N138.37 million as against the sum of N597.97million appropriated for the year. The Overhead costs were only N36 million of the budgeted sum of N159. Subventions to Parastatals was equally inclusive which stood at N807.77million of the undisclosed budgeted figure.

### **Capital Expenditure**

We could not present an independent opinion on the budget performance of capital expenditure due to the fact that the Council did not furnish us with capital expenditure budget.

**AREWA LOCAL GOVERNMENT COUNCIL**

**OF KEBBI STATE**

**AUDITED FINANCIAL STATEMENTS**

**FOR**

**THE YEAR ENDED**

**31<sup>ST</sup> DECEMBER 2023**



**OFFICE OF THE AUDITOR GENERAL  
FOR LOCAL GOVERNMENTS**  
P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

**AUDIT CERTIFICATE**

The Financial Statements of Arewa Local Government Council for the period from 1<sup>st</sup> January to 31<sup>st</sup> December 2023 have been examined by my office in accordance with the Section 316(1) of the 1999 Constitution of the Federal Republic of Nigeria (As amended), Section 15(1) of the Kebbi State Local Government Auditor General Law 2021, Financial Memoranda, the provision number 146 (1 ), 2 ( a & b) Part 1X of the Local Government Law 2008 and in line with International Public Sector Accounting Standard (Cash Basis).

I have obtained substantial information and explanations required for my audit. Base on the records made available to me, I hereby certify that the Audited Financial Statements are the true reflection of the transactions of Arewa Local Government Council, Kebbi State.

**Faruk B. Muhammad FCNA, FCFA**

Auditor General for Local Governments  
Kebbi State



Office of the Executive Chairman  
**AREWA LOCAL GOVERNMENT COUNCIL**  
KANGIWA, KEBBI STATE OF NIGERIA

Our Ref: \_\_\_\_\_

Your Ref: \_\_\_\_\_

Date: \_\_\_\_\_

**STATEMENT OF FINANCIAL RESPONSIBILITY  
AREWA LOCAL GOVERNMENT**

**RESPONSIBILITY FOR FINANCIAL STATEMENT**

These Financial Statement have been prepared by the Treasurer of Arewa Local Government Council in accordance with the provision of the Finance (Council and Management) Act 1958 as amended. We use International Accounting Standard (IAS) and National Accounting Standard (NAS) and Accounting Policy was based on International Public Sector Accounting Standard (IPSAS) Cash Bases Accounting System. The Financial Statement complies with generally accepted accounting practice.

The Treasurer is responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance that the transactions recorded are within statutory authority and properly recorded the use of all public financial resources by the Local Government Council. To the best of my knowledge, this system of internal control has operated adequately throughout the reporting period.

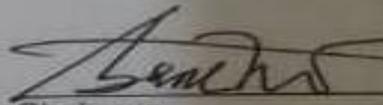
Sign:   
Treasurer

Date: 20/05/24

We accept responsibility for the integrity of these financial statements, the information they contain and their compliance with the Finance (Control and Management Act 1958 as amended).

Our opinion, these financial statements fairly reflect the financial position of Local Government as at 31<sup>st</sup> December, 2023 and its operations for the year ended on that date.

  
Treasurer

  
Chairman

20/05/24  
Date

20/05/24  
Date



# OFFICE OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS

P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

## STATEMENT OF OPINION OF THE AUDITOR GENERAL

I have examined the financial statement of Arewa Local Government Council for the year ended 31st December, 2023, The statement presented by the Treasurer appeared to be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and also in compliance to IPSAS (Cash Basis) accounting Standards. The statement presented comprises Statement of Cash Flow, Statement of Assets and Liabilities, Statement of Consolidated Revenue Funds as well as Statement of Capital Development Funds.

The presented statements are evaluated and tested using the Generally Accepted Auditing Standards (GAAS) which are the set-out requirement and guidelines on how to conduct audit examinations. Prior to the above, I have obtained substantial information and explanations needed for the purpose of my audit.

In my opinion, the Financial Statements as presented to me shows “true and fair” view of the states of affairs of the Arewa Local Government Council as at 31st December, 2023 and of the financial transactions for the fiscal year ended on that date, subject to the observations contained herein.

**Faruk B. Muhammad FCNA, FCFA**

Auditor General for Local Governments

Kebbi State



Office of the Executive Chairman  
**AREWA LOCAL GOVERNMENT COUNCIL**  
**KANGIWA, KEBBI STATE OF NIGERIA**

*Our Ref:* \_\_\_\_\_

*Your Ref:* \_\_\_\_\_

*Date:* \_\_\_\_\_

**ACCOUNTING POLICY**

The Accounts have been prepared based on the Cash basis accounting framework and it is in compliance with the requirements of the International Public Sector Accounting Standard (IPSAS). The Cash basis IPSAS means a basis of accounting that recognizes transactions and other events only when cash is received or paid. The Accounts also comply with the provisions of the 1999 Constitution of the Federal Republic of Nigeria, Kebbi State Local Governments Law (2008) and Financial Memoranda.

**ALMUSTAPHA ALHAJI**  
Director Finance and Supply  
Arewa Local Government

**AREWA LOCAL GOVERNMENT COUNCIL**  
**STATEMENT OF CASH FLOW AS AT 31<sup>ST</sup> DECEMBER, 2023**

**STATEMENT NO. 1**

<b>BUDGET 2023</b>	<b>ASSETS</b>	<b>NOTE</b>	<b>ACTUAL 2023</b>	<b>PREVIOUS YEAR 2022</b>
	<b>RECEIPT</b>			
2,280,143,335	Statutory allocation	1	3,016,628,646.55	2,310,001,574.56
1,232,387,597	Value Added Allocation	1	1,109,161,742.75	830,108,435.95
<b>3,512,530,932.00</b>	<b>Sub Total Statutory Allocation</b>		<b>4,125,790,389.30</b>	<b>3,140,110,010.51</b>
20,188,150	Direct Taxes	2	10,000,000.00	10,000,000.00
72,461,850	License Fees & Fine	2	10,000,000.00	10,000,000.00
50,400,000	Earning from commercial undertaking	2	15,000,000.00	10,000,000.00
20,900,000	Rent on Gov't Properties	2	10,000,000.00	14,256,0002.10
<b>163,950,000.00</b>	<b>Sub-Total Independent Revenue</b>		<b>45,000,000.00</b>	<b>44,256,002.00</b>
<b>3,676,480,932</b>	<b>TOTAL RECEIPT</b>		<b>4,170,790,389.30</b>	<b>3,184,366,012.61</b>
	<b>PAYMENTS</b>			
682,552,267	Personal Cost	4	651,905,763.63	596,998,751.60
340,000,000	Contribution to pension	5	375,589,451.89	311,372,600.20
36,000,000	Overhead Cost	6	36,000,000.00	36,000,000.00
1,421,385,242	Subventions to Parastatals	8	1,119,357,332.46	1,122,606,356.48
<b>2,479,938,509.00</b>	<b>TOTAL PAYMENTS</b>		<b>2,182,852,547.98</b>	<b>2,066,977,708.28</b>
1,196,493,423	Net cash flow from operating activities		1,987,937,841.32	1,117,388,304.33
	<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>			
370,000,000	Capital Expenditure Administrative Sector	11	370,101,982.15	198,545,432.44
1,379,081,384	Capital Expenditure Economic Sector	11	818,404,000.00	418,404,000
410,000,000	Capital Expenditure Regional Dev. Sector	11	300,000,000	300,000,000
475,000,000	Capital Expenditure Social Service Sector	11	300,000,000	200,000,000
	<b>TOTAL CAPITAL EXPENDITURE</b>		<b>1,988,505,982.15</b>	<b>1,116,949,432.44</b>
	Net Cash Flow from Investing Activities		(1,988,505,983.15)	(1,116,949,432.44)

	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
-	Proceed from Aids & Grant	10	-	-
-	Proceeding from External loan	19	-	-
-	Proceeding from Internal loan	20	-	-
-	Proceeding from Internal loan (NTB)	21	-	-
-	Proceeding from Development of National Resources	23	-	-
	Proceeding from loan and other loan funds	24	-	-
	Repayment of External Loan	19	-	
	Repayment of FGN/Treasury Bonds	20		
	Repayment of Internal Loan (NTB)	21		
	Repayment of loans from Development of Nat. Resources	23		
	Repayment of loans from other funds	24		
Nil	<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>		Nil	Nil
	Net increase/Decrease in cash and its equivalent		(568,140.83)	483,871.89
	Cash and its equivalent as at 1/1/2023		956,988.16	518,116.29
	Cash & its equivalent as at 312/1/2023		388,847.33	956,988.16

AREWA LOCAL GOVERNMENT COUNCIL

**STATEMENT OF ASSETS AND LIABILITIES AS AT  
31<sup>ST</sup> DECEMBER, 2023**

**STATEMENT NO. 2**

S/N	PARTICULARS	NOTE	2022	2021
	<b><u>ASSETS</u></b>			
1.	CASH AND BANK BALANCE			
	<b>LIQUID ASSETS</b>			
2.	BANK BALANCE	-	388,847.33	956,988.10
3.	PENSION ACCOUNT (CBN)	-	-	-
4.	OTHER BANK OF TREASURY WITH KEBBI STATE JOINT ACCOUNT	12	1,987,937,841.32	1,117,388,304.33
5.	CASH BALANCE WITH FEDERAL PAY OFFICE	13	-	-
6.	CASH HELD BY MINISTRIES		-	-
7.	DEPARTMENT AND AGENCY	14	-	-
	<b>TOTAL LIQUID ASSETS</b>		<b>1,988,326,688.65</b>	<b>1,118,345,292.43</b>
	<b><u>INVESTMENT AND OTHER CASH ASSETS</u></b>			
8.	LOCAL GOVERNMENT INVESTMENT	15	18,404,000.00	18,404,000.00
9.	IMPREST	16	-	-
10.	ADVANCES	17	17,208,391.63	17,208,391.63
11.	REVOLVING LOAN GRANT	18	-	-
12.	INTANGIBLE ASSETS		-	-
	<b>TOTAL INVESTMENT AND OTHER CASH ASSETS</b>		<b>35,612,391.63</b>	<b>35,612,391.63</b>
	<b>TOTAL ASSETS</b>		<b>2,023,939,080.28</b>	<b>1,153,957,684.08</b>
	<b><u>LIABILITIES PUBLIC FUND</u></b>			
13.	CONSOLIDATED REVENUE FUND			-
14.	CAPITAL DEVELOPMENT FUND		1,987,937,841.32	1,117,388,304.33

15.	TRUST & OTHER PUBLIC FUND		388,847.33	956,988.10
16.	POLICE REWARD FUND		-	-
	<b>TOTAL PUBLIC FUND</b>		<b>1,988,326,688.65</b>	<b>1,118,345,292.43</b>
	<b><u>EXTERNAL AND INTERNAL LOAN</u></b>			
17.	EXTERNAL LOAN (FGN)	19	-	-
18.	LGC BONDS & TREASURY BOOKS	20	-	-
19.	NIGERIAN TREASURY BILLS	21	-	-
20.	DEVELOPMENT OF LAON STOCK	22	-	-
21.	OTHER INTERNAL LOAN	23	-	-
22.	INTERNAL LOAN FROM OTHER FUNDS	24	-	-
	<b>TOTAL EXTERNAL LOAN</b>		<b>NIL</b>	<b>NIL</b>
23.	<b><u>OTHER LIABILITIES</u></b>			
24.	DEPOSIT	25	35,612,391.65	-
25.	GRB		-	35,612,391.65
	<b>TOTAL LIABILITIES</b>		<b>2,023,939,080.28</b>	<b>1,153,957,684.08</b>

AREWA LOCAL GOVERNMENT COUNCIL

**STATEMENT OF CONSOLIDATED REVENUE FUND FOR THE  
YEAR ENDED 31<sup>ST</sup> DECEMBER, 2023**

**STATEMENT NO. 3**

2022	DESCRIPTION	NOTE	ACUTAL 2023	BUDGET 2023	VARIANCE %
2,310,001,574.56	Statutory Allocation	1	3,016,628,646.55	2,280,143,335	32%
830,108,435.95	Value Added Allocation	1	1,109,161,742.75	1,232,387,597	- 10%
<b>3,140,110,010.51</b>	<b>SUB TOTAL STATUTORY ACCOUNT</b>		<b>4,125,790,389.30</b>	<b>3,512,530,932.00</b>	
10,000,000.00	Direct Taxes	2	10,000,000.00	20,188,150.00	- 50%
10,000,000.00	License fees & Fine	2	10,000,000.00	72,461,850.00	-86%
10,000,000.00	Earnings from Commercial undertaking	2	15,000,000	50,400,000	- 70%
14,256,002.10	Rent/Sales of Gov't building	2	10,000,000	20,900,000.00	- 52%
<b>44,256,002.10</b>	<b>SUB-TOTAL INDEPENDENT REVENUE</b>		<b>45,000,000.00</b>	<b>163,950,000.00</b>	
<b>3,184,366,012.61</b>	<b>TOTAL REVENUE</b>		<b>4,170,790,389.30</b>	<b>3,676,480,932.00</b>	
<b>LESS EXPENDITURE</b>					
596,998,751.60	Personal Cost	4	651,905,763.93	682,552,267.00	10%
311,372,600.20	Contribution to Pension	5	375,589,451.89	140,000,000.00	168%
36,000,000.00	Overhead Cost	6	36,000,000.00	36,000,000.00	0%
1,122,606,356.48	Subvention to Parastatals	8	1,119,357,332.46	1,421,385,242.00	19%
<b>2,066,977,708.28</b>	<b>TOTAL EXPENDITURE</b>		<b>2,182,852,547.98</b>	<b>2,479,937,509.00</b>	
1,117,388,304.33	Operating Balance		1,987,937,841.32	1,117,388,304.33	66%
<b>APPROPRIATION/TRANSFER</b>					
1,117,388,304.28	Transfer to Capital Development Fund		1,987,937,841.32	1,117,388,304.33	66%
0.00	Closing Balance		0.00		

AREWA LOCAL GOVERNMENT COUNCIL

**STATEMENT OF CAPITAL DEVELOPMENT FUND FOR THE YEAR  
ENDED 31<sup>ST</sup> DECEMBER, 2023**

**STATEMENT NO. 4**

<b>2023</b>	<b>DESCRIPTION</b>	<b>NOTE</b>	<b>ACUTAL CAPITAL EXPENDITURE 2023</b>	<b>FINAL BUDGET 2022</b>	<b>VARIANCE %</b>
1,117,388,304.28	Transfer from consolidated Revenue fund	9	1,987,937,841.32	1,117,388,304.33	66%
<b>1,117,388,304.28</b>	<b>Total Revenue Available</b>		<b>1,987,937,841.32</b>	<b>1,196,493,423.00</b>	66%
<b>LESS CAPITAL EXPENDITURE</b>					
116,431,316.12	Capital Expenditure Administrative Sector	11	487,548,993.99	390,000,000.00	25%
400,000,000.00	Capital Expenditure Economic Sector	11	818,404,000.00	1,379,081,384.00	-41%
300,000,000.00	Capital Expenditure Regional Dev. Sector	11	300,000,000.00	410,000,000.00	-27%
300,000,000.00	Capital Expenditure Service Sector		300,000,000.00	475,000,000.00	37%
<b>116,431,316.12</b>	<b>Total Capital Expenditure</b>		<b>1,987,548,993.99</b>	<b>2,654,081,384.00</b>	
<b>956,988.16</b>	<b>Closing Balance</b>		<b>388,847.33</b>	<b>-</b>	

## **ANALYSIS OF FINANCIAL STATE**

### **Revenues**

The overall performance of Revenue was **113.5%** of the budgeted figure during the course of the year. This positive milestone was recorded as a result of increase in the statutory allocations from the Federation Account. Details of the performance by Revenue heads are outlined below:

### **Statutory allocations**

Arewa Local Government received the sum of N3.01 billion as statutory allocation from the FAAC (comprising Statutory Allocation, Distribution of Electronic Money Transfer Levy and Share of Exchange Gain). The total annual receipt appeared to be greater than the previous year's statutory income by 706.6 million. This was a positive achievement.

### **Share of Value Added Tax**

The share of Arewa Local Government from the Value Added Tax collection was estimated to be N1.23 billion. However, the sum of N1.02 billion representing 90% was received during the year under review.

### **Direct Taxes**

It was estimated that the sum of N20.19 million would be realized as Direct Tax under this subhead as revenue for the year, but only the sum of N10 million representing approximately 50% was received during the year. However, the amount alleged to be realized were not properly accounted for.

### **Earning from Commercial Undertaking**

This revenue subhead was the most neglected part of the IGR in Arewa Local Government. Many areas were left on tap or unaccounted for. During the year under review the sum of N50.4 million was said to have been budgeted but to our dismay only the sum of N10 million was allegedly realized.

### **License and Fees**

Revenue to be collected under the subhead fees was expected to be N72.46 million but only the sum of N10 million representing 14% was realized.

## **Earnings from Rent on Local Government Properties**

Rent on government Property was estimated generate the sum of N20.9 million but the sum of N10 million representing approximately 50% appeared to be realized.

## **EXPENDITURE**

### **Recurrent Expenditure**

Recurrent Expenditure recorded a budget performance of 88%, inclusive of Personnel Emoluments amounted to N651.9 million, as against the budgeted sum of N682.6 million. This figure however does not include contributions to both Local Governments and Primary School Staff Pensions and Gratuity which amounted to N375.6 million. The Overhead costs were only N36,000,000 million or 100% of the budgeted sum of N36,000,000.00. Subventions to Parastatals was equally inclusive which stood at N1.1 billion against the budgeted figure of N1.4 billion.

### **Capital Expenditure**

The Capital expenditure achieved 79% of the budget. Sector analysis of the expenditure show that the Economic sector incurred expenditure of N818.4 million, the Social sector N300 million and the Administrative sector expended N487.5 million.

**ADDITIONAL OBSERVATIONS IN RESPECT OF AREWA LOCAL GOVERNMENT COUNCIL (MAIN, SALARY AND REVENUE ACCOUNTS) FOR THE PERIOD FROM 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER, 2023**

**2. MAIN ACCOUNT**

**a. Cash Book:**

Examination of the available records revealed that the Main Council cash book of the Local Government appeared not been properly maintained as in accordance with guidelines of the financial memoranda. Please comment or if you agree confirm to me that you make all the amendment in the cashbook which you have not been maintained.

b. In the same vein, other subsidiary records such as Departmental Vote of Account book, Daily Abstracts of Revenue, Daily Abstracts of expenditure and Deposit/Advance ledger were not presented to me for examination. In my opinion, these records were not maintained.

c. Budgetary provision is strictly adhered while incurring expenditure. In some area of expenditure budgetary provision is been maintained, but in some is fairly been maintained. Please comment why such some of your expenditure is not going in line with provision of your budget.

**d. Unpresented Payment Vouchers:**

Posting of payment vouchers into cashbook revealed that payment vouchers worth ₦397,656,054.02 were not presented to us for examination. Details could be seen in the Audit Query sent to the Council without any response.

**e. Unauthorised Payment Vouchers:**

Examination of the available records revealed that payment vouchers worth ₦421,916,217.05 were paid without been controlled or endorsed by their Directors concern (Officer(s) Controlling the Votes).

**3. SALARY AND ALLOWANCES**

**a. INCOME AND EXPENDITURE ACCOUNT FOR SALARY** Examination of cash book and salary payment vouchers revealed that Arewa Local Government received total salary allocation

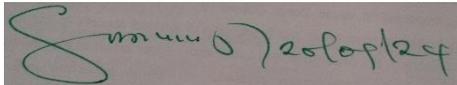
of ~~N~~592,823,253.37 (during the period under review) including statutory allowances, were they expended the sum of ~~N~~570,612,876.02, leaving the sum of ~~N~~22,210,377.35 unaccounted.

b. **Unpresented Salary Payment Vouchers:**

During the posting of payment vouchers into cashbook, it was observed that salary payment vouchers worth ~~N~~41,210,638.30 appeared not to have been presented to my office for examination.

**REVENUE ACCOUNT**

Examination of the available payment vouchers issue to my office revealed that this Local Government awarded and paid contracts for the provision of developmental projects and supplies to the tune of ~~N~~614,520,477.00. these projects appeared to have attracted ~~N~~46,563,055.08 as 7.5% VAT and ~~N~~3,969,086.35 as 5% TAX respectively. But to our dismay, the above taxes totaling N50,058,122.15 were neither deducted nor remitted to the relevant authorities.



Faruk B. Muhammad FCNA, FCFA

Auditor General for Local Governments

Kebbi State

**ARGUNGU LOCAL GOVERNMENT COUNCIL**

**KEBBI STATE**

**AUDITED FINANCIAL STATEMENTS**

**FOR**

**THE YEAR ENDED**

**31<sup>ST</sup> DECEMBER 2023**



**OFFICE OF THE AUDITOR GENERAL  
FOR LOCAL GOVERNMENTS**  
P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

**AUDIT CERTIFICATE**

The Financial Statements of Argungu Local Government Council for the period from 1<sup>st</sup> January to 31<sup>st</sup> December 2023 have been examined by my office in accordance with the Section 316(1) of the 1999 Constitution of the Federal Republic of Nigeria (As amended), Section 15(1) of the Kebbi State Local Government Auditor General Law 2021, Financial Memoranda, the provision number 146 (1), 2 ( a & b) Part 1X of the Local Government Law 2008 and in line with International Public Sector Accounting Standard (Cash Basis).

I have obtained substantial information and explanations required for my audit. Base on the records made available to me, I hereby certify that the Audited Financial Statements are the true reflection of the transactions of Argungu Local Government Council, Kebbi State.

**Faruk B. Muhammad FCNA, FCFA**

Auditor General for Local Governments

Kebbi State



Office of the Executive Chairman

# ARGUNGU LOCAL GOVERNMENT COUNCIL

KEBBI STATE OF NIGERIA

Our Ref:

Date:

## STATEMENT OF FINANCIAL RESPONSIBILITY

These financial statements have been prepared by the Treasurer of Argungu Local Government Council in accordance with the provision of the finance (Council and Management) Act 1958 as amended. The financial statements comply with general accepted accounting practice.

The treasurer is responsible for establishment and maintaining a system of internal control designed to provide reasonable assurance that the transactions recorded are within statutory authority and properly record the use of all public financial resources by the Local Government Council. To the best of my knowledge, this system of internal control has operated adequately throughout the reporting period.

Sign

**Treasurer**

We accept responsibility for the integrity of these financial statements, the information they contain and their compliance with the finance (Control and Management Act 1958 as amended).

In our opinion, these financial statements fairly reflect the financial position of Local Government as at 31<sup>st</sup> December, 2023 and its operations for the year ended on that date.

6<sup>th</sup> August, 2024

**Treasurer**

6<sup>th</sup> August, 2024

**Chairman**



# OFFICE OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS

P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

## STATEMENT OF OPINION OF THE AUDITOR GENERAL

I have examined the financial statement of Argungu Local Government Council for the year ended 31st December, 2023, The statement presented by the Treasurer appeared to be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and also in compliance to IPSAS (Cash Basis) accounting Standards. The statement presented comprises Statement of Cash Flow, Statement of Assets and Liabilities, Statement of Consolidated Revenue Funds as well as Statement of Capital Development Funds.

The presented statements are evaluated and tested using the Generally Accepted Auditing Standards (GAAS) which are the set-out requirement and guidelines on how to conduct audit examinations. Prior to the above, I have obtained substantial information and explanations needed for the purpose of my audit.

In my opinion, the Financial Statements as presented to me shows "true and fair" view of the states of affairs of the Argungu Local Government Council as at 31st December, 2023 and of the financial transactions for the fiscal year ended on that date, subject to the observations contained herein.

**Faruk B. Muhammad FCNA, FCFA**

Auditor General for Local Governments

Kebbi State



Office of the Executive Chairman

# ARGUNGU LOCAL GOVERNMENT COUNCIL

## KEBBI STATE OF NIGERIA

*Our Ref:*

*Date:*

### ACCOUNTING POLICY

The Accounts have been prepared based on the Cash basis accounting framework and it is in compliance with the requirements of the International Public Sector Accounting Standard (IPSAS). The Cash basis IPSAS means a basis of accounting that recognizes transactions and other events only when cash is received or paid. The Accounts also comply with the provisions of the 1999 Constitution of the Federal Republic of Nigeria, Kebbi State Local Governments Law (2008) and Financial Memoranda.

6/8/2024

**Attahiru Isyaka Katanga**  
Director Finance and Supply  
Argungu Local Government

## STATEMENT NO. 1

## GOVERNMENT OF NIGERIA

## CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2023

ANNUAL BUDGET 2023 N	CashFlows from Operating Activities Receipts:	NOTES	ACTUAL YEAR 2023	
			N	1 N
2,103,142,334.00	Statutory Allocations: FAAC	1	1,302,736,419.40	2,843,871,232.71
1,109,540,493.00	Value Added Tax Allocation	1	1,155,969,927.65	406,623.44
<b>3,212,652,827.00</b>	<b>Sub-total - Statutory Allocation</b>		<b>2,458,706,347.05</b>	<b>3,250,513,576.71</b>
93,000,000.00	Direct Taxes	2	17,453,987.27	406,000.00
35,000,000.00	Licenses	2	9,000,000.00	4,760,000.00
	Mining Rents:	2		
65,000,000.00	Royalties	2		4,900,000.00
37,000,000.00	Fees:	2	7,500,000.00	12,500,000.00
27,600,000.00	Fines	2		
50,000,000.00	Sales	2		
11,905,880.00	Earnings:	2	4,100,000.00	11,250,000.00
34,000,000.00	Sales/Rent of Government Buildings:	2		
	Sale/Rent on Lands and Others:	2		
	Repayments-General:	2		
40,000,000.00	Investment Income	2		
1,250,000.00	Interest Earned	2		
	Re-imbusement	2		
<b>394,755,880.00</b>	<b>Sub-total - Independent Revenue</b>		<b>38,053,987.27</b>	<b>33,756,900.00</b>
933,234,206.00	Other Revenue Sources of the -----Government	3	1,253,572,824.13	
<b>4,540,672,913.00</b>	<b>Total Receipts</b>		<b>3,750,333,158.45</b>	<b>3,284,270,476.71</b>
	<b>Payments:</b>			
505,963,200.00	Personnel Costs (Including Salaries on CRF Charges):	4	540,000,000.00	727,303,038.13
90,312,218.00	Federal States/ LGC Govt Contribution to Pension:	5	376,635,402.23	
36,140,000.00	Overhead Charges:	6	36,000,000.00	36,000,000.00
	Consolidated Revenue Fund Charges (Incl. Service Wide Votes)	7		
429,209,320.00	Subvention to Parastatals:	8	430,354,450.23	426,000,000.00
	Other Operating Activities		324,942,509.34	351,681,093.64
2,887,395,336.00	Other Transfers		809,575,470.62	275,041,492.51
	<b>Total Payments</b>		<b>2,517,507,832.42</b>	<b>2,816,025,625.28</b>
<b>2,950,000.00</b>	<b>Net Cash Flow from Operating Activities</b>		<b>1,557,767,835.37</b>	<b>743,286,344.94</b>
	<b>CashFlows from Investment Activities:</b>			
190,000,000.00	Capital Expenditure: Administrative Sector.	11	127,390,475.80	
470,000,000.00	Capital Expenditure: Economic Sector.	11		61,608,533.33
	Capital Expenditure: Law and Justice:	11	<b>0.00</b>	
375,000,000.00	Capital Expenditure: Regional Development	11		127,526,213.58
590,000,000.00	Capital Expenditure: Social Service Sector.	11	1,099,908,063.00	261,081,643.42
	Capital Expenditure: Funded from Aid and Grants:	10		
0.00	<b>Net Cash Flow from Investment Activities:</b>		<b>1,227,298,537.80</b>	<b>455,254,190.33</b>
	Proceeds from Aid and Grants	10		
	Proceeds from External Loan:	19		
	Proceeds from Internal Loans: FGN/Treasury Bonds:	20		
	Proceeds from Internal Loan: NTBs etc	21		
	Proceeds from Development of Nat Resources	23		
	Proceeds of Loans from Other Funds	24		
	Repayment of External Loans (including Servicing)	19		
	Repayment of FGN/Treasury Bonds:	20		
	Repayment of Internal Loan-NTBs	21		
	Repayment of Loans from Development of Nat Resources	23		
	Repayment of Loans from Other Funds	24		
0.00	<b>Net Cash Flow from Investment Activities:</b>		<b>0.00</b>	
	Net increase/Decrease in cash and its equivalent		5,526,788.22	12,990,662.10
	Cash & Its Equivalent as at 1st January, 2023		12,992,831.00	2,168.90
	Cash & Its Equivalent as at 31st December, 2023		18,519,619.23	12,992,831.00

**STATEMENT NO. 2****GOVERNMENT OF NIGERIA****STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2023**

<b>ASSETS:-</b>	<b>NOTES</b>	<b>CURRENT YEAR 2023</b>	<b>PREVIOUS YEAR 2022</b>
		<b>₦</b>	<b>₦</b>
<b>Liquid Assets:-</b>			
Cash Held for AGF:			
- CRF Bank Balance (CBN/CRF Bank)		18,519,619.23	12,992,831.00
- Pension Account (CBN/Bank):			
- Other Bank of the Treasury			
- Cash Balances of Trust & Other Funds of the FGN/States/LGC:	12	1,557,767,835.37	743,286,344.94
- Cash Balance with Federal Pay Officers/Sub-Treasury:	13		
Cash Held by Ministries, Department & Agencies:-	14		
<b>TOTAL LIQUID ASSETS</b>		<b>1,576,287,454.60</b>	<b>756,279,175.94</b>
<b>Investment and Other Cash Assets:</b>			
Federal / State / Local Government Investments	15	40,000,000.00	40,000,000.00
Imprests:-	16		
Advances:-	17		
Revolving Loans Granted:-	18		
Intangible Assets			
<b>TOTAL INVESTMENTS AND OTHER CASH ASSETS</b>		<b>40,000,000.00</b>	<b>40,000,000.00</b>
<b>TOTAL ASSETS</b>		<b>1,616,287,454.60</b>	<b>796,279,175.94</b>
<b>LIABILITIES:-</b>			
<b>PUBLIC FUNDS</b>			
Consolidated Revenue Fund:			
Capital Development Fund:		1,557,767,835.37	743,286,344.94
Trust & Other Public Funds:		58,519,619.23	52,992,831.00
Police Reward Fund			
<b>TOTAL PUBLIC FUNDS</b>		<b>2,716,394,483.95</b>	<b>796,279,175.94</b>
<b>EXTERNAL AND INTERNAL LOANS</b>			
External Loans: FGN/States/LGC	19		
FGN/States/LGC Bonds & Treasury Bonds	20		
Nigerian Treasury Bills (NTB)	21		
Development Loan Stock	22		
Other Internal Loans (Promissory Notes)	23		
Internal Loans from Other Funds	24		
<b>TOTAL EXTERNAL AND INTERNAL LOANS</b>			
<b>OTHER LIABILITIES</b>			
Deposits	25		
<b>TOTAL LIABILITIES</b>		<b>1,616,287,454.60</b>	<b>796,279,175.94</b>

**STATEMENT NO. 3**

**GOVERNMENT OF NIGERIA**

**STATEMENT OF CONSOLIDATED REVENUE FUND FOR THE YEAR ENDED 31ST DECEMBER, 2023**

ACTUAL PREVIOUS YEAR (2022)		NOTE S	ACTUAL YEAR 2023	FINAL BUDGET 2023	INITIAL/ORIGINAL BUDGET 2023	SUPPLEMENTARY BUDGET 2023	VARIANCE ON FINAL BUDGET
	Opening Balance:		₦	₦	₦	₦	₦
	<b>ADD: REVENUE</b>						
	Statutory Allocations: FAAC	1	1,302,736,419.40	2,204,012,457.00	2,204,012,457.00		901,276,037.60
	Value Added Tax Allocation	1	1,155,969,927.65	1,580,103,462.00	1,580,103,462.00		424,133,534.35
	<b>Sub-Total - Statutory Allocation</b>		<b>2,458,706,347.05</b>	<b>3,784,120,619.00</b>	<b>3,784,120,619.00</b>		
	Direct Taxes	2	17,453,987.27				
	Licences	2	9,000,000.00	77,250,000.00	77,250,000.00		68,250,000.00
	Mining Rents:	2					
	Royalties	2					
	Fees:	2	7,500,000.00	10,000,000.00	10,000,000.00		2,500,000.00
	Fines	2					
	Sales	2					
	Earnings:	2	4,100,000.00	48,680,000.00	48,680,000.00		44,580,000.00
	Sales/Rent of Government Buildings:	2					
	Sale/Rent on Lands and Others:	2					
	Repayment: General:	2					
	Investment Income	2					
	Interest Earned	2					
	Re-imbursments	2					
	<b>Sub-Total - Independent Revenue</b>		<b>38,053,987.27</b>				152,550,000.00
	Other Revenue Sources of the ----- Government	3	1,253,572,824.13				
	<b>TOTAL REVENUE:</b>		<b>3,750,333,158.45</b>	<b>4,169,419,932.00</b>	<b>4,169,419,932.00</b>		
	<b>LESS: EXPENDITURE:</b>						
	Personnel Costs (including Salaries on CRF Charges):	4	540,000,000.00	559,796,535.00	559,796,535.00		19,796,535.00
	Federal/States/LGC Govt Contribution to Pension:	5	376,635,402.23				
	Overhead Charges:	6	36,000,000.00	237,802,750.00	237,802,750.00		201,802,750.00
	Consolidated Revenue Fund Charges (Ind. Service Wide Votes)	7					
	Subvention to Parastatals:	8	1,564,872,430.19	2,850,895,542.19	4,22,206,661.00		1,286,023,112.93
	<b>OTHER RECURRENT PAYMENTS/EXPENDITURE:</b>						
	Repayments; External Loans: FGN/States/LGC	19					
	Repayments: FGN/States/LGC Bonds & Treasury Bonds:	20					
	Repayments; Nigerian Treasury Bills (NTB)	21					
	Repayments; Development Loan Stock	22					

	Repayments; Other Internal Loans (Promissory Notes)	23				
	Repayments; Internal Loans from Other Funds	24				
	<b>TOTAL EXPENDITURE:</b>		<b>2,517,507,832.42</b>	1,219,805,946.00	1,219,805,946.00	
	<b>OPERATING BALANCE:</b>		1,557,767,835.37			
	<b>APPROPRIATIONS / TRANSFERS:</b>					
	Transfer to Capital Development Fund:	9	1,557,767,835.37	455,254,190.33	455,254,190.33	
	<b>Closing Balance:</b>			2,949,613,986.00	2,949,613,986.00	

**STATEMENT NO. 4**

**GOVERNMENT OF NIGERIA**

**STATEMENT OF CAPITAL DEVELOPMENT FUND FOR THE YEAR ENDED 31ST DECEMBER, 2023**

ACTUAL PREVIOUS YEAR (2022)	Opening Balance:	NOTE S	TOTAL CAPITAL EXPENDITURE 2023	FINAL BUDGET 2023	INITIAL/ORIGINAL BUDGET 2023	SUPPLEMENTARY BUDGET 2023	PERFORMANCE ON TOTAL
			N	N	N	N	N
	<b>ADD: REVENUE</b>						96,014,843.00
2,887,775,336.00	Transfer from Consolidated Revenue Fund:	9	1,557,767,835.37				1,142,702,765.00
	Aid and Grants	10					
	External Loans: FGN/States/LGC	19					
	FGN/States/LGC Bonds & Treasury Bonds:	20					25,400,000.00
	Nigerian Treasury Bills (NTB)	21					68,250,000.00
	Development Loan Stock	22					
	Other Internal Loans (Promissory Notes)	23					74,000,000.00
	Internal Loans from Other Funds	24					5,500,000.00
							4,000,000.00
454,672,033.00	<b>TOTAL REVENUE AVAILABLE:</b>		<b>1,557,767,835.37</b>				44,580,000.00
							18,100,000.00
	<b>LESS: CAPITAL EXPENDITURE</b>						
190,000,000.00	Capital Expenditure: Administrative Sector:	11	127,390,475.80	190,000,000.00	209,000,000.00		
470,000,000.00	Capital Expenditure: Economic Sector	11					
	Capital Expenditure: Law and Justice:	11					470,000.00
375,000,000.00	Capital Expenditure: Regional Development	11		445,396,346.00	586,300,000.00		
500,000,000.00	Capital Expenditure: Social Service Sector:	11	1,099,908,062.06	364,668,881.00	431,000,000.00		152,550,000.00
	Capital Expenditure: Funded from Aid and Grants:	10					
1,625,000,000.00	<b>TOTAL CAPITAL EXPENDITURE:</b>		<b>1,227,298,537.86</b>	<b>1,536,362,089.00</b>	<b>2,055,635,525.00</b>		
							1,283,282,248.00
	Intangible Assets						
2,915,672,033.00	<b>CLOSING BALANCE</b>			<b>1,653,296,697.00</b>	<b>1,653,296,697.00</b>		

## **ANALYSES OF FINANCIAL STATEMENT**

### **Revenues**

The overall performance of Revenue was 114.2% of the budgeted figure during the course of the year. This positive milestone was recorded as a result of increase in the statutory allocations from the Federation Account. Details of the performance by Revenue heads are outlined below:

### **Statutory allocations**

Argungu Local Government received the sum of N3,75 billion as statutory allocation from the FAAC (comprising Statutory Allocation, Distribution of Electronic Money Transfer Levy and Share of Exchange Gain). The total annual receipt appeared to be greater than the previous year's statutory income by 466.06 million. This was a positive achievement.

### **Share of Value Added Tax**

The share of Argungu Local Government from the Value Added Tax collection was estimated to be N1.58 billion. However, the sum of N1.56 billion was received during the year under review.

### **Direct Taxes**

Out of the undisclosed estimate of Direct Tax, the sum of N17.6 million was alleged to have been received during the year. However, the amount alleged to have been realized were not properly accounted for.

### **Earning from Commercial Undertaking**

This revenue subhead was the most neglected part of the IGR in Argungu Local Government. Many are areas of this subhead were left on tap or unaccounted for. During the year under review the sum of N48.6 million was said to have been budgeted but to our dismay only the sum of N4.1 million was allegedly realized.

## **License and Fees**

Revenue to be collected under the subhead fees was expected to be N77.25 million but only the sum of N7.5 million was realized.

## **Earnings from Rent on Local Government Properties**

Not a single kobo was recorded as amount realized from this subhead of the revenue

## **EXPENDITURE**

### **Recurrent Expenditure**

Recurrent Expenditure recorded a budget performance of 54.9%, inclusive of Personnel Emoluments amounted to N540 million, as against the budgeted sum of N559 million. It also includes contributions to both Local Governments and Primary School Staff Pensions and Gratuity which amounted to N376.6 million. The Overhead costs were only N36,000,000 million or 100% of the budgeted sum of N36,000,000.00. Subventions to Parastatals was equally inclusive which stood at N1.56Billion against the budgeted figure of N2.85 billion.

### **Capital Expenditure**

The Capital expenditure achieved 99.8% of the budget. Sector analysis of the expenditure show that the Economic sector incurred zero expenditure, the Social sector N1.2billion and the Administrative sector expended N127.39 million.

**ADDITIONAL OBSERVATIONS IN RESPECT OF ARGUNGU LOCAL GOVERNMENT COUNCIL (MAIN, SALARY AND REVENUE ACCOUNTS) FOR THE PERIOD FROM 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER, 2023**

**2. MAIN ACCOUNT**

a. **INCOME AND EXPENDITURE:** -Comparison between incomes and expenditure revealed that expenditure worth ₦86,266,068.22 still remain unaccounted for. Details are attached to the main report sent to the Council.

b. Examination of same cashbook revealed that, the cashbook was not been maintained properly as in line with financial memoranda.

d. Appendix “B” attached are some of the executed contracts and supply. Almost all of the projects under listed in the appendix attached are being verified and are all been executed, only problem of documentation as valuation certificates, SRV for supply were not been attached. All amounting ₦75,049,607.92.

f. **UNPRESENTED PAYMENT VOUCHERS (OTHER CHARGES):-**

Examination of the available records that payment vouchers worth ₦119,091,610.81 were not presented for audit examination, despite repeated request. I am therefore of the opinion that those payments were only posted into cashbook without adhering to the provisions of chapter 14 of the Financial Memoranda.

g. **Unreceipted Payment Vouchers:**

In another instance, funds appeared to have been released to various payee without payment vouchers being signed and/or acknowledged by the recipients in accordance with section 14.16-17 of the FM.

h. Further examination of financial records revealed that payment vouchers worth ₦149,091,378.02 were paid without the authorization of Officers Controlling the Votes. These could not be accepted as proper charge against public funds due to violation of section 14.8 of the Financial Memoranda. See appendix “E” attached to the report sent to the Council refers.

### 3. SALARY ACCOUNT

#### a. SALARY INCOME AND EXPENDITURE:-

The total sum of ₦28,245,161.95 appeared to be unaccounted for, as result of incomes and expenditure analysis of the paid salary/allowance during the year under review. Appendix "F" attached to the report sent to the Council refers.

#### f. Unpresented payment vouchers:

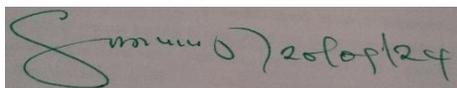
Posting of salary payment vouchers into cash book revealed to me that salary payment vouchers worth ₦11,232,052.89 were not presented to me for examination. These clearly violated the provisions section 15.1-3 of the Local Government Auditor General Law 2021. See appendix "H" attached reports sent to the Council for details.

j. Appendix "I" attached are salary payment vouchers worth ₦32,227,191.30 were paid without been controlled by their Directors concern (OCV), contrary to the provisions of chapter 13 and 14 of the Financial Memoranda.

### 3. REVENUE ACCOUNT

a. Examination of the available revealed that this Local Government awarded contracts worth ₦490,401,516.62 were been paid without deducting of 7.5% (VAT) and 5% (TAX). Scrutinizing and deducting the percentages revealed that the total sum of ₦95,421,075.03 were neither deducted nor remitted to appropriate authorities.

b. Examination of the contract's payment vouchers revealed that, tender fees were not deducted from the contract awarded during the period under review.



Faruk B. Muhammad FCNA, FCFA

Auditor General for Local Governments

Kebbi State

**AUGIE LOCAL GOVERNMENT COUNCIL**

**OF KEBBI STATE**

**AUDITED FINANCIAL STATEMENTS**

**FOR**

**THE YEAR ENDED**

**31<sup>ST</sup> DECEMBER 2023**



# OFFICE OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS

P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

## AUDIT CERTIFICATE

The Financial Statements of Augie Local Government Council for the period from 1<sup>st</sup> January to 31<sup>st</sup> December 2023 have been examined by my office in accordance with the Section 316(1) of the 1999 Constitution of the Federal Republic of Nigeria (As amended), Section 15(1) of the Kebbi State Local Government Auditor General Law 2021, Financial Memoranda, the provision number 146 (1), 2 ( a & b) Part 1X of the Local Government Law 2008 and in line with International Public Sector Accounting Standard (Cash Basis).

I have obtained substantial information and explanations required for my audit. Base on the records made available to me, I hereby certify that the Audited Financial Statements are the true reflection of the transactions of Augie Local Government Council, Kebbi State.

**Faruk B. Muhammad FCNA, FCFA**

Auditor General for Local Governments

Kebbi State

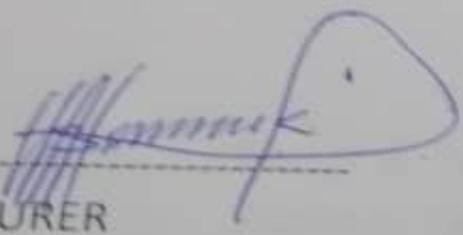
**AUGIE LOCAL GOVERNMENT COUNCIL**  
KEBBI STATE OF NIGERIA

OFFICE ADDRESS: AUGIE LOCAL GOVERNMENT SECRETARIAT, AUGIE, KEBBI STATE

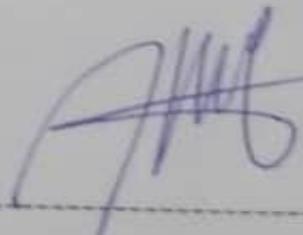
**STATEMENTS NO. 1**  
**RESPONSIBILITY FOR FINANCIAL STATEMENTS**

We accept responsibility for the integrity of these financial statements, the information they contain and compliance with the finance (control and management) act 1958 as amended.

In our opinion, these financial statements fairly reflect the financial position of Local Government as at 31<sup>st</sup> December, 2023 and its operation for the year ended on that date.



TREASURER



CHAIRMAN

09/09/2024

DATE

08/05/24

DATE



**OFFICE OF THE AUDITOR GENERAL  
FOR LOCAL GOVERNMENTS**  
P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

**STATEMENT OF OPINION OF THE AUDITOR GENERAL**

I have examined the financial statement of Augie Local Government Council for the year ended 31st December, 2023, The statement presented by the Treasurer appeared to be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and also in compliance to IPSAS (Cash Basis) accounting Standards. The statement presented comprises Statement of Cash Flow, Statement of Assets and Liabilities, Statement of Consolidated Revenue Funds as well as Statement of Capital Development Funds.

The presented statements are evaluated and tested using the Generally Accepted Auditing Standards (GAAS) which are the set-out requirement and guidelines on how to conduct audit examinations. Prior to the above, I have obtained substantial information and explanations needed for the purpose of my audit.

In my opinion, the Financial Statements as presented to me shows “true and fair” view of the states of affairs of the Augie Local Government Council as at 31st December, 2023 and of the financial transactions for the fiscal year ended on that date, subject to the observations contained herein.

**Faruk B. Muhammad FCNA, FCFA**

Auditor General for Local Governments

Kebbi State



*Office of the Executive Chairman*

# **AUGIE LOCAL GOVERNMENT COUNCIL**

**KEBBI STATE OF NIGERIA**

**OFFICE ADDRESS:** AUGIE LOCAL GOVERNMENT SECRETARIAT, AUGIE, KEBBI STATE

*Our Ref:* \_\_\_\_\_

*Date:* \_\_\_\_\_

## **ACCOUNTING POLICY**

The Accounts have been prepared based on the Cash basis accounting framework and it is in compliance with the requirements of the International Public Sector Accounting Standard (IPSAS). The Cash basis IPSAS means a basis of accounting that recognizes transactions and other events only when cash is received or paid. The Accounts also comply with the provisions of the 1999 Constitution of the Federal Republic of Nigeria, Kebbi State Local Governments Law (2008) and Financial Memoranda.

9/9/2-24

**Sama'ila Tafarki**

Director Finance and Supply

Augie Local Government

STATEMENT NO.1  
AUGIE LOCAL GOVERNMENT OF NIGERIA  
CASHFLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2023

ANNUAL BUDGET 2023	CASHFLOW/OPERATING ACTIVITIES; <b>RECEIPT;</b>	NOTES	ACTUAL YEAR 2023	Previous year 2022
1,613,079,960	Statutory allocation FAAC	1	1,458,100,283.72	2,154,288,053.55
847,889,996	Value added tax allocation	1	977,447,095.90	113,383,581.76
	<b>Sub-total statutory allocation</b>		<b>2,435,547,379.62</b>	<b>2,267,671,635.31</b>
21,000,000	Direct taxes		9,743,483.20	
25,000,000	Licenses		4,300,380.00	4,500,000
	Mining			
	Royalties			
25,000,000	Fees		7,520,000.00	1,000,000
21,000,000	Fines		3,241,340.00	1,000,000
	Sales			
	Earning			
	Sales/rent on Gov't buildings			
40,000,000	Sales/rents on lands and others			500,000
	Repayments source			
35,000,000	Investment income			
	Interest			
167,000,000	<b>Sub-total independent Revenue</b>		<b>24,805,203.20</b>	
	Other Revenue sources .....Gov;t		598,177,013.11	50,392,475.19
	<b>TOTAL RECEIPT</b>		<b>3,058,529,595.92</b>	<b>2,318,064,110.50</b>
	<b>PAYMENTS;</b>			
<b>2,001,830,371</b>	Personal cost		500,950,592.65	498,318,761.02
<b>982,490,671</b>	LGC contribution to pension		52,234,135.92	
<b>110,500,000</b>	Overhead cost		36,000,000	36,000,000
<b>3,198,022,627</b>	Consolidated revenue funds charges			
<b>1,620,797,954</b>	Subvention to Parastatals		1,517,004,518.00	1,729,538,833.90
	Other operating activities		1,208,282,907.53	1,119,101,831.09
	Other transfers			
	<b>TOTAL PAYMENTS;</b>		<b>2,725,287,425.50</b>	<b>2,263,859,594.92</b>
	Net cash flow from operating Activities		333,242,170.42	54,204,515.58
	<b>Capital flow investment activities</b>			
	Capital expenditure: administrative sector		16,644,161.15	16,644,161.15
	Capital expenditure: economic sector			
	Capital expenditure: law and justice			
	Capital expenditure: regional development			
<b>452,000,000</b>	Capital expenditure: social services sector		316,297,193.66	37,390,476.19
	Capital expenditure: funded from aid and grants			
	Net cashflow from investment activities		(332,941,354.81)	(54,034,637.34)
	<b>Capital flow financial activities</b>			
	Proceeds from; aids and grants			
	Proceeds from; external loan			
	Proceeds from; internal loan FGN/treasury bond			
	Proceeds from; internal loan NTB's etc			
	Proceeds from; Development of Natural resources			
	Proceeds from; loan from others funds			
	Repayments; external loan including services			
	Repayments; loan of FGn treasury bond			
	Repayments; internal loan			

	Repayments; other development of natural resources			
	Repayments; loan from other funds			
	Net increase in cash & its Equivalent		300,813.61	169,878.24
	Cash & its equivalents as at 1 <sup>st</sup> January, 2023		<b>364,482.64</b>	<b>194,604.40</b>
	Cash & its equivalents as at 31 <sup>st</sup> December, 2023		<b>665,296.25</b>	<b>364,482.64</b>

STATEMENT NO.2  
AUGIE LOCAL GOVERNMENT OF NIGERIA  
STATEMENT OF ASSETS AND LIABILITIES AS AT 31<sup>ST</sup> DECEMBER, 2023

ASSETS	NOTES	CURRENT YEAR 2023	PREVIOUS YEAR 2022
<b>LIQUID ASSETS</b>			
Cash hold by AGF			
CRF bank balances (CBN/CRF banks)		665,296.25	364,482.64
Pension account			
Other bank of the treasury			
Cash balances of trust & other funds of the FGN/State/LGC			
Cash balances with Federal pay office/ sub-treasury		333,242,170.42	54,204,515.58
Cash hold by Ministries, Departments & agencies			
<b>TOTAL LIQUID ASSETS</b>		<b>333,907,466.67</b>	<b>54,568,998.22</b>
<b>INVESTMENT AND OTHER CASH ASSETS</b>			
Federal/state/LGC investments		16,644,161.15	16,644,161.15
Impress			
Advances			
Revolving loans granted			
Intangible assets			
<b>TOTAL INVESTMENT AND OTHER CASH ASSETS</b>		<b>16,644,161.15</b>	<b>16,644,161.15</b>
<b>TOTAL ASSETS</b>		<b>350,551,627.82</b>	<b>71,213,159.37</b>
<b>LIABILITIES;-</b>			
<b>PUBLIC FUNDS</b>			
Consolidated revenue			
Capital Development funds		333,242,170.42	54,204,515.58
Trust & other public funds		17,309,457.40	17,008,643.79
Police reward funds			
<b>TOTAL PUBLIC FUNDS</b>		<b>350,551,627.82</b>	<b>71,213,159.37</b>
<b>EXTERNAL AND INTERNAL LOANS</b>			
External loans FGN/ bound treasury			
Nigerian treasury bill			
Development loan			
Other internal loan			
Internal loan from other source			
<b>TOTAL EXTERNAL LOAN AND INTERNAL LOAN</b>			
<b>OTHER LIABILITIES</b>			
Deposit			
<b>TOTAL LIABILITIES</b>		<b>350,551,627.82</b>	<b>71,213,159.37</b>

STATEMENT NO.3  
AUGIE LOCAL GOVERNMENT OF NIGERIA  
STATEMENT OF CONSOLIDATED REVENUE FUND FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2023

ACTUAL PREVIOUS YEAR 2022	OPENING BALANCE:	NOTES	ACTUAL YEAR 2023	FINAL BUDGET 2023	INITIAL/ORIGINAL BUDGET 20XX	SUPPLEMENTARY BUDGET 20XX	VARIANCE ON FINAL BUDGET
	ADD REVENUE						-30%
	Statutory allocation FAAC		1,458,100,283.72	2,106,041,979.00			-35%
	Value added Tax Allocation		977,447,095.90	1,510,527,350.00			
	Sub-Total Statutory Allocation		<b>2,435,547,379.62</b>				
	Direct taxes		9,743,483.20				-96%
	Licenses		4,300,380.00	100,000,000			
	Mining rents						
	Royalties						
	Fees		7,520,000.00				
	Fines		3,241,340.00				
	Sales						
	Earnings						
	Sales/Rent of Government Buildings						
	Sales/Rent on Lands and Others						
	Repayments General						
	Investment income						
	Interest earned						
	Re-imbustments						
	<b>Sub-total-Independent Revenue</b>		<b>24,805,203.20</b>				
	Other revenue sources of the-----Government		598,177,013.11				
	<b>Total Revenue</b>		<b>3,058,529,595.92</b>				
	<b>LESS: EXPENDITURE</b>						
	Personnel cost (including salaries on CRF charges)		500,950,592.65	2,001,830,371.00			-75%
	Federal/State/LGC Govt Contribution to pension		52,234,135.92	808,876,369.00			-94%
	Overhead charges		36,000,000	110,500,000.00			-67%
	Consolidated Revenue fund charges(ind. Services wide votes)						
	Subvention to Parastatals		1,517,004,518.00	463,843,699.00			227%
	Other operating activities		1,208,282,907.53				
	OTHER RECURRENT PAYMENTS/EXPENDITURE:						
	Repayments external loans FGN?State/LGC						
	Repayments FGN/State/LGC bonds & Treasury bonds						
	Repayments Nigerian treasury bills NTB						
	Repayment Development loan stock						
	Repayments other internal loans promissory notes						
	Repayments internal loans from other funds						
	<b>TOTAL EXPENDITURE</b>		<b>2,725,287,425.50</b>				
	<b>OPERATING BALANCE</b>		<b>333,242,170.42</b>				

		APPROPRIATIONS/TRANSFERS					
		Transfer to Capital Development funds		333,242,170.42			
		<b>Closing Balance:</b>					

## STATEMENT NO.4

## AUGIE LOCAL GOVERNMENT OF NIGERIA

STATEMENT OF CAPITAL DEVELOPMENT FUND FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2023

ACTUAL PREVIOUS YEAR 2021	OPENING BALANCE:	NOTES	TOTAL CAPITAL EXPENDITURE 2023	FINAL BUDGET 2023	INITIAL/ORIGINAL BUDGET 20XX	SUPPLEMENTARY BUDGET 20XX	PERFORMANCE ON TOTAL
	ADD REVENUE						
	Transfer from consolidated revenue fund		333,242,170.42				
	Aid and grants						
	External loans						
	FGN/State/GC bonds & treasury bonds						
	Nigerian treasury bonds						
	Development loan stock						
	Other internal loans (promissory notes)						
	Internal loans from other funds						
	Total revenue available						
	LESS CAPITAL EXPENDITURE						
	capital expenditure adminstratve sector						
	capital expenditure economic sector		16,644,161.15				
	capital expenditure law and justice						
	capital expenditure regional development						
	capital expenditure social service sector		333,242,170.42				
	capital expenditure funded from aid and grants						
	TOTAL CAPITAL EXPENDITURE		<b>350,551,627.82</b>				
	Intangible assets		300,813.61				
	<b>CLOSING BALANCE</b>		<b>665,296.25</b>				

## **ANALYSES OF FINANCIAL STATEMENT**

### **Revenues**

The overall performance of Revenue was 131.9% of the budgeted figure during the course of the year. This positive milestone was recorded as a result of increase in the statutory allocations from the Federation Account. Details of the performance by Revenue heads are outlined below:

### **Statutory allocations**

Augie Local Government received the sum of N1,46 billion as statutory allocation from the FAAC (comprising Statutory Allocation, Distribution of Electronic Money Transfer Levy and Share of Exchange Gain). The total annual receipt appeared to be less than the previous year's statutory income by N696.2 million. But the short fall was augmented by increase in VAT.

### **Share of Value Added Tax**

The share of Augie Local Government from the Value Added Tax collection was estimated to be N847.8 billion. However, the sum of N977.4 billion was received during the year under review.

### **Direct Taxes**

It was estimated that the sum of N21million would be realized as Direct Tax under this subhead as revenue for the year, but only the sum of N9.7 million was alleged to have been received during the year. However, the amount alleged to be realized were not properly accounted for.

### **Earning from Commercial Undertaking**

This revenue subhead was the most neglected part of the IGR in Augie Local Government. Many areas of this subhead were left on tap or unaccounted for. During the year under review not single was said to have been realized.

## **License and Fees**

Revenue to be collected under the subhead fees was expected to be N50 million but only the sum of N11.8 million was realized.

## **Earnings from Rent on Local Government Properties**

Not a single kobo was recorded as amount realized from this subhead of the revenue

## **EXPENDITURE**

### **Recurrent Expenditure**

The performance of this recurrent expenses could be ascertained due to the fact the Local Government Council failed to attached or furnish us with the budgeted figures.

### **Capital Expenditure**

In the same vein, we could not also ascertain the performance of capital expenses.

**ADDITIONAL OBSERVATIONS IN RESPECT OF AUGIE LOCAL GOVERNMENT COUNCIL'S ACCOUNT FOR THE PERIOD FROM 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER, 2023**

**1. STATE OF THE BOOKS OF ACCOUNTS AND RECORDS AS AT THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2023**

During audit examination of Augie Local Government Council books of accounts and records revealed that the way and manners in which the records and books of accounts maintained were not acceptable due to the following lapses.

- a. The council's treasury cashbook was not balanced on monthly basis as stipulated by FM 19.20.
- b. Monthly bank reconciliation statement were not prepared during the period under review as none was submitted for audit examination contrary to FM 39.3 and FM 19.13 – 26 therefore, in view of the above, not much reliance could be placed on the council cash book since it would not furnish the council with credible cashbook information.

**2. INTERNAL AUDIT OPERATIONS:-**

The effectiveness of internal audit operations during the year under review was absurd, due to the fact that prepayment audit procedure was violated, which is contrary to FM 40.10.

The Council Internal Auditor should be made to explain these circumstances and henceforth ensures that effective and efficient Internal Audit procedural operations are put in place for the effective internal control mechanism.

**3. UN-PRESENTED OR OUTSTANDING PAYMENT VOUCHERS**

The spot examination of the available records reveals that, payment voucher worth ₦185,021,689.43 were not made available during audit inspection. Details could be seen in appendix "A" attached to the report that was sent to the Council.

**4. COUNCIL INCOME AND EXPENDITURE (OTHER CHARGES):-**

It was observed with dismay that out of the expenditure incurred during the under review, the total sum of ~~N~~60,120,030.49 remain unaccounted for, as per details attached to appendix "B" sent to the Council.

**5. INCOME AND EXPENDITURE SALARY ACCOUNT**

Audit examination of the salary records revealed that the difference of ~~N~~120,597,461.71 between salary income and expenditure remained unaccounted for. Appendix "C" attached to the report sent to the Council refers.

**6. UNACCOUNTED CASH WITHDRAWALS**

Further examination reveals that, the sum of ~~N~~213,508,188.41 appear to have been withdrawn from the bank and were not recorded anywhere in accounting books. Also appendix "D" attached to the report sent to the Council refers.

**7. PAYMENT VOUCHERS NOT SIGN AND AUTHORISED:**

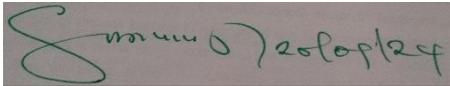
The payment vouchers totaling ~~N~~484,200,000.00 were observed to have been paid to various individuals to execute Local Government functions during the period without passing through the Officers Controlling the Votes (OCV) and Internal Audit Certifications. These contradicts sections 40.10 and 14.10 & 14.8 of the Financial Memoranda. Appendix "F" attached to the report sent to the Council gives details.

**8. UNEXECUTED CONTRACT**

Examination of the available records reveals that payment vouchers worth ~~N~~88,002,200.00 were allegedly paid to various contractors for repairs, constructions and rehabilitation of various projects across the Local Government Council. The spot verification of said contract scene during the recent audit inspection, confirmed that the work would not appear to have been done as alleged. It was further noted with disheartening of mind that despite none execution of the contract yet these payments were authorized. Details were attached to the report sent to the Council.

## REVENUE RECORDS

It was disheartening to observe that that during the period under review, revenue records in respect of Augie Local Government Council were not presented for audit inspection despite several requests. In fact, it is clear indication that revenue records were not kept and maintained by treasury contrary to financial memorandum provision chapter 6 and 7 respectively.

A rectangular box containing a handwritten signature in green ink. The signature appears to be 'Faruk B. Muhammad' followed by some illegible scribbles.

**Faruk B. Muhammad CNA, CFA**  
*Auditor General for Local Governments*  
*Kebbi State*

**BAGUDO LOCAL GOVERNMENT COUNCIL**

**KEBBI STATE**

**AUDITED FINANCIAL STATEMENTS**

**FOR**

**THE YEAR ENDED**

**31<sup>ST</sup> DECEMBER 2023**



# OFFICE OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

## AUDIT CERTIFICATE

The Financial Statements of Bagudo Local Government Council for the period from 1<sup>st</sup> January to 31<sup>st</sup> December 2023 have been examined by my office in accordance with the Section 316(1) of the 1999 Constitution of the Federal Republic of Nigeria (As amended), Section 15(1) of the Kebbi State Local Government Auditor General Law 2021, Financial Memoranda, the provision number 146 (1), 2 ( a & b) Part 1X of the Local Government Law 2008 and in line with International Public Sector Accounting Standard (Cash Basis).

I have obtained substantial information and explanations required for my audit. Base on the records made available to me, I hereby certify that the Audited Financial Statements are the true reflection of the transactions of Bagudo Local Government Council, Kebbi State.

**Faruk B. Muhammad FCNA, FCFA**

Auditor General for Local Governments

Kebbi State



OFFICE OF THE EXECUTIVE CHAIRMAN

# BAGUDO LOCAL GOVERNMENT

Secretariat Complex Bagudo,  
Kebbi State

Our Ref: \_\_\_\_\_ Your Ref: \_\_\_\_\_ Date: \_\_\_\_\_

## RESPONSIBILITY FOR FINANCIAL STATEMENTS

These financial statement have been prepared by the treasurer of Bagudo Local Government Council in accordance with the Financial (Council and Management) Act 1958 as amended. The Financial Statement comply with generally accepted accounting practice.

The Treasurer is responsible for Establishing and Maintaining a System of Internal Control designed to provide reasonable assurance that the transactions recorded are within statutory authority and properly record the use of all Public Financial resources by the Local Government Council. To the best of my knowledge, this statement of internal control has operated adequate through the reporting period.

  
\_\_\_\_\_  
TREASURER

3/9/2024  
DATE

We accept responsibility for the integrity of these Financial Statements, the information they contain and compliance with the Financial (Control and Management) Act, 1958 as amended.

In our opinion these Financial Statements fairly reflect the financial position of Bagudo Local Government as at 31<sup>st</sup> December, 2023 and its operation for the year ended on that date.

  
\_\_\_\_\_  
TREASURER  
DATE 3/9/2024

  
\_\_\_\_\_  
CHAIRMAN  
DATE 3/9/2024



# OFFICE OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

## STATEMENT OF OPINION OF THE AUDITOR GENERAL

I have examined the financial statement of Bagudo Local Government Council for the year ended 31st December, 2023, The statement presented by the Treasurer appeared to be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and also in compliance to IPSAS (Cash Basis) accounting Standards. The statement presented comprises Statement of Cash Flow, Statement of Assets and Liabilities, Statement of Consolidated Revenue Funds as well as Statement of Capital Development Funds.

The presented statements are evaluated and tested using the Generally Accepted Auditing Standards (GAAS) which are the set-out requirement and guidelines on how to conduct audit examinations. Prior to the above, I have obtained substantial information and explanations needed for the purpose of my audit.

In my opinion, the Financial Statements as presented to me shows "true and fair" view of the states of affairs of the Bagudo Local Government Council as at 31st December, 2023 and of the financial transactions for the fiscal year ended on that date, subject to the observations contained herein.

**Faruk B. Muhammad FCNA, FCFA**

Auditor General for Local Governments

Kebbi State



# **BAGUDO LOCAL GOVERNMENT COUNCIL**

## **KEBBI STATE**

Our Ref: \_\_\_\_\_

Your Ref: \_\_\_\_\_

Date: \_\_\_\_\_

### **ACCOUNTING POLICY**

The Accounts have been prepared based on the Cash basis accounting framework and it is in compliance with the requirements of the International Public Sector Accounting Standard (IPSAS). The Cash basis IPSAS means a basis of accounting that recognizes transactions and other events only when cash is received or paid. The Accounts also comply with the provisions of the 1999 Constitution of the Federal Republic of Nigeria, Kebbi State Local Governments Law (2008) and Financial Memoranda.

**Mansur D Muhammad**

Director Finance and Supply  
Bagudo Local Government

**BAGUDO LOCAL GOVERNMENT**  
**CASH FLOW STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DEC. 2023**

<b>CASH FLOW FOR OPERATIONS ACTIVITES RECEPITS</b>	<b>NOTES</b>	<b>ACTUAL YEAR 2023 N</b>	<b>ACTUAL YEAR 2022 N</b>
Statutory Allocation Fac	1	1,894,541,079.08	2,024,631,405.60
Value Added Tax Allocation	1	1,252,615,690.58	920,705,851.02
<b><i>Sub-Total Statutory Allocation</i></b>		<b><i>3,147,156,769.66</i></b>	<b><i>2,945,337,256.62</i></b>
Direct Taxes	2	15,886,640.00	5,283,000.00
Licenses	2	15,080,200.00	4,781,300.00
Mining Rents	2	2,695,900.00	2,935,400.00
Royalties	2		
Fees	2	17,845,500.00	
Fines	2	4,596,745.00	
Sales	2		
Earnings	2	18,524,260.00	7,363,300.00
Sales/Rents on Gov't Building	2	4,270,500.00	2,117,400.00
Sales/Rents of Lands & Others	2		
Repayments-General	2		
Investment Income	2	1,247,946.08	762,629.00
Interest Earned	2		
Re-imbusement	2		
<b><i>Sub-Total -Independent Revenue</i></b>	<b>2</b>	<b><i>80,147,691.08</i></b>	<b><i>23,243,029.00</i></b>
Other Rev. Sources of the L/Gov't (10% share of State IGR)	3	23,608,454.82	
<b>Total Receipts</b>		<b>3, 255,615,545.61</b>	<b>2,968,580,285.65</b>
Payment:			
Personal Cost	4	510,497,564.82	724,040,500.38
Federal/State/LG Contribution to pension	5	321,960,613.35	222,884,398.77
Overhead Charges	6	42,300.00	113,191,057.99
Consolidated Revenue found charges (including service wide)	7		
Subvention to parastatals	8	444,235,407.60	1,882,790,797.73
Other operating Activities	EXP.	665,712,815.96	274,192,235.00
Other Transfer			
<b>Total Payments</b>		<b>1,984,706,401.73</b>	<b>2,942,906,755.34</b>
<b><i>Net cash Flow on Operation Activities</i></b>		<b><i>1,270,909,143.88</i></b>	<b><i>25,673,530.28</i></b>
Cash Flow Investment Activities			

Capital Expenditure: Administrative Sector	11	(144,650,000.00)	
Capital Expenditure: Economic Sector	11	(574,938,136.00)	(25,750,000.00)
Capital Expenditure: Law & Justice	11		
Capital Expenditure: Area Development	11	(51,502,378.90)	
Capital Expenditure: Social Service Sector	11	(496,126,232.00)	
Capital Expenditure: Funded from Aids & Grants	11		
<b>Total Payments</b>		<b>(1,267,216,746.90)</b>	<b>(25,750,000.00)</b>
<i>Net Cash flow from investment Activities</i>	<b>11</b>	3,692,396.98	
Cash Flows from Financing Activities			
Proceeds from Aids & Grants	10		
Proceeds from External Loan	19		
Proceeds from Internal Loans (FGN Treasury Bonds)	20		
Proceeds from Internal Loans: NYBS ETC.	21		
Proceeds from Development of Natural/Resources	23		
Proceeds of Loans from other funds	24		
Repayment of External Loans (including Servicing)	19		
Repayment of FGN/Treasury Bonds	20		
Repayment Internal Loan – NTBS	21		
Repayment Internal Loan Devt of Natural Resources	23		
Repayment of Loans from other funds	24		
Net cash flow from financing activities			
<i>Net cash flow from financing activities</i>			
Net increase in cash and its equivalent		3,692,396.98	(76,469.72)
Cash & its equivalent as at 1 <sup>st</sup> January, 2023		469,547.16	546,036.88
Cash & its equivalent as at 31 <sup>st</sup> December, 2023		4,161,964.14	469,567.16

**STATEMENT NO. 2**  
**BAGUDO LOCAL GOVERNMENT**  
**STATEMENT OF ASETS AND LIABILITIES AS AT**  
**31<sup>ST</sup> DECEMBER, 2023**

ASSETS:	NOTES	CURRENT YEAR 2023 N	PREVIOUS YEAR 2022 N
<b>LIQUID</b>			
Bank Balance		4,161,964.14	469,567.16
Pension Account (CBN/CRF)			
Other Bank of the Treasury			
Cash Balances of trust & other found (FGN/State/LG)	12	1,270,909,143.88	25,673,530.28
Cash Balance with Federal pay others Sub- treasury	13		
Cash held by Ministers, Departments & Agencies	14		
<b>Total Liquid Assets</b>		<b>1,275,071,108.02</b>	<b>26,143,097.44</b>
Investments & others cash Assets			
Fed/State/L. Gov't Investments	15	25,750,000.00	25,750,000.00
Imprests:	16		
Advances	17		
Revolving Loans Granted	18		
Intangible Assets			
<i>Total investment and other cash assets</i>			
<b>Total Assets</b>		<b>1,300,821,108.02</b>	<b>51,893,097.44</b>
<b>LIABILITIES</b>			
<b>Public Funds</b>			
Consolidated Revenue funds			
Capital Dev't funds		1,270,909,143.88	25,673,530.28
Trust & other public found		29,911,964.14	26,219,567.16
Police reward funds			

<b>Total Public Funds</b>		<b>1,300,821,108.02</b>	<b>51,893,097.44</b>
<b>EXTERNAL AND INTERNAL LOANS</b>			
External Loan LGC			
LGC Bond/Treasury Bond			
Nigerian Treasury Bills			
Development Loan Stock			
Other Internal loan			
Internal loans from loans			
<b>TOTAL EXTERNAL/INTERNAL LOAN</b>			
<b>OTHER LIABILITIES</b>			
Deposit			
GRB			
<b>TOTAL LIABILITIES</b>		<b>1,300,821,108.02</b>	<b>51,893,097.44</b>

**STATEMENT NO.3**  
**BAGUDO LOCAL GOVERNMENT OF NIGERIA**  
**STATEMENT OF CONSOLIDATED REVENUE FUND FOR THE YEAR**  
**ENDED**  
**31<sup>ST</sup> DECEMBER, 2023.**

<b>ACTUAL PREVIOUS YEAR 202</b>	<b>OPENING BALANCE ADD REVENUE</b>	<b>NOTES</b>	<b>ACTUAL YEAR 2023</b>	<b>PROPOSAL 2023</b>	<b>VARIANCE ON FINAL BUDGET ₦</b>
2,024,631,405.60	STATUTORY ALLOCATION FAAC	1	1,894,541,079.08	2,417,460,698.00	522,919,618.92
920,705,851.02	Value Added Tax Allocation	1	1,252,615,690.58	1,313,944,841.00	61,329,150.42
2,945,337,256.62	Sub Total State Allocation		3,147,156,769.66	3,731,405,502.00	584,248,732.34
5,283,000.00	Direct taxes	2	15,886,640.00	28,000,000.00	12,113,360.00
4,781,300.00	Licenses	2	15,080,200.00	25,000,000.00	9,919,800.00
2,935,400.00	Mining Rents	2	2,695,900.00	102,170,689.00	99,474,789.00
	Royalties	2			
	Fees	2	17,845,500.00		17,845,500.00
	Fines	2	4,596,745.00		4,596,745.00
	Sales				
7,363,300.00	Earning	2	18,524,260.00	17,800,000.00	724,260.00
2,117,400.00	Sales/Rent of Gov't Buildings	2	4,270,500.00	28,000,000.00	23,729,500.00
	Sales/Rent on Land & Others	2			
	Repayment General	2			
	Investment Income	2	1,247,946.08	813,311.00	434,635.08
762,629.00	Interest Earned				
	Re-imbursement				
23,243,029.00	Sub-Total Independent Revenue		80,147,691.08	200,970,689.00	120,822,997.92
	Other Revenue Saucos of L/G		23,608,454.82	28,162,970.00	4,554,515.18

2,968,580,285.62	Total Revenue		3,255,615,545.61	3,933,189,502.00	677,573,956.39
	LESS EXPENDITURE				
72,404,500.83	Personnel Cost (Including salaries on CRF Charges)	4	510,497,564.00	442,478,159.00	68,019,405.00
222,884,398.77	Federal / State/L/G Contribution pension	5	321,960,613.35	1,352,550,029.00	1,030,589,415.65
113,191,057.75	Overhead charges	6	42,300,000.00	174,348,548.00	132,048,548.00
	Consolidated Revenue found charges	7			
1,882,790,794.28	Subvention to parastatals	8	444,235,407.60	2,821,548,310.00	2,377,312,902.40
25,675,530.28	Other recurrent payments / Expenditure		665,712,815.96	36,251,478.00	629,461,337.96
	Repayment External Loans/ FGN/ State/LGC	19			
	Repayment FGN/ State/LGC Bonds & treasury Bonds	20			
	Repayments - Nigerian Treasury Bills (NTB)	21			
	Repayment Development Loan Stock	22			
	Repayment – other internal Loans	23			
	Repayments: Internal Loans from other funds	24			
	Other cap EXP.		1,241,466,746.90	2,533,548,310.00	1,292,080,563.10
2,942,906,765.34	TOTAL EXPENDITURE		3,226,173,148.63	3,968,627,669.00	742,454,520.37
					-
	OPENING BALANCE				-

	APPROPRIATIONS / TRNASFERS				-
	Transfer to Capital Dev't. found		1212024349.92	2821548310	1,609,523,960.08
274,190,235.00	Closing Balance		416,196,414.00	29442396.98	386,754,017.02

**STATEMENT NO.4**  
**BAGUDO LOCAL GOVERNMENT OF NIGERIA**  
**STATEMENT OF CAPITAL DEV'T FUND FOR THE YEAR ENDED**  
**31<sup>ST</sup> DECEMBER, 2023.**

<b>ACTUAL PREVIOUS YEAR 202</b>	<b>OPENING BALANCE ADD REVENUE</b>	<b>NOTE S</b>	<b>TOTAL CAPITAL EXPENDITURE</b>	<b>FINAL BUDGET 2023</b>	<b>PERFORMAN CE ON TOTAL ₦</b>
274.190,235 .00	Transfer from consolidated Rev. Fund		1,212,024,349.92	2,533,548,310 .00	1,321,523,960.08
	Aid and Grants				
	External Loans: FGN/ State /LGC				
	FGN/State/L GC Bonds / Treasury Bonds				
	Nigerian Treasury Bills (NTB)				
	Development Loan Stock				
	Other Internal Loans (Promissory Notes)				
	Other Loans from other funds				
274,190,235 .00	<b>TOTAL REVENUE AVAILA BLE</b>		3,255,615,545.61	3,932,376,191 .00	676,760,645.39

	LESS CAPITAL EXPENDITURE				
	Capital Exp. Administrative Sector		144,650,000.00	336,000,000.00	217,100,000.00
199,190,235.00	Capital Exp. Economic Sector		574,938,136.00	1,317,448,115.00	742,509,979.00
	Capital Exp. Law & Justice				
30,000,000.00	Capital Exp. Region Dev't		51,502,378.90	46,700,000.00	4,802,378.90
45,000,000.00	Capital Exp. Social Service Sector		496,236,232.00	413,101,195.00	83,025,037.00
	Capital Exp. Funded from Aids & Grants				
274,190,235.00	TOTAL CAPITAL EXPENDITURE		1,267,216,746.90	2,533,548,310.00	1,292,081,563.10
	Intangible Assets		29,442,396.98	36,251,478.00	6,809,081.02
469,567.16	Closing Balance		4,161,964.14	469,567.16	3,692,396.98

Police Revenue Found			
Total Public Founds			
<b>EXTERNAL &amp; INTERNAL LOANS</b>			
External Loans if FGN			
FGN/State/LGC Bond & Treasury Bonds			
Nigeria Treasury Bills (NTB)			
Development Loan Stock			
Other Internal Loans (Promissory Notes)			
Internal Loans from other founds			
Total External & Internal Loan			
<b>OTHER LIABILITIES</b>			
Deposits			
Total Liabilities			

## **ANALYSES OF FINANCIAL STATEMENT**

### **Revenues**

The overall performance of Revenue was 82.8% of the budgeted figure during the course of the year. This result appeared to positive compared to previous year's performance. The success was recorded as a result of increase in the Value Added Tax (VAT) from the Federation Account. Details of the performance by Revenue heads are outlined below:

### **Statutory allocations**

Bagudo Local Government received the sum of N1.89 billion as statutory allocation from the FAAC (comprising Statutory Allocation, Distribution of Electronic Money Transfer Levy and Share of Exchange Gain). Though the total annual receipt appeared to be less than the previous year's statutory income by N522.92 million.

### **Share of Value Added Tax**

The share of Bagudo Local Government from the Value Added Tax collection was estimated to be N1,31 billion. However, it is delighted to see that the sum of N1.25 billion was received during the year under review, which is greater than the amount received in the previous period.

### **Direct Taxes**

The sum of N28 million was estimated to be realized during the year under review. But the sum of N15.08 million was alleged to have been generated during the year. However, the amount alleged to have been realized were not properly accounted for.

### **Earning from Commercial Undertaking**

This revenue subhead of Bagudo Local Government said to records some significant increase in its performance. Though many areas of this subhead were left on tap or unaccounted for. During the year under review the sum of N17.8 million was said to have been budgeted but the sum of N18.52 million was allegedly realized and not properly accounted for.

## **License and Fees**

Revenue to be collected under these subheads realized only the sum of N15.08 million out of the N25 million estimated to be generated.

## **Earnings from Rent on Local Government Properties**

This subhead only generated the sum of N2.27 million out of the N28 million estimated for the year.

## **EXPENDITURE**

### **Recurrent Expenditure**

Recurrent Expenditure recorded a budget performance of 67.44%, inclusive of Personnel Emoluments amounted to N510.50 million, as against the budgeted sum of N442 million. It also includes contributions to both Local Governments and Primary School Staff Pensions and Gratuity which amounted to N321.96 million. The Overhead costs were only N42.3 million of the budgeted sum of N174.35. Subventions to Parastatals was equally inclusive which stood at N444.24million against the budgeted figure of N2.82billion. Also, other recurrent expenditure engulfs N665.71 of N36.25 budgeted.

### **Capital Expenditure**

The Capital expenditure on economic sector stood at N574 million of the N1.32 billion budgeted for the period, the Social sector spent N496 million instead of N413.10 budgeted, the Administrative sector expended N144.65 million from the budgeted amount of 336 million.

Audit examination observed that an over expenditure was incurred in some head/subhead without the approval of the Legislators, this is a gross violation of appropriation act.

**ADDITIONAL OBSERVATIONS IN RESPECT OF BAGUDO LOCAL GOVERNMENT COUNCIL (MAIN SALARY AND REVENUE ACCOUNTS) FOR THE PERIOD FROM 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER, 2023**

**2. INCOME AND EXPENDITURE**

Audit examination of the income and expenditure of the aforementioned Local Government revealed that total sum of ₦2,285,594.04 remained unaccounted for up to the time of writing this report. Details was attached to appendix “A” of the main report sent to the Council.

**3. OUTSTANDING PAYMENT VOUCHERS**

Salary payment vouchers totaling the sum of ₦13,267,911.04 paid and posted into cash book were not presented for audit examination contrary to the provision of F.M 1.14 (A) and F.M 14.29. The unverified payments could not be admitted as a proper charged against the Local Government funds. The details of such payment vouchers could be seen in appendix “B” attached to the report sent to the Council.

**4. UN-EXECUTED CONTRACT:**

Kano Agric Supply Company was paid the sum of ₦263,690,447.00 for the purchased of fertilizer, but to our dismay, there were no evidence proving that such expenditure was actually incurred. In other words, invoice of the company, Way Bills, S.R.V, S.I.V and store ledger were not made presented to me for examination.

**5. MAIN CASHBOOK AND BANK RECONCILIATION**

The manner in which the cash book was maintained by Bagudo Local Government Council appeared not be encouraging in that monthly balancing of the cash book for the year under review were not carried out. These contravene the provision of F.M 39.3. Further examination indicates that bank reconciliation was not done either, throughout the year under review.

6. The Departmental Vote Books and Abstract Book of Revenue and Expenditure were not prepared and maintained.

## 7. UNACCOUNTED PAYMENT VOUCHERS

Further examination revealed that the under listed payment vouchers amounting to ₦2,800,000.00 appeared to have been expended for the payment of various essential services within the Local Government Council. To my surprise, vital evidence of the purported expenditure have not been attached. Details is shown below.

S/N	Payee	Particulars	P.V. No.	Amount
1.	Sundry Person	Standing order	4/2/2023	500,000.00
2.	Sundry Person	Standing order	42/4/2023	500,000.00
3.	Sundry Person	Standing order	12/5/2023	500,000.00
4.	Sundry Person	Standing order	46/6/2023	500,000.00
5.	Mainasara Yahaya	Standing order	52/6/2023	150,000.00
6.	Moh'd Sani	Transportation	91/4/2023	400,000.00
7.	Moh'd Umar & Others	Security meeting	94/5/2023	250,000.00
				<b>₦2,800,000.00</b>

Further examination revealed that the paid vouchers in question were not signed by the Officer Controlling the Vote, Internal Auditor and checking officer. This is a clear contradiction of F.M provision 13.12 (1-6), 13.18, 14.10 and 14.4.

## SALARY ACCOUNT

### TOTAL MONTHLY SALARY

S/N	MONTH	AMOUNT ALLOCATED
1.	January 2023	35,959,007.27
2.	February 2023	35,852,972.72
3.	March 2023	35,996,890.79
4.	April 2023	35,944,794.76
5.	May 2023	36,051,794.76
6.	June 2023	36,051,794.76
7.	July 2023	36,012,864.71
8.	August 2023	36,266,862.57

9.	September 2023	42,759,218.36
10.	October 2023	42,722,132.78
11.	November 2023	42,993,479.82
12.	December 2023	43,060,695.82

During the examination of salary allocated for the period under review we observed that, the salary figures shows considerable gap on monthly basis without any justifiable cause. To my surprised, no satisfactory explanation was given on the causes of fluctuation throughout the period covered.

### **RECEIPTS AND PAYMENTS OF SALARY**

Examination of salary payment vouchers for the period under review revealed that Bagudo Local Government is yet to account for the balance of ₦1,463,048.05. detail was attached in the main report sent to the Council.

### **NUMBER OF STAFF WHOSE SALARY BEEN WITHHELD**

In the course of examination of the available records presented to my office revealed that there were thirty-three (33) number of staff in Bagudo Local Government Council whose salary been withheld amounting to ₦4,968,952.30. Examination of the salary payment vouchers departmentally revealed that some names from among the affected staff could not be traced in the payment vouchers. Furthermore, no any written evidence to show that the staff salary was banked and receipted.

### **LEAVE GRANT**

Audit examination of the accounting records revealed that the sum of ₦29,674,232.76 was received for the payment of leave grant during the year under review. While the sum of ₦29,133,304.81 was paid leaving unaccounted balance of ₦540,922.95.

The details of which could be seen below.

<b>S/N</b>	<b>P.V No</b>	<b>Amount Payable</b>	<b>Amount Paid</b>	<b>Difference</b>
1.	99/9/2023	5,272,493.76	4,731,570.81	540,922.95

## BESDA ALLOWANCES

Audit examination of the accounting records revealed that the sum of ₦1,920,000.00 was released on monthly basis as BESDA allowances from Local Government Joint Account Committee from the month of 1<sup>st</sup> January to 30<sup>th</sup> June, 2023. But only the sum of ₦1,250,000.00 appeared to have been disbursed to BESDA committee Monthly) leaving an unaccounted monthly balance of ₦670,000.00.

S/N	MONTHS	AMOUNT RECEIVED	AMOUNT PAID	DIFFERENCE
1.	JANUARY	1,920,000.00	1,250,000.00	670,000.00
2.	FEBRUARY	1,920,000.00	1,250,000.00	670,000.00
3.	MARCH	1,920,000.00	1,250,000.00	670,000.00
4.	APRIL	1,920,000.00	1,250,000.00	670,000.00
5.	MAY	1,920,000.00	1,250,000.00	670,000.00
6.	JUNE	1,920,000.00	1,250,000.00	670,000.00
	<b>TOTAL</b>	<b>₦11,520,000.00</b>	<b>₦7,500,000.00</b>	<b>₦4,020,000.00</b>

## WOMEN EMPOWERMENT

Further examination revealed that the sum of ₦2,400,000.00 appeared to have been paid to women empowerment. Audit examination of the available records revealed that, no list of beneficiaries presented.

S/N	Payee	Particulars	P.V. No.	Amount
1.	Hajiya Hanni	Women Empowerment	66/1/2023	300,000.00
2.	Hajiya Hanni	Women Empowerment	32/2/2023	300,000.00
3.	Hajiya Hanni	Women Empowerment	54/3/2023	300,000.00
4.	Hajiya Hanni	Women Empowerment	46/4/2023	300,000.00
5.	Hajiya Hanni	Women Empowerment	37/5/2023	300,000.00
6.	Hajiya Hanni	Women Empowerment	50/6/2023	300,000.00
7.	Hajiya Hanni	Women Empowerment	77/7/2023	300,000.00
8.	Hajiya Hanni	Women Empowerment	90/8/2023	300,000.00
				<b>₦2,400,000.00</b>

## REVENUE ACCOUNT

### TENDER FEES AND CONTRACT REGISTER

Audit examination revealed that Bagudo Local Government did not maintain tender fees and contract register during the year under review. The tender deductions of contracts were not been made and contract register has not been maintained.

### LOCK-UP SHOPS

The Revenue Officer claimed that Bagudo Local Government Council has 58 lock-up shop which generated the sum of ₦1,500.00 per annum totaling the sum of ₦18,000.00. Examination of the revenue statement of account and cashbook, the said amount was not remitted and could not be accounted for in any of the council records.

## REVENUE RECORDS

Audit examination revealed that Bagudo Local Government Council did not properly maintain revenue records. Documents such as revenue collectors' cashbooks, distribution register, Haraji files are not properly maintained and kept by the Local Government Council for the year 2023.

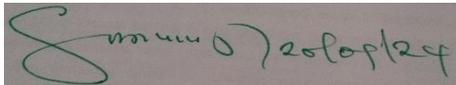
### HARAJI ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2023

It was observed that during course of my examination of Haraji account and records; that these Local Government has the following tax payers as per 2022/2023 tax assessment.

S/N	DISTRICT	NO. OF TAX PAYERS	AMOUNT
1.	Kaoje	9,250	1,850,000.00
2.	Yamusa	8,250	1,650,000.00
3.	Illo	4,250	850,000.00
4.	Zagga	4,250	850,000.00
5.	Kende	5,600	1,120,000.00

6.	Bagudo	5000	1,000,000.00
7.	Bani	4,250	850,000.00
8.	Kasati	3,250	650,000.00
9.	Bahindi	2,900	580,000.00
	<b>Total</b>	<b>47,000</b>	<b>₦9,400,000.00</b>

From the above table the expected Haraji to be collected for the period of 2022/2023 would be N9,400,000.00. but only the sum of ₦3,584,400.00 was said to have been collected and Bank vide Haraji statement of account and cash book presented to my office. While the sum of ₦5,815,600.00 was not either collected by District Heads or collected but not accounted for.



**Faruk B. Muhammad FCNA, FCFA**

*Auditor General for Local Governments*

*Kebbi State*

**BIRNIN KEBBI LOCAL GOVERNMENT COUNCIL**

**KEBBI STATE**

**AUDITED FINANCIAL STATEMENTS**

**FOR**

**THE YEAR ENDED**

**31<sup>ST</sup> DECEMBER 2023**



# OFFICE OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

## AUDIT CERTIFICATE

The Financial Statements of Birnin Kebbi Local Government Council for the period from 1<sup>st</sup> January to 31<sup>st</sup> December 2023 have been examined by my office in accordance with the Section 316(1) of the 1999 Constitution of the Federal Republic of Nigeria (As amended), Section 15(1) of the Kebbi State Local Government Auditor General Law 2021, Financial Memoranda, the provision number 146 (1), 2 ( a & b) Part 1X of the Local Government Law 2008 and in line with International Public Sector Accounting Standard (Cash Basis).

I have obtained substantial information and explanations required for my audit. Base on the records made available to me, I hereby certify that the Audited Financial Statements are the true reflection of the transactions of Birnin Kebbi Local Government Council, Kebbi State.

**Faruk B. Muhammad FCNA, FCFA**

Auditor General for Local Governments  
Kebbi State



# OFFICE OF THE CHAIRMAN

## BIRNIN KEBBI LOCAL GOVERNMENT

### KEBBI STATE

P.M.B. 1011

TEL: 068-320509

INCASE OF REPLY PLEASE QUOTE

Our Ref: \_\_\_\_\_

Your Ref: \_\_\_\_\_

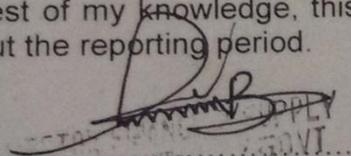
Date: \_\_\_\_\_

### STATEMENT OF FINANCIAL RESPONSIBILITY

These financial statement have been prepared by the Treasurer of Birnin Kebbi local Government Council in accordance with the provisions of the Finance (Council and Management) Act 1958 as amended. The Financial statements comply with generally accepted accounting practice.

The Treasurer is responsible for establishing and maintaining a system of Internal Controls designed to provide reasonable assurance that the transactions recorded are within statutory properly record the use of all public financial resources by the Local Government Council.

To the best of my knowledge, this system of Internal control has operated adequately throughout the reporting period.

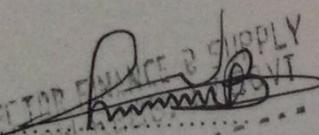
Sign:  .....  
Treasurer

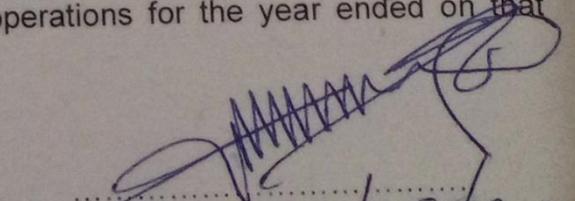
2

Date: 21/8/2024

We accept responsibility for the integrity of these Financial statement the information they contain and their compliance with the Finance (Control and Management) Act 1958 as amended.

In our opinion these financial statement fairly reflect the financial position of Local Government as at 31<sup>st</sup> December,2023 and it operations for the year ended on that date.

  
Treasurer  
DATE: \_\_\_\_\_

  
CHAIRMAN  
DATE: 21/08/2024



# OFFICE OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS

P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

## STATEMENT OF OPINION OF THE AUDITOR GENERAL

I have examined the financial statement of Birnin Kebbi Local Government Council for the year ended 31st December, 2023, The statement presented by the Treasurer appeared to be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and also in compliance to IPSAS (Cash Basis) accounting Standards. The statement presented comprises Statement of Cash Flow, Statement of Assets and Liabilities, Statement of Consolidated Revenue Funds as well as Statement of Capital Development Funds.

The presented statements are evaluated and tested using the Generally Accepted Auditing Standards (GAAS) which are the set-out requirement and guidelines on how to conduct audit examinations. Prior to the above, I have obtained substantial information and explanations needed for the purpose of my audit.

In my opinion, the Financial Statements as presented to me shows "true and fair" view of the states of affairs of the Birnin Kebbi Local Government Council as at 31st December, 2023 and of the financial transactions for the fiscal year ended on that date, subject to the observations contained herein.

**Faruk B. Muhammad FCNA, FCFA**

Auditor General for Local Governments

Kebbi State



## OFFICE OF THE CHAIRMAN

BIRNIN KEBBI LOCAL GOVERNMENT  
KEBBI STATE

P.M.B. 1011

INCASE OF REPLY PLEASE QUOTE

REF:.....

Date:.....

Tel: 068-320509

### ACCOUNTING POLICY

The Accounts have been prepared based on the Cash basis accounting framework and it is in compliance with the requirements of the International Public Sector Accounting Standard (IPSAS). The Cash basis IPSAS means a basis of accounting that recognizes transactions and other events only when cash is received or paid. The Accounts also comply with the provisions of the 1999 Constitution of the Federal Republic of Nigeria, Kebbi State Local Governments Law (2008) and Financial Memoranda.

as at 31<sup>st</sup> December, 20

**Bala Adamu**

Director Finance and Supply  
Birnin Kebbi Local Government

## STATEMENT NO. 1

BIRNIN KEBBI LOCAL GOVERNMENT, KEBBI STATE GOVERNMENT OF NIGERIA  
CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2023

ANNUAL BUDGET 2023 N	CashFlows from Operating Activities:	NOTES	ACTUAL YEAR 2023	YEAR 2022
3,415,121,378.00	<b>Receipts:</b> Statutory Allocations: FAAC	1	2,461,113,294.22	2,044,127,284.08
1,123,389,989.00	Value Added Tax Allocation	1	1,204,205,179.07	96,354,551.48
<b>4,538,511,367.00</b>	<b>Sub-Total: Statutory Allocation</b>		<b>3,665,318,473.29</b>	<b>2,140,481,835.56</b>
24,000,000.00	Direct Taxes	2	31,000,000.00	34,000,000.00
	Licenses	2		
	Mining Rents:	2		
	Royalties	2		
30,641,439.00	Fees:	2	12,764,374.73	15,248,294.00
30,641,439.00	Fines	2	8,520,374.72	12,946,349.00
106,066,078.00	Sales	2	35,642,604.20	71,225,755.18
82,046,182.84	Earning	2	34,267,274.03	59,000,000.00
	Sales/Rent of Government Buildings	2	57,014,650.98	94,704,127.04
96,281,320.00	Sale/rent on Lands and Others	2	40,000,000.00	94,033,016.11
	Repayments: General	2		
	Investment Income	2		
726,684.00	Interest earned	2		
596,400,000.00	Re-Imbursement	2		
	<b>Sub-Total-Independent Revenue</b>		<b>219,209,278.66</b>	<b>381,157,541.33</b>
<b>3,101,576,126.00</b>	<b>Other Revenue Sources of the.....Government</b>	<b>3</b>	<b>4,837,716,841.22</b>	<b>3,110,189,805.96</b>
<b>8,606,890,635.84</b>	<b>Total Receipts</b>		<b>8,722,244,593.17</b>	<b>5,631,829,182.85</b>
	<b>Payments</b>			
	Personnel Costs	4	791,760,103.42	768,784,164.24
	Federal/States/LGC Gov. Contribution to Pension	5	21,082,859.97	23,156,052.96
	Overhead Charges	6	36,000,000.00	36,000,000.00
	Consolidated Revenue Fund Charges (Incl. Service Wide Votes)	7		
	Subvention to Parastatals	8	3,061,750,238.86	1,909,630,099.99
	Other Operating Activities		404,449,290.73	2,581,177,997.73
	Other Transfer		1,500,000,000.00	
	<b>Total Payments</b>		<b>5,815,042,492.98</b>	<b>2,737,866,545.70</b>
	<b>Net Cash Flow from Operating Activities</b>		<b>2,907,202,100.19</b>	<b>2,893,962,637.15</b>
	<b>CashFlows from Investment Activities</b>			
866,576,126.00	Capital Expenditure: Administrative Sector	11	912,969,728.83	1,234,003,461.23
1,492,000,000.00	Capital Expenditure: Economic Sector	11	896,465,164.29	963,399,321.79
	Capital Expenditure: Law and Justice	11		
	Capital Expenditure: Regional development	11		
743,000,000.00	Capital Expenditure: Social Service Sector	11	524,667,019.02	696,707,968.36
	Capital Expenditure: Funded from Aid and Grants	10		
	<b>Net Cash Flow from Investment Activities</b>		<b>(2,906,882,953.89)</b>	<b>(2,894,110,751.38)</b>
	<b>CashFlows from Financing Activities</b>			
	Proceeds from Aid and Grants	10		
	Proceeds from External Loan	19		
	Proceeds from Internal Loans: FGN/Treasury Bonds	20		
	Proceeds from Internal Loan: NTBs etc	21		
	Proceeds from Development of Nat Resources	23		
	Proceeds of Loans from other Funds	24		
	Repayment of External Loans (Including Servicing)	19		
	Repayment of FGN/Treasury Bonds	20		
	Repayment of Internal Loan-NTBs	21		
	Repayment of Loans from Development of Nat. Resources	23		
	Repayment of Loans from Other Funds	24		
	<b>Net CashFlow from Financing Activities:</b>			
	<b>Net (Increase)/Decrease in other Cash Equivalent</b>		<b>319,146.30</b>	<b>(148,114.23)</b>
	<b>Cash &amp; Its Equivalent as at 1<sup>st</sup> January 2022</b>		<b>337,634.88</b>	<b>185,520.65</b>
	<b>Cash &amp; Its Equivalent as at 31<sup>st</sup> December, 2023</b>		<b>656,781.18</b>	<b>333,634.88</b>

## STATEMENT NO. 3

**BIRNIN KEBBI LOCAL GOVERNMENT KEBBI STATE GOVERNMENT OF NIGERIA**  
**STATEMENT OF ASSETS AND LIABILITIES AS AT 31<sup>ST</sup> DECEMBER, 2023**

ASSETS:	NOTES	CURRENT YEAR 20.....	PREVIOUS YEAR 2022.....
		₦	₦
<b>Liquid Assets</b>			
Cash Held by AGF			
Bank Balance (CBN/CRF Bank)		656,781.18	333,634.88
Pension Account (CBN/Bank)			
Other Bank of the Treasury			
Cash Balances of Trust & Other Funds of the FGN/State/LGC	12	2,907,521,246.46	2,894,110,751.38
Cash Balances with Federal Pay Offices/Sub-Treasury:	13		
Cash Held by Ministries, Department & Agencies:	14		
<b>Total Liquid Assets</b>			
<b>Investments and Other Cash Assets</b>			
Federal/State/Local Government Investments	15	17,142,857.14	17,142,857.14
Imprests	16		
Advances	17		
Revolving Loans Granted	18		
Intangible Assets			
<b>Total Investments and Other Cash Assets</b>			
<b>TOTAL ASSETS</b>		<b>2,925,320,884.78</b>	<b>2,911,587,243.40</b>
<b>LIABILITIES</b>			
<b>Public Funds</b>			
Consolidated Revenue Fund			
Capital Development Fund		2,907,521,246.46	2,876,967,894.24
Trust & Other Public Funds		17,799,638.32	
Police Reward Fund			
<b>Total Public Funds</b>			
<b>External and Internal Loans</b>			
External Loans: FGN/State/LGC	19		
FGN/State/LGC Bonds & Treasury Bonds	20		
Nigerian Treasury Bills (NTB)	21		
Development Loan Stock	22		
Other Internal Loans (Promissory Notes)	23		
Internal Loans from Other Funds	24		
<b>Total External and Internal Loans</b>			
<b>Other Liabilities</b>			
<b>TOTAL LIABILITIES</b>		<b>2,925,320,884.78</b>	<b>2,911,587,243.40</b>

**STATEMENT NO. 3**  
**BIRNIN KEBBI LOCAL GOVERNMENT KEBBI STATE GOVERNMENT OF NIGERIA**  
**STATEMENT OF CONSOLIDATED REVENUE FUND FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER,2023**

OPENING BALANCE	NOTE	ACTUAL YEAR 2023	FINAL BUDGET 2023	INITIAL/ORIGINAL BUDGET 2023	SUPPLEMENTARY BUDGET 2023	VARIANCE ON FINAL BUDGET
<b>ADD/REVENUE</b>						28%
Statutory Allocation FAAC	1	2,461,113,294.22	3,415,121,378.00			
Value Added Tax Allocation	1	1,204,205,179.07	1,123,389,989.00			7%
Sub-Total-Statutory Allocation		3,665,318,473.29	4,538,511,367.00			19.24%
<b>Direct Taxes</b>	2	31,000,000.00	24,000,000.00			-29%
Licenses	2					
Mining Rents	2					
Royalties	2					
Fees	2	12,764,374.73	30,641,439.00			58%
Fines	2	8,520,374.72	30,641,439.00			72%
Sales	2	35,642,604.20	106,066,078.00			66%
Earnings:	2	34,267,274.03	82,046,182.84			58.23%
Sales/Rent of Government Buildings	2	57,014,650.98				
Sales/Rent on Lands and Others	2	40,000,000.00	96,281,320.00			58.46%
Repayment: General	2					
Investment Income	2					
Interest Earned	2		726,684.00			
Re-Imbursements	2		596,400,000.00			
Sub-Total-Independent Revenue						
<b>Other Revenue Sources of the - Government</b>	3	4,837,716,841.22	3,101,576,126.00			55.98%
<b>Total Revenue</b>		8,722,244,593.17	8,606,890,635.84			1.34%
<b>LESS-EXPENDITURE</b>						
Personnel Costs (Including Salaries on CRF Charges	4	791,760,103.42				
Federal States/LGC Govt. Contribution to Pension	5	21,082,859.97				
Overhead Charges	6	36,000,000.00				
Consolidated Revenue Fund Charges(Service Wide Votes)	7					
Subvention to Parastatals	8	3,061,750,238.86				
<b>OTHER RECURRENT PAYMENTS/EXPENDITURE</b>						
Repayments: External Loans FGN/States/LGC	19					
Repayments: FGN/States/LGC Bonds & Treasury Bonds	20					
Repayments: Nigerian Treasury Bills (NTB)	21					
Repayments: Development Loan Stock	22					
Repayment: Other Internal Loans (Promissory Notes)	23					
Repayments: Internal Loans from Other Funds	24					
<b>Total- EXPENDITURE</b>		5,815,042,492.98				
<b>OPERATING BALANCE</b>		2,907,202,100.19				
<b>APPROPRIATIONS/TRANSFERS</b>						
Transfer to Capital Development Fund:	9	2,907,521,246.49	3,101,576,126.00			6.81%
<b>CLOSING BALANCE</b>		656,781.18				

**STATEMENT NO. 4**  
**BIRNIN KEBBI LOCAL GOVERNMENT KEBBI STATE GOVERNMENT OF NIGERIA**  
**STATEMENT OF CAPITAL DEVELOPMENT FUND FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 20.....**

	NOTE	TOTAL CAPITAL EXPENDITURE 20.....	FINAL BUDGET (20.....)	INITIAL/ORIGINAL BUDGET (20.....)	SUPPLEMENTARY BUDGET (20.....)	PERFORMANCE ON TOTAL %
OPENING BALANCE		N 656,781.18	N -	N -	N -	% -
<b>ADD/REVENUE</b>						<b>6.25%</b>
Transfer from Consolidated Revenue Fund	9	2,907,521,246.49	3,101,576,126			
Aid and Grants	10					
External Loans: FGN/States/LGC	19					
FGN/States/LGC Bonds & Treasury Bonds	20					
Nigerian Treasury Bills (NTB)	21					
Development Loan Stock	22					
Other Internal Loans (Promissory Notes)	23					
Internal Loans from Other Funds	24					
<b>TOTAL REVENUE AVIALABLE:</b>		<b>2,907,521,246.49</b>	<b>3,101,576,126</b>			<b>6.25%</b>
<b>LESS: CAPITAL EXPENDITURE</b>						
Capital Expenditure Administrative Sector	11	1,469,246,206.04	866,576,126.00			69.55%
Capital Expenditure: Economic Sector	11	913,608,021.43	1,492,000,000.00			38.77%
Capital Expenditure: Law and Justice	11					
Capital Expenditure: Regional Development	11					
Capital Expenditure: Social Service Sector	11	524,667,019.02	743,000,000.00			29.39%
Capital Expenditure: Funded from Aid and Grants	10					
<b>TOTAL CAPITAL EXPENBDITURE</b>		<b>2,907,521,246.49</b>	<b>3,101,576,126.00</b>			<b>6.25%</b>
Intangible Assets						
<b>CLOSING BALANCE</b>		<b>656,781.18</b>				

## **ANALYSES OF FINANCIAL STATEMENT**

### **Revenues**

The overall performance of Revenue was 101.92% of the budgeted figure during the course of the year. This result appeared to positive compared previous year's performance. The success was recorded as a result of increase in the Value Added Tax (VAT) from the Federation Account. Details of the performance by Revenue heads are outlined below:

### **Statutory allocations**

Birin Kebbi Local Government received the sum of N2,46 billion as statutory allocation from the FAAC (comprising Statutory Allocation, Distribution of Electronic Money Transfer Levy and Share of Exchange Gain). The total annual receipt appeared to be greater than the previous year's statutory income by N416.99 million.

### **Share of Value Added Tax**

The share of Birnin Kebbi Local Government from the Value Added Tax collection was estimated to be N1.12 billion. However, it is delighted to see that the sum of N1.20 billion was received during the year under review, which is greater than the amount received in the previous period.

### **Internally Generated Revenue**

From the general point of view, Binin kebbi Local Government recorded in impressive figure of independent revenue which amounted to N219,209,278.66. however, we frown at the way and manner which the IGR unit recorded their transactions.

## **EXPENDITURE**

### **Recurrent Expenditure**

We could not independently ascertain the performance of recurrent expenditure due to failure of the Local Government to furnish with the estimated figures of recurrent expenditure.

## **Capital Expenditure**

Similarly, the budget in respect of capital expenditure were not made available to us for comparism.

**ADDITIONAL OBSERVATIONS IN RESPECT OF BIRNIN KEBBI LOCAL GOVERNMENT COUNCIL (MAIN, SALARY AND REVENUE ACCOUNTS) FOR THE PERIOD FROM 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER, 2023**

**2. INCOME AND EXPENDITURE:**

Examination of records made available to me revealed that Birnin Kebbi Local Government Council has yet to account for the balance of N1,113,897.61 out of the total expenditure incurred during the year under review. Details are attached to the main report sent to the Council as Appendix "A".

**3. CASHBOOK:-**

Maintenance of the main cashbook of your Local Government appeared to be abysmal. Vital columns (cheque, daily total, analysis columns) were neglected. In the same vain, the book was not balanced throughout the period covered by this report. This appears to be flagrant violation of chapter 19 of the Finance Memoranda.

**4. UNPRESENTED PAYMENT VOUCHERS:-**

In the cause of posting the payment vouchers into the cashbook, it was noted with dismay that paid vouchers worth ₦3,348,638.78 appear to have been either missing or not prepared at all. Therefore, the genuineness of the purported expenditure could not be established, which we term as gross violation of the financial etiquette and payment procedure as enshrined in chapter 14 of the Financial Memoranda. Details was attached in appendix "B" of the report sent to the Council.

**5. Payments without endorsement by the Internal Auditor:**

Section 14.10 of the Financial Memoranda state that "All Payment Vouchers shall be submitted to the Internal Auditor for prepayment audit. Such vouchers shall not be paid the Treasurer until the Internal Auditor has audited the payment voucher". But it was disheartening to report that payment vouchers totaling N6,733,095.24 were raised and paid by the Treasurer without been endorsed by the Internal Auditor. Appendix "C" attached to the report sent to the Council refers.

**6. PAYMENTS WITH IRREGULARITIES: -**

Scrutiny of the payment voucher no. 236/8/2023 amounting to N16,059,000.00 was paid to Hon. Chairman and others in respect of attending Zonal Summit on "Corruption Control for Effective Economic, Social and Security Development". But to my dismay the voucher was not accompanied with any document except "Conveyance of Approval". In another word no invitation

letter from the organisers, the venue remains unknown, number of participants also not known, receipt of the registration not attached, travelling expenses not retired among others.

## **SALARY**

### **a. UNPRESENTED SALARY PAYMENT VOUCHERS:**

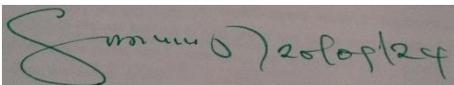
Examination of the available records revealed that payment vouchers worth N7,971,054.47 were raised and paid to various individuals as salary and/or allowances. But up to the time of writing this report those vouchers were not presented to my office for inspection. This is a clear contradiction of section 14.1-6 of the Financial Memoranda.

### **b. UNAUTHORISED SALARY PAYMENT VOUCHERS**

Scrutiny of the available records revealed that payment vouchers worth N2,713,954.79 were paid to various individuals as salaries and/or allowances without the authorization of the Officer Controlling the Vote as stipulated in section 13.12(2) and 14.18 of the Financial Memoranda. See appendix "E" of the report sent to the Council for details

## **REVENUE**

The spot verification of revenue records at our disposal revealed that the Revenue Officer exhibited high level of nonchalant attitude towards records maintenance and updating. This call for a serious warning to the Revenue Officer, otherwise, this office will not hastate to apply section 39.3(a)(6) of the entire personnel of Revenue Unit. Meanwhile, the Director Finance and Supply should look for the possibility of making changes in that unit, thereby weeding out the unscrupulous element among the revenue collectors.



**Faruk B. Muhammad FCNA, FCFA**

*Auditor General for Local Governments*

*Kebbi State*

**BUNZA LOCAL GOVERNMENT COUNCIL**

**KEBBI STATE**

**AUDITED FINANCIAL STATEMENTS**

**FOR**

**THE YEAR ENDED**

**31<sup>ST</sup> DECEMBER 2023**



**OFFICE OF THE AUDITOR GENERAL  
FOR LOCAL GOVERNMENTS**  
P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

**AUDIT CERTIFICATE**

The Financial Statements of Bunza Local Government Council for the period from 1<sup>st</sup> January to 31<sup>st</sup> December 2023 have been examined by my office in accordance with the Section 316(1) of the 1999 Constitution of the Federal Republic of Nigeria (As amended), Section 15(1) of the Kebbi State Local Government Auditor General Law 2021, Financial Memoranda, the provision number 146 (1), 2 ( a & b) Part 1X of the Local Government Law 2008 and in line with International Public Sector Accounting Standard (Cash Basis).

I have obtained substantial information and explanations required for my audit. Base on the records made available to me, I hereby certify that the Audited Financial Statements are the true reflection of the transaction of Bunza Local Government Council, Kebbi State.

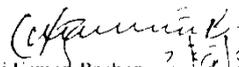
Auditor General for Local Governments  
Kebbi State

  
**OFFICE OF THE CHAIRMAN  
BUNZA LOCAL GOVERNMENT  
KEBBI STATE**

**STATEMENT OF FINANCIAL RESPONSIBILITIES**

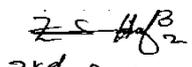
We accept responsibility of these financial statements, the information contained and their compliance with the finance control and management Act 1958 as amended.

In our opinion, these financial statements fairly reflect the financial position of Bunza Local Government as at 31<sup>st</sup> December 2023, and its operation for the year ended on the date.

  
Usman Bashir 31/8/24

**TREASURER**

Date: 21/8/2024

  
3<sup>rd</sup>, Sep, 2024

**CHAIRMAN**

Date: 21/8/2024



# OFFICE OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS

P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

## STATEMENT OF OPINION OF THE AUDITOR GENERAL

I have examined the financial statement of Bunza Local Government Council for the year ended 31st December, 2023, The statement presented by the Treasurer appeared to be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and also in compliance to IPSAS (Cash Basis) accounting Standards. The statement presented comprises Statement of Cash Flow, Statement of Assets and Liabilities, Statement of Consolidated Revenue Funds as well as Statement of Capital Development Funds.

The presented statements are evaluated and tested using the Generally Accepted Auditing Standards (GAAS) which are the set-out requirement and guidelines on how to conduct audit examinations. Prior to the above, I have obtained substantial information and explanations needed for the purpose of my audit.

In my opinion, the Financial Statements as presented to me shows “true and fair” view of the states of affairs of the Bunza Local Government Council as at 31st December, 2023 and of the financial transactions for the fiscal year ended on that date, subject to the observations contained herein.

**Faruk B. Muhammad FCNA, FCFA**

Auditor General for Local Governments

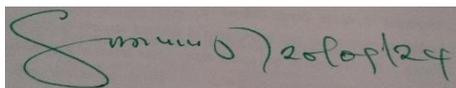
Kebbi State



**OFFICE OF THE CHAIRMAN  
BUNZA LOCAL GOVERNMENT  
KEBBI STATE**

**ACCOUNTING POLICY**

The Accounts have been prepared based on the Cash basis accounting framework and it is in compliance with the requirements of the International Public Sector Accounting Standard (IPSAS). The Cash basis IPSAS means a basis of accounting that recognizes transactions and other events only when cash is received or paid. The Accounts also comply with the provisions of the 1999 Constitution of the Federal Republic of Nigeria, Kebbi State Local Governments Law (2008) and Financial Memoranda.



**Faruk B. Muhammad FCNA, FCFA**

Auditor General for Local Governments

Kebbi State

## STATEMENT NO. 1

**BUNZA LOCAL GOVERNMENT COUNCIL OF KEBBI STATE, NIGERIA**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2023.**

ANNUAL BUDGET	DESCRIPTION	NOTE	2023	2022
	<u>Cash Flow from Operating Activities</u>			
	<b><u>Receipt</u></b>			
2,340,716,248	Statutory Allocation	1	2,571,178,705.20	2,238,303,796.63
1,104,807,844	Value Added Allocation	1	1,657,375,986.21	687,424,426.40
3,445,524,092	<b>Sub Total Statutory Allocation</b>		<b>4,228,554,691.41</b>	<b>2,925,728,223.03</b>
23,000,000	Direct Taxes	2	20,305,560.00	15,216,516.25
45,000,000	License fees and Fine	2	17,005,000.00	10,000,000
40,000,000	Earning from commercial undertaking	2	14,095,200.00	10,000,000
35,000,000	Rent on Government Property	2	11,834,212.00	5,000,000
<b>143,000,000</b>	<b>SUB TOTAL INDEPENDENT REVENUE</b>		<b>63,239,972.00</b>	<b>45,216,516.25</b>
<b>3,588,524,092</b>	<b>TOTAL RECEIPTS</b>		<b>4,291,794,663.41</b>	<b>2,970,944,939.28</b>
	<b>PAYMENT</b>			
544,017,493	Personnel cost	4	547,182,634.57	594,198,520.06
373,084,895	Contribution to pension	5	385,927,170.57	272,896,296.52
36,000,000	Overhead cost	6	36,000,000	36,000,000
1,118,731,546	Subvention to parastatals	8	963,646,163.09	895,356,862.78
	Other operating activities		3,239,972.74	
<b>2,071,833,934</b>	<b>TOTAL PAYMENTS</b>		<b>1,935,995,940.97</b>	<b>1,798,451,679.36</b>
1,516,690,158	<b>Net cash from operating Activities</b>		<b>2,355,798,722.44</b>	<b>1,172,493,259.92</b>

	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
207,000,000	Capital Expenditure Administrative Sector	11	300,000,000	151,606,870.24
1,432,000,000	Capital Expenditure Economic Sector	11	1,017,000,000.00	417,000,000
486,000,000	Capital Expenditure Social Sector		700,000,000	300,000,000
332,000,000	Capital Expenditure Area Sector		342,962,905.97	300,000,000
2,457,000,000	<i>Net cash flow from Investing Activities</i>		<i>2,359,962,905.97</i>	<i>1,168,606,870.24</i>
	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
-	Proceed from Aids & Grant	10	-	-
-	Proceed from External loan (FGN)	19	-	-
-	Proceed from Internal loan	20	-	-
-	Proceed from Internal loan (NBTs)	21	-	-
-	Proceed from development of Natural resources	23	-	-
-	Proceed of other loans from funds	24	-	-
-	Repayment of external loan	19	-	-
-	Repayment of FGN/Treasury funds	20	-	-
-	Repayment of Intrest loan (NB)	21	-	-
-	Repayment of loan from Development of Nat. Resources	23	-	-

-	Repayment of other loans	24	-	-
-	Dividend received	-	-	-
NIL	Net cash flow from financing Activities		Nil	Nil
	Net Cash and its equivalent		(4,164,183.53)	3,886,389.68
	Cash flow & its equivalent as at 1/1/2023		4,218,880.63	332,490.95
	Cash flow & its equivalent as at 31/12/2023		54,697.10	4,218,880.63

**STATEMENT NO. 2**

**BUNZA LOCAL GOVERNMENT COUNCIL OF KEBBI STATE, NIGERIA  
STATEMENT OF ASSETS AND LIABILITIES AS AT 31<sup>ST</sup> DECEMBER, 2023.**

DESCRIPTION	NOTE	2023	2022
<b><u>ASSETS</u></b>			
CRF Bank Balance		54,697.10	4,218,880.63
Pension Account with (CBN)		-	-
Other Bank of Treasury		-	-
Cash Balance of Trust and Other funds with Kebbi State Joint Account	12	2,355,798,722.44	1,172,493,259.92
Cash Balance with Federal Pay office Sub Treasury	13	-	-
Cash held by Ministries, Department and Agencies	14	-	-
<b>TOTAL LIQUID ASSETS</b>		<b>2,355,853,419.54</b>	<b>1,176,712,140.55</b>
<b><u>INVESTMENT AND OTHER CASH</u></b>			
<b><u>ASSETS</u></b>			
Local Government Investment	15	17,000,000	17,000,000
LM Press	16	-	-
Advances	17	-	-
Revolving loan Granted	18	-	-
<b>TOTAL INVESTMENT AND OTHER CASH ASSETS</b>		<b>17,000,000</b>	<b>17,000,000</b>
<b>TOTAL ASSETS</b>		<b>2,372,853,419.54</b>	<b>1,193,712,140.55</b>
<b>LIABILITIES</b>			
<b><u>PUBLIC FUNDS</u></b>			
Consolidate Revenue fund		-	-
Capital Development fund		2,355,798,722.44	1,172,493,259.92
Trust and other public fund		17,054,697.10	21,218,880.63
Police rewards fund		-	-
<b>TOTAL PUBLIC FUNDS</b>		<b>2,372,853,419.54</b>	<b>1,193,712,140.55</b>
<b><u>EXTERNAL AND INTERNAL LOANS</u></b>			
External loan LGC	19	-	-
LGC Bonds/Treasury Bond	20	-	-
Nigerian Treasury Bills	21	-	-
Development loan Stock	22	-	-
Other Internal loan	23	-	-

Internal loans from other loans	24	-	-
<b>TOTAL EXTERNAL/INTERNAL LAON</b>		<b>NIL</b>	<b>NIL</b>
<b>OTHER LIABILITIES</b>			
Deposit	25		
GRB			
<b>TOTAL LIABILITIES</b>		<b>2,372,853,419.54</b>	<b>1,193,712,140.55</b>

## STATEMENT NO. 3

**BUNZA LOCAL GOVERNMENT COUNCIL OF KEBBI STATE, NIGERIA**  
**STATEMENT OF CONSOLIDATED REVENUE FUND FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER,**  
**2023**

2022	DESCRIPTION	NOTE	ACTUAL 2023	BUDGETED 2023	VARIANCE %
2,238,303,796.63	Statutory Allocation	1	2,571,178,705.20	2,340,716,248	10%
687,424,426.40	Value Added Allocation	1	1,657,375,986.21	1,104,807,844	50%
2,925,728,233.03	Sub Total Statutory Allocation		<b>4,228,554,691.41</b>	3,445,584,092	
	<b>INDEPENDENT REVENUE</b>		20,305,560.00		
15,216,516.25	Direct Taxes	2	17,005,000.00	23,000,000	9%
10,000,000	Licence fees & fine	2	14,095,200.00	45,000,000	-77%
10,000,000	Earning from commercial undertaking	2	11,834,212.00	40,000,000	-5%
15,000,000	Rent on Govt. Property	2	<b>63,239,972.00</b>	35,00,000	-86%
<b>45,216,516.25</b>	<b>SUB TOTAL INDEPENDENT REVENUE</b>		<b>4,291,794,663.41</b>	<b>143,000,000</b>	
<b>2,970,944,739.28</b>	<b>TOTAL REVENUE</b>			<b>3,588,584,092</b>	
	<b>LESS EXPENDITURE</b>		547,182,634.57		
594,198,520.06	Personnel cost	4	385,927,170.57	544,017,493	0.58%
272,896,296.52	Contribution to Pension	5	36,000,000	373,084,895	3.4%
36,000,000	Overhead Cost	6	963,646,163.09	36,000,000	0%
895,356,862.78	Subventions to Prastatals	8	3,239,972.74	1,118,731,546	-20%
<b>1,798,451,679.36</b>	<b>TOTAL EXPENDITURE</b>		<b>1,935,995,940.97</b>	<b>2,071,833,934</b>	
1,172,493,259.92	Operating Balance		2,355,798,722.44	1,516,690,158	66%
	<b>APPROPRIATION/TRANSFERS</b>				
1,172,493,259.92	Transfer to capital Development fund		2,355,798,722.44	1,516,690,158	66%
	Closing Balance		-	-	-

STATEMENT NO. 4

**BUNZA LOCAL GOVERNMENT COUNCIL OF KEBBI STATE, NIGERIA  
STATEMENT OF CAPITAL DEVELOPMENT FUND FOR THE YEAR ENDED  
31<sup>ST</sup> DECEMBER, 2023**

<b>2022</b>	<b>DESCRIPTION</b>	<b>NOTE</b>	<b>ACTUAL 2023</b>	<b>BUDGETED 2023</b>	<b>VARIANCE %</b>
1,172,493,059.92	Transfer from consolidated revenue fund		2,355,798,722.44	1,516,690,158	56%
1,172,493,059.92	<b>Total Revenue available</b>		<b>2,355,798,723.18</b>	<b>1,516,690,158</b>	<b>56%</b>
	<b>LESS CAPITAL EXPENDITURE</b>				
168,274,179	Capital Expenditure: Administrative Sector		300,000,000	207,000,000	72%
400,000,000	Capital expenditure: Economic Sector		1,017,000,000.00	1,432,000,000	-30%
300,000,000	Capital Expenditure: Social Sector		700,000,000	486,000,000	23%
300,000,000	Capital expenditure: Area Sector		342,962,905.97	332,000,000	20%
<b>1,168,274,179</b>	<b>TOTAL CAPITAL EXPENDITURE</b>		<b>2,359,962,905.97</b>	<b>2,457,000,000</b>	
4,218,880.92	Closing Balance		54,697.10	-	

## **ANALYSES OF FINANCIAL STATEMENT**

### **Revenues**

The overall performance of Revenue was 119.5% of the budgeted figure during the course of the year. This result appeared to positive compared to previous year's performance. The success was recorded as a result of increase in both the statutory allocation and Value Added Tax (VAT) from the Federation Account as well as the IGR. Details of the performance by Revenue heads are outlined below:

### **Statutory allocations**

Bunza Local Government received the sum of N2.57 billion as statutory allocation from the FAAC (comprising Statutory Allocation, Distribution of Electronic Money Transfer Leby and Share of Exchange Gain). The total annual receipt appeared to be greater than the previous year's statutory income by N332.87 million.

### **Share of Value Added Tax**

The share of Bunza Local Government from the Value Added Tax collection was estimated to be N1.10 billion. However, it is delighted to see that the sum of N1.66 billion was received during the year under review, which is greater than the amount received in the previous period.

### **Direct Taxes**

The sum of N23 million was estimated to be realized during the year under review. But, the sum of N20 million was alleged to have been generated during the year. However, the amount alleged to have been realized were not properly accounted for.

### **Earning from Commercial Undertaking**

This revenue subhead of Bunza Local Government said to records some significant increase in its performance. Though many areas of this subhead were left on tap or unaccounted for. During the year under review the sum of N40 million was said to have been budgeted but the sum of N20 million was allegedly realized and not properly accounted for.

## **License and Fees**

Revenue to be collected under these subheads realized only the sum of N10 million out of the N45 million estimated to be generated. But Council cannot properly account for the sum.

## **Earnings from Rent on Local Government Properties**

This subhead only generated the sum of N10 million out of the N30 million estimated for the year.

## **EXPENDITURE**

### **Recurrent Expenditure**

Recurrent Expenditure recorded a budget performance of 93.29%, inclusive of Personnel Emoluments amounted to N547.18 million, as against the budgeted sum of N544 million. It also includes contributions to both Local Governments and Primary School Staff Pensions and Gratuity which amounted to N385 million. The Overhead costs were only N36 million of the budgeted sum of N36. Subventions to Parastatals was equally inclusive which stood at N963.65million against the budgeted figure of N1.12 billion.

But to our dismay, we observed over expenditure in areas of Personnel Cost and contribution to pension without any document supporting the action.

### **Capital Expenditure**

The Capital expenditure on economic sector stood at N1billion of the N1.43 billion budgeted for the period, the Social sector spent N600 million instead of N486 budgeted, the Administrative sector expended N355.74 million from the budgeted amount of N207 million.

Audit examination observed that an over expenditure was incurred in some head/subhead without the approval of the Legislators, this is a gross violation of appropriation act.

**ADDITIONAL OBSERVATIONS IN RESPECT OF BUNZA LOCAL GOVERNMENT COUNCIL'S MAIN, REVENUE AND SALARY ACCOUNTS FOR THE PERIOD FROM 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER, 2023**

**1. INCOME AND EXPENDITURE:-**

In the course of audit exercise, it was observed that the balance of ₦24,734,370.88 remained unaccounted for out of the total amount expended during the period under review. Details Could be seen be seen in the main report sent to the Council.

**2. CASH BOOK MAINTENANCE: -**

The council main cash book which is the primary book of accounts appeared not have been maintained in accordance with the provision of F.M 19:1.It was characterized by incomplete posting of transactions among others; thereby making extraction of opening and closing balances impossible and cheques numbers were not quoted. This unwanted attitude contravenes provision of F.M 13:17.

**3. DEPARTMENT VOTE BOOKS:-**

It was observed that throughout the period under review, the Vote Books were not maintained, this of course violated the Financial Memoranda provision of chapter 15.

**4. ABSTRACT BOOK OF REVENUE AND EXPENDITURE:-**

In yet another development, we observed that no attempt was made to post revenue and expenditure to their respective ledgers which contradicts FM 21.7.

**5. UN-RECEIPTED PAYMENT VOUCHERS: -**

It has been observed that some payment vouchers to the tune of ₦18,504,300.18 were raised and paid to some organizations without receipts and/or acknowledgement letters from the recipients. These would not be accepted as proper charge against the Local Government funds. Details could be seen in the main report sent to the Council.

## **6. BESDA:-**

It was noted with displeasure that during the period under review, we observed that ₦1,320,000.00 was said to have been released to Bunza Local Government Area monthly, for the education development. Meanwhile the committee under the leadership of Prof. Aliyu Moh'd Bunza received the sum of ₦15,840,000.00 for the period under review. To my surprise throughout the period covered by my report, no attempt was made to retire the sum of N15,840,000.00.

Similarly, the list of the affected members of the committee and other documentary proofs on how the amount was expended were not attached to the payment vouchers. It was also discovered that neither the Council Secretary nor Internal Auditor endorsed payments. This would not be accepted as a proper charge against the Local Government's funds.

### **PAYMENT NOT COUNTER SIGNED BY THE INTERNAL AUDITOR**

Payment vouchers worth ₦15,045,968.42 did not passed through the Internal Audit unit for prepayment audit, contrary to F.M 14.10. It was also observed that Bunza Local Government Council does not give much emphasis to the office of the Internal Auditor who is there to guard against misclassification, alteration and/or fraud.

## **7. PAYMENT VOUCHERS:-**

The spot inspection of payment vouchers No. 02/07/2023 was paid to SBSF NIGERIA LTD amounting to ₦19,253,333.32 for the purchase of fertilizer for wet season farming in Bunza Local Government Area. Although, His Excellency, the Executive Governor of Kebbi State had approved the expenditure. But further scrutiny disclosed that the payment voucher was not accompanied by Local Purchase Order (LPO) which would prove the agreement of the purchase between the Local Government and the company and no Councils' resolution or approval of the expenditure attached to the payment voucher. Moreover, store records such as SRV, SIV, store ledger etc were also not attached.

Likewise on PV No. 03/07/2023 was a payment to SBSF Nig. Ltd for the transportation of fertilizer for wet season farming in Bunza Local Government Area. However, observation revealed that

the voucher was not accompanied with an agreement and receipts concerning the transporting of such commodities which amounted to ₦1,000,000.00.

### **SALARY ACCOUNT:-**

The salary and allowances records made available to my office showed that the sum of ₦6,195,318.87 remained unaccounted for from the amount expended in respect of payment of salary and allowances during the period under review. Details could be seen in main report sent to the Council.

### **INTERNALLY GENERATED REVENUE**

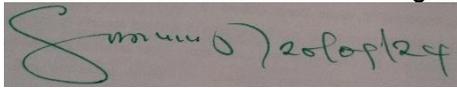
It's disheartening to note that, throughout the period covered by my report no effort was been made to generate revenue from sources available to Bunza Local Government Council's such as Telecommunication Mast/Antenna within the Local Government Council, petrol filling stations lock-up shops owned by the Local Government Council etc; did not generate a penny. This is believe to be an intentional effort of Bunza Local Government Council's committee under the leadership of Honorable Bali who was sent to oversee the revenue of the Local Government. The alleged sum of ₦1,244,500.00 said to have been generated and appear not to have been lodged into the bank.

### **2. HARAJI ACCOUNTS:-**

The Haraji account maintained during the year under review have been examined, which revealed that only the sum of ₦2,600,000.00 instead of ₦4,910,000.00 alleged to have been realized from the four Districts. The paid Haraji was lodge to the revenue account of the Local Government as per bank statement.

<b>S/N</b>	<b>District</b>	<b>Head count</b>	<b>Amount Payable</b>	<b>Amount Paid</b>	<b>Balance</b>
1.	Bunza	4,500	900,000.00		
2.	Raha	11,500	2,310,000.00		
3.	Zogirma	4,500	900,000.00		
4.	Tilli	4,000	800,000.00		
			<b>₦4,910,000.00</b>	<b>₦2,600,000.00</b>	<b>₦2,310,000.00</b>

You are hereby advised to ensure that the remaining ₦2,310,000.00 be collected from the four District Heads as a matter of urgency and inform me of the details accordingly.

A handwritten signature in green ink, appearing to read 'Faruk B. Muhammad', is written over a grey rectangular background.

Faruk B. Muhammad FCNA, FCFA

Auditor General for Local Governments

Kebbi State

**DANDI LOCAL GOVERNMENT COUNCIL**

**KEBBI STATE**

**AUDITED FINANCIAL STATEMENTS**

**FOR**

**THE YEAR ENDED**

**31<sup>ST</sup> DECEMBER 2023**



**OFFICE OF THE AUDITOR GENERAL  
FOR LOCAL GOVERNMENTS**  
P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

**AUDIT CERTIFICATE**

The Financial Statements of Dandi Local Government Council for the period from 1<sup>st</sup> January to 31<sup>st</sup> December 2023 have been examined by my office in accordance with the Section 316(1) of the 1999 Constitution of the Federal Republic of Nigeria (As amended), Section 15(1) of the Kebbi State Local Government Auditor General Law 2021, Financial Memoranda, the provision number 146 (1), 2 ( a & b) Part 1X of the Local Government Law 2008 and in line with International Public Sector Accounting Standard (Cash Basis).

I have obtained substantial information and explanations required for my audit. Base on the records made available to me, I hereby certify that the Audited Financial Statements are the true reflection of the transactions of Dandi Local Government Council, Kebbi State.

**Faruk B. Muhammad CNA, CFA**

Auditor General for Local Governments

Kebbi State



OFFICE OF THE EXECUTIVE CHAIRMAN  
**DANDI LOCAL GOVERNMENT**  
Secretariat Complex Kamba, Kebbi State

Our Ref.....Your Ref.....Date.....

**DANDI LOCAL GOVERNMENT COUNCIL.**

**STATEMENT OF FINANCIAL RESPONSIBILITY**

We accept responsibility for the integrity of these financial statements, the information they contain and their compliance with the finance (Control and Management) Act. 1558 (as amended).

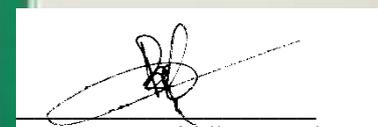
In our opinion, these financial statements fairly reflect the financial position of Dandi Local Government as at **31<sup>st</sup> December, 2023** and its operations for the year ended on that date.



**CHAIRMAN**

17/7/2024

**DATE**



**TREASURER**

17/7/2024

**DATE**

*All correspondence shall be addressed to the Office of the Executive Chairman*



# OFFICE OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

## STATEMENT OF OPINION OF THE AUDITOR GENERAL

I have examined the financial statement of Dandi Local Government Council for the year ended 31st December, 2023, The statement presented by the Treasurer appeared to be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and also in compliance to IPSAS (Cash Basis) accounting Standards. The statement presented comprises Statement of Cash Flow, Statement of Assets and Liabilities, Statement of Consolidated Revenue Funds as well as Statement of Capital Development Funds.

The presented statements are evaluated and tested using the Generally Accepted Auditing Standards (GAAS) which are the set-out requirement and guidelines on how to conduct audit examinations. Prior to the above, I have obtained substantial information and explanations needed for the purpose of my audit.

In my opinion, the Financial Statements as presented to me shows “true and fair” view of the states of affairs of the Dandi Local Government Council as at 31st December, 2023 and of the financial transactions for the fiscal year ended on that date, subject to the observations contained herein.

**Faruk B. Muhammad FCNA, FCFA**

Auditor General for Local Governments

Kebbi State



OFFICE OF THE EXECUTIVE CHAIRMAN  
**DANDI LOCAL GOVERNMENT**

Secretariat Complex Kamba, Kebbi State

Our Ref.....Your Ref.....Date.....

**ACCOUNTING POLICY**

The Accounts have been prepared based on the Cash basis accounting framework and it is in compliance with the requirements of the International Public Sector Accounting Standard (IPSAS). The Cash basis IPSAS means a basis of accounting that recognizes transactions and other events only when cash is received or paid. The Accounts also comply with the provisions of the 1999 Constitution of the Federal Republic of Nigeria, Kebbi State Local Governments Law (2008) and Financial Memoranda.

17/7/2024

**Rabiu Bala Bena**  
Director Finance and Supply  
Dandi Local Government

*All correspondence shall be addressed to the Office of the Executive Chairman*

## STATEMENT NO. 1

**DANDI LOCAL GOVERNMENT COUNCIL OF KEBBI STATE, NIGERIA**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2023.**

ANNUAL BUDGET	DESCRIPTION	NOTE	2023	2022
	<u>Cash Flow from Operating Activities</u>			
	<b><u>Receipt</u></b>			
1,902,556,297	Statutory Allocation	1	1,358,519,779.26	1,917,716,899.25
882,263,079	Value Added Allocation	1	1,041,060,790.49	767,774,467.92
2,784,819,373	Sub Total Statutory Allocation		2,399,580,569.75	2,685,491,307.17
8,500,000	Direct Taxes	2	10,000,000	6,212,890
28,000,000	License fees and Fine	2	20,000,000	15,000,000
20,000,000	Earning from commercial undertaking	2	15,000,000	15,000,000
8,600,000	Rent on Government Property	2	3,000,000	10,000,000
<b>65,100,000</b>	<b>SUB TOTAL INDEPENDENT REVENUE</b>		<b>48,000,000</b>	<b>46,212,890</b>
	<b>Other Revenue Sources</b>		1,092,429,250.43	
<b>2,849,919,373</b>	<b>TOTAL RECEIVED</b>		<b>3,540,009,820.18</b>	<b>2,731,706,287.17</b>
	<b>LESS PAYMENT</b>			
754,127,168	Personnel cost	4	532,785,018.33	532,783,018.33
328,984,076	Contribution to pension	5	389,289,941.54	380,289,941.54
36,000,000	Overhead cost	6	36,000,000	36,000,000
1,108,620,977	Subvention to Parastatals	8	896,949,557.51	850,000,000
<b>2,227,732,221</b>	<b>TOTAL PAYMENTS</b>		<b>1,855,024,517.38</b>	<b>1,799,074,959.87</b>
622,187,152	Net cash from operating Activities		1,684,985,302.80	932,631,277.30
	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
138,490,808	Capital Expenditure Administrative Sector		300,000,000	105,799,636.15
596,994,030	Capital Expenditure Economic Sector		684,976,042.26	300,000,000
372,556,000	Capital Expenditure Social Sector		400,000,000	200,000,000
205,774,452	Capital Expenditure Regional Sector		300,000,000	300,000,000

1,313,815,290	Net cash flow from Investing Activities		1,684,985,302.80	905,799,636.15
	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
	Proceed from Aids & Grant	10	-	-
	Proceed from External loan (FGN)	19	-	-
	Proceed from Internal loan	20	-	-
	Proceed from Internal loan (NBTs)	21	-	-
	Proceed from development of Natural resources	23	-	-
	Proceed of other loans from funds	24	-	-
	Repayment of external loan	19	-	-
	Repayment of FGN/Treasury funds	20	-	-
	Repayment of Intrest loan (NB)	21	-	-
	Repayment of loan from Development of Nat. Resources	23	-	-
	Repayment of other loans	24	-	-
	Dividend received	-	-	715,000
	Net cash flow from Investing Activities		Nil	715,000
	Net increase/decrease in cash and its equivalent		9,260.54	6,641.48
	Cash flow & its equivalent as at 1/1/2023		7,230.92	589.44
	Cash flow & its equivalent as at 31/12/2023		16,491.46	7,230.92

**STATEMENT NO. 2**

**DANDI LOCAL GOVERNMENT COUNCIL OF KEBBI STATE, NIGERIA  
STATEMENT OF ASSETS AND LIABILITIES AS AT 31<sup>ST</sup> DECEMBER, 2023.**

DESCRIPTION	NOTE	2023	2022
<b><u>ASSETS</u></b>			
CRF Bank Balance		16,491.46	7,330.92
Pension Account with (CBN)		-	-
Other Bank of Treasury		-	-
Cash Balance of Trust & other fund with Kebbi State Joint Account	12	1,092,930,873.95	-
Cash Balance with Federal Pay office Sub Treasury	13	-	-
Cash held by Ministries, Department and Agencies	14	-	-
<b>TOTAL LIQUID ASSETS</b>		<b>1,092,947,365.41</b>	<b>7,330.92</b>
<b><u>INVESTMENT AND OTHER CASH ASSETS</u></b>			
Local Government Investment	15	27,539,999.67	27,539,999.67
LM Press	16	-	-
Advances	17	-	-
Revolving loan Granted	18	-	-
<b>TOTAL INVESTMENT AND OTHER CASH ASSETS</b>		<b>27,539,999.67</b>	<b>27,539,999.67</b>
<b>TOTAL ASSETS</b>		<b>1,120,487,365.08</b>	<b>27,547,230.59</b>
<b><u>LIABILITIES</u></b>			
Consolidate Revenue fund		-	-
Capital Development fund		16,491.46	-
Trust and other pubic fund		1,092,930,873.95	-
Police rewards fund		-	-
<b>TOTAL PUBLIC FUND</b>		<b>1,092,947,365.41</b>	<b>-</b>
External and internal loans			
External loan LGC	19	-	-
LGC Bonds/Treasury Bond	20	-	-
Nigerian Treasury Bills	21	-	-
Development loan Stock	22	-	-
Other Internal loan	23	-	-
Internal loans from other loans	24	-	-
<b>TOTAL EXTERNAL/INTERNAL LAON</b>		<b>NIL</b>	<b>NIL</b>
<b>OTHER LIABILITIES</b>			

Deposit		27,539,999.67	
GRB			27,547,230.59
<b>TOTAL LIABILITIES</b>		<b>1,120,487,365.08</b>	<b>27,547,230.59</b>

## STATEMENT NO. 3

**DANDI LOCAL GOVERNMENT COUNCIL OF KEBBI STATE, NIGERIA**  
**STATEMENT OF CONSOLIDATED REVENUE FUND FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER,**  
**2023**

<b>2022</b>	<b>DESCRIPTION</b>	<b>ACTUAL 2023</b>	<b>BUDGETED 2023</b>	<b>VARIANCE %</b>
1,917,716,899.25	Statutory Allocation	2,481,365,807.33	1,902,556,297	30%
767,774,467.92	Value Added Allocation	1,040,644,012.85	882,263,079	17%
<b>2,685,491,367.17</b>	<b>Sub Total Statutory Allocation</b>	<b>3,522,009,820.18</b>	<b>2,784,819.373</b>	
	<b>INDEPENDENT REVENUE</b>			
6,612,890	Direct Taxes	10,000,000	8,500,000	18%
15,000,000	Licence fees & fine	20,000,000	28,000,000	-29%
15,000,000	Earning from commercial undertaking	15,000,000	20,000,000	-25%
10,000,000	Rent on Govt. Property	3,000,000	8,600,000	-65%
<b>46,212,890</b>	<b>SUB TOTAL INDEPENDENT REVENUE</b>	<b>48,000,000</b>	<b>65,100,000</b>	
<b>2,731,706,237.17</b>	<b>TOTAL REVENUE</b>	<b>3,570,009,820.18</b>	<b>2,849,919,373</b>	
	<b>LESS EXPENDITURE</b>			
532,783,018.33	Personnel cost	532,783,018.33	745,127,168	-29%
380,289,941.54	Contribution to Pension	389,289,941.54	328,984,076	18%
36,000,000	Overhead Cost	36,000,000	36,000,000	0%
850,000,000	Subventions to Parastatals	896,949,557.51	1,108,620,977	-19%
<b>1,799,074,959.87</b>	<b>TOTAL EXPENDITURE</b>	<b>1,855,024,577.38</b>	<b>2,227,732,221</b>	
932,631,277.30	Operating Balance	1,684,895,302.80	622,187,152	170%
	<b>APPROPRIATION/TRANSFERS</b>			
932,631,277.30	Transfer to capital Development fund	1,684,895,302.80	622,187,152	170%
	Closing Balance	-	-	-

**STATEMENT NO. 4**

**DANDI LOCAL GOVERNMENT COUNCIL OF KEBBI STATE, NIGERIA  
STATEMENT OF CAPITAL DEVELOPMENT FUND FOR THE YEAR ENDED  
31<sup>ST</sup> DECEMBER, 2023**

<b>2022</b>	<b>DESCRIPTION</b>	<b>ACTUAL 2023</b>	<b>BUDGETED 2023</b>	<b>VARIANCE %</b>
932,631,277.30	Transfer to Capital Development fund	1,684,895,302.80	622,187,152	170%
932,631,277.30	Total Revenue available	1,684,895,302.80	622,187,152	170%
	<b>LESS CAPITAL EXPENDITURE</b>			
132,624,046.38	Capital Expenditure: Administrative Sector	300,000,000	138,490,808	117%
400,000,000	Capital expenditure: Economic Sector	684,878,811.34	596,994,030	15%
200,000,000	Capital Expenditure: Social Sector	400,000,000	372,556,000	8%
200,000,000	Capital expenditure: Regional Sector	300,000,000	205,774,452	46%
<b>932,624,04638</b>	<b>TOTAL CAPITAL EXPENDITURE</b>	<b>1,684,878,811.34</b>	<b>1,313,815,290</b>	
7,230.92	Closing Balance	16,491.46	-	

## **ANALYSES OF FINANCIAL STATEMENT**

### **Revenues**

The overall performance of Revenue was 124.2% of the budgeted figure during the course of the year. This result appeared to be positive compared to previous year's performance. The success was recorded as a result of increase in Value Added Tax (VAT) from the Federation Account, 10% state share of IGR and other sources of government revenue. Details of the performance by Revenue heads are outlined below:

### **Statutory allocations**

Dandi Local Government received the sum of N1.36 billion as statutory allocation from the FAAC (comprising Statutory Allocation, Distribution of Electronic Money Transfer Levy and Share of Exchange Gain).

### **Share of Value Added Tax**

The share of Dandi Local Government from the Value Added Tax collection was estimated to be N882.26million. However, it is delighted to see that the sum of N1.04 billion was received during the year under review, which is greater than the amount received in the previous period.

### **Direct Taxes**

The sum of N8.5 million was estimated to be realized during the year under review. But, the sum of N10 million was alleged to have been generated during the year. However, the amount alleged to have been realized were not properly accounted for.

### **Earning from Commercial Undertaking**

During the period of our audit, we observed that many areas of this subhead were left on tap or unaccounted for. The sum of N20 million was said to have been budgeted but the sum of N15 million was allegedly realized and not properly accounted for.

## **License and Fees**

Revenue to be collected under these subheads realized only the sum of N20 million out of the N28 million estimated to be generated. But the Council could not properly account for the sum.

## **Earnings from Rent on Local Government Properties**

This subhead only generated the sum of N3 million out of the N8.6 million estimated for the year.

## **EXPENDITURE**

### **Recurrent Expenditure**

Recurrent Expenditure recorded a budget performance of 83.27%, inclusive of Personnel Emoluments amounted to N532.79 million, as against the budgeted sum of N754.13 million. It also includes contributions to both Local Governments and Primary School Staff Pensions and Gratuity which amounted to N389 million as against the sum of N328.98 appropriated for the year. The Overhead costs were only N36 million of the budgeted sum of N36. Subventions to Parastatals was equally inclusive which stood at N896.95million of the budgeted figure of N1.11 billion.

But to our dismay, we observed over expenditure in areas of contribution to pension without any document supporting the action.

### **Capital Expenditure**

The Capital expenditure on economic sector stood at N684.98millionagainst the N596.99million budgeted for the period, the Social sector spent N400 million instead of N372.56million budgeted for, the Administrative sector expended N300 million against the budgeted amount of N138.49 million.

Audit examination observed that an over expenditure was incurred in virtually all the head/subhead without the approval of the Legislators, this is a gross violation of appropriation act.

**ADDITIONAL OBSERVATIONS IN RESPECT OF DANDI LOCAL GOVERNMENT  
COUNCIL'S TREASURY MAIN SALARY AND REVENUE ACCOUNTS FOR THE PERIOD  
FROM 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER, 2023**

**2. INCOME AND EXPENDITURE**

In the course of my audit, it was observed that the sum of ₦2,567,313,331.87 was released to Dandi Local Government Council from the State Local Government Joint Account for the period from 1<sup>st</sup> January to 31<sup>st</sup> December 2023 in which the sum of ₦2,555,118,453.46 was expended. While the balance of ₦12,194,878.39 stand unaccounted. Details was in the main report sent to the Council without any response.

**2. CASH BOOK MAINTENANCE**

The council main cash book which is primary book of accounts was not properly as stipulated in the F.M 19.1. It was characterized by incomplete posting of transactions thereby making extraction of opening and closing balances impossible.

**3. DEPARTMENTAL VOTE BOOKS**

Similarly, the Vote Books were not been updated and/or prepared in accordance with laid down principles; due to numerous cancellations of figures without been initiated by the Officer Controlling the vote. This of course has gone contrary to the provision of chapter 23 of the F.M.

**4. UN-RECEIPTED PAYMENT VOUCHERS**

It has been observed that some payment vouchers worth ₦15,401,910.99 were prepared without necessary supporting documents, such as invoice, cash receipt, e.tc. furthermore, no recipient signature or acknowledgement. This is unaccepted and therefore would not be admitted as proper charge against the Local Government funds.

**5. WOMEN EMPOWERMENT**

It was noted with displeasure that during the period under review, monthly payment of ₦300,000.00 in respect of women empowerment were raised to ₦3,600,000.00 and none of the

affected payment voucher were accompanied with the list of the beneficiaries and the type of empowerment.

## **6. PAYMENTS WITHOUT INTERNAL AUDITOR'S ENDORSEMENTS**

It was observed that payments were made to the tune of ₦12,130,285.70 without the consent of the Local Government Internal Auditor, contrary to FM provision no. 14.10. This would not be accepted as a proper charge against the Local Government's funds.

## **8. PAYMENT VOUCHERS**

- a. On the voucher No. 38/10/2023, Director Social was paid the sum of ~~₦8,000,000.00~~ for the attending Special Delegation Conference Development at Abuja. The spot scrutiny revealed that the payment voucher was not supported with the approval by the Ministry for Local Governments in respect of such assistance. Details was sent to the Council for perusal and necessary response but none provide.
  
- b. Payment voucher No. 80/8/23 was observed to have been paid to Arausaya Rice Processing Mill Ltd for the supply of parboil rice to Dandi Local Government amounting to ~~₦30,096,000.00~~. However, cross examination of the payment voucher revealed that the payment was made without the Secretary and Internal Auditor counter signed the payment voucher and no Local Purchase Order (L.P.O) together with Council Approval attached. Similarly, list of beneficiaries were not made available.

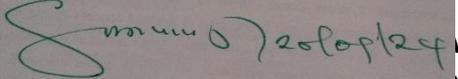
## **9. SALARY ACCOUNT**

The salary and allowances records made available to my office shows the sum of ₦508,123,827.35 was released to Dandi Local Government for the payment of salary and allowances and the sum of ~~₦502,157,932.88~~ appears to have been expended thereby leaving an apparent balance of ~~₦5,965,894.47~~ unaccounted for.

## **10. REVENUE ACCOUNT**

Examination of other sources of revenue generation in the Local Government during the period under review revealed that the sum of ~~₦5,782,000.00~~ have been generated as total internally

revenue as per receipt side of the Local Government cash book. However, it was discovered that Dandi Local Government Council inaugurated a committee to oversee the Internally Generated Revenue Unit of the Local Government under the leadership of Alh. Harisu Malam.

  
Auditor General for Local Governments  
Kebbi State

**DANKO/WASAGU LOCAL GOVERNMENT COUNCIL**

**KEBBI STATE**

**AUDITED FINANCIAL STATEMENTS**

**FOR**

**THE YEAR ENDED**

**31<sup>ST</sup> DECEMBER 2023**



**OFFICE OF THE AUDITOR GENERAL  
FOR LOCAL GOVERNMENTS**  
P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

**AUDIT CERTIFICATE**

The Financial Statements of Danko/Wasagu Local Government Council for the period from 1<sup>st</sup> January to 31<sup>st</sup> December 2023 have been examined by my office in accordance with the Section 316(1) of the 1999 Constitution of the Federal Republic of Nigeria (As amended), Section 15(1) of the Kebbi State Local Government Auditor General Law 2021, Financial Memoranda, the provision number 146 (1), 2 ( a & b) Part 1X of the Local Government Law 2008 and in line with International Public Sector Accounting Standard (Cash Basis).

I have obtained substantial information and explanations required for my audit. Base on the records made available to me, I hereby certify that the Audited Financial Statements are the true reflection of the transactions of Danko/Wasagu Local Government Council, Kebbi State.

**Faruk B. Muhammad FCNA, FCFA**

Auditor General for Local Governments

Kebbi State



OFFICE OF THE EXECUTIVE CHAIRMAN  
**DANKO WASAGU LOCAL GOVERNMENT**

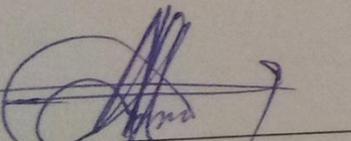
Secretariat Complex Ribah,  
Danko Wasagu Local Government, Kebbi State

Our Ref:..... Your Ref:..... Date: 10th September, 2024

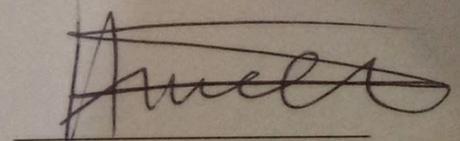
DANKO WASAGU LOCAL GOVERNMENT  
STATEMENTY OF FINANCIAL RESPONSIBILITY

We accept responsibility for the integrity of the Financial Statement, the information they contain and their compliance with finance control and management Act 1958 as amended.

In our opinion, the financial statements fairly reflect the financial position of the Danko Wasagu Local Government as at 31<sup>st</sup> December, 2023 and its operation for the year ended on that date.

  
Treasurer

10/09/2024  
Date

  
Chairman

12/09/2024  
Date



**OFFICE OF THE AUDITOR GENERAL  
FOR LOCAL GOVERNMENTS  
P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE**

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

**STATEMENT OF OPINION OF THE AUDITOR GENERAL**

I have examined the financial statement of Danko/Wasagu Local Government Council for the year ended 31st December, 2023, The statement presented by the Treasurer appeared to be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and also in compliance to IPSAS (Cash Basis) accounting Standards. The statement presented comprises Statement of Cash Flow, Statement of Assets and Liabilities, Statement of Consolidated Revenue Funds as well as Statement of Capital Development Funds.

The presented statements are evaluated and tested using the Generally Accepted Auditing Standards (GAAS) which are the set-out requirement and guidelines on how to conduct audit examinations. Prior to the above, I have obtained substantial information and explanations needed for the purpose of my audit.

In my opinion, the Financial Statements as presented to me shows “true and fair” view of the states of affairs of the Danko/Wasagu Local Government Council as at 31st December, 2023 and of the financial transactions for the fiscal year ended on that date, subject to the observations contained herein.

**Faruk B. Muhammad FCNA, FCFA**

Auditor General for Local Governments

Kebbi State



OFFICE OF THE EXECUTIVE CHAIRMAN  
**DANKO WASAGU LOCAL GOVERNMENT**

Secretariat Complex Riabh,  
Danko Wasagu Local Government, Kebbi State

Our Ref:..... Your Ref:..... Date:.....

### ACCOUNTING POLICY



The Accounts have been prepared based on the Cash basis accounting framework and it is in compliance with the requirements of the International Public Sector Accounting Standard (IPSAS). The Cash basis IPSAS means a basis of accounting that recognizes transactions and other events only when cash is received or paid. The Accounts also comply with the provisions of the 1999 Constitution of the Federal Republic of Nigeria, Kebbi State Local Governments Law (2008) and Financial Memoranda.

10/9/2024

**Abubakar Muhammad Giro**  
Director Finance and Supply  
Danko/Wasagu Local Government

*All correspondence shall be addressed to the Office of the Executive Chairman*

## DANKO WASAGU LOCAL GOVERNMENT

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2023

#### Statement No. 1

CASH FLOW FROM OPERATING ACTIVITIES	NOTE	ACTUAL YEAR 2023	PREVIOUS YEAR 2022
<b><u>RECEIPTS</u></b>			
Statutory Allocation FAAC	1	1,579,152,667.24	2,132,232,157.30
Value Added Tax (VAT) Allocation	1	1,315,137,600.64	1,167,305,586.70
<b>SUB-TOTAL – Statutory Allocation</b>		<b>2,894,290,267.88</b>	<b>3,299,537,744.00</b>
License	2	2,440,000.00	
Fees	2	1,560,000.00	
Earning	2	1,700,000.00	
<b>Sub-total independent Revenue</b>		<b>12,000,000.00</b>	<b>14,030,560.83</b>
Other state revenue	3	435,666,122.37	
<b>Total Receipts</b>		<b>3,341,956,390.25</b>	<b>3,313,568,304.83</b>
<b>PAYMENT</b>			
Personnel Cost	4	780,854,191.33	788,747,833.39
Contribution to Pension	5	536,306,987.34	
Overhead charged	6	36,000,000.00	36,000,000.00
Subvention to parastatal	8	111,164,133.95	1,056,789,085.33
Other Operating activities		467,645,665.71	842,486,000.00
<b>Total Payment</b>		<b>1,931,970,978.33</b>	<b>2,724,022,918.72</b>
Net cash flow from operating activities		1,409,985,411.92	589,545,386.11
<i>Net Cash flow from investment activities</i>			
Capital expenditure administrative sector	11	198,400,000.00	NIL
Capital expenditure economic sector	11	494,190,477.00	40,380,848.43
Capital expenditure social service sector	11	723,806,987.34	564,282,396.37
<i>Net cash flow from investment activities</i>		1,416,397,464.34	604,663,244.80
Cash flow from financing activities			
Proceed from Aids & Grant			
Proceed from External loan (FGN)			
Proceed from Internal loan			

Proceed from Internal loan (NBTs)			
Proceed from development of Natural resources			
Proceed of other loans from funds			
Repayment of external loan			
Repayment of FGN/Treasury funds			
Repayment of Interest loan (NB)			
Repayment of loan from Development of Nat. Resources			
Repayment of other loans			
Dividend received			
Net cash flow from financing Activities		Nil	Nil
Net Increase/Decrease in cash and its equivalent		(6,412,052.42)	(15,117,858.69)
Cash and its equivalent as at 1 <sup>st</sup> January, 2023		6,652,095.05	15,928,590.76
Cash and its equivalent as at 31 <sup>st</sup> December, 2023		240,042,063	810,732,07

## **DANKO WASAGU LOCAL GOVERNMENT**

### **STATEMENT OF ASSETS AND LIABILITIES AS AT 31<sup>ST</sup> DECEMBER, 2023**

#### **Statement No. 2**

<b>ASSETS</b>	<b>NOTES</b>	<b>ACTUAL YEAR 2023</b>	<b>PREVIOUS YEAR 2022</b>
<b><u>LIQUID ASSETS</u></b>			
Cash at Hand			
Cash at Bank		240,042.63	810,732.07
Total Liquid Asset		<b>240,042.63</b>	<b>810,732.07</b>
Investments and other cash assets			
Intangible assets		50,000,000.00	40,394,198.76
<b>Total Investment And Other Cash Assets</b>			
<b>TOTAL ASSETS</b>		<b>50,240,042.63</b>	<b>41,204,930.83</b>
<b>LIABILITIES</b>			
Other Liabilities			
Deposits	<b>25</b>		
W.H.T		12,000,042.63	NIL
V.A.T		38,240,000.00	NIL
<b>TOTAL LIABILITIES</b>		<b>50,240,042.63</b>	<b>NIL</b>

## DANKO WASAGU LOCAL GOVERNMENT

### STATEMENT OF CONSOLIDATED REVENUE FUND FOR THE YEAR ENDED

31<sup>ST</sup> DECEMBER, 2023

#### STATEMENT NO. 3

OPENING BALACE	NOTES	ACTUAL YEAR 2023	PROPOSE BUDGET	VARIANCE
<b>ADD: REVENUE</b>				
Statutory Allocation	1	1,579,152,667.24	1,672,745,816.00	0.85%
Value Added tax	1	1,315,137,600.64	774,912,629.00	1.18%
<b>Subtotal Statutory</b>		<b>2,894,290,267.88</b>	<b>2,447,658,445.00</b>	<b>0.95%</b>
Independence Revenue	2	6,000,000.00	67,000,000.00	0.08%
Other Sources of Revenue	3	435,666,122.37		
<b>TOTAL REVENUE</b>		<b>3,341,956,390.25</b>	<b>2,514,658,445.00</b>	<b>0.93%</b>
<b>LESS EXPENDITURE</b>				
Personnel Cost	4	780,854,191.33	414,804,938.00	1.14%
Contribution to Pension	5	536,306,987.34	932,822,584.00	0.19%
Over Head Charges	6	36,000,000.00	158,800,000.00	0.22%
<b>Subvention to parastatals</b>		111,164,133.95		<b>0.44%</b>
<b>Other operating activities</b>		467,645,665.71		
<b>TOTAL EXPENDITURES</b>		<b>1,931,970,978.33</b>	<b>1,506,427,522.00</b>	
<i>Operating balance</i>		<i>1,409,985,411.92</i>		
<b>APPROPRIATION TRANSFER</b>				
Transfer to capital Development Fund	9	1,409,985,411.92	1,554,905,690.00	0.65%

**DANKO/WASAGU LOCAL GOVERNMENT COUNCIL OF KEBBI STATE, NIGERIA**  
**STATEMENT OF CAPITAL DEVELOPMENT FUND FOR THE YEAR ENDED**  
**31<sup>ST</sup> DECEMBER, 2023**

<b>2022</b>	<b>DESCRIPTION</b>	<b>ACTUAL 2023</b>	<b>BUDGETED 2023</b>	<b>VARIANCE %</b>
	Transfer to Capital Development fund	1,409,985,411.92		
	Total Revenue available			
	<b>LESS CAPITAL EXPENDITURE</b>			
	Capital Expenditure: Administrative Sector		198,400,000.00	
	Capital expenditure: Economic Sector		494,190,477.00	
	Capital Expenditure: Social Sector		723,806,987.34	
	Capital expenditure: Regional Sector			
	<b>TOTAL CAPITAL EXPENDITURE</b>		<b>1,416,397,464.34</b>	
	Closing Balance			

**ADDITIONAL OBSERVATIONS IN RESPECT OF DANKO WASAGU LOCAL GOVERNMENT COUNCIL'S TREASURY MAIN ACCOUNT, SALARY, ALLOWANCES AND REVENUE FOR THE PERIOD FROM 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER, 2023**

**2. REVENUE ACCOUNTS: -**

From the records made available for inspection, it was discovered that of all the revenue collected from Ribah/Bena market and motor parks not a single kobo would appear to have lodged with the Local Government revenue bank account as enshrined under F.M 6:3 and 6:4. When asked the revenue officer laments that all revenue generated from all sources were personalized by the Local Government Chairman.

Evidence has shown that no single treasury receipt for revenue collection was raised and entered into the Local Government cashbook, other sources of revenue that were either not collected or collected and personalized includes; revenue from lockup shops, GSM services, patient medicine stores and annual revenue drive.

**3. ABSTRACT BOOK OF REVENUE: -**

In accordance with the provision of F.M 21.2, it was discovered that, throughout the period under examination no effort had been made to maintain this subsidiary book of account. After all revenue were generated and collected on weekly basis statutory allocation are release as at when necessary notwithstanding all this generation and collection were not recorded in any of the revenue subsidiary book. Please comment why the provision of FM chapter 21 was intentionally and deliberately violated by your Local Government.

**4. TRACTOR HIRING UNIT (T.H.U):-**

This unit has been created to ease farming by farmers and to generate revenue to Local Government but to my dismay of all the 8 units tractors issued to your Local Government all revenue accruing from these sources are unaccounted for in the Local Government cashbook or the bank account, please comment.

## **TREASURY MAIN ACCOUNT**

### **1. THE CASHBOOK:-**

Examination of this book of accounts reveals that, Danko/Wasagu Local Government maintain two separate casebooks as directed by the financial intelligence unit, one for salary and allowances and the other for other expenditure, but the other expenditure cashbook maintain by your Local Government was improperly maintained owing to the fact that, it was characterized with series of cancellations and printing of figures. Further examination indicated that monthly totaling and balancing would not appear to have been carried out, quoting of cheque number against sundry withdrawals was also observed not to have been done. This anomaly does not conform with the provision of chapter 19 of the financial memoranda in it's entirely.

### **2. DEPARTMENTAL VOTE OF EXPENDITURE BOOK (D.V.E.A):-**

Appendix "A" of the report sent to the Council totaling the sum of ₦4,012,062,328.47 were released to your Local Government through the State Joint Account for the period under review, for the payment of salary and allowances and other expenditure that were not charge from the vote book of all the departments of the Local Government; contrary to F.M 13:13. This unwarranted attitude makes it impossible to ascertain whether in my opinion your Local Government can prepare its final accounts for the period mentioned therein.

### **3. ABSTRACT BOOK OF EXPENDITURE:-**

In yet another revelation, records made available for my examination, your Local Government Council did not maintain this subsidiary book of accounts as ordain under F.M. 21.4 and 21.7 respectively. Expenditure of various sums are committed or expended without corresponding entry in the abstract of expenditure book.

### **4. DEPOSIT LEDGER: -**

Deductions made but not yet paid are liabilities on the part of the Local Government which is expected to be paid anytime, but to my dismay, of all the deductions made on contracts amounting to a tune of ₦24,662,500.00 would not appears to have entered into the deposit ledger nor paid to the appropriate government agencies as V.A.T and Withholding Tax.

Appendix "B" to the report sent to the Council refers. And the same deducted amounts would not also appear to have been lying in the Local Government Bank account.

**5. RECONCILIATION:-**

The provision of F.M 19:23 and 23:20 (14) was deliberately violated for none reconciliation of both the cash book and the bank statement. Annual budget and the Departmental Vote of Expenditure Account Book, the none reconciliation of the above makes it difficult to ascertain the solvency of your Local Government as at the time of writing this report within the period under observation.

**6. TABLE OF RECEIPT AND PAYMENT:**

Analyses of incomes and expenditure revealed that this Local Government is yet to account for the sum ₦8,725,525.86 during the period mentioned above. Details are attached in the main report sent to the Council.

**7. SECRETARY/INTERNAL AUDITOR COUNTER SIGN:**

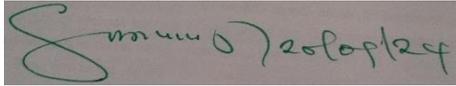
In order to ensure adequacy in the utilization of resources entrusted to your Local Government, the establishment of the office of the Internal Auditor become paramount. But in the course of examination of payment vouchers made available to me, it was discovered that payment vouchers worth the sum of ₦4,012,062,328.47 would appear to have been paid through the Local Government cashbook without Secretary and Internal Auditor check and counter sign. I have always emphasizes the role of Internal Auditor in my previous report but your Local Government Council become adamant to the provision of F.M 14:10 and 1:1(ii) respectively.

**8. UNRECEIPTED STATUTORY AND NON STATUROTY DEDUCTION:-**

In the course of posting of payment vouchers into the cashbook it was discovered that, payment vouchers worth the sum of ₦1,452,224,882.96 appeared to have been disbursed to government and non-governmental organisations on monthly basis without an official printed receipt to acknowledge such payment F.M 14:17.

## 9. SALARY AND ALLOWANCES:

Attached to my report sent to the Council as appendix "D" was a table of receipts and payment of salary and allowances for the period from 1<sup>st</sup> January – 31<sup>st</sup> December 2023. From the table it can be seen that after all statutory and none statutory deductions, net balance of ₦728,298,899.77 appeared to have been expended leaving a balance of ₦5,013,800.66 unaccounted for.

A rectangular box containing a handwritten signature in green ink. The signature appears to be 'Faruk B. Muhammad' followed by a date '07/20/2024'.

Faruk B. Muhammad FCNA, FCFA

Auditor General for Local Governments

Kebbi State

**FAKAI LOCAL GOVERNMENT COUNCIL**

**KEBBI STATE**

**AUDITED FINANCIAL STATEMENTS**

**FOR**

**THE YEAR ENDED**

**31<sup>ST</sup> DECEMBER 2023**



**OFFICE OF THE AUDITOR GENERAL  
FOR LOCAL GOVERNMENTS**  
P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

**AUDIT CERTIFICATE**

The Financial Statements of Fakai Local Government Council for the period from 1<sup>st</sup> January to 31<sup>st</sup> December 2023 have been examined by my office in accordance with the Section 316(1) of the 1999 Constitution of the Federal Republic of Nigeria (As amended), Section 15(1) of the Kebbi State Local Government Auditor General Law 2021, Financial Memoranda, the provision number 146 (1), 2 ( a & b) Part 1X of the Local Government Law 2008 and in line with International Public Sector Accounting Standard (Cash Basis).

I have obtained substantial information and explanations required for my audit. Base on the records made available to me, I hereby certify that the Audited Financial Statements are the true reflection of the transactions of Fakai Local Government Council, Kebbi State.

**Faruk B. Muhammad CNA, CFA**

Auditor General for Local Governments

Kebbi State

**KEBBI STATE OF NIGERIA**  
**OFFICE OF THE EXECUTIVE CHAIRMAN**  
**FAKAI LOCAL GOVERNMENT COUNCIL**

All correspondences be  
addressed to the Office of the  
Executive Chairman

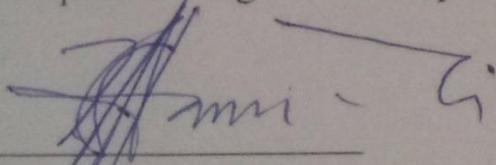
Ref. No: \_\_\_\_\_

Date: \_\_\_\_\_

**STATEMENT OF FINANCIAL RESPONSIBILITY**

These financial statements have been prepared by the Treasurer of Fakai Local Government Council in accordance with the provisions of the Finance (Council and Management) Act 1958 as amended. The financial statements comply with generally accepted accounting practice cash basis.

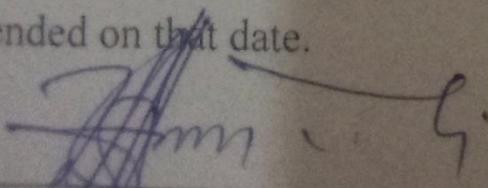
The Treasurer is responsible for establishing and maintaining a system of Internal Controls designed to provide reasonable assurance that the transactions recorded are within statutory authority and properly record the use of all Public Financial resources by the Local Government Council. To the best of my knowledge, this statement of internal control has operated adequate throughout the reporting period.

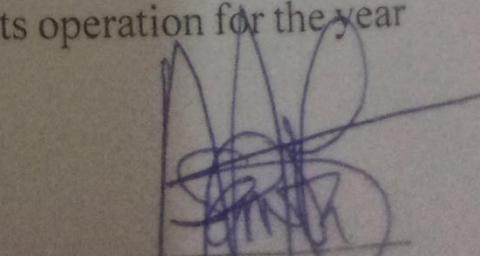
  
\_\_\_\_\_  
**Treasurer**

09/09/2024  
**Date**

We accept responsibility for the integrity of these financial statements, the information they contain and compliance with the finance (Control and Management) Act 1958 as amended.

In our opinion, these Financial Statements fairly reflect the financial position of Local Government as at 31<sup>st</sup> December, 2022 and its operation for the year ended on that date.

  
\_\_\_\_\_  
**Treasurer**

  
\_\_\_\_\_  
**Executive Chairman**



**OFFICE OF THE AUDITOR GENERAL  
FOR LOCAL GOVERNMENTS  
P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE**

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

**STATEMENT OF OPINION OF THE AUDITOR GENERAL**

I have examined the financial statement of Fakai Local Government Council for the year ended 31st December, 2023, The statement presented by the Treasurer appeared to be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and also in compliance to IPSAS (Cash Basis) accounting Standards. The statement presented comprises Statement of Cash Flow, Statement of Assets and Liabilities, Statement of Consolidated Revenue Funds as well as Statement of Capital Development Funds.

The presented statements are evaluated and tested using the Generally Accepted Auditing Standards (GAAS) which are the set-out requirement and guidelines on how to conduct audit examinations. Prior to the above, I have obtained substantial information and explanations needed for the purpose of my audit.

In my opinion, the Financial Statements as presented to me shows “true and fair” view of the states of affairs of the Fakai Local Government Council as at 31st December, 2023 and of the financial transactions for the fiscal year ended on that date, subject to the observations contained herein.

**Faruk B. Muhammad FCNA, FCFA**

Auditor General for Local Governments

Kebbi State



KEBBI STATE OF NIGERIA  
OFFICE OF THE HON. CHAIRMAN

# FAKAI LOCAL GOVERNMENT COUNCIL

All correspondences be  
addressed to the Hon. Chairman

Ref. No: \_\_\_\_\_

Date: \_\_\_\_\_

## ACCOUNTING POLICY

The Accounts have been prepared based on the Cash basis accounting framework and it is in compliance with the requirements of the International Public Sector Accounting Standard (IPSAS). The Cash basis IPSAS means a basis of accounting that recognizes transactions and other events only when cash is received or paid. The Accounts also comply with the provisions of the 1999 Constitution of the Federal Republic of Nigeria, Kebbi State Local Governments Law (2008) and Financial Memoranda.

9/9/2024

Mu'awuya Usman Sa'ad  
Director Finance and Supply  
Fakai Local Government

**STATEMENT NO. 1**  
**FAKAI LOCAL GOVERNMENT COUNCIL**  
**KEBBI STATE, NIGERIA**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED**  
**31 DECEMBER, 2023**

<b>Budgeted 2023</b>	<b>Description Cash flow from operating activities</b>	<b>Note</b>	<b>Actual 2023</b>	<b>Previous Year 2022</b>
	<b>RECEIPTS</b>			
1,895,947,969	Statutory Allocation	1	2,014,284,686.58	1,539,192,295.25
1,389,034,881	Value Added Tax Allocation	1	986,407,786.83	743,290,427.60
<b>3,284,982,850</b>	<b>Sub-Total Statutory Allocation</b>		<b>3,000,692,473.34</b>	<b>2,282,482,722.83</b>
70,000,000	Direct Taxes	2	10,300,215.20	4,000,000
48,000,000	License Fees & Rate	2	5,500,284.40	15,000,000
20,000,000	Earning from commercial undertaking	2	9,499,500.40	25,000,000
17,000,000	Rent on government property	2	24,700,000	2,272,594.20
155,000,000	Sub Total Independent Revenue		50,000,000	46,272,594.20
	<b>10% Share of State IGR</b>	<b>3</b>	<b>38,002,797.95</b>	
<b>3,439,982,850</b>	<b>Total Receipt</b>		<b>3,088,695,271.28</b>	<b>2,328,755,317.03</b>
	<b>PAYMENTS</b>			
593,420,376	Personal Cost	4	529,078,082.02	483,168,940.71
150,000,000	Contribution to pension	5	120,522,249.41	101,244,904.52
36,000,000	Over Head Cost	6	36,000,000	36,000,000
967,686,598	Subvention to Parastatals	8	794,169,268.65	786,761,546.80
<b>1,747,106,974</b>	<b>Total Payments</b>		<b>1,479,769,600.08</b>	<b>1,407,175,392.03</b>

1,692,875,876	Net Cash Flow from Operating Activities		1,608,925,671.20	921,579,925
	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
477,586,988	Capital Expenditure Administrative Sector		389,112,272.54	192,969,663.24
1,129,000,000	Capital Expenditure Economic Sector		732,142,857.14	322,142,857.14
194,280,398	Capital Expenditure Area Development Sector		190,000,000	200,000,000
265,566,934	Capital Expenditure Social Service Sector		200,000,000	200,000,000
2,066,434,320	<b>Net Cash Flow from investing activities</b>		<b>(1,511,255,129.68)</b>	<b>(915,142,520.38)</b>
	Cash Flow From Financial Activities			
	Proceed from Aids & Grants	10	-	-
	Proceed from External Loan	19	-	-
	Proceed from Internal Loan	20	-	-
	Proceed from Internal Loan NTB	21	-	-
	Proceed from Dev. of Natural Resources	23	-	-
	Proceed from Loan from other Financial Inst.	24	-	-
	Repayment of External Loan	19	-	-
	Repayment of FGN/Transport	20	-	-
	Repayment of Internal Loan	21	-	-

	Repayment of Loan from Dev. of Nat. Resources	23	-	-
	Repayment of Loan from other fund	24	-	-
	<b>NET CASH FLOW FROM FINANCIAL ACTIVITIES</b>		<b>NIL</b>	<b>NIL</b>
	<b>Net cash for the year</b>		<b>97,670,541.52</b>	<b>6,437,404.62</b>
	<b>Cash and its equivalent at 1/1/2023</b>		<b>6,694,095.75</b>	<b>256,691.13</b>
	<b>Cash and its equivalent as at 31/12/2023</b>		<b>104,364,637.27</b>	<b>6,694,095.75</b>

**STATEMENT NO. 2**  
**FAKAI LOCAL GOVERNMENT COUNCIL**  
**KEBBI STATE, NIGERIA**  
**STATEMENT OF ASSETS AND LIABILITIES AS AT**  
**31 DECEMBER, 2023**

Description	Note	Current Year 2023	Previous Year 2022
<b>ASSETS</b>			
<b>LIQUID ASSETS</b>			
Bank Balances		104,364,637.27	6,694,095.75
Pension Account (CBN)		-	-
Other Bank of Treasury		-	-
Cash Balance with Kebbi State Joint Account	12	1,608,925,671.20	921,579,925
Cash balances with Federal Pay Office/Sub-Treasury	13	-	-
Cash Head with Ministries/Dept. & Agencies	14	-	-
<b>TOTAL LIQUIDITY ASSETS</b>		<b>1,713,290,308.47</b>	<b>928,274,020.75</b>
<b>INVESTMENT AND OTHER CASH ASSETS</b>			
Local Government Council Investment	15	22,142,857.14	22,142,857.14
Imprest	16	-	-
Advances	17	-	-
Revolving Loan Granted	18	-	-
Intangible Assets	-	-	-
<b>TOTAL INVESTMENT AND OTHER CASH ASSETS</b>		<b>22,142,857.14</b>	<b>22,142,857.14</b>
<b>TOTAL ASSETS</b>		<b>1,735,433,165.61</b>	<b>950,416,877.89</b>
<b>LIABILITIES</b>			
<b>PUBLIC FUNDS</b>			
Consolidated Revenue Fund		-	-
Capital Development Fund (Balances)		1,608,925,671.20	921,579,925
Trust and other Public Fund		<b>126,507,494.41</b>	<b>28,836,952.89</b>
Police Reward Fund		-	-
Total Public Fund		<b>1,735,433,165.61</b>	<b>950,416,877.89</b>

<b>EXTERNAL AND INTERNAL LOANS</b>			
External Loan L.G.C	19	-	-
LGC Bonds & Treasury Bonds	20	-	-
Nigerian Treasury Bills	21	-	-
Development Loan Stock	22	-	-
Other Internal Loan	23	-	-
Internal Loan From other Funds	24	-	-
<b>TOTAL EXTRNAL/INTERNA LOANS</b>		<b>NIL</b>	<b>NIL</b>
<b>OTHER LIABILITIES DEPOSITS</b>	25		
<b>GRB</b>			
<b>TOTAL LIABILITIES</b>		<b>1,735,433,165.61</b>	<b>950,416,877.89</b>

**STATEMENT NO. 3**  
**FAKAI LOCAL GOVERNMENT COUNCIL**  
**KEBBI STATE, NIGERIA**  
**STATEMENT OF CONSOLIDATED REVENUE FUND FOR THE YEAR**  
**ENDED 31 DECEMBER, 2023**

Previous Year 2022	Description	Note	Actual 2023	Budgeted 2023	Variance in %
1,539,192,295.23	Statutory allocation	1	2,014,284,686.50	1,895,947,969	6%
243,290,427.60	Value Added Tax	1	986,407,786.83	1,389,034,881	-29%
<b>2,282,482,722.83</b>	<b>Sub-Total Statutory Allocation</b>		<b>3,000,692,473.33</b>	<b>3,284,982,850</b>	<b>-9%</b>
4,000,000	Direct Taxes	2	10,300,215.20	70,000,000	-85%
15,000,000	License Fees & Rate	2	5,500,284.40	48,000,000	-89%
25,000,000	Earning from Commercial Undertaking	2	9,499,500.40	20,000,000	-53%
2,272,594.20	Rent on Government properties	2	24,700,000.00	17,000,000	45%
<b>46,272,594.20</b>	<b>Sub-Total Independent Revenue</b>		<b>50,000,000</b>	<b>155,000,000</b>	
	<b>10% Share IGR</b>	<b>3</b>	<b>38,002,797.95</b>		
<b>2,328,755,317.03</b>	<b>Total Revenue</b>		<b>3,088,695,271.28</b>	<b>3,439,982,830</b>	
	Less Expenditure				
483,168,940.71	Personnel Cost	4	529,078,082.02	593,420,376	-11%
101,244,904.52	Contribution To Pension	5	120,522,249.41	150,000,000	-20%
36,000,000	Overhead Cost	6	36,000,000	36,000,000	0%
986,761,546.80	Subvention to Parastatals	8	794,169,268.65	967,686,598	-18%
1,407,175,390.03	<b>Total Expenditure</b>		<b>1,479,769,600.08</b>	<b>1,747,106,074</b>	<b>-15%</b>
921,579,925	<i>Operating Balance</i>		<i>1,608,925,671.20</i>	<i>1,692,875,876</i>	<i>-5%</i>

	Appropriation/ Transfer				
921,579,925	Transfer to Capital Development Funds		1,608,925,671.20	1,692,875,876	-5%
Nil	Closing Balance		Nil		

**STATEMENT NO. 4**  
**FAKAI LOCAL GOVERNMENT COUNCIL**  
**KEBBI STATE, NIGERIA**  
**STATEMENT OF CAPITAL DEVELOPMENT FUND FOR THE YEAR**  
**31 DECEMBER, 2023**

<b>2022</b>	<b>Description</b>	<b>Note</b>	<b>Actual Capital Expenditure 2023</b>	<b>Budgeted 2023</b>	<b>Variable in %</b>
<b>921,579,925</b>	<b>Transfer from consolidated revenue fund</b>		1,608,925,600.20	1,692,875,876	-5%
921,579,925	Total revenue Available		1,608,925,600.20	1,692,875,876	-5%
	Less Capital Expenditure				
114,885,830.25	Capital Expenditure Administrative Sector	11	404,560,962.93	477,586,988	-16%
400,000,000	Capital Expenditure Economic Sector	11	722,142,857.14	1,129,000,000	-36%
200,000,000	Capital Expenditure Regional Sector		200,000,000	194,280,398	3%
200,000,000	Capital Expenditure Social Service Sector	11	200,000,000	265,566,934	-25%
<b>914,885,830.25</b>	<b>Total Capital Expenditure</b>		<b>1,526,703,820.07</b>	<b>2,066,434,320</b>	
6,694,094.75	Closing Balance		104,364,637.27		

## **ANALYSES OF FINANCIAL STATEMENT**

### **Revenues**

The overall performance of Revenue was 89.79% of the budgeted figure during the course of the year. This result appeared to be positive compared to previous year's performance. The success was recorded as a result of increase in both the statutory allocation and Value Added Tax (VAT) from the Federation Account as well as 10% state share of State IGR. Details of the performance by Revenue heads are outlined below:

### **Statutory allocations**

Fakai Local Government received the sum of N2.01 billion as statutory allocation from the FAAC (comprising Statutory Allocation, Distribution of Electronic Money Transfer Levy and Share of Exchange Gain).

### **Share of Value Added Tax**

The share of Fakai Local Government from the Value Added Tax collection was estimated to be N1.39billion. However, it is delighted to see that the sum of N986.41million was received during the year under review, which is greater than the amount received in the previous period.

### **Direct Taxes**

The sum of N70 million was estimated to be realized during the year under review. But the sum of N10.3 million was alleged to have been generated during the year. However, the amount alleged to have been realized were not properly accounted for.

### **Earning from Commercial Undertaking**

During the period of our audit, we observed that many areas of this subhead were left on tap or unaccounted for. The sum of N20 million was said to have been budgeted but the sum of N9.49 million was allegedly realized and not properly accounted for.

## **License and Fees**

Revenue to be collected under these subheads realized only the sum of N5.5 million out of the N48 million estimated to be generated. But the Council could not properly account for the sum.

## **Earnings from Rent on Local Government Properties**

This subhead only generated the sum of N24.7 million which appeared to be above the estimated figure of N17 million. But the Council were unable to account for the sum.

## **EXPENDITURE**

### **Recurrent Expenditure**

Recurrent Expenditure recorded a budget performance of 84.70%, inclusive of Personnel Emoluments amounted to N529.08 million, as against the budgeted sum of N593.42 million. It also includes contributions to both Local Governments and Primary School Staff Pensions and Gratuity which amounted to N120.52 million as against the sum of N150 appropriated for the year. The Overhead costs were only N36 million of the budgeted sum of N36. Subventions to Parastatals was equally inclusive which stood at N794.17million of the budgeted figure of N967million.

But to our dismay, we observed over expenditure on subvention to parastatals without any document supporting the action.

### **Capital Expenditure**

The Capital expenditure on economic sector stood at N732.14 million of the N1.13billion budgeted for the period, the Social sector spent N200 million out of N256 million budgeted for, the Administrative sector expended N389.11 million of the budgeted amount of N477 million.

**ADDITIONAL OBSERVATIONS IN RESPECT OF FAKAI LOCAL GOVERNMENT COUNCIL'S  
TREASURY MAIN ACCOUNTS FOR THE PERIOD FROM 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup>  
DECEMBER, 2023**

**A. MAIN ACCOUNT**

**1. INCOME AND EXPENDITURE**

Comparison between amounts accrued to the Local Government and expenditure during the year under review, revealed that the sum of N7,448,011.25 remained unaccounted for. Details was attached to the main report sent to the Council as appendix "A".

**2. THE COUNCIL CASH BOOK**

During the period under review, it came to our observation that the upkeep of this important book of account was not impressive, as some transactions were neither recorded in both credit and debit side of the cash book. Further scrutiny disclosed that the main book of account would not appeared to have been balanced monthly, contrary to financial memoranda provisions number 19:20 and 19:34 respectively.

**3. BANK RECONCILIATION STATEMENT**

It was disheartening to note that the council treasury ignored and abused F.M provision No. 19:23.

**5. UNPRESENTED PAYMENT VOUCHERS (OTHER CHARGES)**

Scrutiny of treasury records at my disposal shows that payment vouchers worth the sum of ₦5,989,783.22 were not made available to me during audit inspection contrary to F.M 14:16-17. Detail was attached to the main report sent to the Council in appendix "C".

**6. PAYMENT WITHOUT AUTHORIZATION AND INTERNAL AUDITOR SIGNATURE**

Examination of accounting records available reveals that payment vouchers worth the sum of ₦8,959,251.38 paid without endorsement by Officers Controlling the Votes and Internal Auditor contrary to the F.M 14:18 and 14:10 and chapter 40. appendix "D" attached to the main report refers.

## **7. IMPROPER DOCUMENTATION**

Our examination of accounting records revealed that payment vouchers to the tune of ₦11,290,477.00 were paid without attaching necessary or essential records. The Council failed to respond to this observation up to the time of writing this report. Appendix "E" attached to the main report refers.

## **8. OVERHEAD COST**

The sum of ₦3,000,000.00 was received by this Local Government on monthly basis as Overhead cost, totaling the sum of ₦36,000,000.00 per annum. It was further noted with displeasure that only ₦33,600,000.00 appear to have been expended leaving the sum of ₦2,400,000.00 unaccounted for. Details was attached to the main report sent to the Council as appendix "F".

## **9. DVEA/STORE RECORDS/CONTRACT REGISTER**

These are all important treasury books of accounts, yet, the Treasurer ignored, neglected and abused the provision 18:21, 22 and 23 of the Financial Memoranda by not maintaining any of the them.

## **B. SALARY**

### **1. INCOME AND EXPENDITURE (SALARY):-**

From the salary records made available to us revealed that paid salary worth ₦2,400,000.00 still remained unaccounted for. Details were attached to the main report sent to the Council without response.

### **2. UNPREPARED PAYMENT VOUCHER (SALARY):-**

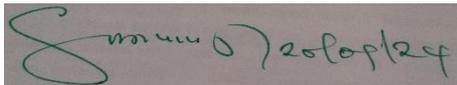
Scrutiny of the records at my disposal shows that payment vouchers worth the sum of ₦9,190,652.99 were not made available to me during audit inspection, contrary to F.M 14:29. Further observation also confirmed that these vouchers in question were not prepared at all.

### **C. AUCTION**

Our examination also revealed that the Fakai Local Government Council, under the Chairmanship of Alh. Umaru Magaji Marafa auctions the 12No. of housing at Zuru to the tune of ₦25,000,000.00 to my surprised no single kobo was remitted into Fakai Local Government account and record in respect of such transaction was made available to me for examination.

### **D. REVENUE**

It is quite worrisome to note that Fakai Local Government Council only recorded the sum of ₦450,000.00 as total revenue generated for the year under review despite various sources in terms of mineral resources including gold, timber, clay soil, market, cattle market, departmental receipt and others were all neglected by your Local Government Council, therefore your Local Government lacks internal control system of operation in the sense that your account show a blind eye on revenue generation due to over dependence on statutory allocation, please comment.



**Faruk B. Muhammad FCNA, FCFA**

*Auditor General for Local Governments  
Kebbi State*

**GWANDU LOCAL GOVERNMENT COUNCIL**

**KEBBI STATE**

**AUDITED FINANCIAL STATEMENTS**

**FOR**

**THE YEAR ENDED**

**31<sup>ST</sup> DECEMBER 2023**



# OFFICE OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

## AUDIT CERTIFICATE

The Financial Statements of Gwandu Local Government Council for the period from 1<sup>st</sup> January to 31<sup>st</sup> December 2023 have been examined by my office in accordance with the Section 316(1) of the 1999 Constitution of the Federal Republic of Nigeria (As amended), Section 15(1) of the Kebbi State Local Government Auditor General Law 2021, Financial Memoranda, the provision number 146 (1), 2 ( a & b) Part 1X of the Local Government Law 2008 and in line with International Public Sector Accounting Standard (Cash Basis).

I have obtained substantial information and explanations required for my audit. Base on the records made available to me, I hereby certify that the Audited Financial Statements are the true reflection of the transactions of Gwandu Local Government Council, Kebbi State.

**Faruk B. Muhammad FCNA, FCFA**

Auditor General for Local Governments

Kebbi State

# GWANDU LOCAL GOVERNMENT

P.M.B 156, GWANDU, KEBBI STATE

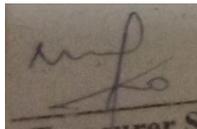


Our Ref: \_\_\_\_\_ Your Ref: \_\_\_\_\_ Date: \_\_\_\_\_

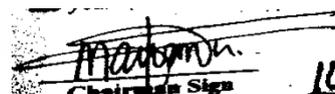
## STATEMENTS OF FINANCIAL RESPONSIBILITY

We accept responsibility of this financial statement, the information contained and their compliance with the finance control and management Act 1958 as amended.

In our opinion, these financial statements fairly reflect the financial position of Gwandu Local Government as at 31<sup>st</sup> December 2023, and its operation for the year ended on the date.

  
4/5/2024

**TREASURER**

  
Chairman Sign  
10/6/24

**CHAIRMAN**



**OFFICE OF THE AUDITOR GENERAL  
FOR LOCAL GOVERNMENTS  
P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE**

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

**STATEMENT OF OPINION OF THE AUDITOR GENERAL**

I have examined the financial statement of Gwandu Local Government Council for the year ended 31st December, 2023, The statement presented by the Treasurer appeared to be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and also in compliance to IPSAS (Cash Basis) accounting Standards. The statement presented comprises Statement of Cash Flow, Statement of Assets and Liabilities, Statement of Consolidated Revenue Funds as well as Statement of Capital Development Funds.

The presented statements are evaluated and tested using the Generally Accepted Auditing Standards (GAAS) which are the set-out requirement and guidelines on how to conduct audit examinations. Prior to the above, I have obtained substantial information and explanations needed for the purpose of my audit.

In my opinion, the Financial Statements as presented to me shows “true and fair” view of the states of affairs of the Gwandu Local Government Council as at 31st December, 2023 and of the financial transactions for the fiscal year ended on that date, subject to the observations contained herein.

**Faruk B. Muhammad FCNA, FCFA**

Auditor General for Local Governments

Kebbi State

# GWANDU LOCAL GOVERNMENT

P.M.B 156, GWANDU, KEBBI STATE



*Our Ref.* \_\_\_\_\_

*Your Ref.* \_\_\_\_\_

*Date:* \_\_\_\_\_

## ACCOUNTING POLICY

The Accounts have been prepared based on the Cash basis accounting framework and it is in compliance with the requirements of the International Public Sector Accounting Standard (IPSAS). The Cash basis IPSAS means a basis of accounting that recognizes transactions and other events only when cash is received or paid. The Accounts also comply with the provisions of the 1999 Constitution of the Federal Republic of Nigeria, Kebbi State Local Governments Law (2008) and Financial Memoranda.

A rectangular stamp containing a handwritten signature and the date 4/5/2024.

**Jamilu Garba Illo**  
Director Finance and Supply  
Gwandu Local Government

## STATEMENT NO. 1

**GWANDU LOCAL GOVERNMENT COUNCIL OF KEBBI STATE, NIGERIA**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2023.**

ANNUAL BUDGET	DESCRIPTION	NOTE	2023	2022
	<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>			
	<b><u>Receipt</u></b>			
1,738,221,991	Statutory Allocation	1	1,791,627,636.42	1,961,531,308.44
895,222,932	Value Added Allocation	1	1,060,958,350.96	784,249,160.61
2,633,444,923	<b><i>Sub Total Statutory Allocation</i></b>		<b>2,852,585,987.38</b>	<b>2,745,780,469.05</b>
45,000,000	Direct Taxes	2	10,000,000	6,721,225.18
79,420,000	License fees and Fine	2	5,000,000	5,000,000
42,000,000	Earning from commercial undertaking	2	10,000,000	10,000,000
42,822,300	Rent on Government Property	2	5,000,000	5,000,000
<b>209,242,300</b>	<b>SUB TOTAL INDEPENDENT REVENUE</b>		<b>30,000,000</b>	<b>26,721,225.18</b>
<b>2,842,687,223</b>	<b>TOTAL RECEIPTS</b>		<b>2,882,585,987.38</b>	<b>2,772,501,694.23</b>
	<b>LESS PAYMENT</b>			
586,136,444	Personnel cost	4	626,843,535.62	575,250,116.20
330,000,000	Contribution to pension	5	344,129,926.03	320,129,200.20
36,000,000	Overhead cost	6	36,000,000	36,000,000
1,040,318,360	Subvention to Parastatals	8	738,194,314.09	730,256,200.10
<b>1,992,454,804</b>	<b>TOTAL PAYMENTS</b>		<b>1,745,167,775.74</b>	<b>1,661,635,516.50</b>
850,232,419	Net cash from operating Activities		1,137,418,211.64	1,110,866,177.73
	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
238,000,000	Capital Expenditure Administrative Sector		120,170,005.52	1,096,584,599.44
613,152,139	Capital Expenditure Economic Sector		517,142,857.15	417,142,857.15
320,000,000	Capital Expenditure Area Sector		250,000,000	250,000,000
361,500,000	Capital Expenditure Social Sector		250,000,000	250,000,000

1,532,652,139	Net cash flow from Investing Activities		1,137,312,862.67	1,113,727,456.59
	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
	Proceed from Aids & Grant	10	-	-
	Proceed from External loan (FGN)	19	-	-
	Proceed from Internal loan	20	-	-
	Proceed from Internal loan (NBTs)	21	-	-
	Proceed from development of Natural resources	23	-	-
	Proceed of other loans from funds	24	-	-
	Repayment of external loan	19	-	-
	Repayment of FGN/Treasury funds	20	-	-
	Repayment of Interest loan (NB)	21	-	-
	Repayment of loan from Development of Nat. Resources	23	-	-
	Repayment of other loans	24	-	-
	Dividend received	-	-	968,609.12
	Net cash flow from Investing Activities		Nil	968,609.12
	Net Cash for the year		105,348.97	(1,892,669.74)
	Cash flow & its equivalent as at 1/1/2023		76,173.58	1,968,843.32
	Cash flow & its equivalent as at 31/12/2023		181,522.55	76,173.58

**STATEMENT NO. 2**

**GWANDU LOCAL GOVERNMENT COUNCIL OF KEBBI STATE, NIGERIA  
STATEMENT OF ASSETS AND LIABILITIES AS AT 31<sup>ST</sup> DECEMBER, 2023.**

DESCRIPTION	NOTE	2023	2022
<b><u>ASSETS</u></b>			
Bank Balance		181,522.55	76,173.58
Pension Account with (CBN)		-	-
Other Bank of Treasury		-	-
Cash Balance of Trust & other fund with Kebbi State Joint Account	12	1,137,418,211.64	1,110,866,177.73
Cash Balance with Federal Pay office Sub Treasury	13	-	-
Cash held by Ministries, Department and Agencies	14	-	-
<b>TOTAL LIQUID ASSETS</b>		<b>1,137,599,734.19</b>	<b>1,110,942,351.31</b>
<b><u>INVESTMENT AND OTHER CASH ASSETS</u></b>			
Local Government Investment	15	17,142,857.15	17,142,857.15
LM Press	16	-	-
Advances	17	-	-
Revolving loan Granted	18	-	-
<b>TOTAL INVESTMENT AND OTHER CASH ASSETS</b>		<b>17,142,857.15</b>	<b>17,142,857.15</b>
<b>TOTAL ASSETS</b>		<b>1,154,742,591.34</b>	<b>1,128,085,208.46</b>
<b><u>LIABILITIES</u></b>			
Consolidate Revenue fund		-	-
Capital Development fund		1,137,418,211.64	1,110,866,177.73
Trust and other pubic fund		17,324,379.15	17,219,030.73
Police rewards fund		-	-
<b>TOTAL PUBLIC FUND</b>		<b>1,154,742,591.34</b>	<b>1,128,085,208.46</b>
External and internal loans			
External loan LGC	19	-	-
LGC Bonds/Treasury Bond	20	-	-
Nigerian Treasury Bills	21	-	-
Development loan Stock	22	-	-
Other Internal loan	23	-	-
Internal loans from other loans	24	-	-
<b>TOTAL EXTERNAL/INTERNAL LAON</b>		<b>NIL</b>	<b>NIL</b>
<b>OTHER LIABILITIES</b>			

Deposit			
GRB			
<b>TOTAL LIABILITIES</b>		<b>1,154,742,591.34</b>	<b>1,128,085,208.46</b>

## STATEMENT NO. 3

**GWANDU LOCAL GOVERNMENT COUNCIL OF KEBBI STATE, NIGERIA**  
**STATEMENT OF CONSOLIDATED REVENUE FUND FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER,**  
**2023**

<b>2022</b>	<b>DESCRIPTION</b>	<b>ACTUAL 2023</b>	<b>BUDGETED 2023</b>	<b>VARIANCE %</b>
1,961,531,308.44	Statutory Allocation	1,791,627,636.42	1,738,221,991	3%
784,249,160.61	Value Added Allocation	1,060,958,350.96	895,222,932	19%
2,745,780,469.05	Sub Total Statutory Allocation	2,852,585,987.38	2,633,444.923	
	<b>INDEPENDENT REVENUE</b>			
6,721,225.18	Direct Taxes	10,000,000	45,000,000	-78%
5,000,000	License fees & fine	5,000,000	79,420,000	-94%
10,000,000	Earning from commercial undertaking	10,000,000	42,000,000	-76%
5,000,000	Rent on Govt. Property	5,000,000	42,822,300	-88%
<b>26,721,225.18</b>	<b>SUB TOTAL INDEPENDENT REVENUE</b>	<b>30,000,000</b>	<b>209,242,300</b>	
<b>2,772,501,694.23</b>	<b>TOTAL REVENUE</b>	<b>2,882,585,987.38</b>	<b>2,842,687,223</b>	
	<b>LESS EXPENDITURE</b>			
575,250,116.26	Personnel cost	626,842,535.62	585,136,444	7%
320,129,200.20	Contribution to Pension	344,129,926.03	330,000,000	4%
36,000,000	Overhead Cost	36,000,000	36,000,000	0%
730,256,200.10	Subventions to Parastatals	738,194,314.09	1,040,318.360	-29%
<b>1,661,635,516.50</b>	<b>TOTAL EXPENDITURE</b>	<b>1,745,167,775.74</b>	<b>1,992,454,804</b>	
1,110,866,177.73	Operating Balance	1,137,418,211.64	850,252,419	34%
	<b>APPROPRIATION/TRANSFERS</b>			
1,110,866,177.73	Transfer to capital Development fund	1,137,418,211.64	850,232,419	34%
	Closing Balance	-	-	-

STATEMENT NO. 4

**GWANDU LOCAL GOVERNMENT COUNCIL OF KEBBI STATE, NIGERIA  
STATEMENT OF CAPITAL DEVELOPMENT FUND FOR THE YEAR ENDED  
31<sup>ST</sup> DECEMBER, 2023**

<b>2022</b>	<b>DESCRIPTION</b>	<b>ACTUAL 2023</b>	<b>BUDGETED 2023</b>	<b>VARIANCE %</b>
1,110,866,177.73	Transfer to Capital Development fund	1,137,418,211.64	850,232,419	34%
1,110,866,177.73	Total Revenue available	1,137,418,211.64	850,232,419	34%
	<b>LESS CAPITAL EXPENDITURE</b>			
110,790,004.35	Capital Expenditure: Administrative Sector	120,170,005.52	238,000,000	-50%
500,000,000	Capital expenditure: Economic Sector	517,142,857.15	613,152,139	-16%
300,000,000	Capital Expenditure: Area Sector	250,000,000	320,000,000	-22%
200,000,000	Capital expenditure: Social Sector	250,000,000	361,500,000	-31%
<b>1,110,790,004.35</b>	<b>TOTAL CAPITAL EXPENDITURE</b>	<b>1,137,312,862.67</b>	<b>1,532,652,139,00</b>	
76,173.58	Closing Balance	181,522.55	-	

## **ANALYSES OF FINANCIAL STATEMENT**

### **Revenues**

The overall performance of Revenue was 145% of the budgeted figure during the course of the year. This result appeared to be positive compared to previous year's performance. The success was recorded as a result of increase in Value Added Tax (VAT) from the Federation Account. Details of the performance by Revenue heads are outlined below:

### **Statutory allocations**

Gwandu Local Government received the sum of N1.79 billion as statutory allocation from the FAAC (comprising Statutory Allocation, Distribution of Electronic Money Transfer Levy and Share of Exchange Gain).

### **Share of Value Added Tax**

The share of Gwandu Local Government from the Value Added Tax collection was estimated to be N895million. However, it is delighted to see that the sum of N1.06 billion was received during the year under review, which is greater than the amount received in the previous period.

### **Direct Taxes**

The sum of N45 million was estimated to be realized during the year under review. But the sum of N10 million was alleged to have been generated during the year. However, the amount alleged to have been realized were not properly accounted for.

### **Earning from Commercial Undertaking**

During the period of our audit, we observed that many areas of this subhead were left on tap or unaccounted for. The sum of N42 million was said to have been budgeted but the sum of N10 million was allegedly realized and not properly accounted for.

## **License and Fees**

Revenue to be collected under these subheads realized only the sum of N5 million out of the N79.42 million estimated to be generated. But the Council could not properly account for the sum.

## **Earnings from Rent on Local Government Properties**

This subhead only generated the sum of N5 million out of the N42.82 million estimated for the year.

## **EXPENDITURE**

### **Recurrent Expenditure**

Recurrent Expenditure recorded a budget performance of 88%, inclusive of Personnel Emoluments amounted to N626.84 million, as against the budgeted sum of N586.14 million. It also includes contributions to both Local Governments and Primary School Staff Pensions and Gratuity which amounted to N344.13 million as against the sum of N330 appropriated for the year. The Overhead costs were only N36 million of the budgeted sum of N36. Subventions to Parastatals was equally inclusive which stood at N738.19million of the budgeted figure of N1.04 billion.

### **Capital Expenditure**

The Capital expenditure on economic sector stood at N517.14 million against the N613.15million budgeted for the period, the Social sector spent N250 million out of N361.50 million budgeted for, the Administrative sector expended N120.17 million against the budgeted amount of N238 million.

**ADDITIONAL OBSERVATIONS IN RESPECT OF GWANDU LOCAL GOVERNMENT COUNCIL (MAIN, SALARY AND REVENUE ACCOUNTS) FOR THE PERIOD FROM 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER 2023.**

**2. CASH BOOK**

Despite the importance of this Book of Accounts in the treasury, it is disheartening to report that vital columns of the cash book were ignored by the cashier (i.e TR no., Cash and Daily Total columns) so also the balancing of the cash book. It is indeed, significant to note that despite similar observation made last year, no significant improvement is noted in this year too. These observations should not be allowed to remain just like a reference records but application and total compliance should be seen in its entirety. This action contravene section (19.18-20) of the Financial Memoranda.

**3. SUBSIDIARY RECORDS**

Examination of these Books of Accounts reveals that subsidiary books such as; DVEA, store ledgers, SIV, SRV and P.E Register were not presented to me, in other words not maintained at all. This is another contradiction of Financial Memoranda chapters 15, 16, 23, and 24.

At this juncture, the Director Finance and Supply shall be held responsible for negligence of duty or should exonerate himself by furnishing my office with steps taken against erring (schedule) officers.

**4. INCOME AND EXPENDITURE**

Examination of the books and allied records made available to me revealed that the sum of ₦17,926,006.27 alleged to have been expended remained unaccounted for. Appendix "A" attached to main report sent to the Council refers for details.

## **5. UNAUTHORIZED PAYMENT VOUCHER**

It has been noted with displeasure that, paid vouchers amounting to ₦3,800,000.00 were raised and fully paid to all and sundry without been endorsed by the Officer Controlling the Vote. This clearly shows another violation of financial memoranda provision 14.8 and 14.9 (1 – 10).

## **6. UN-RECEIPTED PAYMENT VOUCHER**

Section 14.16 and 17 stipulated that all payment vouchers must be receipted or acknowledged by the recipient or his authorized agent immediately the payment is effected or within specified period. But to my dismay, vouchers to the tune of ₦4,233,000.00 were raised and paid to various individuals and organizations without adhering to the above quoted provisions. Moreover, no register of this un-receipted vouchers maintained as enshrined in FM 14.19. appendix “C” attached to this report for details.

## **7. BANK RECONCILIATION STATEMENT**

It's quite absurd to note that throughout the period covered by this report, Gwandu Local Government Council did not attempt to reconcile its Cash Book with the Bank Statement in compliance with the Financial Memoranda Provision number 19.25.

In many atimes, transactions were not recorded in the cash book, which make this vital book apparantly impossible to agree with bank statement.

## **8. UNPRESENTED PAYMENT VOUCHERS**

Examination of the available records revealed that payment vouchers to the tune of ₦23,215,745.00 appeared to have been either not prepared or not presented to me for examination during the period covered by my report. This further clearly indicates that the council is committing expenditure without respecting the Financial Memoranda provision chapter 14.

## **9. PAYMENTS WITHOUT ENDORSEMENT BY THE INTERNAL AUDITOR:**

Section 14.10 of the Financial Memoranda state that “All Payment Vouchers shall be submitted to the Internal Auditor for prepayment audit. Such vouchers shall not be paid by the Treasurer until the Internal Auditor has audited the payment voucher”. But it was disheartening to report that the Internal Audit office was reduced to only financial nomenclature in this local government despite previous indictment by this office.

## **10. PAYMENT VOUCHERS**

Payment Voucher no. 133/4/2023 amounting to N7,500,000.00 was raised and paid to MML Construction for the rehabilitation of Juma'at Mosque at Rango village. Scrutiny of the available records revealed that, necessary supporting documents were neither prepared nor attached to authenticate the project. These documents include letter from the community requesting or appreciating the project, bill of quantity, Council minute, H.E's approval, Agreement letter, Valuation/Certificate of completion, OCV endorsement, acknowledgement letter from the contractor for the receipt of payment etc.

### **b. SALARY ACCOUNT**

The salaries and allied allowance of this local government have been examining. The following observations were made:

#### **1. ALLOWANCES PAID WITHOUT APPROVAL**

Examination of the available records revealed that the total sum of N4,600,000.00 were been expended vide payment vouchers attached in appendix "" (of the main report sent to the Council) without the approval of any of the Council Officials. This is a clear violation of chapter 14 of the Financial Memoranda

### **c. REVENUE ACCOUNTS**

It is noted with disheartening of mind that the council revenue records were poorly maintained by those charged with the responsibility of managing the unit. This further makes it difficult if not impossible to give holistic assessment on the actual revenue generated within the period under review.

#### **1. HARAJI COLLECTION**

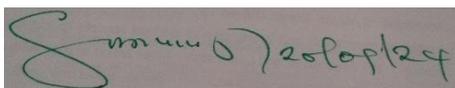
Examination of the available records revealed not a single record was made available to me in respect of tax payers assessment, amount collected, defaulters, amounts deposited/remitted and where about the funds ought to have been collected.

#### **2. MARKETS, MOTOR PARKS, GRAINS MARKET, CATTLE MARKET AND DEPARTMENTAL RECEIPTS**

It has been noted with great displeasure that, despite the importance of these sources your Local Government Council did account for a single kobo as revenue. This ugly trend has been in practice for two consecutive years without any deterrent been served to the culprits.

#### **3. OTHER SOURCES**

In a similar development. This local government appeared to be totally dependent on Statutory Allocation and neglecting local sources such as; furniture factories, shops, filling station, Sachet water factory, bakery, PHCN poles, medicine stores, private schools, commercial riders (Okada), viewing centres, computer business centres, restaurant, Fast food joints, barbing saloon, G. S. M mast, point of sale, Blocks factory, etc. throughout the period covered by my report, not a single kobo appeared to have been accounted in respect of the above sources. Please comment.



**Faruk B. Muhammad FCNA, FCFA**

*Auditor General for Local Governments*

*Kebbi State*

**JEGA LOCAL GOVERNMENT COUNCIL  
KEBBI STATE**

**AUDITED FINANCIAL STATEMENTS**

**FOR**

**THE YEAR ENDED**

**31<sup>ST</sup> DECEMBER 2023**



# OFFICE OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS

P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

## AUDIT CERTIFICATE

The Financial Statements of Jega Local Government Council for the period from 1<sup>st</sup> January to 31<sup>st</sup> December 2023 have been examined by my office in accordance with the Section 316(1) of the 1999 Constitution of the Federal Republic of Nigeria (As amended), Section 15(1) of the Kebbi State Local Government Auditor General Law 2021, Financial Memoranda, the provision number 146 (1), 2 (a & b) Part 1X of the Local Government Law 2008 and in line with International Public Sector Accounting Standard (Cash Basis).

I have obtained substantial information and explanations required for my audit. Base on the records made available to me, I hereby certify that the Audited Financial Statements are the true reflection of the transactions of Jega Local Government Council, Kebbi State.

**Faruk B. Muhammad FCNA, FCFA**

Auditor General for Local Governments

Kebbi State

# JEGA LOCAL GOVERNMENT COUNCIL

OFFICE OF THE CHAIRMAN  
KEBBI STATE OF NIGERIA

Ref: \_\_\_\_\_

Your Ref: \_\_\_\_\_

Date: \_\_\_\_\_

## STATEMENT OF FINANCIAL RESPONSIBILITIES

We accept responsibility of these financial statements, the information contained and their compliance with the finance control and management Act 1958 as amended.

In our opinion, these financial statements fairly reflect the financial position of Jega Local Government as at 31<sup>st</sup> December 2023, and its operation for the year ended on the date.



TREASURER



Shehu Umar Sk  
CHAIRMAN

Date: 21/8/2024

Date: 21/8/2024



# OFFICE OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

## STATEMENT OF OPINION OF THE AUDITOR GENERAL

I have examined the financial statement of Jega Local Government Council for the year ended 31st December, 2023, The statement presented by the Treasurer appeared to be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and also in compliance to IPSAS (Cash Basis) accounting Standards. The statement presented comprises Statement of Cash Flow, Statement of Assets and Liabilities, Statement of Consolidated Revenue Funds as well as Statement of Capital Development Funds.

The presented statements are evaluated and tested using the Generally Accepted Auditing Standards (GAAS) which are the set-out requirement and guidelines on how to conduct audit examinations. Prior to the above, I have obtained substantial information and explanations needed for the purpose of my audit.

In my opinion, the Financial Statements as presented to me shows “true and fair” view of the states of affairs of the Jega Local Government Council as at 31st December, 2023 and of the financial transactions for the fiscal year ended on that date, subject to the observations contained herein.

**Faruk B. Muhammad FCNA, FCFA**

Auditor General for Local Governments

Kebbi State



# JEGA LOCAL GOVERNMENT COUNCIL

OFFICE OF THE CHAIRMAN  
KEBBI STATE OF NIGERIA

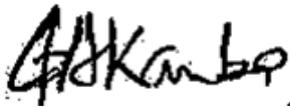
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Date: \_\_\_\_\_

## ACCOUNTING POLICY

The Accounts have been prepared based on the Cash basis accounting framework and it is in compliance with the requirements of the International Public Sector Accounting Standard (IPSAS). The Cash basis IPSAS means a basis of accounting that recognizes transactions and other events only when cash is received or paid. The Accounts also comply with the provisions of the 1999 Constitution of the Federal Republic of Nigeria, Kebbi State Local Governments Law (2008) and Financial Memoranda.



Garba Dan Ashibi  
Director Finance and Supply  
Jega Local Government

## STATEMENT NO. 1

**JEGA LOCAL GOVERNMENT COUNCIL OF KEBBI STATE, NIGERIA**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2023.**

ANNUAL BUDGET	DESCRIPTION	NOTE	2023	2022
	<u>Cash Flow from Operating Activities</u>			
	<b><u>Receipt</u></b>			
1,917,808,314	Statutory Allocation	1	3,232,170,316.76	2,486,723,690.06
977,593,203	Value Added Tax	1	1,142,126,036.99	846,186,357.65
<b>2,865,401,517</b>	<b>Sub Total Statutory Allocation</b>		<b>4,374,296,352.75</b>	<b>3,332,910,047.71</b>
72,000,000	Direct Taxes	2	38,998,345.00	21,836,238
48,000,000	License fees and Fine	2	16,176,000.00	5,000,000
113,792,765	Earning from commercial undertaking	2	21,457,980.00	10,800,000
42,950,000	Rent on Government Property	2	19,239,400.00	6,200,000
<b>279,742,765</b>	<b>SUB TOTAL INDEPENDENT REVENUE</b>		<b>95,871,725.00</b>	<b>43,836,238.80</b>
	<b>10% SHARE OF STATE IGR</b>		<b>17,426,081.04</b>	
<b>3,172,144,282</b>	<b>TOTAL RECEIPTS</b>		<b>4,487,594,158.79</b>	<b>3,376,746,285.71</b>
	<b>PAYMENT</b>			
795,760,298	Personnel cost	4	733,306,722.49	695,322,600.53
340,000,000	Contribution to pension	5	326,507,860	321,363,493.85
36,000,000	Overhead cost	6	36,000,000	36,000,000
1,184,228,474	Subvention to Parastatals	8	829,293,245.17	863,865,173.48
1,351,129,111.00	Other operating Activities		1,001,149,033.16	19,703,657.14
<b>3,707,117,883.00</b>	<b>TOTAL PAYMENTS</b>		<b>2,926,256,860.86</b>	<b>1,936,254,925.00</b>
816,155,510	Net cash from operating Activities		1,561,337,297.93	1,440,491,360.71

	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
226,000,000	Capital Expenditure Administrative Sector		(491,953,513.15)	440,741,702.65
1,000,161,582	Capital Expenditure Economic Sector		(619,703,657.14)	500,000,000
458,356,279.13	Capital Expenditure Social Sector		(450,222,671.80)	200,000,000
225,968,601	Capital Expenditure Regional Sector			300,000,000
1,910,486,462.13	Net cash flow from Investing Activities		(1,561,879,842.09)	1,440,741,702.65
	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
	Proceed from Aids & Grant	10	-	-
	Proceed from External loan (FGN)	19	-	-
	Proceed from Internal loan	20	-	-
	Proceed from Internal loan (NBTs)	21	-	-
	Proceed from development of Natural resources	23	-	-
	Proceed of other loans from funds	24	-	-
	Repayment of external loan	19	-	-
	Repayment of FGN/Treasury funds	20	-	-
	Repayment of Intrest loan (NB)	21	-	-
	Repayment of loan from Development of Nat. Resources	23	-	-

	Repayment of other loans	24	-	-
	Dividend received	-	-	715,000
	Net cash flow from financing Activities		Nil	715,000
	Net (Increase/Decrease in other cash equivalent		(542,544.16)	464,658.06
	Cash flow & its equivalent as at 1/1/2023		1,060,867.83	596,209.77
	Cash flow & its equivalent as at 31/12/2023		518,303.67	1,060,867.83

**STATEMENT NO. 2**

**JEGA LOCAL GOVERNMENT COUNCIL OF KEBBI STATE, NIGERIA  
STATEMENT OF ASSETS AND LIABILITIES AS AT 31<sup>ST</sup> DECEMBER, 2023.**

DESCRIPTION	NOTE	2023	2022
<b>ASSETS</b>			
<b><u>LIQUID ASSETS</u></b>			
CRF Bank Balance		518,303.67	1,060,867.83
Pension Account with (CBN)		-	-
Other Bank of Treasury		-	-
Cash Balance of Trust and Other funds with Kebbi State Joint Account	12	1,561,337,297.93	-
Cash Balance with Federal Pay office Sub Treasury	13	-	-
Cash held by Ministries, Department and Agencies	14	-	-
<b>TOTAL LIQUID ASSETS</b>		<b>1,561,855,601.60</b>	<b>1,060,867.83</b>
<b><u>INVESTMENT AND OTHER CASH</u></b>			
<b><u>ASSETS</u></b>			
Local Government Investment	15	19,703,657.14	19,703,657.14
LM Press	16	-	-
Advances	17	-	-
Revolving loan Granted	18	-	-
<b>TOTAL INVESTMENT AND OTHER CASH ASSETS</b>		<b>19,703,657.14</b>	<b>19,703,657.14</b>
<b>TOTAL ASSETS</b>		<b>1,581,559,258,74</b>	<b>20,764,524.97</b>
<b>LIABILITIES</b>			
<b><u>PUBLIC FUNDS</u></b>			
Consolidate Revenue fund		-	-
Capital Development fund		1,561,337,297.93	-
Trust and other pubic fund		20,221,960.81	-
Police rewards fund		-	-
<b>TOTAL PUBLIC FUNDS</b>		<b>1,581,559,258,74</b>	<b>-</b>
<b><u>EXTERNAL AND INTERNAL LOANS</u></b>			
External loan LGC	19	-	-
LGC Bonds/Treasury Bond	20	-	-
Nigerian Treasury Bills	21	-	-
Development loan Stock	22	-	-

Other Internal loan	23	-	-
Internal loans from other loans	24	-	-
<b>TOTAL EXTERNAL/INTERNAL LAON</b>		<b>NIL</b>	<b>NIL</b>
<b>OTHER LIABILITIES</b>			
Deposit	25		
GRB			
<b>TOTAL LIABILITIES</b>		<b>1,581,559,258,74</b>	<b>20,764,524.97</b>

## STATEMENT NO. 3

**JEGA LOCAL GOVERNMENT COUNCIL OF KEBBI STATE, NIGERIA**  
**STATEMENT OF CONSOLIDATED REVENUE FUND FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER,**  
**2023**

2022	DESCRIPTION	NOTE	ACTUAL 2023	BUDGETED 2023	VARIANCE %
2,486,723,690.06	Statutory Allocation	1	3,232,170,316.76	1,917,808,314	68.5%
846,186,357.65	Value Added Allocation	1	1,142,126,036.99	977,593,203	16.8%
3,332,910,047.71	Sub Total Statutory Allocation		<b>4,374,296,352.75</b>	2,895,401,517	
	<b>INDEPENDENT REVENUE</b>				
21,836,238	Direct Taxes	2	38,998,345.00	72,000,000	--45.8%
5,000,000	Licence fees & fine	2	16,176,000.00	48,000,000	-66.3%
10,800,000	Earning from commercial undertaking	2	21,457,980.00	113,792,765	-81%
6,200,000	Rent on Govt. Property	2	19,239,400.00	42,950,000	-55%
<b>43,836,238.80</b>	<b>SUB TOTAL INDEPENDENT REVENUE</b>		<b>95,871,725.00</b>	<b>276,742,765</b>	
	<b>10% SHARE OF STATE IGR</b>		<b>17,426,081.04</b>		
<b>3,376,746,285.71</b>	<b>TOTAL REVENUE</b>		<b>4,487,594,158.79</b>	<b>3,172,144,282</b>	
	<b>LESS EXPENDITURE</b>				
695,322,600.53	Personnel cost	4	733,306,722.49	795,760,298	-8%
321,363,493.85	Contribution to Pension	5	326,507,860	340,000,000	-4%
36,000,000	Overhead Cost	6	36,000,000	36,000,000	0%
862,865,173.48	Subventions to Prastatals	8	829,293,245.17	1,184,228,474	-30%
	Other operating Activities		1,001,149,033.16		
<b>1,916,551,267.86</b>	<b>TOTAL EXPENDITURE</b>		<b>2,926,256,860.86</b>	<b>2,355,988,772</b>	
1,460,195,017.85	<i>Operating Balance</i>		<i>1,561,337,297.93</i>	<i>816,155,510</i>	<i>208%</i>
	<b>APPROPRIATION/TRANSFERS</b>				
1,460,195,017.85	Transfer to capital Development fund		1,561,337,297.93	816,155,510	208%
	Closing Balance		-	-	-

**STATEMENT NO. 4**

**JEGA LOCAL GOVERNMENT COUNCIL OF KEBBI STATE, NIGERIA  
STATEMENT OF CAPITAL DEVELOPMENT FUND FOR THE YEAR ENDED  
31<sup>ST</sup> DECEMBER, 2023**

<b>2022</b>	<b>DESCRIPTION</b>	<b>NOTE</b>	<b>ACTUAL 2023</b>	<b>BUDGETED 2023</b>	<b>VARIANCE %</b>
1,460,195,017.85	Transfer from consolidated revenue fund		1,561,337,297.93	816,155,510	91%
1,460,195,017.85	Total Revenue available		1,561,337,297.93	816,155,510	91%
	<b>LESS CAPITAL EXPENDITURE</b>				
259,134,150.02	Capital Expenditure: Administrative Sector		491,953,513.15	226,000,000	118%
700,000,000	Capital expenditure: Economic Sector		619,703,657.14	1,000,161,582	-38%
300,000,000	Capital Expenditure: Social Sector		450,222,671.80	458,356,279.13	-1.8%
200,000,000	Capital expenditure: Regional Sector			225,968,601	
<b>1,459,134,150.02</b>	<b>TOTAL CAPITAL EXPENDITURE</b>		<b>(1,561,879,842.09)</b>	<b>1,910,486,462.13</b>	
1,060,867.83	Closing Balance		518,303.67	-	

## **ANALYSES OF FINANCIAL STATEMENT**

### **Revenues**

The overall performance of Revenue was 141,47% of the budgeted figure during the course of the year. This result appeared to be positive compared to previous year's performance. The success was recorded as a result of increase in Value Added Tax (VAT) from the Federation Account, 10% state share of IGR and other sources of government revenue. Details of the performance by Revenue heads are outlined below:

### **Statutory allocations**

Gwandu Local Government received the sum of N3.23 billion as statutory allocation from the FAAC (comprising Statutory Allocation, Distribution of Electronic Money Transfer Levy and Share of Exchange Gain).

### **Share of Value Added Tax**

The share of Dandi Local Government from the Value Added Tax collection was estimated to be N977.59million. However, it is delighted to see that the sum of N1.14 billion was received during the year under review, which is greater than the amount received in the previous period.

### **Direct Taxes**

The sum of N72 million was estimated to be realized during the year under review. But the sum of N38 million was alleged to have been generated during the year. However, the amount alleged to have been realized were not properly accounted for.

### **Earning from Commercial Undertaking**

During the period of our audit, we observed that many areas of this subhead were left on tap or unaccounted for. The sum of N113.79 million was said to have been budgeted but the sum of N21.46 million was allegedly realized and not properly accounted for.

### **License and Fees**

Revenue to be collected under these subheads realized only the sum of N16.18 million out of the N48 million estimated to be generated. But the Council could not properly account for the sum.

### **Earnings from Rent on Local Government Properties**

This subhead only generated the sum of N19.24 million out of the N42.95 million estimated for the year.

## **EXPENDITURE**

### **Recurrent Expenditure**

Recurrent Expenditure recorded a budget performance of 79%, inclusive of Personnel Emoluments amounted to N733.31 million, as against the budgeted sum of N795.76 million. It also includes contributions to both Local Governments and Primary School Staff Pensions and Gratuity which amounted to N326.51 million as against the sum of N340 appropriated for the year. The Overhead costs were only N36 million of the budgeted sum of N36. Subventions to Parastatals was equally inclusive which stood at N829.29million of the budgeted figure of N1.18 billion. Other operating expenses engulf N1 billion of the N1.35 budgeted for the period under review.

### **Capital Expenditure**

The Capital expenditure on economic sector stood at N619.70 million against the N1 billion budgeted for the period, the Social sector spent N450.22 million out of N458.36 million budgeted for, the Administrative sector expended N491.95 million against the budgeted amount of N226 million.

Audit examination observed that an over expenditure was incurred in the Administrative sector without the approval of the Legislators, this is a gross violation of appropriation act.

**ADDITIONAL OBSERVATIONS IN RESPECT OF JEGA LOCAL GOVERNMENT COUNCIL'S MAIN, SALARY AND REVENUE ACCOUNTS FOR THE PERIOD FROM 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER, 2023**

**1. INCOME AND EXPENDITURE: -**

Examination of the available records presented revealed that, Jega Local Government Council have unaccounted expenditure of ₦3,667,103.63 during the year under review. Details was attached as appendix "A" in the main report sent to the Council.

2. Payment voucher No. 168/03/2023 was a payment made to Ibrahim Attahiru in respect of direct rehabilitation of feeder road from Ni'ima Area to Tafida Jumu'at Mosque in Jega Town worth ₦799,000.00. Observation on the payment voucher revealed that neither council's Secretary nor the Internal Auditor signed the paid voucher. Recipient was also yet to countersigned to ascertain its validity. Furthermore, details of the actual expenditure incurred on rehabilitation of the road appeared not to have been attached to the payment voucher.
3. On payment Voucher No. 159/12/2023 was a payment made to Aliyu Labbo Director Budget and Planning in respect of preparation and submission of 2024 Budget worth ₦2,000,000.00. Observations made through the payment voucher revealed that, neither council's Secretary nor the Internal Auditor endorsed the payment voucher. Recipient was also yet to countersigned. Furthermore, the evidence of typing, printing and binding said to have been done were not attached to the payment voucher.
4. On payment Voucher No. 168/09/2023 was a payment made to M.B Nagodi in respect of purchased of working tools to Nigeria Correctional Services Jega worth ₦100,000.00. Observation made through the payment voucher revealed that, neither council's Secretary nor the Internal Auditor signed the payment voucher, recipient and Officer Controlling the Vote were also yet to countersigned. Moreover, invoice/receipts of the items purported to be purchased were not attached to the payment voucher.

**5. UNPRESENTED PAYMENT VOUCHERS (SALARY):-**

Audit of the available records revealed that payment vouchers worth ₦8,486,633.17 have either not been prepared completely or is nowhere to be seen throughout the period of my inspection, despite several request. Appendix "B" attached to the main report refers.

**6. SALARY AND ALLOWANCE INCOME AND EXPENDITURE: -**

Audit of the available records revealed that the sum of ₦662,965,030.92 was received from state joint account for the payment of salary and allowances, while the sum of ₦662,405,617.23 would appear to have been expended leaving a balance of ₦559,413.69 unaccounted for.

**7. UNACCOUNTED CASH WITHDRAWALS (REVENUE):-**

It has been observed with displeasure that withdrawals worth ₦1,151,424.00 were made through Jega Local Government Council's revenue account during the period under review. However, payment vouchers for such withdrawals appear not to have been posted into the cashbook.

**KALGO LOCAL GOVERNMENT COUNCIL**

**KEBBI STATE**

**AUDITED FINANCIAL STATEMENTS**

**FOR**

**THE YEAR ENDED**

**31<sup>ST</sup> DECEMBER 2023**



**OFFICE OF THE AUDITOR GENERAL  
FOR LOCAL GOVERNMENTS**  
P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

**AUDIT CERTIFICATE**

The Financial Statements of Kalgo Local Government Council for the period from 1<sup>st</sup> January to 31<sup>st</sup> December 2023 have been examined by my office in accordance with the Section 316(1) of the 1999 Constitution of the Federal Republic of Nigeria (As amended), Section 15(1) of the Kebbi State Local Government Auditor General Law 2021, Financial Memoranda, the provision number 146 (1), 2 ( a & b) Part 1X of the Local Government Law 2008 and in line with International Public Sector Accounting Standard (Cash Basis).

I have obtained substantial information and explanations required for my audit. Base on the records made available to me, I hereby certify that the Audited Financial Statements are the true reflection of the transactions of Kalgo Local Government Council, Kebbi State.

**Faruk B. Muhammad FCNA, FCFA**

Auditor General for Local Governments

Kebbi State



KEBBI STATE OF NIGERIA  
OFFICE OF THE SOLE ADMINISTRATOR  
**KALGO LOCAL GOVERNMENT COUNCIL**

Ref No. \_\_\_\_\_

All correspondences should be addressed to the Sole Administrator

Date \_\_\_\_\_

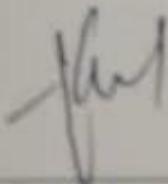
**STATEMENT OF FINANCIAL RESPONSIBILITY**

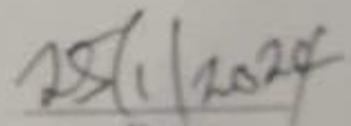
The financial statement have prepare by treasurer of Kalgo Local Government Council in accordance with provision of financial control and management Act, 1958 as amended.

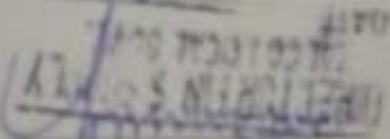
Furthermore, we apply international Public Sector Accounting Standard cash basis as accounting basis and we comply with generally accepted accounting principles accordingly.

We accept the responsibility for the integrity of this financial statement they contain and their compliance with finance Control Management Act. of 1958 as amended.

The financial statement fairly reflect the financial position of Kalgo Local Government Council as at 31<sup>st</sup> December, 2023 and its operation for the year ended on that date.

 EXECUTIVE CHAIRMAN  
KALGO LGA  
SIGN \_\_\_\_\_  
Chairman Sign

  
Date

  
Treasurer Sign

  
Date



**OFFICE OF THE AUDITOR GENERAL  
FOR LOCAL GOVERNMENTS  
P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE**

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

**STATEMENT OF OPINION OF THE AUDITOR GENERAL**

I have examined the financial statement of Kalgo Local Government Council for the year ended 31st December, 2023, The statement presented by the Treasurer appeared to be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and also in compliance to IPSAS (Cash Basis) accounting Standards. The statement presented comprises Statement of Cash Flow, Statement of Assets and Liabilities, Statement of Consolidated Revenue Funds as well as Statement of Capital Development Funds.

The presented statements are evaluated and tested using the Generally Accepted Auditing Standards (GAAS) which are the set-out requirement and guidelines on how to conduct audit examinations. Prior to the above, I have obtained substantial information and explanations needed for the purpose of my audit.

In my opinion, the Financial Statements as presented to me shows “true and fair” view of the states of affairs of the Kalgo Local Government Council as at 31st December, 2023 and of the financial transactions for the fiscal year ended on that date, subject to the observations contained herein.

**Faruk B. Muhammad FCNA, FCFA**

Auditor General for Local Governments

Kebbi State

KEBBI STATE OF NIGERIA  
OFFICE OF THE SOLE ADMINISTRATOR  
**KALGO LOCAL GOVERNMENT COUNCIL**

Ref. No. \_\_\_\_\_

All correspondences should be  
addressed to the Sole Administrator

Date \_\_\_\_\_

## ACCOUNTING POLICY

The Accounts have been prepared based on the Cash basis accounting framework and it is in compliance with the requirements of the International Public Sector Accounting Standard (IPSAS). The Cash basis IPSAS means a basis of accounting that recognizes transactions and other events only when cash is received or paid. The Accounts also comply with the provisions of the 1999 Constitution of the Federal Republic of Nigeria, Kebbi State Local Governments Law (2008) and Financial Memoranda.

 25/1/2024  
Date

**Chika Alhaji**  
Director Finance and Supply  
Kalgo Local Government

## STATEMENT NO. 1

**KALGO LOCAL GOVERNMENT COUNCIL OF KEBBI STATE, NIGERIA**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2023.**

<b>ANNUAL BUDGET</b>	<b>DESCRIPTION</b>	<b>NOT E</b>	<b>2023</b>	<b>2022</b>
	<u>Cash Flow from Operating Activities</u>  <b><u>Receipt</u></b>			
1,595,743,958	Statutory Allocation	1	1,643,073,680.76	1,306,411,264.49
767,648,704	Value Added Allocation	1	904,656,242.60	607,191,854.71
2,363,392,662	Sub Total Statutory Allocation		<b>2,547,729,923.36</b>	<b>1,913,603,119.20</b>
2,500,000	Direct Taxes	2	12,208,531.37	4,699,641.00
12,000,000	License fees and Fine	2	9,789,215.40	5,000,000
9,000,000	Earning from commercial undertaking	2	11,085,584.05	5,000,000
3,000,000	Rent on Government Property	2	6,784,140	5,000,000
<b>26,500,000</b>	<b>SUB TOTAL INDEPENDENT REVENUE</b>		<b>39,567,569.65</b>	<b>19,699,641.00</b>
24,032,229.00	10% Share of State IGR		17,292,822.92	
<b>2,389,892,662</b>	<b>TOTAL RECEIPTS</b>		<b>2,595,096,985.80</b>	<b>1,933,302,760.20</b>
	<b>PAYMENT</b>			
355,890,729	Personnel cost	4	441,743,023.46	321,227,011.62
130,410,512.76	Contribution to pension	5	155,308,523.35	161,743,466.14
36,000,000	Overhead cost	6	36,000,000	36,000,000
885,923,798	Subvention to Prastatals	8	774,173,492.95	692,215,435.73
<b>1,408,225,039.76</b>	<b>TOTAL PAYMENTS</b>		<b>1,407,215,039.28</b>	<b>1,211,185,913.49</b>

981,667,622.24	Net cash from operating Activities		1,187,581,946.52	722,116,846.71
	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
280,000,000	Capital Expenditure Administrative Sector		173,480,592.53	101,957,163.16
394,000,000	Capital Expenditure Economic Sector		418,998,019.64	300,000,000
436,845,031	Capital Expenditure Social Sector		300,000,000	100,000,000
284,000,000	Capital Expenditure Area Development Sector		300,000,000	200,000,000
1,394,845,031	Net cash flow from Investing Activities		(1,192,478,612.17 )	(701,957,163.16)
	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
	Proceed from Aids & Grant	10	-	-
	Proceed from External loan (FGN)	19	-	-
	Proceed from Internal loan	20	-	-
	Proceed from Internal loan (NBTs)	21	-	-
	Proceed from development of Natural resources	23	-	-
	Proceed of other loans from funds	24	-	-
	Repayment of external loan	19	-	-
	Repayment of FGN/Treasury funds	20	-	-

	Repayment of Intrest loan (NB)	21	-	-
	Repayment of loan from Development of Nat. Resources	23	-	-
	Repayment of other loans	24	-	-
	Dividend received	-	-	-
	Net cash flow from financing Activities		Nil	Nil
	Net (Increase/Decrease in other cash equivalent		(4,896,665.65)	20,159,683.55
	Cash & its equivalent as at 1/1/2023		5,499,506.47	4,337,842.56
	Cash & its equivalent as at 31/12/2023		602,840.82	5,499,506.47

**STATEMENT NO. 2**

**KALGO LOCAL GOVERNMENT COUNCIL OF KEBBI STATE, NIGERIA  
STATEMENT OF ASSETS AND LIABILITIES AS AT 31<sup>ST</sup> DECEMBER, 2023.**

<b>DESCRIPTION</b>	<b>NOTE</b>	<b>2023</b>	<b>2022</b>
<b><u>ASSETS</u></b>			
Bank Balance		602,840.82	5,499,506.47
Pension Account with (CBN)		-	-
Other Bank of Treasury		-	-
Cash Balance of Trust and Other funds	12	1,187,581,946.52	-
Cash Balance with Federal Pay office Sub Treasury	13	-	-
Cash held by Ministries, Department and Agencies	14	-	-
<b>TOTAL LIQUID ASSETS</b>		<b>1,188,184,787.34</b>	<b>5,499,506.47</b>
<b><u>INVESTMENT AND OTHER CASH</u></b>			
<b><u>ASSETS</u></b>			
Local Government Investment	15	18,998,019.64	18,998,019.64
LM Press	16	-	-
Advances	17	-	-
Revolving loan Granted	18	-	-
<b>TOTAL INVESTMENT AND OTHER CASH ASSETS</b>		<i>18,998,019.64</i>	<i>18,998,019.64</i>
<b>TOTAL ASSETS</b>		<b>1,207,182,807.00</b>	<b>24,497,526.11</b>
<b><u>LIABILITIES</u></b>			
<b><u>PUBLIC FUNDS</u></b>			
Consolidate Revenue fund			-
Capital Development fund		1,187,581,946.52	-
Trust and other pubic fund		19,600,860.46	24,497,526.11
Police rewards fund		-	-
<b>TOTAL PUBLIC FUNDS</b>		<b>1,207,182,807.00</b>	<b>24,497,526.11</b>
<b><u>EXTERNAL AND INTERNAL LOANS</u></b>			
External loan LGC	19	-	-
LGC Bonds/Treasury Bond	20	-	-
Nigerian Treasury Bills	21	-	-
Development loan Stock	22	-	-
Other Internal loan	23	-	-

Internal loans from other loans	24	-	-
<b>TOTAL EXTERNAL/INTERNAL LAON</b>		<b>NIL</b>	<b>NIL</b>
<b>OTHER LIABILITIES</b>			
Deposit	25	NIL	
GRB			
<b>TOTAL LIABILITIES</b>		<b>1,207,182,807.00</b>	<b>24,497,526.11</b>

## STATEMENT NO. 3

**KALGO LOCAL GOVERNMENT COUNCIL OF KEBBI STATE, NIGERIA**  
**STATEMENT OF CONSOLIDATED REVENUE FUND FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER,**  
**2023**

2022	DESCRIPTION	NOTE	ACTUAL 2023	BUDGETED 2023	VARIANCE %
1,306,366,503.68	Statutory Allocation	1	1,643,073,680.76	1,595,743,958	3%
607,191,854.71	Value Added Allocation	1	904,656,242.60	767,648,704	18%
1,913,603,119.20	Sub Total Statutory Allocation		<b>2,547,729,923.36</b>	2,363,392.662	
	<b>INDEPENDENT REVENUE</b>				
4,699,641.00	Direct Taxes	2	12,208,531.37	2,500,000	80%
5,000,000	License fees & fine	2	9,789,215.40	12,000,000	-18%
5,000,000	Earning from commercial undertaking	2	11,085,584.05	9,000,000	23%
5,000,000	Rent on Govt. Property	2	6,784,140	3,000,000	126%
<b>19,699,641</b>	<b>SUB TOTAL INDEPENDENT REVENUE</b>		<b>39,567,569.65</b>	<b>26,500,000</b>	
	10% share of State IGR		17,292,822.92	24,032,229.00	-28%
<b>1,933,302,760.20</b>	<b>TOTAL REVENUE</b>		<b>2,595,096,985.80</b>	<b>2,389,892,662</b>	
	<b>LESS EXPENDITURE</b>				
321,227,011.67	Personnel cost	4	441,743,023.46	355,890,729	24%
161,743,466.14	Contribution to Pension	5	155,308,523.35	130,410,512.76	19%
36,000,000	Overhead Cost	6	36,000,000	36,000,000	0%
692,215,435.788	Subventions to Prastatals	8	774,173,492.95	885,923,798	-13%
<b>1,211,185,913.49</b>	<b>TOTAL EXPENDITURE</b>		<b>1,407,215,039.28</b>	<b>1,408,22,503.76</b>	
722,116,846.71	Operating Balance		1,187,581,946.52	981,667,622.21	21%
	<b>APPROPRIATION/TRANSFERS</b>				
722,116,846.71	Transfer to capital Development fund		1,187,581,946.52	981,667,622.24	18%
	Closing Balance			-	-

**STATEMENT NO. 4**

**KALGO LOCAL GOVERNMENT COUNCIL OF KEBBI STATE, NIGERIA  
STATEMENT OF CAPITAL DEVELOPMENT FUND FOR THE YEAR ENDED  
31<sup>ST</sup> DECEMBER, 2023**

<b>2022</b>	<b>DESCRIPTION</b>	<b>NOTE</b>	<b>ACTUAL 2023</b>	<b>BUDGETED 2023</b>	<b>VARIANCE %</b>
722,116,846.71	Transfer from consolidated revenue fund		1,187,581,946.52	981,667,622.24	19%
722,116,846.71	Total Revenue available		<b>1,187,581,946.52</b>	981,667,622.24	19%
	<b>LESS CAPITAL EXPENDITURE</b>				
116,617,340.24	Capital Expenditure: Administrative Sector		(167,981,086.06)	280,000,000	-40%
400,000,000	Capital expenditure: Economic Sector		(418,998,019.64)	394,000,000	6%
200,000,000	Capital Expenditure: Social Sector		(300,000,000)	436,845,031	-31%
-	Capital expenditure: Area Development Sector		(300,000,000)	384,000,000	-22%
<b>716,617,340.24</b>	<b>TOTAL CAPITAL EXPENDITURE</b>		<b>(1,192,478,612.17)</b>	<b>1,394,845,031</b>	
	<i>Intangible Assets</i>		5,499,506.47		
5,499,506.47	<b>Closing Balance</b>		<b>602,840.82</b>	-	

## **ANALYSES OF FINANCIAL STATEMENT**

### **Revenues**

The overall performance of Revenue was 109% of the budgeted figure during the course of the year. This result appeared to be positive compared to previous year's performance. The success was recorded as a result of increase in both statutory Allocation and Value Added Tax (VAT) from the Federation Account. Details of the performance by Revenue heads are outlined below:

### **Statutory allocations**

Kalgo Local Government received the sum of N1.64 billion as statutory allocation from the FAAC (comprising Statutory Allocation, Distribution of Electronic Money Transfer Levy and Share of Exchange Gain).

### **Share of Value Added Tax**

The share of Kalgo Local Government from the Value Added Tax collection was estimated to be N767.65million. However, it is delighted to see that the sum of N904million was received during the year under review, which is greater than the amount received in the previous period.

### **Direct Taxes**

The sum of N2.5 million was estimated to be realized during the year under review. But the sum of N12.2 million was alleged to have been generated during the year. However, the amount alleged to have been realized were not properly accounted for.

### **Earning from Commercial Undertaking**

During the period of our audit, we observed that many areas of this subhead were left on tap or unaccounted for. The sum of N9 million was said to have been budgeted but the sum of N11.09 million was allegedly realized and not properly accounted for.

## **License and Fees**

Revenue to be collected under these subheads realized only the sum of N9.79 million out of the N12 million estimated to be generated. But the Council could not properly account for the sum.

## **Earnings from Rent on Local Government Properties**

This subhead only generated the sum of N6.78 million out of the N3 million estimated for the year.

## **EXPENDITURE**

### **Recurrent Expenditure**

Recurrent Expenditure recorded a budget performance of 99.93%, inclusive of Personnel Emoluments amounted to N441.74 million, as against the budgeted sum of N355.89 million. It also includes contributions to both Local Governments and Primary School Staff Pensions and Gratuity which amounted to N155.31 million as against the sum of N130.41 appropriated for the year. The Overhead costs were only N36 million of the budgeted sum of N36. Subventions to Parastatals was equally inclusive which stood at N774.17million of the budgeted figure of N885.92million.

However, audit examination revealed that expenditure on Personnel cost and Contribution to Pension exceeded the amount appropriated for without any justification.

### **Capital Expenditure**

The Capital expenditure on economic sector stood at N419 million against the N394million budgeted for the period, the Social sector spent N300 million out of N436.85 million budgeted for, the Administrative sector expended N173.48 million against the budgeted amount of N280 million.

Audit examination observed that an over expenditure was incurred on the Economic sector without the approval of the Legislators, this is a gross violation of appropriation act.

**ADDITIONAL OBERVATIONS IN RESPECT OF KALGO LOCAL GOVERNMENT COUNCIL'S  
TREASURY MAIN, SALARY AND REVENUE ACCOUNTS FOR THE PERIOD FROM 1<sup>ST</sup>  
JANUARY TO 31<sup>ST</sup> DECEMBER, 2023**

**MAIN ACCOUNT**

**1. INCOME AND EXPENDITURE (INCLUDING SALARIES AND OVERHEAD COST):-**

Analysis of incomes and expenditure accrued of this Local Government during the year under review revealed that the total sum of ₦7,580,633.61 still remained unaccounted for up to the time of writing this report. Details were attached to the main report sent to the Council.

**2. THE COUNCIL CASH BOOK:-**

This is very important book of account, but to my dismay the cash book has not been balance off for the year under review, though improvement was noticed in entries of both debit and credit sites. But more effort needs to be done to ensure effectiveness of the cash book in accordance with the provision of FM chapter 19. Please comment.

**3. BANK RECONCILIATION STATEMENT:-**

Examination of the available records revealed that Kalgo Local Government has not reconciled its books of account with their bank as enshrined in the provision of FM 19:23 and 19:24.

**4. OVERHEAD COST:-**

Kalgo Local Government Council's had received the sum of ₦36,000,000.00 for payment of overhead cost, but to my dismay only the sum of ₦35,980,232.11 would appear to have been expended; leaving the sum of ₦19,767.89 unaccounted for.

**5. DEPARTMENTAL VOTE EXPENDITURE ACCOUNT (DVEA):-**

It is quiet noted with displeasure the way and manner upon which, this important book of account was kept and maintained during the period under review.

The treasurer has failed to attach importance this book of account deserves or the schedule officers are not discharging their function in line with the provision of 13:13 to 13:15 (1 – 7).

## 6. STORE AND RECORDS (INVENTORIES):-

Store records were not maintained in your Local Government Council despite several purchases and supplies of store items. Please comment.

### B. SALARY

#### 1. INCOME AND EXPENDITURE (SALARY):-

Kalgo Local Government received the sum of ₦463,519,791.73 for payment of salaries per annum, while the sum of ₦459,243,979.72 would appear to have been expended; leaving the balance of ₦4,275,811.73 unaccounted for.

### C. REVENUE

#### 1. HARAJI:-

Kalgo Local Government Council has realized the sum of ₦2,031,500.00 for the 2022/2023 session, but to my dismay 30% of the Local Government share which was ₦609,450.00 could not be explain by administration on how the fund was expended.

2. GLOBAL SYSTEM FOR MOBILE:- These global system for mobile and number of their antenna.

i.	MTN	ANTENNA	30,000
ii.	GLO	ANTENNA	30,000
iii.	AIRTEL	ANTENNA	30,000
iv.	ETISALAT	ANTENNA	30,000

These were the amount supposed to collect from the four GSM network providers as operating fees, but only the sum of ₦120,000.00 was said to have been generated and none was remitted to Local Government.

3. MARKET AND MOTOR PARK:- Examination of the markets and motor park records revealed that revenue generated were as follows:-

a.	Market Revenue	₦336,000
b.	Motor Park	₦72,000
c.	Back-up Shops (28x20,000)	₦560,000
	<b>Grand Total</b>	<b>₦968,000.00</b>

But to my dismay the council had not realized even a single kobo due to negligence by the Treasurer and Council.

**5. OTHER SOURCES OF REVENUE:-**

It has been observed that other sources of revenue were abused and neglected by the council such as (1) slaughter slabs (2) cattle market etc. On spot scrutiny of the revenue record revealed that nothing was said to have been collected from other sources for the year 2023.

**KOKO/BESSE LOCAL GOVERNMENT COUNCIL**

**KEBBI STATE**

**AUDITED FINANCIAL STATEMENTS**

**FOR**

**THE YEAR ENDED**

**31<sup>ST</sup> DECEMBER 2023**



**OFFICE OF THE AUDITOR GENERAL  
FOR LOCAL GOVERNMENTS**  
P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

**AUDIT CERTIFICATE**

The Financial Statements of Koko/Besse Local Government Council for the period from 1<sup>st</sup> January to 31<sup>st</sup> December 2023 have been examined by my office in accordance with the Section 316(1) of the 1999 Constitution of the Federal Republic of Nigeria (As amended), Section 15(1) of the Kebbi State Local Government Auditor General Law 2021, Financial Memoranda, the provision number 146 (1), 2 ( a & b) Part 1X of the Local Government Law 2008 and in line with International Public Sector Accounting Standard (Cash Basis).

I have obtained substantial information and explanations required for my audit. Base on the records made available to me, I hereby certify that the Audited Financial Statements are the true reflection of the transactions of Koko/Besse Local Government Council, Kebbi State.

**Faruk B. Muhammad FCNA, FCFA**

Auditor General for Local Governments

Kebbi State

OFFICE OF THE CHAIRMAN  
**KOKO/BESSE LOCAL GOVERNMENT COUNCIL**

KEBBI STATE

Local Government Secretariat  
Koko/Besse,  
Kebbi State.

Case Ref.

Case Ref.

Date

**STATEMENT OF FINANCIAL RESPONSIBILITY**

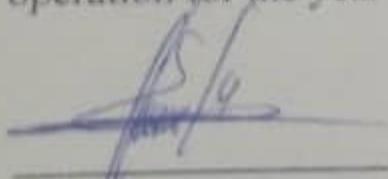
The financial statement have prepare by treasurer of **Koko Besse Local Government Council** in accordance with provision of financial control and management Act. 1958 as amended.

Furthermore, we apply international Public Sector Accounting Standard cash basis as accounting basis and we comply with generally accepted accounting principles accordingly.

The Treasurer is responsible for establishing and maintenance a system of Internal Controls designed to provide reasonable assurance that the transaction recorded are within statutory authority and properly recorded use as at all public financial resources by the Local Government Council to the best of my knowledge the system of internal control has operated adequately throughout the reporting period.

We accept the responsibility for the integrity of this financial statement they contain and their compliance with finance Control Management Act. of 1958 as amended.

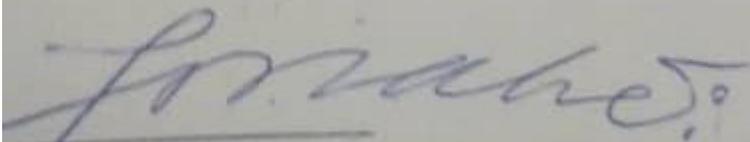
In our opinion the financial statement fairly reflect the financial position of **Koko Besse Local Government Council** as at 31<sup>st</sup> December, 2023 and its operation for the year ended on that date.



Chairman Sign

25-02-2023

Date



Treasurer Sign

25-02-2023

Date



# OFFICE OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS

P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

## STATEMENT OF OPINION OF THE AUDITOR GENERAL

I have examined the financial statement of Koko/Besse Local Government Council for the year ended 31st December, 2023, The statement presented by the Treasurer appeared to be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and also in compliance to IPSAS (Cash Basis) accounting Standards. The statement presented comprises Statement of Cash Flow, Statement of Assets and Liabilities, Statement of Consolidated Revenue Funds as well as Statement of Capital Development Funds.

The presented statements are evaluated and tested using the Generally Accepted Auditing Standards (GAAS) which are the set-out requirement and guidelines on how to conduct audit examinations. Prior to the above, I have obtained substantial information and explanations needed for the purpose of my audit.

In my opinion, the Financial Statements as presented to me shows “true and fair” view of the states of affairs of the Koko/Besse Local Government Council as at 31st December, 2023 and of the financial transactions for the fiscal year ended on that date, subject to the observations contained herein.

**Faruk B. Muhammad FCNA, FCFA**

Auditor General for Local Governments

Kebbi State



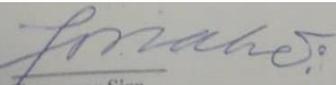
OFFICE OF THE EXECUTIVE CHAIRMAN  
**KOKO/BESSE LOCAL GOVERNMENT**  
Secretariate Complex Besse, Kebbi State.

Our Ref:..... Your Ref:..... Date:.....

### ACCOUNTING POLICY

The Accounts have been prepared based on the Cash basis accounting framework and it is in compliance with the requirements of the International Public Sector Accounting Standard (IPSAS). The Cash basis IPSAS means a basis of accounting that recognizes transactions and other events only when cash is received or paid. The Accounts also comply with the provisions of the 1999 Constitution of the Federal Republic of Nigeria, Kebbi State Local Governments Law (2008) and Financial Memoranda.



 25-02-20

**Tukur Bello Bunza**  
Director Finance and Supply  
Koko/Besse Local Government

*All correspondence shall be addressed to the Office of the Executive Chairman*

## STATEMENT NO. 1

**KOKO BESSE LOCAL GOVERNMENT COUNCIL OF KEBBI STATE, NIGERIA**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2023.**

ANNUAL BUDGET	DESCRIPTION	NOTE	2023	2022
	<u>Cash Flow from Operating Activities</u> <b>Receipt</b>			
1,831,480,078.00	Statutory Allocation	1	1,935,987,706.99	2,417,985,019.85
902,272,603	Value Added Allocation	1	1,033,448,054.45	780,577,771.47
2,733,752,681	<b>Sub Total Statutory Allocation</b>		<b>2,969,435,761.44</b>	<b>3,198,562,791.32</b>
9,926,000	Direct Taxes	2	5,260.50	8,000,000
28,326,000	License fees and Fine	2	9,254.10	20,000,000
34,090,000	Earning from commercial undertaking	2	20,154,155.24	19,215,612.20
26,132,000	Sales/Rent on Government Property	2	17,528,632.24	-
<b>98,474,000</b>	<b>SUB TOTAL INDEPENDENT REVENUE</b>		<b>37,697,302.56</b>	<b>47,215,612.20</b>
23,279,571	<i>Other sources of revenue (10% share of State IGR)</i>		19,500,253.43	
<b>2,832,226,681</b>	<b>TOTAL RECEIPTS</b>		<b>3,026,633,317.43</b>	<b>3,245,778,403.52</b>
	<b>PAYMENT</b>			
702,431,647	Personnel cost	4	490,587,348.55	303,099,861.99
270,000,000	Contribution to pension	5	288,155,719.96	201,840,637.45
36,000,000	Overhead cost	6	36,000,000	36,000,000
973,683,137	Subvention to Parastatals	8	786,604,775.76	754,399,580.94
<b>1,982,114,784</b>	<b>TOTAL PAYMENTS</b>		<b>1,601,347,844.77</b>	<b>1,295,340,080.38</b>
	<i>Net cash from operating Activities</i>		1,425,285,473.16	1,950,438,323.14
	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
162,000,000	Capital Expenditure Administrative Sector		181,440,738.49	215,979,654.81
583,984,150	Capital Expenditure Economic Sector		618,525,000.00	718,525,000
445,000,000	Capital Expenditure Regional Sector		343,856,734.67	500,181,999.73

528,000,000	Capital Expenditure Social Sector		299,000,779.55	500,000,000
	<b>TOTAL CAPITAL EXPENDITURE</b>		1,442,803,252.71	1,934,504,654.54
	<i>Net cash flow from Investing Activities</i>		<i>(1,442,803,252.71)</i>	<i>(1,934,322.654.81)</i>
	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
	Proceed from Aids & Grant	10	-	-
	Proceed from External loan (FGN)	19	-	-
	Proceed from Internal loan	20	-	-
	Proceed from Internal loan (NBTs)	21	-	-
	Proceed from development of Natural resources	23	-	-
	Proceed of other loans from funds	24	-	-
	Repayment of external loan	19	-	-
	Repayment of FGN/Treasury funds	20	-	-
	Repayment of Interest loan (NB)	21	-	-
	Repayment of loan from Development of Nat. Resources	23	-	-
	Repayment of other loans	24	-	-
	Dividend received	-	-	
	Net cash flow from Investing Activities		Nil	Nil
	Net increase/Decrease in cash and its equivalent		(17,517,779.55)	15,933,668.60
	Cash flow & its equivalent as at 1/1/2023		17,932,584.82	1,998,916.22
	Cash flow & its equivalent as at 31/12/2023		414,805.27	17,932,584.82



**STATEMENT NO. 2**

**KOKO BESSE LOCAL GOVERNMENT COUNCIL OF KEBBI STATE, NIGERIA  
STATEMENT OF ASSETS AND LIABILITIES AS AT 31<sup>ST</sup> DECEMBER, 2023.**

<b>DESCRIPTION</b>	<b>NOTE</b>	<b>2023</b>	<b>2022</b>
<b><u>ASSETS</u></b>			
CRF Bank Balance		414,805.27	17,932,584.82
Pension Account with (CBN)		-	-
Other Bank of Treasury		-	-
Cash Balance of Trust & other fund with Kebbi State Joint Account	12	1,355,495,524.05	-
Cash Balance with Federal Pay office Sub Treasury	13	-	-
Cash held by Ministries, Department and Agencies	14	-	-
<b>TOTAL LIQUID ASSETS</b>		<b>1,355,910,329.32</b>	<b>17,932,584.82</b>
<b><u>INVESTMENT AND OTHER CASH ASSETS</u></b>			
Local Government Investment	15	18,525,000	18,525,000
LM Press	16	-	-
Advances	17	-	-
Revolving loan Granted	18	-	-
<b>TOTAL INVESTMENT AND OTHER CASH ASSETS</b>		<b>18,525,000</b>	<b>18,525,000</b>
<b>TOTAL ASSETS</b>		<b>1,374,435,329.32</b>	<b>36,457,584.82</b>
<b><u>LIABILITIES</u></b>			
Consolidate Revenue fund		-	-
Capital Development fund		414,805.27	-
Trust and other pubic fund		1,355,495,524.05	-
Police rewards fund		-	-
<b>TOTAL PUBLIC FUND</b>		<b>1,355,910,329.32</b>	<b>-</b>
External and internal loans			
External loan LGC	19	-	-
LGC Bonds/Treasury Bond	20	-	-
Nigerian Treasury Bills	21	-	-
Development loan Stock	22	-	-
Other Internal loan	23	-	-
Internal loans from other loans	24	-	-
<b>TOTAL EXTERNAL/INTERNAL LAON</b>		<b>NIL</b>	<b>NIL</b>
<b><u>OTHER LIABILITIES</u></b>			

Deposit		18,525,000	
GRB			36,457,584.82
<b>TOTAL LIABILITIES</b>		<b>1,374,435,329.32</b>	<b>36.457,584.82</b>

## STATEMENT NO. 3

**KOKO BESSE LOCAL GOVERNMENT COUNCIL OF KEBBI STATE, NIGERIA**  
**STATEMENT OF CONSOLIDATED REVENUE FUND FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER,**  
**2023**

<b>2022</b>	<b>DESCRIPTION</b>	<b>ACTUAL 2023</b>	<b>BUDGETED 2023</b>	<b>VARIANCE %</b>
2,417,985,019.85	Statutory Allocation	1,935,987,706.99	1,831,480,078	6%
780,577,771.47	Value Added Allocation	1,033,448,054.45	902,272,603	15%
3,198,562,791.32	Sub Total Statutory Allocation	<b>2,969,435,761.44</b>	2,733,752,681	
	<b>INDEPENDENT REVENUE</b>			
80,000,000	Direct Taxes	5,260.50	9,926,000	0.99%
20,000,000	License fees & fine	9,254.10	28,326,000	99%
19,215,612.20	Earning from commercial undertaking	20,154,155.24	34,090,000	-41%
-	Rent on Govt. Property	17,528,632.24	26,132,000	-13%
<b>47,215,612.20</b>	<b>SUB TOTAL INDEPENDENT REVENUE</b>	<b>37,697,302.56</b>	<b>98,474,000</b>	<b>-16%</b>
	Other sources of revenue	19,500,253.43	23,279,571	-16%
<b>3,245,778,403.52</b>	<b>TOTAL REVENUE</b>	<b>3,026,633,317.43</b>	<b>2,832,226,681</b>	
	<b>LESS EXPENDITURE</b>			
303,099,861.99	Personnel cost	490,587,348.55	702,431,647	-30%
201,840,637.45	Contribution to Pension	288,155,719.96	270,000,000	7%
36,000,000	Overhead Cost	36,000,000	36,000,000	0%
754,399,580.94	Subventions to Parastatals	786,604,775.76	973,683,137	-20%
<b>1,295,340,080.38</b>	<b>TOTAL EXPENDITURE</b>	<b>1,601,347,844.77</b>	<b>1,982,114.784</b>	
1,950,438,323.14	Operating Balance	1,425,285,473.16	850,111,897	68%
	<b>APPROPRIATION/TRANSFERS</b>			
1,950,438,323.14	Transfer to capital Development fund	1,425,285,473.16	850,111,897	68%
	Closing Balance	-	-	-

STATEMENT NO. 4

KOKO BESSE LOCAL GOVERNMENT COUNCIL OF KEBBI STATE, NIGERIA  
STATEMENT OF CAPITAL DEVELOPMENT FUND FOR THE YEAR ENDED  
31<sup>ST</sup> DECEMBER, 2023

2022	DESCRIPTION	ACTUAL 2023	BUDGETED 2023	VARIANCE %
1,950,438,323.14	Transfer to Capital Development fund	1,425,285.473.16	850,111,897	68%
1,950,438,323.14	<b>Total Revenue available</b>	<b>1,425,285.473.16</b>	<b>850,111,897</b>	<b>68%</b>
	<b>LESS CAPITAL EXPENDITURE</b>			
232,505,738.32	Capital Expenditure: Administrative Sector	181,440,738.49	162,000,000	-23%
700,000,000	Capital expenditure: Economic Sector	618,525,000.00	583,984,150	3   %
500,000,000	Capital Expenditure: Regional Sector	343,856,734.67	445,000,000	-33%
500,000,000	Capital expenditure: Social Sector	299,000,779.55	528,600,000	-24%
<b>1,932,505,738.32</b>	<b>TOTAL CAPITAL EXPENDITURE</b>	<b>1,442,803,252.71</b>	<b>1,718,894,150</b>	
17,932,584.82	Closing Balance	414,805.27	-	

## **ANALYSES OF FINANCIAL STATEMENT**

### **Revenues**

The overall performance of Revenue was 106.68% of the budgeted figure during the course of the year. This result appeared to be positive compared to previous year's performance. The success was recorded as a result of increase in both statutory Allocation and Value Added Tax (VAT) from the Federation Account. Details of the performance by Revenue heads are outlined below:

### **Statutory allocations**

Koko/Besse Local Government received the sum of N1.94 billion as statutory allocation from the FAAC (comprising Statutory Allocation, Distribution of Electronic Money Transfer Levy and Share of Exchange Gain).

### **Share of Value Added Tax**

The share of Koko/Besse Local Government from the Value Added Tax collection was estimated to be N902.27million. However, it is delighted to see that the sum of N1.03billion was received during the year under review, which is greater than the amount received in the previous period.

### **Direct Taxes**

The sum of N9.93 million was estimated to be realized during the year under review. But the sum of N5.26 million was alleged to have been generated during the year. However, the amount alleged to have been realized were not properly accounted for.

### **Earning from Commercial Undertaking**

During the period of our audit, we observed that many areas of this subhead were left on tap or unaccounted for. The sum of N34.09 million was said to have been budgeted but the sum of N20 million was allegedly realized and not properly accounted for.

### **License and Fees**

Revenue to be collected under these subheads realized only the sum of N9.25 million out of the N28.33 million estimated to be generated. But the Council could not properly account for the sum.

### **Earnings from Rent on Local Government Properties**

This subhead only generated the sum of N17.53 million out of the N26.13 million estimated for the year.

## **EXPENDITURE**

### **Recurrent Expenditure**

Recurrent Expenditure recorded a budget performance of 81%, inclusive of Personnel Emoluments amounted to N490.59 million, as against the budgeted sum of N702.43 million. It also includes contributions to both Local Governments and Primary School Staff Pensions and Gratuity which amounted to N288.16 million as against the sum of N270 appropriated for the year. The Overhead costs were only N36 million of the budgeted sum of N36. Subventions to Parastatals was equally inclusive which stood at N786.60million of the budgeted figure of N973.68million.

However, audit examination revealed that expenditure on Contribution to Pension exceeded the amount appropriated for without any justification.

### **Capital Expenditure**

The Capital expenditure on economic sector stood at N618.53 million against the N583.98 million budgeted for the period, the Social sector spent N299 million out of N528 million budgeted for, the Administrative sector expended N181.44 million against the budgeted amount of N162 million.

Audit examination observed that an over expenditure was incurred on the Economic and Administrative sectors without the approval of the Legislators, this is a gross violation of appropriation act.

**ADDITIONAL OBSERVATIONS IN RESPECT OF KOKO/BESSE LOCAL GOVERNMENT COUNCILS TREASURY MAIN, SALARY AND REVENUE ACCOUNTS FOR THE PERIOD FROM 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER 2023.**

**1. Incomes and Expenditures**

Examination of the available revealed that the Council could not account for the sum of N1,715,832.68 out of the total amount accrued to them during the accounting period. Details could be seen in appendix "A" attached to the main report sent to the Council.

**2. Outstanding / Unprepared Voucher**

In an attempt to ensure that all payment vouchers were properly recorded into the cash book, it was observed that 6 [six] number of payment vouchers amounting to N10,584,000.00 were not brought to me for examination. Appendix "B" enclosed to the main report for details.

**3. Unclaimed Payments**

In an attempt to ensure that all payment vouchers were signed by the recipients, it was observed that 10 [TEN] number of payment vouchers amounting to N547,345,945.10 were not acknowledged by the beneficiaries. Appendix "C" enclosed to the main report for details.

4. Similarly, another sets of payment vouchers amounting to N107,322,831.72 were observed not have been accompanied with ramita/receipts from the respective MDAs. Appendix "D" enclosed to the report sent to the Council.

**5. Statutory Deductions**

Casting of salary payment vouchers revealed that the sum of N4,008,888.13 was the actual sum to be deducted, but to my surprised, the figure was inflated to N4,327,409.51. this created a difference of N318,422.36 monthly x 12 = N3,821,068.32.

In another development, 6 [six] payment vouchers amounting to N393,957,179.00 been paid to various contractors without deducting or remitting VAT and Withholding tax, up to the total sum of N39,395,717.88. Details were attached in the main report sent to the Council.

## 6. REVENUE COLLECTION

In comparison between main cash book and revenue receipt, entries on the debit side and the receipts posted in the revenue cash book revealed that the council had shown to have generated the sum of N23,290,000.00 as revenue in the year 2023. But to my surprise all the amount said to be generated have not been entered into the treasury's bank account.

**MAIYAMA LOCAL GOVERNMENT COUNCIL**

**KEBBI STATE**

**AUDITED FINANCIAL STATEMENTS**

**FOR**

**THE YEAR ENDED**

**31<sup>ST</sup> DECEMBER 2023**



**OFFICE OF THE AUDITOR GENERAL  
FOR LOCAL GOVERNMENTS**  
P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

**AUDIT CERTIFICATE**

The Financial Statements of Maiyama Local Government Council for the period from 1<sup>st</sup> January to 31<sup>st</sup> December 2023 have been examined by my office in accordance with the Section 316(1) of the 1999 Constitution of the Federal Republic of Nigeria (As amended), Section 15(1) of the Kebbi State Local Government Auditor General Law 2021, Financial Memoranda, the provision number 146 (1 ), 2 ( a & b) Part 1X of the Local Government Law 2008 and in line with International Public Sector Accounting Standard (Cash Basis).

I have obtained substantial information and explanations required for my audit. Base on the records made available to me, I hereby certify that the Audited Financial Statements are the true reflection of the transactions of Maiyama Local Government Council, Kebbi State.

**Faruk B. Muhammad CNA, CFA**

Auditor General for Local Governments

Kebbi State



# MAIYAMA LOCAL GOVERNMENT

KEBBI STATE OF NIGERIA

OFFICE OF THE EXECUTIVE CHAIRMAN

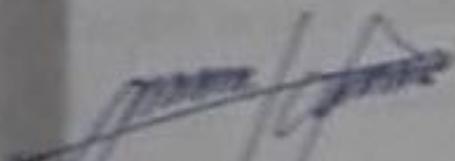
All correspondence shall be addressed to the Office of the Executive Chairman

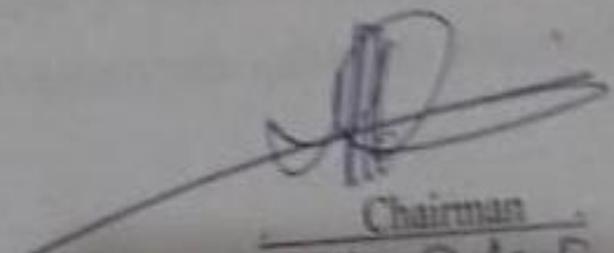
Our Ref:..... Your Ref:..... Date:.....

## STATEMENT OF FINANCIAL RESPONSIBILITY

We accept responsibility for the integrity of these Financial Statements, the information they contain and their compliance with the Finance (Control and Management) Act 1958 as amended.

In our opinion, these financial statements fairly reflect the financial position of Maiyama Local Government as at 31 December, 2023 and its operations for the year ended on that date.

  
Treasurer  
15/9/24  
Date

  
Chairman  
09/09/24  
Date



**OFFICE OF THE AUDITOR GENERAL  
FOR LOCAL GOVERNMENTS  
P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE**

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

**STATEMENT OF OPINION OF THE AUDITOR GENERAL**

I have examined the financial statement of Maiyama Local Government Council for the year ended 31st December, 2023, The statement presented by the Treasurer appeared to be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and also in compliance to IPSAS (Cash Basis) accounting Standards. The statement presented comprises Statement of Cash Flow, Statement of Assets and Liabilities, Statement of Consolidated Revenue Funds as well as Statement of Capital Development Funds.

The presented statements are evaluated and tested using the Generally Accepted Auditing Standards (GAAS) which are the set-out requirement and guidelines on how to conduct audit examinations. Prior to the above, I have obtained substantial information and explanations needed for the purpose of my audit.

In my opinion, the Financial Statements as presented to me shows “true and fair” view of the states of affairs of the Maiyama Local Government Council as at 31st December, 2023 and of the financial transactions for the fiscal year ended on that date, subject to the observations contained herein.

**Faruk B. Muhammad FCNA, FCFA**

Auditor General for Local Governments

Kebbi State



# MAIYAMA LOCAL GOVERNMENT

KEBBI STATE OF NIGERIA

OFFICE OF THE EXECUTIVE CHAIRMAN

All correspondence shall be addressed to the Office of the Executive Chairman

Our Ref:..... Your Ref:..... Date:.....

## ACCOUNTING POLICY

The Accounts have been prepared based on the Cash basis accounting framework and it is in compliance with the requirements of the International Public Sector Accounting Standard (IPSAS). The Cash basis IPSAS means a basis of accounting that recognizes transactions and other events only when cash is received or paid. The Accounts also comply with the provisions of the 1999 Constitution of the Federal Republic of Nigeria, Kebbi State Local Governments Law (2008) and Financial Memoranda.

**Auwal Sani Koko**  
Director Finance and Supply  
Maiyama Local Government

## STATEMENTNO.1

.....GOVERNMENTOFNIGERIA

CASHFLOWSTATEMENTFORTHEYEARENDED31<sup>ST</sup>DECEMBER,20XX

ANNUAL BUDGET20 N	Cash flows from Operating Activities:	NOTES	ACTUALYEAR2023	2022
			N	N
XX	Statutory Allocations FAAC	1	1,914,766,800.56	1,794,016,433.59
XX	Value Added Tax Allocation	1	1,099,741,313.24	773,480,920.16
	<b>Sub-Total Statutory Allocation</b>		<b>3,014,508,113.80</b>	<b>2,567,497,535.75</b>
			Nil	
XX	Direct Taxes	2	14,780,218.00	9,780,215.16
XX	License	2	9,280,711.00	5,111,216.11
XX	Mining Rents	2	Nil	
XX	Royalties	2	Nil	
XX	Fees	2	4,670,215.00	3,194,708.66
XX	Fines	2	5,211,280.00	4,200,600.00
XX	Sales	2	Nil	
XX	Earnings	2	Nil	
XX	Sales/Rent of Government Buildings	2	7,780,112.00	2,615,140.00
XX	Sale/Rent on Lands and Other	2	2,105,611.00	940,915.00
XX	Repayment-General	2	Nil	

XX	Investment Income	2	6,720,819.00	4,112,060.00
Xx	Impress Earned	2	Nil	
XX	Re-Imbursement	2	Nil	
	<b>Sub-Total-Independent Revenue</b>		<b>50,548,966.00</b>	<b>29,954,854.93</b>
			Nil	
XX	Other Revenue Sources of the government	3	1,018,054,777.21	
			Nil	
<b>,0.00</b>	<b>Total Receipts</b>		<b>4,083,111,857.01</b>	<b>2,597,452,208.68</b>
	<b>Payments</b>			
XX	Personnel Costs (Including Salaries of CFR charges)	4	419,877,970.48	408,554,972.76
XX	Federal/States/LGC Govt. Contribution to Pension	5	202,688,858.63	178,599,280.16
XX	Overhead Charges	6	36,000,000.00	36,000,000.00
XX	Consolidated Revenue Fund Charges (incl. Service Wide Votes)	7	Nil	
XX	Subvention to Parastatals	8	1,082,264,251.06	924,611,780.92
XX	Other Operating Activities		955,436,731.69	1,027,572,554.83
XX	Other Transfers		1,000,000,000.00	
			Nil	
<b>,0.00</b>	<b>Total Payment</b>		<b>3,696,267,811.86</b>	<b>2,575,338,588.67</b>
			Nil	

,0.00	<b>Net Cash Flow from Operating Activities</b>		<b>386,844,045.15</b>	<b>22,113,720.01</b>
			Nil	
	<b>Cash Flows from Investment Activities</b>		Nil	
XX	Capital Expenditure Administrative Sector	11	56,500,000.00	
XX	Capital Expenditure Economics Sector	11	22,850,390.00	(22,850,890.00)
XX	Capital Expenditure Law and Justice	11	Nil	
XX	Capital Expenditure Regional Development	11	Nil	
XX	Capital Expenditure Social Service Sector	11	390,290,472.00	
XX	Capital Expenditure Funded from Aid and Grants	10	Nil	
	<b>TOTAL CAPITAL EXPENDITURE</b>		<b>469,640,862.00</b>	
,0.00	<b><i>Net Cash Flow Investment Activities</i></b>		<b><i>(82,796,816.85)</i></b>	<b><i>(736,669.99)</i></b>
	<b>Cash Flows from Financing Activities</b>			
XX	Proceeds from Aid and Grants	10		
XX	Proceeds from External Loan	19		
XX	Proceeds from Internal Loans FGN/Treasury Bonds	20		
XX	Proceeds from Internal Loans NTBs etc	21		
XX	Proceeds from Development of Nat Resources	23		
XX	Proceeds of Loans from Other Funds	24		
XX	Repayment of External Loans (Including	19		

	Servicing)			
XX	Repayment of FGN) Treasury Bonds	20		
XX	Repayment of Internal Loan-NTBs	21		
XX	Repayment of Loans from Development of Nat. Resources	23		
XX	Repayment of Loans from Other Funds	24		
<b>,0.00</b>	<b>Net Cash Flow from Financing Activities</b>			<b>,0.00</b>
	Movement in Other Cash Equivalent Accounts			
XX	(Increase)/Decrease in Investments			
XX	Net(Increase)Decrease in Other Cash Equivalent Accounts			
<b>,0.00</b>	<b>Total Cash Flows from other Cash Equivalent Accounts Account</b>		<b>(82,796,816.85)</b>	<b>,0.00</b>
XX	<b>Net Cash for the year</b>			<b>(736,669.99)</b>
XX	Cash & Its Equivalent as at 1 <sup>st</sup> January, 2022		<b>82,928,147.66</b>	<b>83,664,817.65</b>
XX	Cash & its Equivalent as at 31st December, 2023		<b>131,330.81</b>	<b>82,928,147.66</b>

**STATEMENT NO. 2**

.....**GOVERNMENT OF NIGERIA**

**STATEMENT OF ASSETS AND LIABILITIES AS AT 31<sup>ST</sup> DECEMBER, 20XX**

<b><u>ASSETS:</u></b>	<b>NOTES</b>	<b>CURRENT YEAR 2023</b>	<b>PREVIOUS YEAR 2022</b>
		<b>N</b>	<b>N</b>
<b><u>Liquid Assets:-</u></b>			
Bank Balance		131,330.81	82,928,147.66
-Pension Account (CBN/Bank):		XX	
-Other Bank of the Treasury		XX	
-Cash Balance of Trust & Other Funds of the FGN/States/LGC:	12	386,844,045.15	22,113,720.01
-Cash Balance with Federal Pay Offices/Sub-Treasury:	13		
Cash Held by Ministries, Department & Agencies:-	14	XX	
<b><u>TOTAL LIQUID ASSETS</u></b>		<b>386,975,375.96</b>	<b>105,041,867.67</b>
<b><u>Investments and Other Cash Assets:</u></b>			
Federal/State/Local Government Investments	15	22,850,390.00	22,850,390.00
Imprests:-	16	XX	
Advances:-	17	XX	
Revolving Loans Granted:-	18	XX	
Intangible Assets		XX	

<b><u>TOTAL INVESTMENTS AND OTHER CASH ASSETS</u></b>			<b>0</b>
		XX	
		XX	
<b><u>TOTAL ASSETS</u></b>		<b>409,825,765.96</b>	<b>127,892,257.67</b>
<b><u>PUBLIC FUNDS</u></b>			
<b><u>PUBLIC FUNDS</u></b>			
Consolidated Revenue Funds:		XX	
Capital Development Fund:		386,844,045.15	22,113,720.01
Trust & Other Public Fund:		22,981,720.81	105,778,537.66
Police Reward Fund		XX	
<b><u>TOTAL PUBLIC FUNDS</u></b>		<b>409,825,765.96</b>	<b>127,892,257.67</b>
<b><u>EXTERNAL AND INTERNAL LOANS</u></b>			
External Loans: FGN/States/LGC	19	XX	
FGN/States/LGC Bonds & Treasury Bonds	20	XX	
Nigeria Treasury Bills (NTB)	21	XX	
Development Loan Stock	22	XX	
Other Internal Loans (Promissory Notes)	23	XX	
Internal Loans from Other Funds	24	XX	
<b><u>TOTAL EXTERNAL AND INTERNAL LOANS</u></b>		<b>0</b>	<b>0</b>
<b><u>OTHER LIABILITIES</u></b>			
Deposits:-	25	XX	

<b>TOTAL LIABILITIES</b>		<b>409,825,765.96</b>	<b>127,892,257.67</b>
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STATEMENTNO.3

.....GOVERNMENT OFNIGERIA

STATEMENTOFCONSOLIDATEDREVENUEFUNDFOETHEYEARENDED31STDECEMBER,2023

Opening Balance	NOTES	ACTUALYEAR2023	FINAL BUDGET 2023	INITIAL/ORIGINALBUDGET20	SUPPLEMENTARYBUDGET20	VARIANCEOFFICIALBUDGET
		N XX	N	N	N	%
<b>ADD:REVENUE</b>						
Statutory Allocations: FAAC	1	1,914,766,800.56	2,119,110,272.00	xx	xx	-9.6%
Value Added Tax Allocation	1	1,099,741,313.24	943,257,658.00	xx	xx	16.6%
<i>Sub-Total-Statutory Allocation</i>		<i>3,014,508,113.80</i>	<i>3,062,367,930.00</i>	xx	xx	xx
Direct Taxes	2	14,780,218.00	9,780,215.16	xx	xx	51%
Licenses	2	9,280,711.00	5,111,216.11	xx	xx	81%
Mining Rents	2		xx	xx	xx	Xx
Royalties	2		xx	xx	xx	Xx
Fees	2	4,670,215.00	3,194,708.66	xx	xx	46%
Fines	2	5,211,280.00	4,200,600.00	xx	xx	24%

Sales	2		2,615,140.00	xx	xx	Xx
Earnings	2		940,915.00	xx	xx	Xx
Sales/Rent of Government Building	2	7,780,112.00	xx	xx	xx	Xx
Sales/Rent on Lands and Others	2	2,105,611.00	4,112,060.00	xx	xx	-48%
Repayment: General	2		xx	xx	xx	Xx
Investment Income	2	6,720,819.00	xx	xx	xx	Xx
Interest Earned	2		29,954,854.93	xx	xx	Xx
Re-Imbursements	2		xx	xx	xx	Xx
Sub-Total-Independent Revenue	2	50,548,966.00	xx			
Other Revenue Sources of the Government		1,018,054,777.21	Xx	xx	Xx	Xx
<b>TOTALREVENUE</b>		4,083,111,857.01	2,597,452,208.68	0.00	0.00	0.00
<b>LESS: EXPENDITURE</b>						
Personnel Cost	4	419,877,970.48	408,554,972.76	xx	Xx	Xx

Federal/States/LGC Govt. Contribution to Pension	5	202,688,858.63	178,599,280.16	xx	Xx	Xx
Overhead Charges	6	36,000,000.00	36,000,000.00	xx	Xx	NIL
Consolidated Revenue Fund Charges(Incl. Service Wide Votes)	7	Nil	Xx	xx	Xx	Xx
Subvention to Parastatals	8	2,082,264,251.06	924,611,780.92	xx	Xx	125%
OTHER RECURRENT PAYMENTS/EXPENDITURE		955,436,731.69	1,027,572,554.83			
Repayments External Loans: FGN/States/LGC	19		Xx	xx	Xx	Xx
Repayments FGN/States/LGC Bonds & Treasury Bonds	20		Xx	xx	Xx	Xx
Repayments Nigeria Treasury Bills(NTB)	21		Xx	xx	Xx	Xx
Repayments Development Loan	22		Xx	xx	xx	Xx

Stock						
Repayments Other Internal Loans(Promissory Notes)	23		Xx	xx	Xx	xx
Repayments Internal Loans from Other Funds	24		Xx	xx	Xx	Xx
<b>TOTALEXPENDITURE</b>		<b>3,696,267,811.86</b>	<b>2,575,338,588.67</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>OPERATINGBALANCE</b>		<b>386,844,045.15</b>	<b>22,113,720.01</b>	<b>xx</b>	<b>Xx</b>	<b>Xx</b>
<b>APPROPRIATIONS/TRANSFERS</b>						
Transfer to Capital Development Fund	9	386,844,045.15	Xx	xx	Xx	Xx
<b>Closing Balance</b>			<b>Xx</b>	<b>xx</b>	<b>Xx</b>	<b>Xx</b>

STATEMENTNO.4

.....GOVERNMENT OFNIGERIA

STATEMENTOFCAPITALDEVELOPMENTFUNDFORTHEYEARENDED31STDECEMBER,20XX

Opening Balance ADD.REVENUE	NOTES	TOTAL CAPITAL EXPENDITURE 20	FINAL BUDGET 20	INITIAL/ORIGI NALBUDGET2 0	SUPPLEMENTAR Y BUDGET 20	REFORMANCE ON TOTAL
Transfer from Consolidated Revenue Fund	9	386,844,045.15	XX	xx	Xx	Xx
Aid and Grants	10	Xx	XX	xx	Xx	Xx
External Loans FGN/States/LGC	19	Xx	XX	xx	Xx	Xx
FGN/States/LGC Bonds &Treasury Bonds	20	Xx	XX	xx	Xx	Xx
Nigeria Treasury Bills(NTB)	21	Xx	XX	xx	Xx	Xx
Development Loan Stock	22	Xx	XX	xx	Xx	Xx
Other Internal Loans(Promissory Notes)	23	Xx	XX	xx	Xx	Xx
Internal Loans from Funds	24	Xx	XX	xx	Xx	Xx
		,0.00	,0.00	,0.00	,0.00	,0.00
<b>TOTALREVENUEAVAILABLE</b>		<b>N386,844,045.15</b>				
<b>LESSCAPITALEXPENDITURE</b>						
Capital Expenditure	11	56,500,000.00	XX	xx	Xx	Xx

Administrative Sector						
Capital Expenditure Economic Sector	11	22,850,390.00	XX	xx	Xx	Xx
Capital Expenditure Law and Justice	11	Xx	XX	xx	Xx	Xx
Capital Expenditure Regional Development	11	Xx	XX	xx	Xx	Xx
Capital Expenditure Social Service Sector	11	390,290,472.00	XX	xx	Xx	Xx
Capital Expenditure Funded from Aid and Grants	10	Xx	XX	xx	Xx	Xx
<b>TOTALCAPITALEXPENDITURE</b>		<b>(469,640,862.00)</b>	<b>(736,669.99)</b>	<b>,0.00</b>	<b>,0.00</b>	<b>,0.00</b>
Intangible Assets		<b>82,928,147.66</b>	<b>836,664,817.65</b>			
<b>CLOSINGBALANCE</b>		<b>131,330.81</b>	<b>82,928,147.66</b>			

## **ANALYSES OF FINANCIAL STATEMENT**

### **Revenues**

The overall performance of Revenue was 116% of the budgeted figure during the course of the year. This result appeared to be positive compared to previous year's performance. The success was recorded as a result of increase in both statutory Allocation and Value Added Tax (VAT) from the Federation Account as well as other sources of Government revenue. Details of the performance by Revenue heads are outlined below:

### **Statutory allocations**

Maiyama Local Government received the sum of N1.90 billion as statutory allocation from the FAAC (comprising Statutory Allocation, Distribution of Electronic Money Transfer Levy and Share of Exchange Gain).

### **Share of Value Added Tax**

The share of Maiyama Local Government from the Value Added Tax collection was estimated to be N943.26million. However, it is delighted to see that the sum of N1.10billion was received during the year under review, which is greater than the amount received in the previous period.

### **Direct Taxes**

The sum of N9.78 million was estimated to be realized during the year under review. But the sum of N14.78 million was alleged to have been generated during the year. However, the amount alleged to have been realized were not properly accounted for.

### **License and Fees**

Revenue to be collected under these subheads realized only the sum of N13.95 million out of the N8.30 million estimated to be generated. But the Council could not properly account for the sum.

### **Earnings from Rent on Local Government Properties**

This subhead only generated the sum of N7.78 million out of undisclosed estimate for the year.

## **EXPENDITURE**

### **Recurrent Expenditure**

Recurrent Expenditure recorded a budget performance of 144%, inclusive of Personnel Emoluments amounted to N419.88 million, as against the budgeted sum of N408 million. It also includes contributions to both Local Governments and Primary School Staff Pensions and Gratuity which amounted to N202.69 million as against the sum of N178.60 appropriated for the year. The Overhead costs were only N36 million of the budgeted sum of N36. Subventions to Parastatals was equally inclusive which stood at N2.08billion of the budgeted figure of N24.61million.

However, audit examination revealed that recurrent expenditure exceeded the amount appropriated for without any justification.

### **Capital Expenditure**

We could not ascertain the performance of capital expenditure due to the fact budgeted figures were not made available to us.

**ADDITIONAL OBSERVATIONS IN RESPECT OF MAIYAMA LOCAL GOVERNMENT COUNCIL'S MAIN, SALARY AND REVENUE ACCOUNTS FOR THE PERIOD FROM 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER, 2023**

**1. INCOME AND EXPENDITURE ACCOUNT:-**

Examination of the available record revealed the Council was yet to account for the sum of ₦3,298,803.18 out the amount expended during the year under review. Details were attached in the main report as appendix "A".

2. On payment voucher No. 86/02/2023 was a payment made to Hon. Sani Ibrahim in respect of direct supply and installation of 25 Solar street light at Karaye worth ₦4,000,000.00, observations made through the paid voucher revealed that neither S.R.V nor S.I.V attached to the payment voucher. Furthermore, the receipts of the items purported to be purchased was also not been attached.
3. Payment voucher No. 89/02/2023 was also a payment made to Hon. Abdulsalam Marafa Mayalo for the direct renovation of Mosques at Gulbi Mayalo worth ₦2,000,000.00, observations made through the payment voucher revealed that neither receipts nor the invoices of the items said to be purchased were attached to the paid voucher. Moreover, the evidence of received and issued by the store keeper were also not been attached.
4. On payment voucher number 92/02/2023 Hon. Basiru Haruna Gunbin Kure was alleged to have been paid the sum of ₦2,000,000.00 in respect of direct renovation of Mosques at Gunbin Kure and Ganjeji Area in Maiyama Local Government. Observation made through the payment voucher revealed that neither receipt of the items purported to be purchased nor invoices appear to have been attached to the payment voucher. In addition, S.R.V and S.I.V were also not been attached.

5. **UNPRESENTED PAYMENT VOUCHERS (SALARY):-**

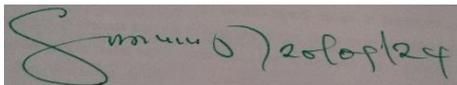
Audit examination of salary vouchers revealed that payments worth ₦5,676,438.82 have either not been accompanied with vouchers completely or declared missing throughout the period of my audit inspection.

7. **SALARY AND ALLOWANCES INCOME AND EXPENDITURE:-**

The spot examination of the available records revealed that Maiyama Local Government Council received the sum of ₦409,970,114.40 from the State Joint Account as its share for the payment of salary and allowances. However, the sum of ₦409,079,992.54 appeared to have been expended leaving a balance of ₦890,121.86 unaccounted for; appendix "C" attached to the main report sent to the Council refers.

7. **UNACCOUNTED CASH WITHDRAWALS (REVENUE):-**

It has been noted with displeasure that withdrawals worth ₦1,108,000.00 were authorized through the Local Government Council's revenue account during the period covered. It was further observed that, payment vouchers for such withdrawals were not prepared at all nor posted into the cashbook; appendix "D" of the main report gives details.



**Faruk B. Muhammad FCNA, FCFA**  
*Auditor General for Local Governments*  
*Kebbi State*

**NGASKI LOCAL GOVERNMENT COUNCIL**

**KEBBI STATE**

**AUDITED FINANCIAL STATEMENTS**

**FOR**

**THE YEAR ENDED**

**31<sup>ST</sup> DECEMBER 2023**



**OFFICE OF THE AUDITOR GENERAL  
FOR LOCAL GOVERNMENTS**  
P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

**AUDIT CERTIFICATE**

The Financial Statements of Ngaski Local Government Council for the period from 1<sup>st</sup> January to 31<sup>st</sup> December 2023 have been examined by my office in accordance with the Section 316(1) of the 1999 Constitution of the Federal Republic of Nigeria (As amended), Section 15(1) of the Kebbi State Local Government Auditor General Law 2021, Financial Memoranda, the provision number 146 (1), 2 (a & b) Part 1X of the Local Government Law 2008 and in line with International Public Sector Accounting Standard (Cash Basis).

I have obtained substantial information and explanations required for my audit. Based on the records made available to me, I hereby certify that the Audited Financial Statements are the true reflection of the transactions of Ngaski Local Government Council, Kebbi State.

Auditor General for Local Governments  
Kebbi State



OFFICE OF THE EXECUTIVE CHAIRMAN  
**NGASKI LOCAL GOVERNMENT**  
SECRETARIAT COMPLEX, WARRA

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

**STATEMENT OF FINANCIAL RESPONSIBILITY**

These Financial Statement have been prepared by the Treasurer of Ngaski Local Government Council in accordance with the provisions of the Finance (Council and Management) Act 1958 as amended. The Financial Statements comply with general accepted according practice.

The Treasurer is responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance that the transactions recorded are within statutory authority and property record the use of all public financial resources by the Local Government Council. To the best of my knowledge, this system of internal control has operated adequately throughout the reporting period.

Sign   
\_\_\_\_\_  
Treasurer

We accept responsibility for the integrity of these Financial Statements, the information they contain and their compliance with the finance (Control and Management Act 1958 as amended).

In our opinion, these financial statements fairly reflect the financial position of Local Government as at 31<sup>st</sup> December 2023 and its operations for the year ended on that date.

  
\_\_\_\_\_  
Treasurer

17/9/2024

  
\_\_\_\_\_  
Chairman

17/9/2024



# OFFICE OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS

P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

## STATEMENT OF OPINION OF THE AUDITOR GENERAL

I have examined the financial statement of Ngaski Local Government Council for the year ended 31st December, 2023, The statement presented by the Treasurer appeared to be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and also in compliance to IPSAS (Cash Basis) accounting Standards. The statement presented comprises Statement of Cash Flow, Statement of Assets and Liabilities, Statement of Consolidated Revenue Funds as well as Statement of Capital Development Funds.

The presented statements are evaluated and tested using the Generally Accepted Auditing Standards (GAAS) which are the set-out requirement and guidelines on how to conduct audit examinations. Prior to the above, I have obtained substantial information and explanations needed for the purpose of my audit.

In my opinion, the Financial Statements as presented to me shows “true and fair” view of the states of affairs of the Ngaski Local Government Council as at 31st December, 2023 and of the financial transactions for the fiscal year ended on that date, subject to the observations contained herein.

**Faruk B. Muhammad FCNA, FCFA**

Auditor General for Local Governments

Kebbi State



OFFICE OF THE EXECUTIVE CHAIRMAN  
**NGASKI LOCAL GOVERNMENT**  
SECRETARIAT COMPLEX, WARRA

Our Ref

Date

### ACCOUNTING POLICY

The Accounts have been prepared based on the Cash basis accounting framework and it is in compliance with the requirements of the International Public Sector Accounting Standard (IPSAS). The Cash basis IPSAS means a basis of accounting that recognizes transactions and other events only when cash is received or paid. The Accounts also comply with the provisions of the 1999 Constitution of the Federal Republic of Nigeria, Kebbi State Local Governments Law (2008) and Financial Memoranda.

17/9/2024

Sani Abubakar Gwandu  
Director Finance and Supply  
Ngaski Local Government

## STATEMENT NO. 1

**NGASKI LOCAL GOVERNMENT COUNCIL OF KEBBI STATE, NIGERIA**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2023.**

<b>ANNUAL BUDGET</b>	<b>DESCRIPTION</b>	<b>NOTE</b>	<b>2023</b>	<b>2022</b>
	<u>Cash Flow from Operating Activities</u>  <b><u>Receipt</u></b>			
1,679,126,989.00	Statutory Allocation	1	1,680,412,672.99	1,489,918,835.89
844,347,461.00	Value Added Allocation	1	994,521,538.83	730,869,945.13
2,522,474,450.00	Sub Total Statutory Allocation		2,674,934,211.82	2,220,788,781.02
50,000,000.00	Direct Taxes	2	10,000,000.00	10,000,000.00
78,000,000.00	License fees and Fine	2	15,000,000.00	10,000,000.00
60,000,000.00	Earning from commercial undertaking	2	15,000,000.00	10,000,000.00
50,000,000.00	Rent on Government Property	2	1,300,000.00	7,805,170.18
<b>247,000,000.00</b>	<b>SUB TOTAL INDEPENDENT REVENUE</b>		<b>41,300,000.00</b>	<b>37,805,170.18</b>
<b>2,769,474,450.00</b>	<b>TOTAL RECEIPTS</b>		<b>2,716,234,211.82</b>	<b>2,258,593,951.20</b>
	<b>PAYMENT</b>			
703,069,594.00	Personnel cost	4	596,463,929.87	601,855,136.12
350,000,000.00	Contribution to pension	5	213,503,783.20	178,636,648.09
36,000,000.00	Overhead cost	6	36,000,000.00	36,000,000.00
966,298,024.00	Subvention to parastatals	8	794,057,189.54	475,481,765.53
<b>2,055,367,618.00</b>	<b>TOTAL PAYMENTS</b>		<b>1,640,024,902.61</b>	<b>1,291,973,549.74</b>
714,106,832.00	Net cash from operating Activities		1,076,209,309.21	966,620,400.46

	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
138,000,000.00	Capital Expenditure Administrative Sector		200,000,000.00	42,336,192.08
707,000,000.00	Capital Expenditure Economic Sector		800,000,000.00	300,000,000.00
399,000,000.00	Capital Expenditure Social Sector		50,000,000.00	250,000,000.00
483,428,390.00	Capital Expenditure Regional Sector		26,209,309.21	350,000,000.00
1,727,428,390	Net cash flow from Investing Activities		1,076,209,309.21	942,336,192.08
	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
	Proceed from Aids & Grant	10	-	-
	Proceed from External loan (FGN)	19	-	-
	Proceed from Internal loan	20	-	-
	Proceed from Internal loan (NBTs)	21	-	-
	Proceed from development of Natural resources	23	-	-
	Proceed of other loans from funds	24	-	-
	Repayment of external loan	19	-	-
	Repayment of FGN/Treasury funds	20	-	-
	Repayment of Interest loan (NB)	21	-	-
	Repayment of loan from Development of Nat. Resources	23	-	-

	Repayment of other loans	24	-	-
	Dividend received	-	-	715,000.00
	Net cash flow from Investing Activities		1,076,209,309.21	943,051,192.08
	<b>MOVEMENT IN OTHER CASH EQUIVALENT ACCOUNT</b>			
	Increase/Decrease in Investment		(25,000,000.00)	(25,000,000.00)
	Net (Increase/Decrease in other cash equivalent		42,166,495.22	24,284,208.38
	<b>TOTAL CASH FLOW</b>		<b>17,166,495.22</b>	<b>791.62</b>
	<b>TOTAL CASH FROM OTHER CASH EQUIVALENT ACCOUNT</b>		<b>17,166,495.22</b>	<b>791.62</b>
	Net Cash for the year		17,166,495.22	791.62
	Cash flow & its equivalent as at 1/1/2023		15,676.89	16,468.51
	Cash flow & its equivalent as at 31/12/2023		17,182,172.11	15,676.89

**STATEMENT NO. 2**

**NGASKI LOCAL GOVERNMENT COUNCIL OF KEBBI STATE, NIGERIA  
STATEMENT OF ASSETS AND LIABILITIES AS AT 31<sup>ST</sup> DECEMBER, 2023.**

DESCRIPTION	NOTE	2023	2022
<b><u>ASSETS</u></b>			
Bank Balance		17,182,172.11	15,676.89
Pension Account with (CBN)		-	-
Other Bank of Treasury		-	-
Cash Balance Kebbi State Joint Account	12	1,028,817,758.21	-
Cash Balance with Federal Pay office Sub Treasury	13	-	-
Cash held by Ministries, Department and Agencies	14	-	-
<b>TOTAL LIQUID ASSETS</b>		<b>1,045,999,930.32</b>	<b>15,676.89</b>
<b><u>INVESTMENT AND OTHER CASH ASSETS</u></b>			
Local Government Investment	15	25,000,000.00	25,000,000.00
LM Press	16	-	-
Advances	17	-	-
Revolving loan Granted	18	-	-
<b>TOTAL INVESTMENT AND OTHER CASH ASSETS</b>		<b>25,000,000.00</b>	<b>25,000,000.00</b>
<b>TOTAL ASSETS</b>		<b>1,070,999,930.32</b>	<b>25,015,676.89</b>
<b><u>LIABILITIES</u></b>			
<b><u>PUBLIC FUNDS</u></b>			
Consolidate Revenue fund		-	-
Capital Development fund		17,182,172.11	-
Trust and other pubic fund		1,028,817,758.21	-
Police rewards fund		-	-
<b>TOTAL PUBLIC FUNDS</b>		<b>1,045,999,930.32</b>	<b>-</b>
<b><u>EXTERNAL AND INTERNAL LOANS</u></b>			
External loan LGC	19	-	-
LGC Bonds/Treasury Bond	20	-	-

Nigerian Treasury Bills	21	-	-
Development loan Stock	22	-	-
Other Internal loan	23	-	-
Internal loans from other loans	24	-	-
<b>TOTAL EXTERNAL/INTERNAL LAON</b>		<b>NIL</b>	<b>NIL</b>
<b>OTHER LIABILITIES</b>			
Deposit			
GRB			25,015,676.89
<b>TOTAL LIABILITIES</b>		<b>1,045,999,930.32</b>	<b>25,015,676.89</b>

## STATEMENT NO. 3

**NGASKI LOCAL GOVERNMENT COUNCIL OF KEBBI STATE, NIGERIA**  
**STATEMENT OF CONSOLIDATED REVENUE FUND FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER,**  
**2023**

<b>2022</b>	<b>DESCRIPTION</b>	<b>NOTE</b>	<b>ACTUAL 2023</b>	<b>BUDGETED 2023</b>	<b>VARIANCE %</b>
1,489,918,835.89	Statutory Allocation	1	1,680,412,672.99	1,679,126,989.00	0.08%
730,869,945.13	Value Added Allocation	1	994,521,538.83	844,347,461.00	17.80%
2,220,788,781.02	Sub Total Statutory Allocation		2,674,934,211.82	2,522,474,450.00	
	<b>INDEPENDENT REVENUE</b>				
10,000,000	Direct Taxes	2	10,000,000.00	50,000,000.00	-80%
10,000,000	Licence fees & fine	2	15,000,000.00	78,000,000.00	-81%
10,000,000	Earning from commercial undertaking	2	15,000,000.00	60,000,000.00	-75%
7,805,170.18	Rent on Govt. Property	2	1,300,000.00	50,000,000.00	-97.4%
<b>37,805,170.18</b>	<b>SUB TOTAL INDEPENDENT REVENUE</b>		<b>41,300,000.00</b>	<b>247,000,000.00</b>	
<b>2,258,593,951.20</b>	<b>TOTAL REVENUE</b>		<b>2,716,234,211.82</b>	<b>2,769,474,450.00</b>	
	<b>LESS EXPENDITURE</b>				
601,855,136.12	Personnel cost	4	596,463,929.87	703,069,594.00	15.16%
178,636,648.09	Contribution to Pension	5	213,503,783.20	350,000,000.00	-39%
36,000,000	Overhead Cost	6	36,000,000.00	36,000,000.00	0%
475,481,765.53	Subventions to Parastatals	8	794,057,189.54	966,298,024.00	17.82%
<b>1,291,973,549.74</b>	<b>TOTAL EXPENDITURE</b>		<b>1,640,024,902.61</b>	<b>2,055,367,618.00</b>	
966,620,400.46	Operating Balance		1,076,209,309.21	714,106,832.00	50.70%
	<b>APPROPRIATION/TRANSFERS</b>				
966,620,400.46	Transfer to capital Development fund		1,076,209,309.21	714,106,832.00	50.70%
15676.89	Closing Balance		17,182,172.11	-	-

**STATEMENT NO. 4**

**NGASKI LOCAL GOVERNMENT COUNCIL OF KEBBI STATE, NIGERIA  
STATEMENT OF CAPITAL DEVELOPMENT FUND FOR THE YEAR ENDED  
31<sup>ST</sup> DECEMBER, 2023**

<b>2022</b>	<b>DESCRIPTION</b>	<b>NOTE</b>	<b>ACTUAL 2023</b>	<b>BUDGETED 2023</b>	<b>VARIANCE %</b>
966,620,400.46	Transfer from consolidated revenue fund		1,076,209,309.21	714,106,832.00	50.70%
966,620,400.46	Total Revenue available		1,076,209,309.21	714,106,832.00	50.70%
	<b>LESS CAPITAL EXPENDITURE</b>				
66,604,723.57	Capital Expenditure: Administrative Sector		200,000,000.00	138,000,000.00	44.93%
300,000,000.00	Capital expenditure: Economic Sector		800,000,000.00	707,000,000.00	13.15%
250,000,000.00	Capital Expenditure: Social Sector		50,000,000.00	399,000,000.00	87.47%
350,000,000.00	Capital expenditure: Regional Sector		26,209,309.21	483,428,390.00	94.58%
<b>966,604,723.57</b>	<b>TOTAL CAPITAL EXPENDITURE</b>		<b>1,079,209,309.21</b>	<b>1,727,428,390.00</b>	
15,676.89	Closing Balance		17,182,172.11	-	

**ADDITIONAL OBSERVATIONS IN RESPECT OF NGASKI LOCAL GOVERNMENT COUNCIL'S TREASURY MAIN, REVENUE AND SALARY ACCOUNTS FOR THE PERIOD FROM 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER, 2023**

**1. MAIN ACCOUNT**

**INCOME AND EXPENDITURE (EXCLUDING SALARY AND OVERHEAD COST)**

Audit examination of the available records revealed that Ngaski Local Government Council received the sum of ₦4,048,072,998.35 as share of revenue from State Joint Account while the sum of ₦4,042,212,997.09 would appear to have been expended leaving the sum of ₦5,860,001.26 un-accounted for. Details were attached in the main report sent to the Council.

**2. The Cash Book:-**

During the period under examination, it has been observed that, the upkeep of this important book of account was not encouraging, although most of accounting transactions were recorded in both credit and debit side of book. But still more effort should be made to ensure that, the cash book is up to date, as stipulated in F.M 19:20 and 19:34.

**3. Bank Reconciliation Statement:-**

It is disheartening to note that; the council treasury ignored and abused FM provision No. 19:23. The importance of reconciliation of accounts helps Local Government Council and Bank to agree on certain balances so as to avoid fraud.

**5. UNAUTHORIZED PAYMENT VOUCHERS**

<b>S/N</b>	<b>Payee</b>	<b>Description of Payment</b>	<b>Pv. No</b>	<b>Amount</b>
1.	Yahaya Abubakar	Nepa bills	-	110,000
2.	MHNU	Payment of dues	04/02/2023	425,042.17
3.	ADB B/Yauri	Monthly contribution	08/03/2022	2,100,000.00
4.	KSBIR	PAYE	01/03/2023	1,260,999.87
5.	Abdullahi Buhari	Security Vote	54/4/2023	400,000
6.	Safiya Ibrahim	Women empowerment	53/4/2022	300,000
				<b>₦4,496,042.04</b>

The above table shows the sum of ~~₦4,496,042.04~~ worth of payment vouchers were prepared without the consent of Directors (officer controlling vote) which is contrary to provision of F.M 14.18 and 14:19 respectively.

#### 6. UNCLAIMED PAYMENT VOUCHERS

S/N	Payee	Details of Payment	Pv. No	Amount
1.	DPS and others	Monthly allowances	39/01/2023	279,000
2.	Umar Muh'd	Monthly allowances	45/01/2023	73,500
3.	DFS and Others	Monthly allowances	32/2/2023	279,000
4.	DPO and Others	Monthly allowances	22/05/2023	279,000
				<b>₦910,500.00</b>

The above figure worth the sum of ~~₦910,500.00~~ paid to various beneficiaries as monthly allowances, the beneficiaries did not signed amounts across their names.

#### 7. UNDOCUMENTED PAYMENT VOUCHERS

S/N	Payee	Details of Payment	PV. No	Amount
1.	ADB B/Yauri	Monthly Contribution	69/08/2023	2,100,000
2.	Abdullahi Buhari	Security Vote	70/08/2023	400,000
3.	Party Chairman	Monthly Allowance	68/11/2023	250,000
4.	Chairman	Monthly Allowance	35/1/2023	935,000
5.	Treasury Staff	Monthly Allowance	21/10/2023	95,000
6.	District Head	Monthly Allowance	20/10/2023	100,000
				<b>₦3,880,000</b>

The above table shows that payment vouchers worth the sum of ~~₦3,880,000~~ appeared to have been paid without attaching essentials or relevant accounting documents. However, these have been observed to be deliberate contradiction of financial memoranda provision chapter 14.

## 8. OUTSTANDING PAYMENT VOUCHERS

S/N	Payee	Details of Payment	Pv. No	Amount
1.	Nafida Habibu Ahmed	No purpose	73/2/2023	10,000,000
2.	District Heads	Maintenance of vehicle	72/3/2023	100,000
3.	Safiya Ibrahim	Women empowerment	73/3/2023	300,000
4.	Idris Ngaski	Allowances	75/3/2023	60,000
5.	Abdullahi Buhari	Security vote	74/3/2023	400,000
				<b>₦10,860,000</b>

The above stated shows that payment vouchers worth the sum of ₦10,860,000 were not made available to me for audit inspection contrary to F.M 14:29.

## 9. PAYMENT OF OVERHEAD COST

This Local Government Council received the sum of ₦36,000,000.00 for the period under examination from State Joint Account as overhead cost while the sum of ₦31,450,000 appeared to have been expended leaving the sum of ₦4,550,000.00 un-accounted for.

## 10. PAYMENT VOUCHERS:-

- i. Payment voucher 69/7/2023 paid to Director Agric and Natural Resources for supply fertilizer to Ngaski Local Government worth the sum of ₦20,266,666.87. Examination revealed that, the payment voucher was not accompanied with invoice, LPO, SRV and SIV despite the fact that the voucher had already been paid.
- ii. Similarly, payment voucher 72/01/2023 paid to Director Works and Housing for direct labour for evacuation of drainage and dumping of refuse worth the sum of ₦15,000,000. Examination revealed that expenditure was incurred without estimate that shows how the sum of ₦15,000,000 was expended.

11. **CONTROL OVER EXPENDITURE (DVEA):-**This is very important book of account and means of controlling expenditure in Local Government Council where all accounting transactions are recorded departmentally and controlled by Officer Controlling Vote or his representative, to ensure funds are adequately sufficient to incurred expenditure within



2. AIRTEL	-	30,000 x 1	=	30,000
			=	<b>₦110,000</b>

It is quite noted that with displeasure that, Ngaski Local Government Council failed to recognized or attach the necessary important this unit deserved. The GSM network providers are paying less revenue and not undertaking any development project to the community.

5. **Departmental/Indigene Letter:-** Audit examination on departmental revenue revealed that no Kobo was realized. Moreover, only the sum of ₦200,000 was realized from indigene letter which cannot even reprint the certificate.
  
6. **Mineral Resources:-** Ngaski Local Government was bless with a lot of mineral deposit in the area but nothing much was realized from these sources the revenue. Mineral deposit in Birnin Yauri and the newly created one in Libata Village of Ngaski Local Government which attracts a lot of miners all over the country and others from expatriates. Revenue alleged to have been generated from the sites were not lodged into the Local Government account.

**SAKABA LOCAL GOVERNMENT COUNCIL  
KEBBI STATE**

**AUDITED FINANCIAL STATEMENTS**

**FOR**

**THE YEAR ENDED**

**31<sup>ST</sup> DECEMBER 2023**



**OFFICE OF THE AUDITOR GENERAL  
FOR LOCAL GOVERNMENTS**  
P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

**AUDIT CERTIFICATE**

The Financial Statements of Sakaba Local Government Council for the period from 1<sup>st</sup> January to 31<sup>st</sup> December 2023 have been examined by my office in accordance with the Section 316(1) of the 1999 Constitution of the Federal Republic of Nigeria (As amended), Section 15(1) of the Kebbi State Local Government Auditor General Law 2021, Financial Memoranda, the provision number 146 (1), 2 ( a & b) Part 1X of the Local Government Law 2008 and in line with International Public Sector Accounting Standard (Cash Basis).

I have obtained substantial information and explanations required for my audit. Base on the records made available to me, I hereby certify that the Audited Financial Statements are the true reflection of the transactions of Sakaba Local Government Council, Kebbi State.

**Faruk B. Muhammad FCNA, FCFA**

Auditor General for Local Governments

Kebbi State



# SAKABA LOCAL GOVERNMENT COUNCIL

KEBBI STATE OF NIGERIA

Local Government Secretariat  
Sakaba Road,  
P.M.B 001, Dirin Daji  
Kebbi State

ur Ref:

Your Ref:

Date:

## SAKABA LOCAL GOVERNMENT STATEMENT OF FINANCIAL RESPONSIBILITY

We accept responsibility for the integrity of the financial statement, the information they contain and their compliance with finance ( control and management act 1958 as amended ).

in our opinion, the financial statement fairly reflect the Financial position of the Sakaba local Government at 31<sup>st</sup> December 2023 and its operation for the year ended on the date

Treasurer

Chairman

04/09/2024

Date

4/9/24

Date



# OFFICE OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS

P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

## STATEMENT OF OPINION OF THE AUDITOR GENERAL

I have examined the financial statement of Sakaba Local Government Council for the year ended 31st December, 2023, The statement presented by the Treasurer appeared to be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and also in compliance to IPSAS (Cash Basis) accounting Standards. The statement presented comprises Statement of Cash Flow, Statement of Assets and Liabilities, Statement of Consolidated Revenue Funds as well as Statement of Capital Development Funds.

The presented statements are evaluated and tested using the Generally Accepted Auditing Standards (GAAS) which are the set-out requirement and guidelines on how to conduct audit examinations. Prior to the above, I have obtained substantial information and explanations needed for the purpose of my audit.

In my opinion, the Financial Statements as presented to me shows “true and fair” view of the states of affairs of the Sakaba Local Government Council as at 31st December, 2023 and of the financial transactions for the fiscal year ended on that date, subject to the observations contained herein.

**Faruk B. Muhammad FCNA, FCFA**

Auditor General for Local Governments

Kebbi State



# SAKABA LOCAL GOVERNMENT COUNCIL

## KEBBI STATE OF NIGERIA

Local Government Secretariat  
Sakaba Road,  
P.M.B 001, Dirin Daji  
Kebbi State

*ur Ref:*

*Your Ref:*

*Date:*

### ACCOUNTING POLICY

The Accounts have been prepared based on the Cash basis accounting framework and it is in compliance with the requirements of the International Public Sector Accounting Standard (IPSAS). The Cash basis IPSAS means a basis of accounting that recognizes transactions and other events only when cash is received or paid. The Accounts also comply with the provisions of the 1999 Constitution of the Federal Republic of Nigeria, Kebbi State Local Governments Law (2008) and Financial Memoranda.

  
Abdullahi Usman

04/09/2024

Director Finance and Supply  
Sakaba Local Government

## SAKABA LOCAL GOVERNMENT

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2023

#### Statement No. 1

CASH FLOW FROM OPERATING ACTIVITIES	NOTE	ACTUAL YEAR 2023	PREVIOUS YEAR 2022
<b><u>RECEIPTS</u></b>			
Statutory Allocation FAAC	1	1,430,846,282.82	1,181,668,240.55
Value Added Tax (VAT) Allocation	1	915,007,189.69	671,679,135.30
<b>SUB-TOTAL – Statutory Allocation</b>		<b>2,345,853,472.51</b>	<b>1,853,347,373.85</b>
License	2	1,220,0000.00	
Fees	2	780,000.00	
Fine	2	850,000.00	
Earning	2	1,650,000.00	
Sales/Rents of L.G Building		1,500,000.00	
<b>Sub-total independent Revenue</b>		<b>6,000,000.00</b>	
Other state revenue	3	110,092,287.04	
<b>Total Receipts</b>		<b>2,461,945,759.55</b>	<b>1,853,347,375.85</b>
<b>PAYMENT</b>			
Personnel Cost	4	476,142,869.75	414,804,938.00
Contribution to Pension	8	180,384,176.47	
Overhead charged	10	36,000,000.00	36,000,000.00
Subvention to parastatal		697,927,208.58	438,235,684.12
Other Operating activities			946,360,147.12
<b>Total Payment</b>		<b>1,390,454,254.80</b>	<b>1,835,400,769.24</b>
<i>Net cash flow from operating activities</i>		<i>1,071,491,504.75</i>	
<b>Net Cash flow from investment activities</b>			
Capital expenditure administrative sector	11	271,125,853.68	
Capital expenditure economic sector	11	393,117,143.67	17,142,852.14
Capital expenditure social service sector	11	408,181,023.00	
<i>Net cash flow from investment activities</i>		<i>1,072,242.020.35</i>	<i>17,142,852.14</i>
<b>Cash flow from financing activities</b>			

Proceed from Aids & Grant	10	-	-
Proceed from External loan (FGN)	19	-	-
Proceed from Internal loan	20	-	-
Proceed from Internal loan (NBTs)	21	-	-
Proceed from development of Natural resources	23	-	-
Proceed of other loans from funds	24	-	-
Repayment of external loan	19	-	-
Repayment of FGN/Treasury funds	20	-	-
Repayment of Interest loan (NB)	21	-	-
Repayment of loan from Development of Nat. Resources	23	-	-
Repayment of other loans	24	-	-
Dividend received	-	-	-
Net cash flow from financing Activities		Nil	Nil
Net Increase/Decrease in cash and its equivalent		(750,515.60)	803,754.47
Cash and its equivalent as at 1 <sup>st</sup> January, 2023		878,635.68	74,881.21
Cash and its equivalent as at 31 <sup>st</sup> December, 2023		128,120.08	878,635.68

## SAKABA LOCAL GOVERNMENT

### STATEMENT OF ASSETS AND LIABILITIES AS AT 31<sup>ST</sup> DECEMBER, 2023

#### Statement No. 2

ASSETS	NOTES	ACTUAL YEAR 2023	PREVIOUS YEAR 2022
<b><u>LIQUID ASSETS</u></b>			
Cash at Hand			
Cash at Bank		128,120.08	878,635.68
Total Liquid Asset		<b>128,120.08</b>	<b>878,635.68</b>
Investments and other cash assets			
Intangible assets		<b>47,260,000.00</b>	<b>17,142,857.14</b>
<b>Total Investment and Other Cash Assets</b>		<b>47,260,000.00</b>	<b>17,142,857.14</b>
<b>TOTAL ASSETS</b>		<b>47,388,120.08</b>	<b>18,021,492.82</b>
<b>LIABILITIES</b>			
Other Liabilities			
Deposits	<b>25</b>		
W.H.T		12,260,061.92	NILE
V.A.T		35,128,058.16	NILE
<b>TOTAL LIABILITIES</b>		<b>47,388,120.08</b>	<b>18,021,492.82</b>

## SAKABA LOCAL GOVERNMENT

### STATEMENT OF CONSOLIDATED REVENUE FUND FOR THE YEAR ENDED

31<sup>ST</sup> DECEMBER, 2023

#### STATEMENT NO. 3

OPENING BALACE	NOTES	ACTUAL YEAR 2023	PROPOSE BUDGET	VARIANCE
<b>ADD: REVENUE</b>				
Statutory Allocation	1	1,430,846,282.82	1,672,745,816.00	0.85%
Value Added tax	1	915,007,189.69	774,912,629.00	1.18%
<i>Subtotal Statutory</i>		<i>2,345,853,472.51</i>	<i>2,447,658,445.00</i>	<i>0.95%</i>
Independence Revenue	2	6,000,000.00	67,000,000.00	0.08%
Other state revenue	3	110,092,287.04		
<b>Total Receipts</b>		<b>2,461,945,759.55</b>	<b>2,514,658,445.00</b>	
<b>LESS EXPENDITURE</b>				
Personnel Cost	4	476,142,869.75	414,804,938.00	1.14%
Contribution to Pension	5	180,384,176.47	932,822,584.00	0.19%
Over Head Charges	6	36,000,000.00	158,800,000.00	0.22%
Subvention to parastatals		697,927,208.58		<b>0.44%</b>
<b>TOTAL EXPENDITURES</b>		<b>2,461,945,759.55</b>	<b>1,506,427,522.00</b>	
<i>Operating balance</i>		<i>1,071,491,504.75</i>		
<b>APPROPRIATION TRANSFER</b>				
Transfer to capital Development Fund	9	1,071,491,504.75	1,554,905,690.00	0.65%

**STATEMENT NO. 4**

**SAKABA LOCAL GOVERNMENT COUNCIL OF KEBBI STATE, NIGERIA  
STATEMENT OF CAPITAL DEVELOPMENT FUND FOR THE YEAR ENDED  
31<sup>ST</sup> DECEMBER, 2023**

<b>2022</b>	<b>DESCRIPTION</b>	<b>NOTE</b>	<b>ACTUAL 2023</b>	<b>BUDGETED 2023</b>	<b>VARIANCE %</b>
	Transfer from consolidated revenue fund		1,071,491,504.75		
	<b>Total Revenue available</b>				
	<b>LESS CAPITAL EXPENDITURE</b>				
	Capital Expenditure: Administrative Sector		271,125,853.68		
	Capital expenditure: Economic Sector		393,117,143.67		
	Capital Expenditure: Social Sector		408,181,023.00		
	Capital expenditure: Regional Sector				
	<b>TOTAL CAPITAL EXPENDITURE</b>		<b>1,072,242.020.35</b>		
	<i>Intangible Assets</i>				
	Closing Balance				

## **ANALYSES OF FINANCIAL STATEMENT**

### **Revenues**

The overall performance of Revenue was 98% of the budgeted figure during the course of the year. This result appeared to be positive compared to previous year's performance. The success was recorded as a result of increase in Value Added Tax (VAT) from the Federation Account. Details of the performance by Revenue heads are outlined below:

### **Statutory allocations**

Sakaba Local Government received the sum of N1.30 billion as statutory allocation from the FAAC (comprising Statutory Allocation, Distribution of Electronic Money Transfer Levy and Share of Exchange Gain).

### **Share of Value Added Tax**

The share of Sakaba Local Government from the Value Added Tax collection was estimated to be N774.91million. However, it is delighted to see that the sum of N915billion was received during the year under review, which is greater than the amount received in the previous period.

### **Independent Revenue**

Sakaba Local Government realized only the sum of N6 million out of the N67 million budgeted. Thought this could be attributed to the activities of bandits who constantly terrorized the area.

## **EXPENDITURE**

### **Recurrent Expenditure**

Recurrent Expenditure recorded a budget performance of 163%, inclusive of Personnel Emoluments amounted to N476.14 million, as against the budgeted sum of N414.80 million. It also includes contributions to both Local Governments and Primary School Staff Pensions and Gratuity which amounted to N180.38 million as out of N932.82 appropriated for the year. The Overhead costs were only N36 million of the budgeted sum of N36. Subventions to Parastatals was equally inclusive which stood at N697.93million of the undisclosed budgeted figure.

## **Capital Expenditure**

We could not present independent opinion on the performance of Capital expenditure, due to the fact propriated figures in respect of capital expenses were not made available to us.

**ADDITIONAL OBSERVATIONS IN RESPECT OF SAKABA LOCAL GOVERNMENT COUNCIL'S TREASURY MAIN ACCOUNT, REVENUE AND SALARY FOR THE PERIOD FROM 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER, 2023**

**2. CASHBOOK:-**

Examination of this main book of accounts revealed that, it was not maintained in line with the provision of financial memoranda. The books were characterized with numerous cancellations without initial of the officer in charge with its maintenance. Furthermore, monthly totals were not done throughout the period of my reporting, cheque numbers were not quote against individual or sundry withdrawals all this shady and unwanted anomaly does not conform to the provision of F.M 19:1 and 19:18.

**3. SUBSIDIARY BOOKS OF ACCOUNTS**

**a. DEPARTMENTAL VOTE OF EXPENDITURE BOOK (D.V.E.A):-**

In the course of the examination of the records made available for my inspection, it was observed that not a single payment voucher raised and paid through the Local Government cashbook, was charged from the departmental vote book and therefore liability taking not recorded under appropriate head of the vote book. It can be seen FM 13:13 and 13:15 mandates the upkeep of this subsidiary books so that budget and budgetary provision are adhered to.

**b. DEPOSITS LEDGER BOOK:-**

In yet another development, contracts of various sums and sizes were awarded by this Local Government Council within the period of my reporting, deductions made of (V.A.T) and Withholding Tax (W.H.T) was posted into the ledger book (Deposit) as a liability on the part of the Local Government. This attitude makes it impossible to form an opinion as to whether your Local Government can prepare and present a sound final account at the end of the accounting/financial year.

**c. ABSTRACT BOOK OF EXPENDITURE:-**

Examination of this treasury book of expenditure both recurrent and capital were not done throughout the period of my reporting as against the total sum of ₦2,688,376,313.42 being

revenue received from the State Joint Account and expended through the Local Government cashbook.

#### **4. INCOME AND EXPENDITURE STATEMENT:-**

Audit examination of the available records revealed that Sakaba Local Government Council failed to account for ₦9,636,310.74 out of the total annual expenditure. Details was attached to the main report sent to the Council as appendix "A".

#### **6. UNREMITTED CONTRACT DEDUCTIONS:-**

Appendix "C" of this report is a table of such contract deductions made on contracts undertaking of companies and individuals for and on behalf of the Local Governments that were paid through the Local Government cash book. That VAT and Withholding Tax though deducted but not paid to the appropriate government agency amounting to a tune of ₦39,069,524.14 while VAT has ₦6,525,000.31, Withholding Tax stood at ₦32,544,523.83 respectively.

#### **7. RECONCILIATIONS:-**

It was observed with dismay that, throughout the period covered by this report, reconciliation between cashbook and bank statement, budget and budgetary provision against votes book would not appear to have been made by the Local Government as provided under different heads of the financial memoranda. The in ability of the Local Government to produce reconciliation statements make it impossible to form an opinion as to whether the Local Government can produce a final account as the end of the financial year under review.

#### **8. INTERNAL AUDITOR'S COUNTER SIGN ON PAYMENT VOUCHERS:-**

In the course of my examination of payment vouchers made available for inspection, it was disclosed that, throughout the year under review no payment vouchers would appear to have been presented to Internal Auditor for his check. This attitude pave way for violation of F.M 14:10 which clearly states that no payment would be effected by the treasurer until such payment vouchers were counter sign by the Internal Auditor.

## 9. SALARY AND ALLOWANCES:-

Appendix "D" attached to the main report sent to the Council, is the table of receipts and payment of salary and allowances amounting to a tune of ~~N~~431,221,007.01 from the Kebbi State Joint Account of the sum of ~~N~~428,447,582.98 appeared to have been expended on the payments thereby leaving an unaccounted balance of ~~N~~2,773,424.03.

## 10. REVENUE

a. **Haraji:-** Even though there was an appreciable efforts in terms of revenue generation by the Local Government, it was observed that, throughout the year 2023 no efforts had been made to generate Haraji as no single document was made available for my inspection/examination.

b. **Motor Park/Market Revenue:-**

The records made available under this head revealed that, the sum of ~~N~~845,000.00 appeared to have been generated and banked. More efforts need to be employed to improve on the generation.

c. **Annual Revenue Drive:-**

In furtherance to the revenue generation comes the annual revenue drive, which is the system of revenue collection on annual basis as define in the Local Government budget, from the records made available, revenue collected from these sources would appear not to have been done, or collected but not banked, as this a revenue collected from, Bakery, Medicines Stores, Filing Station, Grinding Machine and so on.

**SHANGA LOCAL GOVERNMENT COUNCIL**

**KEBBI STATE**

**AUDITED FINANCIAL STATEMENTS**

**FOR**

**THE YEAR ENDED**

**31<sup>ST</sup> DECEMBER 2023**



# OFFICE OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS

P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

## AUDIT CERTIFICATE

The Financial Statements of Shanga Local Government Council for the period from 1<sup>st</sup> January to 31<sup>st</sup> December 2023 have been examined by my office in accordance with the Section 316(1) of the 1999 Constitution of the Federal Republic of Nigeria (As amended), Section 15(1) of the Kebbi State Local Government Auditor General Law 2021, Financial Memoranda, the provision number 146 (1), 2 ( a & b) Part 1X of the Local Government Law 2008 and in line with International Public Sector Accounting Standard (Cash Basis).

I have obtained substantial information and explanations required for my audit. Base on the records made available to me, I hereby certify that the Audited Financial Statements are the true reflection of the transactions of Shanga Local Government Council, Kebbi State.

**Faruk B. Muhammad FCNA, FCFA**

Auditor General for Local Governments

Kebbi State



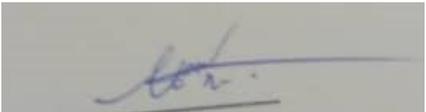
OFFICE OF THE EXECUTIVE CHAIRMAN  
**SHANGA LOCAL GOVERNMENT**  
KEBBI STATE

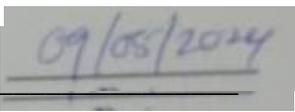
Our Ref ..... Your Ref ..... Date.....

**STATEMENT OF FINANCIAL RESPONSIBILITY**  
**SHANGA LOCAL GOVERNMENT**

These Financial Statement have been prepared by the Treasurer of Shanga Local Government Council in accordance with the provision of the Finance (Council and Management) Act 1958 as amended. We use International Accounting Standard (IAS) and National Accounting Standard (NAS) and Accounting Policy was based on International Public Sector Accounting Standard (IPSAS) Cash Bases Accounting System. The Financial Statement complies with generally accepted accounting practice.

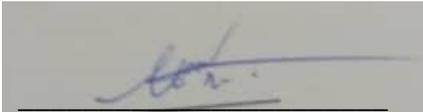
The Treasurer is responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance that the transactions recorded are within statutory authority and properly recorded the use of all public financial resources by the Local Government Council. To the best of my knowledge, this system of internal control has operated adequately throughout the reporting period.

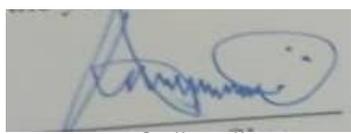
Sign:   
Treasurer

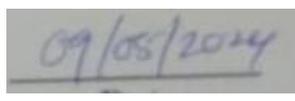
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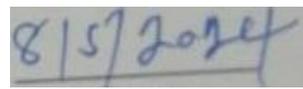
We accept responsibility for the integrity of these financial statements, the information they contain and their compliance with the Finance (Control and Management Act 1958as amended).

Our opinion, these financial statements fairly reflect the financial position of Local Government as at 31<sup>st</sup> December, 2023 and its operations for the year ended on that date.

  
Treasurer



  
Date

  
Date



# OFFICE OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

## STATEMENT OF OPINION OF THE AUDITOR GENERAL

I have examined the financial statement of Shanga Local Government Council for the year ended 31st December, 2023, The statement presented by the Treasurer appeared to be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and also in compliance to IPSAS (Cash Basis) accounting Standards. The statement presented comprises Statement of Cash Flow, Statement of Assets and Liabilities, Statement of Consolidated Revenue Funds as well as Statement of Capital Development Funds.

The presented statements are evaluated and tested using the Generally Accepted Auditing Standards (GAAS) which are the set-out requirements and guidelines on how to conduct audit examinations. Prior to the above, I have obtained substantial information and explanations needed for the purpose of my audit.

In my opinion, the Financial Statements as presented to me show a "true and fair" view of the state of affairs of the Shanga Local Government Council as at 31st December, 2023 and of the financial transactions for the fiscal year ended on that date, subject to the observations contained herein.

**Faruk B. Muhammad FCNA, FCFA**

Auditor General for Local Governments

Kebbi State

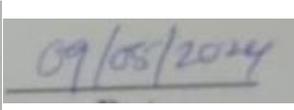
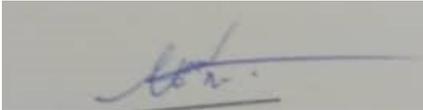


OFFICE OF THE EXECUTIVE CHAIRMAN  
**SHANGA LOCAL GOVERNMENT**  
KEBBI STATE

Our Ref ..... Your Ref ..... Date.....

**ACCOUNTING POLICY**

The Accounts have been prepared based on the Cash basis accounting framework and it is in compliance with the requirements of the International Public Sector Accounting Standard (IPSAS). The Cash basis IPSAS means a basis of accounting that recognizes transactions and other events only when cash is received or paid. The Accounts also comply with the provisions of the 1999 Constitution of the Federal Republic of Nigeria, Kebbi State Local Governments Law (2008) and Financial Memoranda.



**Abubakar Musa Shanga**  
Director Finance and Supply  
Shanga Local Government

## STATEMENT NO. 1

**SHANGA LOCAL GOVERNMENT COUNCIL OF KEBBI STATE, NIGERIA**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2023.**

ANNUAL BUDGET	DESCRIPTION	NOTE	2023	2022
	<u>Cash Flow from Operating Activities</u>			
	<b><u>Receipt</u></b>			
2,286,006,032	Statutory Allocation	1	2,566,287,839.54	1,561,000,229.99
1,081,655,121	Value Added Allocation	1	999,955,042.10	734,387,782.82
3,367,661,153	<b>Sub Total Statutory Allocation</b>		<b>3,566,242,881.64</b>	<b>2,295,388,012.81</b>
13,000,000	Direct Taxes	2	15,347,000	9,254,113.20
45,000,000	License fees and Fine	2	24,541,954.00	20,000,000
30,000,000	Earning from commercial undertaking	2	15,765,500.00	20,000,000
22,000,000	Rent on Government Property	2	7,800,000.00	-
<b>110,000,000</b>	<b>SUB TOTAL INDEPENDENT REVENUE</b>		<b>63,454,454.00</b>	<b>49,254,113.20</b>
	<b>10% of State IGR</b>		<b>16,603,742.02</b>	
<b>3,477,661,153</b>	<b>TOTAL RECEIPTS</b>		<b>3,646,301,077.66</b>	<b>2,344,642,126.01</b>
	<b>PAYMENT</b>			
358,164,622	Personnel cost	4	489,142,676.56	532,212,112.10
120,000,000	Contribution to pension	5	124,214,564.55	129,630,473.08
36,000,000	Overhead cost	6	36,000,000	36,000,000
895,295,921	Subvention to Parastatals	8	798,356,778.49	728,356,693.74
	Other operating activities		269,959,157.73	
<b>1,409,460,543</b>	<b>TOTAL PAYMENTS</b>		<b>1,717,673,177.33</b>	<b>1,426,199,278.92</b>
2,068,200,610	<i>Net cash from operating Activities</i>		<i>1,928,627,900.33</i>	<i>918,442,847.09</i>
	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
250,215,933	Capital Expenditure Administrative Sector		(413,558,278.73)	155,862,327.16
1,367,000,000	Capital Expenditure Economic Sector		(1,210,599,153.27)	300,000,000
375,173,428	Capital Expenditure Social Sector		(350,039,000.00)	200,000,000
471,000,000	Capital Expenditure Regional Sector			200,000,000
2,463,389,361	<i>Net cash flow from Investing Activities</i>		<i>(1,974,196,432.14)</i>	<i>855,862,327.16</i>
	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			

	Proceed from Aids & Grant	10	-	-
	Proceed from External loan (FGN)	19	-	-
	Proceed from Internal loan	20	-	-
	Proceed from Internal loan (NBTs)	21	-	-
	Proceed from development of Natural resources	23	-	-
	Proceed of other loans from funds	24	-	-
	Repayment of external loan	19	-	-
	Repayment of FGN/Treasury funds	20	-	-
	Repayment of Interest loan (NB)	21	-	-
	Repayment of loan from Development of Nat. Resources	23	-	-
	Repayment of other loans	24	-	-
	Dividend received	-	-	-
	Net cash flow from financing Activities		Nil	Nil
	<i>Net Decrease in cash and cash equivalent</i>		<i>(45,568,531.33)</i>	<i>(45,437,662.79)</i>
	Cash flow & its equivalent as at 1/1/2023		46,336,613.81	898,951.02
	Cash flow & its equivalent as at 31/12/2023		768,082.00	46,336,613.81

**STATEMENT NO. 2**

**SHANGA LOCAL GOVERNMENT COUNCIL OF KEBBI STATE, NIGERIA  
STATEMENT OF ASSETS AND LIABILITIES AS AT 31<sup>ST</sup> DECEMBER, 2023.**

DESCRIPTION	NOTE	2023	2022
<b><u>ASSETS</u></b>			
CRF Bank Balance		768,082.00	46,336,613.81
Pension Account with (CBN)		-	-
Other Bank of Treasury		-	-
Cash Balance of Trust and Other funds with Kebbi State Joint Account	12	1,928,627,900.33	-
Cash Balance with Federal Pay office Sub Treasury	13	-	-
Cash held by Ministries, Department and Agencies	14	-	-
<b>TOTAL LIQUID ASSETS</b>		<b>1,929,395,982.33</b>	<b>46,336,613.81</b>
<b><u>INVESTMENT AND OTHER CASH</u></b>			
<b><u>ASSETS</u></b>			
Local Government Investment	15	17,142,857.14	17,142,857.14
LM Press	16	-	-
Advances	17	-	-
Revolving loan Granted	18	-	-
<b>TOTAL INVESTMENT AND OTHER CASH ASSETS</b>		<b>17,142,857.14</b>	<b>17,142,857.14</b>
<b>TOTAL ASSETS</b>		<b>1,946.538,839.37</b>	<b>63,479,470.95</b>
<b><u>LIABILITIES</u></b>			
<b><u>PUBLIC FUNDS</u></b>			
Consolidate Revenue fund		-	-
Capital Development fund		1,928,627,900.33	-
Trust and other pubic fund		17,910,939.14	-
Police rewards fund		-	-
<b>TOTAL PUBLIC FUNDS</b>		<b>1,946.538,839.37</b>	<b>-</b>
<b><u>EXTERNAL AND INTERNAL LOANS</u></b>			
External loan LGC	19	-	-
LGC Bonds/Treasury Bond	20	-	-
Nigerian Treasury Bills	21	-	-
Development loan Stock	22	-	-
Other Internal loan	23	-	-

Internal loans from other loans	24	-	-
<b>TOTAL EXTERNAL/INTERNAL LAON</b>		<b>NIL</b>	<b>NIL</b>
<b>OTHER LIABILITIES</b>			
Deposit	25		
GRB			63,479,470.95
<b>TOTAL LIABILITIES</b>		<b>1,946.538,839.37</b>	<b>63,479,470.95</b>

## STATEMENT NO. 3

**SHANGA LOCAL GOVERNMENT COUNCIL OF KEBBI STATE, NIGERIA**  
**STATEMENT OF CONSOLIDATED REVENUE FUND FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER,**  
**2023**

2022	DESCRIPTION	NOTE	ACTUAL 2023	BUDGETED 2023	VARIANCE %
1,561,000,229.99	Statutory Allocation	1	2,566,287,839.54	2,286,006,032	12.3%
734,387,782.82	Value Added Allocation	1	999,955,042.10	1,081,655,121	-7.6%
2,295,388,012.81	Sub Total Statutory Allocation		<b>3,566,242,881.64</b>	3,367,661,153	
	<b>INDEPENDENT REVENUE</b>				
9,254,113.20	Direct Taxes	2	15,347,000	13,000,000	18%
20,000,000	License fees & fine	2	24,541,954.00	45,000,000	-45%
20,000,000	Earning from commercial undertaking	2	15,765,500.00	30,000,000	-47.4%
-	Rent on Govt. Property	2	7,800,000.00	22,000,000	-64.5%
<b>49,254,113.20</b>	<b>SUB TOTAL INDEPENDENT REVENUE</b>		<b>63,454,454.00</b>	<b>110,000,000</b>	
	<b>10% of State IGR</b>		<b>16,603,742.02</b>		
<b>2,344,642,126.01</b>	<b>TOTAL REVENUE</b>		<b>3,632,846,623.66</b>	<b>3,477,661,153</b>	
	<b>LESS EXPENDITURE</b>				
552,212,112.10	Personnel cost	4	489,142,676.56	358,164,622	36.6%
129,630,473.08	Contribution to Pension	5	124,214,564.55	120,000,000	3.5%
36,000,000	Overhead Cost	6	36,000,000	36,000,000	0%
728,356,693.74	Subventions to Parastatals	8	798,356,778.49	895,295,921	10.8%
	Other operating activities		269,9529,157.73		
<b>1,426,199,278.92</b>	<b>TOTAL EXPENDITURE</b>		<b>1,717,673,177.33</b>	<b>1,409,460,543</b>	
918,442,847.09	<i>Operating Balance</i>		1,928,627,900.33	2,068,200,210	-6.8%
	<b>APPROPRIATION/TRANSFERS</b>				
918,442,847.09	Transfer to capital Development fund		2,185,132,604.62	2,682,200.10	
	Closing Balance		-	-	-

## STATEMENT NO. 4

**SHANGA LOCAL GOVERNMENT COUNCIL OF KEBBI STATE, NIGERIA**  
**STATEMENT OF CAPITAL DEVELOPMENT FUND FOR THE YEAR ENDED**  
**31<sup>ST</sup> DECEMBER, 2023**

<b>2022</b>	<b>DESCRIPTION</b>	<b>NOTE</b>	<b>ACTUAL 2023</b>	<b>BUDGETED 2023</b>	<b>VARIANCE %</b>
918,442,847.09	Transfer from consolidated revenue fund		1,928,627,900.33	2,068,200,210	-6.7%
918,442,847.09	<b>Total Revenue available</b>		<b>1,928,627,900.33</b>	<b>2,068,200,210</b>	
	<b>LESS CAPITAL EXPENDITURE</b>				
72,076,233.28	Capital Expenditure: Administrative Sector		413,558,278.73	250,215,933	65.3%
350,000,000	Capital expenditure: Economic Sector		1,210,599,153.27	1,367,000,000	-11.4%
200,000,000	Capital Expenditure: Social Sector		350,039,000.00	375,173,428	-6.7%
250,000,000	Capital expenditure: Regional Sector				
<b>872,076,233.28</b>	<b>TOTAL CAPITAL EXPENDITURE</b>		<b>1,974,196,432.14</b>	<b>2,463,389,361</b>	
	<i>Intangible Assets</i>		46,336,613.81		
	Closing Balance		768,082.00	-	

## **ANALYSES OF FINANCIAL STATEMENT**

### **Revenues**

The overall performance of Revenue was 105% of the budgeted figure during the course of the year. This result appeared to be positive compared to previous year's performance. The success was recorded as a result of increase in both statutory Allocation and Value Added Tax (VAT) from the Federation Account. Details of the performance by Revenue heads are outlined below:

### **Statutory allocations**

Shanga Local Government received the sum of N2.57 billion as statutory allocation from the FAAC (comprising Statutory Allocation, Distribution of Electronic Money Transfer Levy and Share of Exchange Gain).

### **Share of Value Added Tax**

The share of Shanga Local Government from the Value Added Tax collection was estimated to be N1.08billion. However, it is delighted to see that the sum of N999.96billion was received during the year under review, which is greater than the amount received in the previous period.

### **Direct Taxes**

The sum of N13 million was estimated to be realized during the year under review. But the sum of N15.35 million was alleged to have been generated during the year. However, the amount alleged to have been realized were not properly accounted for.

### **Earning from Commercial Undertaking**

During the period of our audit, we observed that many areas of this subhead were left on tap or unaccounted for. The sum of N30 million was said to have been budgeted but the sum of N15.77 million was allegedly realized and not properly accounted for.

## **License and Fees**

Revenue to be collected under these subheads realized only the sum of N24.54 million out of the N45 million estimated to be generated. But the Council could not properly account for the sum.

## **Earnings from Rent on Local Government Properties**

This subhead only generated the sum of N7.8 million out of the N22 million estimated for the year.

## **EXPENDITURE**

### **Recurrent Expenditure**

Recurrent Expenditure recorded a budget performance of 122%, inclusive of Personnel Emoluments amounted to N489.14 million, as against the budgeted sum of N358.16 million. It also includes contributions to both Local Governments and Primary School Staff Pensions and Gratuity which amounted to N124.21 million as against the sum of N120 appropriated for the year. The Overhead costs were only N36 million of the budgeted sum of N36. Subventions to Parastatals was equally inclusive which stood at N798.36million of the budgeted figure of N895.30million.

However, audit examination revealed that expenditure on Personnel cost and Contribution to Pension exceeded the amount appropriated for without any justification.

### **Capital Expenditure**

The Capital expenditure on economic sector stood at N1.2billionoutof N1.4billion budgeted for the period, the Social sector spent N350 million out of N375 million budgeted for, the Administrative sector expended N417.56 million against the budgeted amount of N250 million.

Audit examination observed that an over expenditure was incurred on the Administrative sectors without the approval of the Legislators, this is a gross violation of appropriation act.

**ADDITIONAL OBSERVATIONS IN RESPECT OF SHANGA LOCAL GOVERNMENT COUNCIL'S TREASURY MAIN, REVENUE AND SALARY ACCOUNTS FOR THE PERIOD FROM 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER, 2023**

**2. INCOME AND EXPENDITURE**

From the analysis of incomes and expenditure conducted from the available records revealed that the Council was yet to account for ₦54,753,361.98. Appendix "A" of the main report sent to the Council refers for details.

**3. OUTSTANDING PAYMENT VOUCHERS**

During the posting of payment vouchers into the cashbook, it has been observed that, paid vouchers to the tune of ₦27,919,089.49 were observed not to have been presented for examination up to the time of writing this report. Details of such payment vouchers could be seen on appendix "B" attached to the main report.

**4. DAILY ABSTRACTS OF EXPENDITURE**

These are very essential books in the treasury where revenue and expenditure are summarized monthly, but such books were left without recording anything for the year ended 31<sup>st</sup> December, 2023.

**5. D.V.E.As**

This book is also one of the important books in the treasury that were kept by the officer controlling vote or his accounted on his behalf to records departmental expenditure in accordance with heads and sub-heads in order to avoid over expenditure and to ensure funds are available on a particular head and sub-heads to carter for the expenditure, but it they were left un-torched.

**6. RECEIPTS AND PAYMENTS OF SALARIES**

Examination of paid salary records revealed the total sum of ₦6,805,752.94 still remained unaccounted for. Appendix "C" attached to the main report sent to the Council shed more light.

**7. PAYMENT WITHOUT DESCRIPTIONS**

During the examination of council cash book, payments to the tune of ~~N~~41,295,511.67 deemed to be questionable and therefore the expenditure incurred would not be a proper charge against the Local Government funds. The payment vouchers were not prepared in accordance with F.M provision in chapter 14 as could be seen from the table below.

S/N	PV. No	Payee	Details of Payment	Amount
1.	74/4/2023	-	-	404,311.67
2.	79/4/2023	-	-	3,000,000.00
3.	67/7/2023	-	-	1,500,000.00
4.	65/8/2023	-	-	291,200.00
5.	95/10/2023	Director Social	-	3,000,000.00
6.	61/10/2023	Mansur Abubakar	-	3,000,000.00
7.	62/10/2023	Kabiru Ahmed	-	2,200,000.00
8.	02/11/2023	Kabiru Ahmed	-	1,500,000.00
9.	57/7/2023	-	-	1,500,000.00
10.	99/11/2023	-	-	3,000,000.00
11.	77/12/2023	-	-	3,000,000.00
12.	5/2/2023	TBT Tras. Services	-	18,900,000.00
				<b>N41,295,511.67</b>

#### 8. DIRECTORS AND INTERNAL AUDITOR ENDORSEMENTS:

During the audit examination paid vouchers prepared by various departments revealed that, the Local Government Council failed to submit about 80% of the said vouchers to the Secretary, Internal Auditor and Officer Controlling Vote for endorsements, contrary to financial memoranda provision No. 14.8 and 14.10. Please comment.

## 9. REVENUE RECORDS

The examination of the above maintained records revealed that it was not done due to the fact that the said records were not produced and presented for audit inspection despite several requests.

## 13. ALLOWANCES NOT PAID TO THE BENEFICIARIES

S/N	MONTHS	AMOUNT RECEIVED	AMOUNT PAID	DIFFERENCE
1.	JANUARY	1,560,000.00	910,000.00	650,000.00
2.	FEBRUARY	1,560,000.00	910,000.00	650,000.00
3.	MARCH	1,560,000.00	910,000.00	650,000.00
4.	APRIL	1,560,000.00	910,000.00	650,000.00
5.	MAY	1,560,000.00	910,000.00	650,000.00
6.	JUNE	1,560,000.00	910,000.00	650,000.00
7.	JULY	1,560,000.00	910,000.00	650,000.00
8.	AUGUST	1,560,000.00	-	1,560,000.00
9.	SEPTEMBER	1,060,000.00	-	1,060,000.00
10.	OCTOBER	1,060,000.00	-	1,060,000.00
11.	NOVEMBER	1,060,000.00	-	1,060,000.00
	<b>TOTAL</b>	<b>₦15,660,000.00</b>	<b>₦6,370,000.00</b>	<b>₦9,290,000.00</b>

From the table above the examination revealed that, the Shanga Local Government Council has received the sum of ₦15,660,000.00 to paid the allowances of BESDA L.G.E.A Committees, District Committee and others but only the sum of ₦6,370,000.00 appeared to be dully expended by the above mentioned Local Government and leaving the sum of ₦9,290,000.00 unaccounted for.

## 14. PAYMENTS AND DOCUMENTATIONS

It has been observed that payments have been made to some payees as allowance amounting to the sum of ₦5,240,000.00 without any documents attached to the payment vouchers and also no approval had been granted for the payment, no authorization by OCV as enshrined by the

provision of F.M 14.8 – 9 and F.M 13.4. Details were attached to the main report sent to the Council for details.

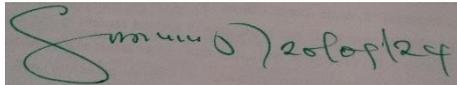
#### 15. NUMBER OF STAFF WHOSE SALARY WAS WITHHELD FOR THE YEAR 2023

S/N	Name of Staff	Dept.	No. of Months' Salary Withheld	Salary Amount Per Month	Total amount of salary monthly been withheld
1.	Yusuf Sale Shanga	Health	Feb - May	15,406.49	61,625.96
2.	Tukur M. Shanga	Health	Feb - May	16,672.24	66,688.96
3.	Bala Umar	Health	Feb - May	13,838.07	55,352.28
4.	Nasiru Ahmed	Health	Feb - May	19,518.40	78,073.36
5.	Larai Musa	Health	Feb - May	18,700.63	74,802.52
6.	Moh'd Bagudo	Health	Feb - May	16,225.30	64,901.20
7.	Aliyu Hussaini T.	Health	Feb - May	19,300.00	77,200.00
8.	Abubakar Bala Yaro	Health	Feb - May	11,438.24	45,752.96
9.	Maryam Ibrahim	Health	March – April	8,000.00	16,000.00
10.	Moh'd Abubakar	Health	Feb - May	16,500.00	66,000.00
11.	Mudassiru Garba	Health	Feb - May	13,773.12	55,092.48
12.	Aminu Jafaru	Health	Feb - May	18,500.00	74,000.00
13.	Ahmed Bobi	Health	Feb - May	10,000.00	40,000.00
14.	Umar Ladan	Health	March – June	16,000.00	64,000.00
15.	Umar M. Tukur	Health	Feb - July	21,000.00	147,700.00
16.	Haruna Shuaibu	Admin	Feb - July	5,000.00	35,000.00
17.	Umar T. Noma	Admin	Feb - July	15,500.00	93,000.00
18.	Hauwa'u Saidu	Admin	Feb - July	5,000.00	35,000.00
19.	Ahmed Suleiman	Admin	Feb – May	16,616.47	66,465.88
20.	Abubakar Noma	Agric	Feb – June	5,000.00	30,000.00
21.	Danladi Ango	Agric	Feb - July	5,000.00	35,000.00
22.	Aliyu Homa	Agric	Feb - July	16,500.00	99,000.00
23.	Bello Aliyu	Agric	Feb - July	16,800.67	100,804.02
24.	Dahiru Alhassan	Social	Feb – May	15,200.00	60,800.00

25.	Zulkifilu Alhassan	Social	Feb – May	18,200.00	72,800.00
26.	Wasila Ibrahim	Finance	Feb – May	5,000.00	20,000.00
27.	Alh. Mai Nama	Budget	Feb – March	8,000.00	16,000.00
28.	Nasiru Umar	Budget	Feb – April	13,716.63	41,149.89
29.	Rashida Umar	Budget	Feb – April	12,012.31	36,036.93
					<b>₦1,727,446.44</b>

### 16. VALUE ADDED TAX (VAT) AND WITHHOLDING TAX (WHT)

During the examination revealed that the sum of ₦201,600,000.00 was paid to Kano Agric Supply Company for the supply of fertilizer. Examination of the payment voucher revealed that, there are unremitted 5% Withholding Tax (WHT) which amounted to ₦10,080,000.00 of the contract sum; which portrays complete violation of provision financial regulation chapter 2, regulation 2, 3, 4(1).



**Faruk B. Muhammad FCNA, FCFA**  
*Auditor General for Local Governments*  
*Kebbi State*

**SURU LOCAL GOVERNMENT COUNCIL**

**KEBBI STATE**

**AUDITED FINANCIAL STATEMENTS**

**FOR**

**THE YEAR ENDED**

**31<sup>ST</sup> DECEMBER 2023**



**OFFICE OF THE AUDITOR GENERAL  
FOR LOCAL GOVERNMENTS**  
P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

**AUDIT CERTIFICATE**

The Financial Statements of Suru Local Government Council for the period from 1<sup>st</sup> January to 31<sup>st</sup> December 2023 have been examined by my office in accordance with the Section 316(1) of the 1999 Constitution of the Federal Republic of Nigeria (As amended), Section 15(1) of the Kebbi State Local Government Auditor General Law 2021, Financial Memoranda, the provision number 146 (1), 2 ( a & b) Part 1X of the Local Government Law 2008 and in line with International Public Sector Accounting Standard (Cash Basis).

I have obtained substantial information and explanations required for my audit. Base on the records made available to me, I hereby certify that the Audited Financial Statements are the true reflection of the transactions of Suru Local Government Council, Kebbi State.

**Faruk B. Muhammad FCNA, FCFA**

Auditor General for Local Governments

Kebbi State

OFFICE OF THE SOLE ADMINISTRATOR  
**SURU LOCAL GOVERNMENT COUNCIL**

**DAKINGARI, KEBBI STATE NIGERIA**  
Local Government Secretariat,  
Headquarters - Dakingari,  
Kebbi State, Nigeria

Our Ref: \_\_\_\_\_ Your Ref: \_\_\_\_\_ Date: 28/06/2024

**STATEMENT OF FINANCIAL RESPONSIBILITY**

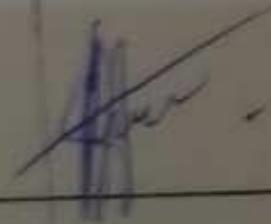
We accept responsibility for the integrity of these financial statement, the information conform and their compliance with the financial (Control and management) act 1958 as amended.

In our opinion these financial statements fairly reflect the financial position of the local government as at 31<sup>st</sup> December, 2023 and its operations for the year ended on that date.

  
\_\_\_\_\_

Treasurer

Date: 21/7/2024

  
\_\_\_\_\_

Sole Administrator

Date: 02/07/2024



# OFFICE OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

## STATEMENT OF OPINION OF THE AUDITOR GENERAL

I have examined the financial statement of Suru Local Government Council for the year ended 31st December, 2023, The statement presented by the Treasurer appeared to be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and also in compliance to IPSAS (Cash Basis) accounting Standards. The statement presented comprises Statement of Cash Flow, Statement of Assets and Liabilities, Statement of Consolidated Revenue Funds as well as Statement of Capital Development Funds.

The presented statements are evaluated and tested using the Generally Accepted Auditing Standards (GAAS) which are the set-out requirement and guidelines on how to conduct audit examinations. Prior to the above, I have obtained substantial information and explanations needed for the purpose of my audit.

In my opinion, the Financial Statements as presented to me shows “true and fair” view of the states of affairs of the Suru Local Government Council as at 31st December, 2023 and of the financial transactions for the fiscal year ended on that date, subject to the observations contained herein.

**Faruk B. Muhammad FCNA, FCFA**

Auditor General for Local Governments

Kebbi State

OFFICE OF THE CHAIRMAN  
**SURU LOCAL GOVERNMENT COUNCIL**  
DAKINGARI, KEBBI STATE OF NIGERIA

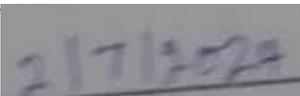
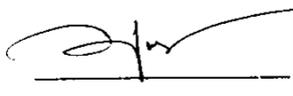
Local Government Secretariat,  
Headquarters - Dakingari,  
Kebbi State, Nigeria

Page No.

Date

### ACCOUNTING POLICY

The Accounts have been prepared based on the Cash basis accounting framework and it is in compliance with the requirements of the International Public Sector Accounting Standard (IPSAS). The Cash basis IPSAS means a basis of accounting that recognizes transactions and other events only when cash is received or paid. The Accounts also comply with the provisions of the 1999 Constitution of the Federal Republic of Nigeria, Kebbi State Local Governments Law (2008) and Financial Memoranda.



**Ahmad Abdullahi Fakai**  
Director Finance and Supply  
Suru Local Government

## SURU LOCAL GOVERNMENT

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2023

<b>CashFlows from Operating Activities:</b>	<b>NOTES</b>	<b>ACTUAL YEAR 2023</b>	<b>YEAR 2022</b>
<b>Receipts:</b>			
Statutory Allocations: FAAC	1	1,893,606,183.96	<b>1,046,047,687:06</b>
Value Added Tax Allocation	1	1,052,655,553.80	<b>580,234,222:28</b>
<b>Sub-Total: Statutory Allocation</b>		<b>2,946,261,737.76</b>	<b>1,626,281,909.34</b>
Direct Taxes	2	7,239,841.25	
Licenses	2	3,774,900.23	
Mining Rents:	2		
Royalties	2		
Fees:	2	4,500,000.00	
Fines	2		
Sales	2	2,600,258.52	
Earning	2	85,000.00	
Sales/Rent of Government Buildings	2	2,000,000.00	
Sale/rent on Lands and Others	2		
Repayments: General	2		
Investment Income	2		
Interest earned	2		
Re-Imbursement	2		
<b>Sub-Total-Independent Revenue</b>		<b>20,200,000.00</b>	<b>23,300,000</b>
<b>Other Revenue Sources of the.....Government</b>	<b>3</b>	<b>17,914,736.16</b>	
<b>Total Receipts</b>		<b>2,984,376,473.91</b>	<b>1,649,581,909.34</b>
<b>Payments</b>			
Personnel Costs (Including Salaries on CRF Charges)	4	590,490,664.87	<b>506,116,645:78</b>
Federal/States/LGC Gov. Contribution to Pension	5	267,458,312.36	211,539,812.56
Overhead Charges	6	36,000,000.00	36,000,000.00
Consolidated Revenue Fund Charges (Incl, Service Wide Votes)	7		
Subvention to Parastatals	8	846,136,468.54	441,554,436.81
Other Operating Activities			
Other Transfer			
<b>Total Payments</b>		<b>1,740,085,445.77</b>	<b>1,195,210,895.15</b>
<b>Net Cash Flow from Operating Activities</b>		<b>1,244,291,028.14</b>	<b>454,371,014.19</b>
<b>CashFlows from Investment Activities</b>			
Capital Expenditure: Administrative Sector	11	<b>380,348,767.65</b>	
Capital Expenditure: Economic Sector	11	128,405,137.85	20,417,357.14
Capital Expenditure: Law and Justice	11		
Capital Expenditure: Regional development	11		
Capital Expenditure: Social Service Sector	11	735,198,452.41	440,925,928.28
Capital Expenditure: Funded from Aid and Grants	10		
<b>Net Cash Flow from Investment Activities</b>		<b>1,243,952,357.91</b>	<b>461,343,285.14</b>
<b>CashFlows from Financing Activities</b>			
Proceeds from Aid and Grants	10		
Proceeds from Extenal Loan	19		

Proceeds from Internal Loans: FGN/Treasury Bonds	20		
Proceeds from Internal Loan: NTBs etc	21		
Proceeds from Development of Nat Resources	23		
Proceeds of Loans from other Funds	24		
Repayment of External Loans (Including Servicing)	19		
Repayment of FGN/Treasury Bonds	20		
Repayment of Internal Loan-NTBs	21		
Repayment of Loans from Development of Nat. Resources	23		
Repayment of Loans from Other Funds	24		
<b>Net CashFlow from Financing Activities:</b>			
<b>Net (Increase)/Decrease in Cash and it's Equivalent</b>		<b>(338,670.23)</b>	<b>(697,271.00)</b>
<b>Cash &amp; Its Equivalent as at 1<sup>st</sup> January 2022</b>		<b>757,976:23</b>	<b>8,575,512:26</b>
<b>Cash &amp; Its Equivalent as at 31<sup>st</sup> December, 2023</b>		<b>419,306</b>	<b>1,603,241:26</b>

**SURU LOCAL GOVERNMENT**

**STATEMENT OF ASSETS AND LIABILITIES AS AT 31<sup>ST</sup> DECEMBER 2023**

<b>ASSETS</b>	<b>NOTES</b>	<b>2023</b>	<b>2022</b>
<b><u>LIQUID ASSETS</u></b>			
Cash held at			
Hand			
Bank		419,306:00	1,603,241:26
Total Liquid Assets			
Investments	<b>15</b>	20,417,857.14	20,417,857.14
<b>TOTAL ASSETS</b>		<b>20,837,163.14</b>	<b>22,021,098.40</b>
Liabilities			
Deposits			
Public Funds		20,837,163.14	22,021,098.40
<b>Total Liabilities</b>		<b>20,837,163.14</b>	<b>22,021,098.40</b>

## SURU LOCAL GOVERNMENT

### STATEMENT OF CONSOLIDATED REVENUE FUND FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2023

OPENING BALANCE	NOTE	ACTUAL YEAR 2023	FINAL BUDGET 2023	INITIAL/ORIGINAL BUDGET 2023	SUPPLEMENTARY BUDGET 2023	VARIANCE ON FINAL BUDGET
<b>ADD/REVENUE</b>		1,893,606,183.96	2,109,084,476			
Statutory Allocation FAAC	1					
Value Added Tax Allocation	1	1,052,655,553.80	1,471,610,687			9%
Sub-Total-Statutory Allocation		<b>2,946,261,737.76</b>	<b>3,580,695,183.00</b>			<b>28.5%</b>
<b>Direct Taxes</b>	2	7,239,841.25				
Licenses	2	3,774,900.23				
Mining Rents	2					
Royalties	2					
Fees	2	4,500,000.00				
Fines	2					
Sales	2	2,600,258.52				
Earnings:	2	85,000.00				
Sales/Rent of Government Buildings	2	2,000,000.00				
Sales/Rent on Lands and Others	2					
Repayment: General	2					
Investment Income	2					
Interest Earned	2					
Re-Imbursements	2					
Sub-Total-Independent Revenue		<b>20,200,000.00</b>	<b>25,253,307.00</b>			<b>20%</b>
<b>Other Revenue Sources of the - Government</b>	3	<b>17,914,736.16</b>				
<b>Total Revenue</b>		<b>2,984,376,473.91</b>	<b>3,605,948,470.00</b>			
<b>LESS-EXPENDITURE</b>						
Personnel Costs (Including Salaries on CRF Charges	4	590,490,664.87	570,000,000			-3.6%
Federal States/LGC Govt. Contribution to Pension	5	267,458,312.36				
Overhead Charges	6	36,000,000.00	36,000,000			Nil
Consolidated Revenue Fund Charges(Service Wide Votes)	7					
Subvention to Parastatals	8	846,136,468.54	1,605,359,476			47%
<b>OTHER RECURRENT PAYMENTS/EXPENDITURE</b>						
Repayments: External Loans FGN/States/LGC	19					
Repayments: FGN/States/LGC Bonds & Treasury Bonds	20					
Repayments: Nigerian Treasury Bills (NTB)	21					
Repayments: Development Loan Stock	22					
Repayment: Other Internal Loans (Promissory Notes)	23					
Repayments: Internal Loans from Other Funds	24					
<b>Total- EXPENDITURE</b>		<b>1,740,085,445.77</b>	<b>2,211,359,476</b>			
<b>OPERATING BALANCE</b>		<b>1,244,291,028.14</b>				
<b>APPROPRIATIONS/TRANSFERS</b>						
Transfer to Capital Development Fund:	9	1,244,291,028.14				
<b>CLOSING BALANCE</b>						

**SURU LOCAL GOVERNMENT**

**STATEMENT OF CAPITAL DEVELOPMENT FUND FOR THE YEAR**

**ENDED 31<sup>ST</sup> DECEMBER, 2023**

<b>OPENING BALACE</b>	<b>NOTES</b>	<b>TOTAL CAPITAL EXPENDITURE</b>	<b>FINAL BUDGET</b>	<b>PERFORMAN CE ON TOTAL</b>
<b>Add Revenue</b>				
Transfer from Consolidated Revenue Fund	<b>9</b>	<b>1,244,291,028.14</b>		
<b>Total Revenue Available</b>		<b>1,167,339,384:69</b>		
Less Capital Expenditure				
Administrative	<b>11</b>	380,348,767.65	570,000,000	189,651,232.35
Economic	<b>11</b>	128,405,137.85	754,000,000	625,594,862.15
Social Sector	<b>11</b>	735,198,452.41	490,000,000	245,198,452.41
Reginal Sector			1,814,000,000	
<b>Total Capital Expenditure</b>		<b>1,243,952,357.91</b>	<b>3,628,000,000.00</b>	

## **ANALYSES OF FINANCIAL STATEMENT**

### **Revenues**

The overall performance of Revenue was 79% of the budgeted figure during the course of the year. This result appeared to be positive compared to previous year's performance. The success was recorded as a result of increase in both statutory Allocation and Value Added Tax (VAT) from the Federation Account. Details of the performance by Revenue heads are outlined below:

### **Statutory allocations**

Suru Local Government received the sum of N1.89 billion as statutory allocation from the FAAC (comprising Statutory Allocation, Distribution of Electronic Money Transfer Levy and Share of Exchange Gain).

### **Share of Value Added Tax**

The share of Suru Local Government from the Value Added Tax collection was estimated to be N1.47billion. However, it is delighted to see that the sum of N1.05billion was received during the year under review, which is greater than the amount received in the previous period.

### **Direct Taxes**

the sum of N7.24 million was alleged to have been generated during the year. However, the amount alleged to have been realized were not properly accounted for.

### **Earning from Commercial Undertaking**

During the period of our audit, we observed that many areas of this subhead were left on tap or unaccounted for. The sum of N85,000 was allegedly realized and not properly accounted for.

### **License and Fees**

Revenue to be collected under these subheads realized only the sum of N3.77 million. But the Council could not properly account for the sum.

### **Earnings from Rent on Local Government Properties**

This subhead only generated the sum of N2 million.

## **EXPENDITURE**

### **Recurrent Expenditure**

Recurrent Expenditure recorded a budget performance of 78.69%, inclusive of Personnel Emoluments amounted to N590.49 million, as against the budgeted sum of N570 million. It also includes contributions to both Local Governments and Primary School Staff Pensions and Gratuity which amounted to N267.46 million as against undisclosed amount appropriated for the year. The Overhead costs were only N36 million of the budgeted sum of N36. Subventions to Parastatals was equally inclusive which stood at N846.14million of the budgeted figure of N1.61billion.

However, audit examination revealed that expenditure on personnel cost exceeded the amount appropriated for without any justification.

### **Capital Expenditure**

**ADDITIONAL OBSERVATIONS IN RESPECT OF SURU LOCAL GOVERNMENT COUNCIL'S MAIN, SALARY AND REVENUE ACCOUNT FOR THE PERIOD FROM 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER, 2023**

**2. INCOME AND EXPENDITURE**

Audit examination of the available records revealed that the Local Government failed to account for the sum of ₦5,403,480.29 up to the time of writing this report. The details of which could be seen in appendix "A" attached to the main report sent to the Council without response.

**3. CASH BOOK AND BANK RECONCILIATION STATEMENT**

Reconciliation statement with the Council cash book for the year under review was not done. This was due to poor maintenance of the cash book, which was characterized by incomplete recording of transactions, cancellations and deliberate omission of so many transactions.

**5. CONTRACTS NOT EXECUTED:**

Scrutiny of the available records also revealed that payments to the tune of ₦176,910,500.00 in respect of fencing of cemetery, constructions etc. appeared not to have been executed. Moreover, the payment vouchers were not prepared in accordance with F.M provision chapter 14 and 18.

Value Added Tax and Withholding Tax were neither deducted nor remitted to the appropriate authorities.

The details of which could be seen below to this report.

S/N	Payee	Particulars	P.V No	Amount
8.	Abdullahi Hassan	Renov. Of District House	62/2/2023	30,000,000.00
9.	Abdullahi Hassan	Fencing of Cemetery	58/2/2023	4,054,000.00
10.	Alh. Abdullahi Hassan	Renov. of 5 Mosque	56/2/2023	10,298,500.00
11.	Alh. Abdullahi Hassan	Fencing of Cemetery	47/2/2023	4,054,000.00
12.	Alh. Abdullahi Hassan	Fencing of Cemetery	49/2/2023	4,054,000.00
13.	Alh. Abdullahi Hassan	Supply of Solar	54/2/2023	24,450,000.00
14.	Alh. Abdullahi Hassan	Various capital project	60/2/2023	100,000,000.00
	<b>Total</b>			<b>₦176,910,500.00</b>

## **6. STATE OF OTHER BOOKS OF ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2023**

Further examination of books of account and records of Suru Local Government Council revealed significant improvement was not recorded in the records keeping during the year under review. Some of the treasury books such as Daily Abstract of Revenue and Expenditure, Deposit and Advance Ledger, Personnel Emolument Register, etc. were poorly or not maintained at all as they have not been present to my office for examination.

### **OUTSTANDING PAYMENT VOUCHERS**

Audit examination of cash book revealed that original payment vouchers amounting to the sum of ₦89,203,668.15 posted into the council cash book were not presented for audit verification contrary to F.M provision 1:14 (a) and F.M 14:29. This is a gross violation of laws and a way of diverting public funds into un-authorized use. The details could be seen in appendix "B" attached to the main report sent to the Council.

7. P.V No. 45/4/2023 was paid to Director Social for the payment of Christian welfare and gifts, amounting to ₦8,000,000.00. Scrutiny of the payment voucher revealed that the documents conveying the actual amount approved and acknowledgement letter for the receipt of the amount by the Christian Association of Nigeria were not presented to me for audit purposes.
8. Director Agric was paid the sum of ₦221,690,477.00 vide P.V. No. 59/2/2023 for the supply of fertilizer. Scrutiny of the payment voucher revealed that Store records such as Store Receipt Voucher (S.R.V),SIV, Store Ledger, Way Bills etc were not attached or presented to me for inspection.
9. Audit examination revealed that P.V. No. 48/3/2023 paid to Alhaji Jafaru Haliru and others amounting to ₦78,000,000.00 for the purchase of official vehicles and motorcycle to District Heads, Village Heads and Ward Head; examination of the payment voucher revealed that out of ₦78,000,000.00 allocated only the sum of ₦52,140,000.00 was dully and actually paid to the beneficiary leaving unaccounted balance of ₦25,860,000.00.

The details which could be seen below to the report:-

1. District Heads (6) x <del>N</del> 4,000,000.00	=	24,000,000.00
2. Village Heads (50) x <del>N</del> 500,000.00	=	25,000,000.00
3. Additional payment (13) x <del>N</del> 100,000.00	=	1,300,000.00
4. Additional payment (46) x <del>N</del> 40,000.00	=	<u>1,840,000.00</u>
<b>Total</b>		<b><u>N52,140,000.00</u></b>

## **10. COMPARISM BETWEEN BANK STATEMENT AND CASH BOOK**

Audit examination of the account of Suru Local Government Council disclosed that cheque/transfers totaling to the sum of ~~N~~394,469,996.23 were withdrawn without corresponding entries into the cash book for proper accountability. In other words, the cheque payments were neither supported by payment vouchers no reflected in the council cash book. Details below.

### **SALARY ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2023**

From analysis of paid salary records we discovered that the total sum of ~~N~~5,308,291.33 still remain unaccounted for. Details were attached in the main report sent to the Council.

### **STAFF WHOSE SALARY BEEN WITHHELD**

Audit investigations revealed that about 72 numbers of staff whose salary been withheld for unexplained reason, amounting to ~~N~~6,616,397.24. Moreover, the amount so withheld was not return to the Treasury for safe keeping pending to the outcome whatever decision being taken against the affected personnel. Details were attached in the interim report sent to Council without satisfactory response.

### **BESDA ALLOWANCES**

Examination of payment voucher revealed that the sum of ~~N~~15,600,000.00 appeared to have been received by Suru Local Government Council from the Joint Account Committee (JAC). Surprisingly, only the sum of ~~N~~9,500,000.00 appeared to have been paid to the committee leaving an apparent balance of ~~N~~6,100,000.00. Details was attached to the main report sent to the Council.

## **WOMEN EMPOWERMENT**

During the period covered by my report, the spot examination of the payment vouchers confirmed that, the Local Government Council received the sum of ₦300,000.00 monthly as women empowerment totaling the sum of ₦2,700,000.00 for Nine (9) months (from the Joint Account Committee). However, no single records on the funds were utilized was made available to me for examination. As a result the amount in question could not be admitted as proper charged against the public funds entrusted to the Council.

## **REVENUE ACCOUNT**

### **UNREMITTED VALUE ADDED TAX (VAT) AND WITHHOLDING TAX (WHT) FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2023**

Audit examination of the books of account of Suru Local Government Council for the year under review, revealed that there were unremitted Value Added Tax (VAT) deductions of ₦13,270,287.50 and Withholding Tax (WHT) of ₦8,845,525.00 totaling the sum of ₦22,115,812.50. The details these vouchers could be seen in appendix "E" attached to the main report sent to the Council.

### **LOCK-UP SHOPS OWNED BY THE LOCAL GOVERNMENT**

Audit examination revealed that this Local Government Council owned 197 lock-up shops and only 9 shops were not rented out. Each shop generate rental revenue of ₦5,000.00 per annum totaling ₦940,000.00. Examination of available records presented to my office revealed that not a single Kobo lodged into the revenue account or accounted for.

### **PETROL FILLING STATION AND TELECOMMUNICATION MAST/ANTENNA**

While examining the revenue records in respect of filling stations and telecommunication, we observed that there are 30 filling stations operating with the territory of the Local Government and they were charged ₦10,000.00 per station annually, totaling the sum of ₦300,000.00. While telecommunication mast/antenna has 12 which 2 of them are unused leaving 10 operational mast/antenna. The Council alleged to have charged ₦40,000.00 per antenna, totaling the sum of ₦400,000.00. The put together amounted to N700,000 as amount generated from these units,

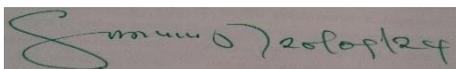
but to my surprise the amounts alleged to have been realized were not remitted to the Local Government.

### **HARAJI ACCOUNT FOR THE YEAR 2022/2023**

It was observed during examination of Haraji account, that Suru Local Government Council present tax assessment for the year 2022/2023. The following are details of the tax assessment.

<b>S/N</b>	<b>Districts</b>	<b>No. of Tax Payers</b>	<b>Rate</b>	<b>Total Amount</b>
1.	Local Government Staff	2100	200	420,000.00
2.	Dakingari	7407	200	1,481,400.00
3.	Barbarejo	3910	200	782,000.00
4.	Suru	7106	200	1,421,200.00
5.	Giro	3860	200	772,000.00
6.	Aljannare	4502	200	900,400.00
7.	Bakuwai	5066	200	1,013,200.00
	<b>Total</b>	<b>33,951</b>		<b>₦6,790,200.00</b>

From the above table of the expected Haraji to be collected for the year 2022/2023 only ₦1,442,000.00 was said to have been collected and bank vide the Haraji statement of account. While the total sum of ₦5,348,200.00 was either not collected by District Heads or collected but not accounted for.



**Faruk B. Muhammad**

*Auditor General for Local Governments*

*Kebbi State*

## **YAURI LOCAL GOVERNMENT COUNCIL**

**KEBBI STATE**

**AUDITED FINANCIAL STATEMENTS**

**FOR**

**THE YEAR ENDED**

**31<sup>ST</sup> DECEMBER 2023**



# OFFICE OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

## AUDIT CERTIFICATE

The Financial Statements of Yauri Local Government Council for the period from 1<sup>st</sup> January to 31<sup>st</sup> December 2023 have been examined by my office in accordance with the Section 316(1) of the 1999 Constitution of the Federal Republic of Nigeria (As amended), Section 15(1) of the Kebbi State Local Government Auditor General Law 2021, Financial Memoranda, the provision number 146 (1), 2 ( a & b) Part 1X of the Local Government Law 2008 and in line with International Public Sector Accounting Standard (Cash Basis).

I have obtained substantial information and explanations required for my audit. Base on the records made available to me, I hereby certify that the Audited Financial Statements are the true reflection of the transactions of Yauri Local Government Council, Kebbi State.

**Faruk B. Muhammad FCNA, FCFA**

Auditor General for Local Governments

Kebbi State



# Office Of The Sole Administrator YAURI LOCAL GOVERNMENT COUNCIL

YELWA-YAURI, KEBBI STATE OF NIGERIA

LOCAL GOVERNMENT SECRETARIAT  
YELWA-YAURI, KEBBI STATE

**SECRET**

Our Ref. \_\_\_\_\_

Your Ref. \_\_\_\_\_

Date \_\_\_\_\_

## STATEMENT OF FINANCIAL RESPONSIBILITY

The financial statement have prepare by treasurer of **Yauri Local Government Council** in accordance with provision of financial control and management Act, 1958 as amended.

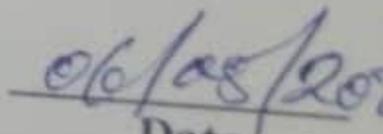
Furthermore, we apply international Public Sector Accounting Standard cash basis as accounting basis and we comply with generally accepted accounting practice accordingly.

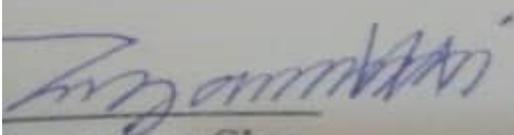
The Treasurer is responsible for establishing and maintenance a system of Internal Controls designed to provide reasonable assurance that the transaction recorded are within statutory authority and properly recorded use as at all public financial resources by the Local Government Council to the best of my knowledge the system of internal control has operated adequately throughout the reporting period.

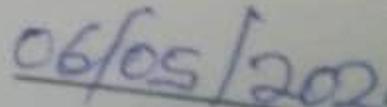
We accept the responsibility for the integrity of this financial statement they contain and their compliance with finance Control Management Act. of 1958 as amended.

In our opinion the financial statement fairly reflect the financial position of **Yauri Local Government Council** as at 31<sup>st</sup> December, 2023 and its operation for the year ended on that date.

  
Chairman Sign

  
Date

  
Treasurer Sign





# OFFICE OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS

P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

## STATEMENT OF OPINION OF THE AUDITOR GENERAL

I have examined the financial statement of Yauri Local Government Council for the year ended 31st December, 2023, The statement presented by the Treasurer appeared to be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and also in compliance to IPSAS (Cash Basis) accounting Standards. The statement presented comprises Statement of Cash Flow, Statement of Assets and Liabilities, Statement of Consolidated Revenue Funds as well as Statement of Capital Development Funds.

The presented statements are evaluated and tested using the Generally Accepted Auditing Standards (GAAS) which are the set-out requirement and guidelines on how to conduct audit examinations. Prior to the above, I have obtained substantial information and explanations needed for the purpose of my audit.

In my opinion, the Financial Statements as presented to me shows “true and fair” view of the states of affairs of the Yauri Local Government Council as at 31st December, 2023 and of the financial transactions for the fiscal year ended on that date, subject to the observations contained herein.

**Faruk B. Muhammad FCNA, FCFA**

Auditor General for Local Governments

Kebbi State



YURI LOCAL GOVERNMENT COUNCIL  
YELWA-YAURI, KEBBI STATE OF NIGERIA  
SECRET

#### ACCOUNTING POLICY

The Accounts have been prepared based on the Cash basis accounting framework and it is in compliance with the requirements of the International Public Sector Accounting Standard (IPSAS). The Cash basis IPSAS means a basis of accounting that recognizes transactions and other events only when cash is received or paid. The Accounts also comply with the provisions of the 1999 Constitution of the Federal Republic of Nigeria, Kebbi State Local Governments Law (2008) and Financial Memoranda.

  
Lawali Manu Yauri  
Director Finance and Supply  
Yauri Local Government

## STATEMENT NO. 1

**YAURI LOCAL GOVERNMENT COUNCIL OF KEBBI STATE, NIGERIA**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2023.**

<b>ANNUAL BUDGET</b>	<b>DESCRIPTION</b>	<b>NOTE</b>	<b>2023</b>	<b>2022</b>
	<u>Cash Flow from Operating Activities</u>			
	<b><u>Receipt</u></b>			
1,771,685,094	Statutory Allocation	1	3,073,502,061.81	1,235,269,899.08
795,807,262	Value Added Allocation	1	877,471,992.78	688,279,379.58
<b>2,567,492,356</b>	<b>Sub Total Statutory Allocation</b>		<b>3,950,974,054.59</b>	<b>1,923,549,278.66</b>
8,000,000	Direct Taxes	2	15,000,000	10,000,000
57,000,000	License fees and Fine	2	10,000,000	6,370,000
30,000,000	Earning from commercial undertaking	2	15,000,000	10,000,000
23,000,000	Rent on Government Property	2	5,000,000	-
<b>118,000,000</b>	<b>TOTAL INDEPENDENT REVENUE</b>		<b>45,000,000</b>	<b>26,370,000</b>
<b>2,685,492,356</b>	<b>TOTAL REVENUE</b>		<b>3,995,974,054.59</b>	<b>1,949,919,279.66</b>
	<b>PAYMENTS EXPENDITURE</b>			
555,979,622	Personnel cost	4	461,393,265.57	488,227,172.99
308,714,230	Contribution to pension	5	236,048,028.69	200,000,000
36,000,000	Overhead cost	6	36,000,000	36,000,000
1,088,814,326	Subvention to Parastatals	8	859,817,533.28	825,600,000
<b>1,989,508,228</b>	<b>TOTAL PAYMENTS</b>		<b>1,593,258,827.54</b>	<b>1,549,827,172.99</b>
695,984,128	Net Cash flow from Operating Activities		2,402,715,227.05	400,092,106.67
	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
116,263,818	Capital Expenditure Administrative Sector		388,751,914.55	81,525,874.52
892,663,760	Capital Expenditure Economic Sector		1,017,000,000	217,000,000
169,756,802	Capital Expenditure Social Sector		500,000,000	100,000,000
150,243,798	Capital Expenditure Regional Sector		500,000,000	-

1,328,928,178	Net cash flow from Investing Activities		2,405,751,914.55	398,525,874.52
	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
	Proceed from Aids & Grant	10	-	-
	Proceed from External loan (FGN)	19	-	-
	Proceed from Internal loan	20	-	-
	Proceed from Internal loan (NBTs)	21	-	-
	Proceed from development of Natural resources	23	-	-
	Proceed of other loans from funds	24	-	-
	Repayment of external loan	19	-	-
	Repayment of FGN/Treasury funds	20	-	-
	Repayment of Interest loan (NB)	21	-	-
	Repayment of loan from Development of Nat. Resources	23	-	-
	Repayment of other loans	24	-	-
	Dividend received	-	-	1,742,675.00
	Net cash flow from Investing Activities		Nil	1,742,675.00
	Net Cash for the year		(3,036,687.50)	3,308,907.15
	Cash flow & its equivalent as at 1/1/2023		4,727,897.96	1,418,990.81
	Cash flow & its equivalent as at 31/12/2023		1,691,210.46	4,727,897.96

**STATEMENT NO. 2**

**YAURI LOCAL GOVERNMENT COUNCIL OF KEBBI STATE, NIGERIA  
STATEMENT OF ASSETS AND LIABILITIES AS AT 31<sup>ST</sup> DECEMBER, 2023.**

DESCRIPTION	NOTE	2023	2022
<b><u>ASSETS</u></b>			
CRF Bank Balance		1,691,210.46	4,727,897.96
Pension Account with (CBN)		-	-
Other Bank of Treasury		-	-
Cash Balance of Trust & other fund with Kebbi State Joint Account	12	763,157,089.88	-
Cash Balance with Federal Pay office Sub Treasury	13	-	-
Cash held by Ministries, Department and Agencies	14	-	-
<b>TOTAL LIQUID ASSETS</b>		<b>764,848,300.34</b>	<b>4,727,897.90</b>
<b><u>INVESTMENT AND OTHER CASH ASSETS</u></b>			
Local Government Investment	15	17,000,000	17,000,000
LM Press	16	-	-
Advances	17	-	-
Revolving loan Granted	18	-	-
<b>TOTAL INVESTMENT AND OTHER CASH ASSETS</b>		<b>17,000,000</b>	<b>17,000,000</b>
<b>TOTAL ASSETS</b>		<b>781,848,298.34</b>	<b>21,727,897.96</b>
Consolidate Revenue fund			-
Capital Development fund		763,157,089.88	-
Trust and other pubic fund		18,691,210.46	21,727.897.96
Police rewards fund		-	-
<b>TOTAL PUBLIC FUND</b>		<b>781,848,300.34</b>	-
External and internal loans			
External loan LGC	19	-	-
LGC Bonds/Treasury Bond	20	-	-
Nigerian Treasury Bills	21	-	-
Development loan Stock	22	-	-
Other Internal loan	23	-	-
Internal loans from other loans	24	-	-
<b>TOTAL EXTERNAL/INTERNAL LAON</b>		<b>NIL</b>	<b>NIL</b>
<b><u>OTHER LIABILITIES</u></b>			
Deposit			
GRB			
<b>TOTAL LIABILITIES</b>		<b>781,848,300.34</b>	<b>21,727,897.96</b>

## STATEMENT NO. 3

**YAURI LOCAL GOVERNMENT COUNCIL OF KEBBI STATE, NIGERIA**  
**STATEMENT OF CONSOLIDATED REVENUE FUND FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER,**  
**2023**

<b>2022</b>	<b>DESCRIPTION</b>	<b>ACTUAL 2023</b>	<b>BUDGETED 2023</b>	<b>VARIANCE %</b>
1,235,269,899.00	Statutory Allocation	3,073,502,061.81	1,771,685,094	73%
688,279,379.58	Value Added Allocation	879,471,992.78	795,807,262	10%
1,923,549,278.66	Allocation	3,950,754,054.59	2,567,492,356	
	<b>INDEPENDENT REVENUE</b>			
10,600,000	Direct Taxes	15,000,000	8,000,000	87.5%
63,70,000	Licence fees & fine	10,000,000	57,000,000	-82%
10,000,000	Earning from commercial undertaking	15,000,000	30,000,000	-50%
-	Rent on Govt. Property	5,000,000	23,000,000	-78%
<b>26,370,000</b>	<b>SUB TOTAL INDEPENDENT REVENUE</b>	<b>45,000,000</b>	<b>118,000,000</b>	
<b>2,685,492,356</b>	<b>TOTAL REVENUE</b>	<b>3,995,974,054.59</b>	<b>1,949,919,279.66</b>	
	<b>LESS EXPENDITURE</b>			
488,227,172.99	Personnel cost	461,393,265.57	555,979,672	17%
200,000,000	Contribution to Pension	236,048,028	308,714,230	-24%
36,000,000	Overhead Cost	36,000,000	36,000,000	0%
825,600,000	Subventions to Parastatals	859,817,533.28	1,088,814,326	-21%
<b>1,549,827,172.99</b>	<b>TOTAL EXPENDITURE</b>	<b>1,593,258,827.54</b>	<b>1,989,508,228</b>	
400,092,106.67	<i>Opening Balance</i>	<i>2,402,715,227.05</i>	<i>695,984,128</i>	<i>245%</i>
	<b>APPROPRIATION/TRANSFERS</b>			
400,092,106.67	Transfer to capital Development fund	2,402,715,227.05	695,984.128	245%
	Closing Balance	-	-	-

**STATEMENT NO. 4**

**YAURI LOCAL GOVERNMENT COUNCIL OF KEBBI STATE, NIGERIA  
STATEMENT OF CAPITAL DEVELOPMENT FUND FOR THE YEAR ENDED  
31<sup>ST</sup> DECEMBER, 2023**

<b>2022</b>	<b>DESCRIPTION</b>	<b>ACTUAL 2023</b>	<b>BUDGETED 2023</b>	<b>VARIANCE %</b>
400,092,106.67	Transfer to Capital Development fund	2,402,715,227.05	695,984,128	245%
400,092,106.67	Total Revenue available	2,402,715,227.05	695,984,128	245%
	<b>LESS CAPITAL EXPENDITURE</b>			
95,364,208.71	Capital Expenditure: Administrative Sector	401,024,016.59	116,263,818	245%
200,000,000	Capital expenditure: Economic Sector	1,017,000,000	892,663,760	12%
100,000,000	Capital Expenditure: Social Sector	500,000,000	169,756,802	195%
-	Capital expenditure: Regional Sector	500,000,000	150,234,798	233%
<b>395,364,208.71</b>	<b>TOTAL CAPITAL EXPENDITURE</b>	<b>2,418,024,016.59</b>	<b>1,328,928,178</b>	
4,727,897.96	Closing Balance	1,691,210.46	-	

## **ANALYSES OF FINANCIAL STATEMENT**

### **Revenues**

The overall performance of Revenue was 148.80% of the budgeted figure during the course of the year. This result appeared to be positive compared to previous year's performance. The success was recorded as a result of increase in both statutory Allocation and Value Added Tax (VAT) from the Federation Account. Details of the performance by Revenue heads are outlined below:

### **Statutory allocations**

Suru Local Government received the sum of N3,07 billion as statutory allocation from the FAAC (comprising Statutory Allocation, Distribution of Electronic Money Transfer Levy and Share of Exchange Gain).

### **Share of Value Added Tax**

The share of Suru Local Government from the Value Added Tax collection was estimated to be N795million. However, it is delighted to see that the sum of N877.47million was received during the year under review, which is greater than the amount received in the previous period.

### **Direct Taxes**

the sum of N15 million was alleged to have been generated during the year. However, the amount alleged to have been realized were not properly accounted for.

### **Earning from Commercial Undertaking**

During the period of our audit, we observed that many areas of this subhead were left on tap or unaccounted for. The sum of N15 was allegedly realized and not properly accounted for.

### **License and Fees**

Revenue to be collected under these subheads realized only the sum of N10 million. But the Council could not properly account for the sum.

## **Earnings from Rent on Local Government Properties**

This subhead only generated the sum of N5 million.

## **EXPENDITURE**

### **Recurrent Expenditure**

Recurrent Expenditure recorded a budget performance of 80.12%, inclusive of Personnel Emoluments amounted to N461.39 million, as against the budgeted sum of N555.98 million. It also includes contributions to both Local Governments and Primary School Staff Pensions and Gratuity which amounted to N236.08 million as against the sum of N1.09 billion appropriated for the year. The Overhead costs were only N36 million of the budgeted sum of N36. Subventions to Parastatals was equally inclusive which stood at N859.82million of the budgeted figure of N1.09billion.

However, audit examination revealed that expenditure on personnel cost exceeded the amount appropriated for without any justification.

### **Capital Expenditure**

The Capital expenditure on economic sector stood at N1.12 million against the N892.66 million budgeted for the period, the Social sector spent N500 million out of N169.76 million budgeted for, the Administrative sector expended N388.75 million against the budgeted amount of N116.26 million.

Audit examination observed that an over expenditure was incurred on the Economic and Administrative sectors without the approval of the Legislators, this is a gross violation of appropriation act.

**ADDITIONAL OBSERVATION IN RESPECT OF YAURI LOCAL GOVERNMENT COUNCIL'S TREASURY MAIN, REVENUE AND SALARY ACCOUNTS FOR THE PERIOD FROM 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER, 2023**

**1. MAIN ACCOUNT**

**Income and Expenditure (Excluding Salary and Overheads Cost**

It was observed that the above named Local Government failed to account for the sum of ~~₦~~6,500,001.00 out of the total expenditure incurred during the period under review. Details could be seen in appendix "A" attached to the main report sent to the Council.

**2. BANKS RECONCILIATION STATEMENT:-**

It is disheartening to note that, the Treasury Department could not reconcile its accounts with bank. Reconciliation of account is an important accounting procedure that enable both parties to agree on monthly balance and elimination of fraud, none reconciliation of account in the Local Government is abused F.M provision no. 19:23.

**3. OUTSTANDING PAYMENT VOUCHERS**

<b>S/N</b>	<b>PAYEE</b>	<b>DETAILS OF PAYMENT</b>	<b>PV. NO</b>	<b>AMOUNT</b>
1.	Lawali Manu	No purpose	7/1/2023	500,000
2.	CLO	Repairs	08/1/2023	130,000
3.	Hafiz Suleiman	Assistance	9/6/2023	50,000
4.	Director Works	Evacuation of drainage	9/2/2023	21,000,000
5.	Mustapha Adamu	Virus Vacuum	11/7/2023	200,000
6.	JAC Account	Payment	98/9/2023	3,300,000
7.	Treasurer	Payment of Net	97/9/2023	4,000,000
				<b>₦28,180,000.00</b>

The above table revealed that, payment vouchers worth ~~₦~~28,180,000.00 paid but not made available to me for scrutiny contrary to F.M 14:29.

#### 4. NONE PAYMENT OF WITHHOLDING TAX AND VAT

S/N	CONTRACT SUM	WITHHONDILG TAX 5%	VAT 75%	TOTAL
1.	100,000,000	5,000,000	7,500,000	12,500,000
2.	201,600,000	10,800,000	-	10,800,000
3.	100,000,000	50,000,000	-	50,000,000
	<b>₦1,301,600,000</b>	<b>₦65,800,000</b>	<b>₦7,500,000</b>	<b>₦73,300,000.00</b>

The figures above indicate withholding tax worth the sum of ~~₦~~65,800,000.00 and VAT at ~~₦~~7,500,000 not remitted to the concern organization.

#### 5. PAYMENT VOUCHERS

- i. Payment Voucher no. 10/Jan/2023 paid to Director Agric services worth ~~₦~~500,000.00 for purchase of veterinary drugs. Examination revealed that the drugs said to have been purchase were not accompanied with invoice.
- ii. Payment voucher No. 89/2/2023 paid to Shehu Ahmed worth the sum of ~~₦~~4,878,613.30 for renovation of Jumu'at Mosque at Uchen Village. The payment voucher was not accompanied with agreement letter and letter of request of payment and the project could not be located.
- iii. Payment voucher 1/8/2023 paid to Abdullahi Mohammed and others worth the sum of ~~₦~~21,000,000 to cater for hospital bills. The payment voucher was not accompanied with medical bills to authenticate the said expenses, please comment.
- iv. Payment voucher number 93/8/2023 paid to Director Works for repairs of a grader worth the sum of ~~₦~~2,342,000. The payment voucher was not accompanied with certificate of completion and it has already been paid.
- v. Payment voucher 43/12/2023 paid to Chairman Bala Mohammed for repairs and renovation of government house at Yauri Town worth the sum of ~~₦~~41,200,000.00. The payment voucher was not accompanied with certificate of completion.

## 6. PAYMENT OF OVERHEAD COST

S/N	MONTHS	AMOUNT RECEIVED	AMOUNT EXPENDED	DIFFERENCES
1.	JANUARY	3,000,000	2,500,000	500,000
2.	FEBRUARY	3,000,000	2,700,000	300,000
3.	MARCH	3,000,000	2,720,000	280,000
4.	APRIL	3,000,000	2,552,000	448,500
5.	MAY	3,000,000	3,000,000	NIL
6.	JUNE	3,000,000	3,000,000	NIL
7.	JULY	3,000,000	2,500,000	500,000
8.	AUGUST	3,000,000	2,500,000	500,000
9.	SEPTEMBER	3,000,000	2,500,000	500,000
10.	OCTOBER	3,000,000	2,800,000	200,000
11.	NOVEMBER	3,000,000	2,800,000	200,000
12.	DECEMBER	3,000,000	2,700,000	300,000
	<b>TOTAL</b>	<b>₦36,000,000</b>	<b>₦32,272,000</b>	<b>₦3,728,500</b>

The above table indicate that, your Local Government Council has received the sum of ₦36,000,000 for period under examination for payment day to day running cost, while the sum of ₦32,272,000 would appear to have been expended leaving the sum of ₦3,728,000 un-accounted for.

**7. MONTHLY AND DAILY ABSTRACT OF REVENUE AND EXPENDITURE, DEPOSIT, ADVANCES CONTRACT REGISTER:-** These are all important books of account yet the treasurer ignored neglected and abused all these quoted books. Since negative action was contrary to F.M provision chapter 18:21, 22 and 23, please comment.

## B. Salaries

From the records of paid salary we discovered that the sum of ₦3,006,000.00 unaccounted for detail could be seen the main report sent to the Council.

## C. REVENUE

**HARAJI:-** The sum of ₦1,445,000 was realized as Haraji, the sum of ₦1,011,000 (70%) of State Government and the balance of ₦433,500 (30%) of the Local Government showed but to my dismay the Administrator of the fund could not explained or provide me with evidence on how the sum of ₦433,000 was expended, please comment.

6. **Global System Mobile:-** The global system for mobile and number of their antenna below:-

Type	No	Rate	totals
3. MTN	5	40,000	200,000
4. AIRTEL	2	30,000	60,000
5. GLO	2	30,000	60,000
		=	<b>₦320,000</b>

More was expected from the Global system mobile, in term of community development project, water supply, good road and so on, please comment.

**ANNUAL COLLECTION:-** Some include; Shops, filling station, sale of book or sachet water, bakery, PHCN polls, medicine store, private schools, private hospital, commercial rider (Kabu-Kabu), viewing Centre, computer business Centre, POS and restaurant only to the sum of ₦700,000.00 was realized from this source which is too small, please comment.

**MARKET REVENUE:-** Examination revealed only the sum of ₦690,000 was realized from this source but to my dismay the administrators of this fund could not explain what the sum of ₦690,000 was used for and not lodged into Local Government account, please comment.

**MOTOR PARK REVENUE:-** Examination revealed that, your Local Government reveled section further realized the sum of ₦1,050,000 from motor park but used to settle some

payment voucher, why not lodging it into Local Government account before incurring expenditure, please comment.

**DEPARTMENTAL REVENUE:-** The sum of ₦6,240,000.00 was realized from this source and it was used to settle some expenditure without lodging monies into the Local Government account is against the financial memoranda, monies realized as revenue must be first entered into government account before incurring expenditure and expenditure made must be accounted for, please comment.

**ZURU LOCAL GOVERNMENT COUNCIL**

**KEBBI STATE**

**AUDITED FINANCIAL STATEMENTS**

**FOR**

**THE YEAR ENDED**

**31<sup>ST</sup> DECEMBER 2023**



**OFFICE OF THE AUDITOR GENERAL  
FOR LOCAL GOVERNMENTS**  
P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

**AUDIT CERTIFICATE**

The Financial Statements of Zuru Local Government Council for the period from 1<sup>st</sup> January to 31<sup>st</sup> December 2023 have been examined by my office in accordance with the Section 316(1) of the 1999 Constitution of the Federal Republic of Nigeria (As amended), Section 15(1) of the Kebbi State Local Government Auditor General Law 2021, Financial Memoranda, the provision number 146 (1), 2 ( a & b) Part 1X of the Local Government Law 2008 and in line with International Public Sector Accounting Standard (Cash Basis).

I have obtained substantial information and explanations required for my audit. Base on the records made available to me, I hereby certify that the Audited Financial Statements are the true reflection of the transactions of Zuru Local Government Council, Kebbi State.

**Faruk B. Muhammad FCNA, FCFA**

Auditor General for Local Governments

Kebbi State



# ZURU LOCAL GOVERNMENT

OFFICE OF THE HON. CHAIRMAN  
KEBBI STATE.

OFFICE ADDRESS:  
ZURU LOCAL GOVERNMENT  
SECRETARIAT, P.O BOX 1001  
KEBBI STATE

f..... Your Ref..... Date:.....

## RESPONSIBILITY FOR FINANCIAL STATEMENT'S

These Financial Statement have been prepared by the treasurer Zuru Local Government in accordance with the financial (Council and Management) Act 1958 as amended. The Financial Statements comply with generally accepted accounting practice.

The Treasurer is responsible for Establishing and Maintaining a system of internal Control designed to provide reasonable assurance that the transactions recorded are within statutory authority and properly record the use of all public Financial resources by the Local Government council. To the best of my knowledge, this statement of internal control has operated adequate through the reporting period.

*A. A. A.*  
TREASURER

12/9/2024

DATE

We accept responsibility for the integrity of Financial Statements, the information they contain and compliance with the Financial (Council and Management) Act 1958 as amended.

In our opinion, these Financial Statement fairly reflect the financial position of Local Government as at 31<sup>st</sup> December, 2023 and its operation for the year ended on that date.

*A. A. A.*  
TREASURER

*[Signature]*  
CHAIRMAN

12/9/2024

DATE

12/9/2024

DATE



# OFFICE OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS

P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

## STATEMENT OF OPINION OF THE AUDITOR GENERAL

I have examined the financial statement of Zuru Local Government Council for the year ended 31st December, 2023, The statement presented by the Treasurer appeared to be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and also in compliance to IPSAS (Cash Basis) accounting Standards. The statement presented comprises Statement of Cash Flow, Statement of Assets and Liabilities, Statement of Consolidated Revenue Funds as well as Statement of Capital Development Funds.

The presented statements are evaluated and tested using the Generally Accepted Auditing Standards (GAAS) which are the set-out requirement and guidelines on how to conduct audit examinations. Prior to the above, I have obtained substantial information and explanations needed for the purpose of my audit.

In my opinion, the Financial Statements as presented to me shows “true and fair” view of the states of affairs of the Zuru Local Government Council as at 31st December, 2023 and of the financial transactions for the fiscal year ended on that date, subject to the observations contained herein.

**Faruk B. Muhammad FCNA, FCFA**

Auditor General for Local Governments

Kebbi State

# ZURU LOCAL GOVERNMENT COUNCIL

*(Office of the Chairman)*

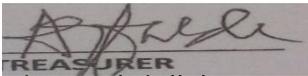
P.M.B.,  
Zuru, Kebbi State

Ref No \_\_\_\_\_

Date \_\_\_\_\_

## ACCOUNTING POLICY

The Accounts have been prepared based on the Cash basis accounting framework and it is in compliance with the requirements of the International Public Sector Accounting Standard (IPSAS). The Cash basis IPSAS means a basis of accounting that recognizes transactions and other events only when cash is received or paid. The Accounts also comply with the provisions of the 1999 Constitution of the Federal Republic of Nigeria, Kebbi State Local Governments Law (2008) and Financial Memoranda.



REASURER

12/9/2024

**Adamu Abdullahi Kangiwa**  
Director Finance and Supply  
Zuru Local Government

## STATEMENT NO. 1

### ZURU LOCAL GOVERNMENT COUNCIL KEBBI STATE OF NIGERIA

#### CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2023

<b>ANNUAL BUDGET 2023</b>	<b>DESCRIPTION</b>	<b>NOTES</b>	<b>ACTUAL 2023</b>	<b>PREVIOUS 2022</b>
	<b><u>Cash Flows From Operating Activities: Receipts</u></b>			
1,927,977.750	Statutory Allocation: FAAC	1	1,744,764,267.65	790,768,051.51
851,080,822	Value Added Tax Allocation	1	1,807,624,093.27	2,140,978,767.94
21,779,058,572	Sub-total – Statutory Allocation		3,552,388,360.92	2,931,746,819.45
	Sub Total		3,571,804,009.85	
55,000,000.00	Direct Taxes	2	15,000,000.00	
51,587,000.00	Licenses Fees fine	2	15,000,000.00	
40,593,000.00	Earning from Commercial Undertaking	2	20,000,000.00	10,922,750.00
41,820,000.00	Rent on Government Properties	2	7,500,000.00	
189,000,000.00	Sub-total – Independent Revenue	2	57,500,000.00	10,922,750.00
	Sales	2		
	Earning	2		
	Sale/Rent of Government Buildings	2		
	Sale/Rent on Lands and Others	2		
	Repayment – General	2		
	Investments Income	2		
	Re-imburement	2		
	Other Revenue Sources of the Government (10% state IGR)	3	19,415,648.93	
2,968,058,572	Total Receipts	2	3,629,304,009.85	2,942,669,569.
	<b><u>Payments</u></b>			
511,950,394	Personal Cost (including salaries CRF charges)	4	666,242,801.91	669,504,609.1
344,072,262.31	Federal/State/LGC Govt Contribution to Pension	5	356,327,048.39	312,792,965.7
36,000,000.00	Overhead Charges	6	36,000,000.00	36,000,000.00

	<b>Consolidation Revenue Fund Charges (include Service Wide Votes)</b>	<b>7</b>		
<b>1,278,300,096</b>	<b>Subvention to Parastatals</b>	<b>8</b>	<b>1,073,394,201.17</b>	<b>964,145,078.27</b>
	<b>Other Operating Activities</b>			
	<b>Other Transfers</b>			
<b>2,170,322,757.31</b>	<b>Total Payments</b>		<b>2,131,964,051.47</b>	<b>1,982,442,653.18</b>
<b>797,735,819.69</b>	<b>Net Cash Flow from Operating Activities</b>		<b>1,497,339,958.38</b>	<b>960,226,916.27</b>
	<b>Cash Flows from Investment Activities</b>	<b>11</b>		
<b>125,000,000.00</b>	<b>Capital Expenditure Administrative Sector</b>	<b>11</b>	<b>252,735,921.43</b>	<b>147,720,561.6</b>
<b>806,240,660.00</b>	<b>Capital Expenditure Economic Sector</b>	<b>11</b>	<b>618,055,857:14</b>	<b>400,000,000.00</b>
	<b>Capital Expenditure Law and Justice</b>	<b>11</b>		
<b>248,500,000.00</b>	<b>Capital Expenditure Social Service Sector</b>	<b>11</b>	<b>542,607,584:16</b>	<b>200,000,000.00</b>
	<b>Capital Expenditure funded from aid and grant</b>	<b>10</b>		
<b>1,524,685,407</b>	<b>Net Cash Flow from Investment Activities</b>		<b>1,413,399,362:73</b>	<b>947,720,561.6</b>
	<b>Cash Flows from Financing Activities</b>			
	<b>Proceeds from External Loan</b>	<b>10</b>		
	<b>Proceeds from Internal Loan FGN/ Treasury Bonds</b>	<b>19</b>		
	<b>Proceeds from Internal Loan NTBs etc</b>	<b>20</b>		
	<b>Proceed Development of Nat Resources</b>	<b>21</b>		
	<b>Proceed of Loan from other Funds</b>	<b>23</b>		
	<b>Repayment of External Loan (Include Services )</b>	<b>24</b>		

	<b>Repayment of FGN/Treasury Bond</b>	<b>19</b>		
	<b>Repayment of Internal Loan NTBs</b>	<b>20</b>		
	<b>Repayment of Loan from Development of Nat Resources</b>	<b>21</b>		
	<b>Repayment of Loan from other Funds</b>	<b>24</b>		
	<b>Net Cash Flow Financing Activities</b>			
	<b>Movement in Other Cash Equivalent Accounts</b>			
	<b>Increase/Decrease in Investment</b>			
	<b>Net Increase/Decrease in Cash and its Equivalentents</b>		<b>83,940,595.65</b>	<b>4,405,503.56</b>
	<b>Total Cash Flow from Other Cash Equivalent Accounts</b>			
	<b>Net Cash for the Year</b>			
	<b>Cash and Its Equivalent as at 1<sup>st</sup> January, 2023</b>		<b>409,048.06</b>	<b>4,814,552.04</b>
	<b>Cash and Its Equivalent as at 31<sup>st</sup> December, 2023</b>		<b>84,349,643.71</b>	<b>409,048.42</b>

**STATEMENT NO. 2**

**ZURU LOCAL GOVERNMENT OF NIGERIA**

**STATEMENT OF ASSETS AND LIABILITIES AS AT 31<sup>ST</sup> DECEMBER, 2023**

ASSETS	NOTES	CURRENT YEAR 2023	PREVIOUS YEARS 2022
<b>DESCRIPTION</b>			
<b>Liquid Assets</b>			
Cash Held by AGF/Cash at Bank		84,349,643.71	409,048.42
Pension Account (CBN/Bank)			
Cash Balance of Trust and Other Funds of the FGN/State /LGC/Net Cash flow from Operating Activities	12	1,497,339,958.38	
Cash Balance with Federal Pay Offices/Sub-Treasury	13		
Cash Held by Ministries, Department and Agencies	14		
<b>TOTAL LIQUID ASSETS</b>		<b>1,581,689,602.09</b>	<b>409,048.42</b>
<b>Investments and Other Cash Assets</b>			
Federal/State/Local Government Investments	15	18,055,857.14	18,055,857.16
Imprests	16		
Advances	17		
Revolving Loans Granted	18		
Intangible Assets			
<b>TOTAL ASSETS</b>		<b>1,599,745,459.23</b>	<b>18,464,902.56</b>
<b>LIABILITIES</b>			
<b>PUBLIC FUNDS</b>			
Consolidation Revenue Fund		84,349,643.71	
Capital Development Funds Operating Activity		102,405,500.85	
Trust and Other Public Funds			

<b>Police Reward Fund</b>			
<b>Total public funds</b>			
<b>EXTERNAL AND INTERNAL LOANS</b>			
<b>FGN/State/LGC Bonds and Treasury Bonds</b>	<b>19</b>		
<b>Nigerian Treasury Bills (NTB)</b>	<b>20</b>		
<b>Development Loan Stock</b>	<b>21</b>		
<b>Other Internal Loan (Promissory) Notes</b>	<b>22</b>		
<b>Internal Loans from Other Funds</b>	<b>23</b>		
<b>TOTAL EXTERNAL AND INTERNAL LOANS</b>	<b>24</b>		
<b>OTHER LIABILITIES</b>			
<b>Deposits</b>	<b>25</b>	<b>18,055,857.14</b>	<b>18,464,905.56</b>
<b>General Revenue Balance</b>		<b>989,935,502.27</b>	<b>18,464,905.56</b>
<b>TOTAL LIABILITIES</b>			

**STATEMENT NO. 3****ZURU LOCAL GOVERNMENT COUNCIL KEBBI STATE OF NIGERIA**  
**STATEMENT OF CONSOLIDATED REVENUE FUND FOR THE YEAR ENDED****31<sup>ST</sup> DECEMBER, 2023**

<b>2022</b>	<b>DESCRIPTION</b>		<b>ACTUAL 2023</b>	<b>BUDGET 2023</b>	<b>Variance in Percentage</b>
<b>790,768,051.51</b>	<b>Statutory Allocation</b>	<b>1</b>	<b>1,744,764,267.65</b>	<b>1,927,977.750</b>	<b>- 6%</b>
<b>2,140,978,767.94</b>	<b>Value Added Tax</b>	<b>1</b>	<b>1,807,624,093.27</b>	<b>851,080,822</b>	<b>112%</b>
<b>2,931,746,819.45</b>	<b>Sub-total Statutory Allocation</b>		<b>3,552,388,360.92</b>	<b>2,779,058,572</b>	
	<b>10% share of state IGR</b>		<b>19,415,648.93</b>		
	<b>Sub Total</b>		<b>3,571,804,009.85</b>		
<b>10,922,750.00</b>	<b>Direct Taxes</b>	<b>2</b>	<b>15,000,000.00</b>	<b>55,000,000.00</b>	<b>- 72%</b>
	<b>Licenses Fees &amp; Fine</b>	<b>2</b>	<b>15,000,000.00</b>	<b>51,587,000.00</b>	<b>- 70%</b>
	<b>Earning from Commercial Undertaking</b>	<b>2</b>	<b>20,000,000.00</b>	<b>40,593,000.00</b>	<b>- 51%</b>
	<b>Rent on Government Properties</b>	<b>2</b>	<b>7500,000.00</b>	<b>41,820,000.00</b>	<b>- 82%</b>
<b>10,922,750.00</b>	<b>Sub-total Independent Revenue</b>	<b>2</b>	<b>57,500,000.00</b>	<b>189,000,000.00</b>	
<b>2,942,669,569.45</b>	<b>Total Revenue</b>		<b>3,629,304,009.85</b>	<b>2,968,058,572</b>	
	<b>Less Expenditure</b>				
<b>689,504,609.17</b>	<b>Personal Cost</b>	<b>4</b>	<b>666,242,801.91</b>	<b>511,950,394</b>	<b>30%</b>
<b>312,792,965.7</b>	<b>Contribution to Pension</b>	<b>5</b>	<b>356,327,048.39</b>	<b>344,072,262.31</b>	<b>4%</b>
<b>36,000,000.00</b>	<b>Overhead Cost</b>	<b>6</b>	<b>36,000,000.00</b>	<b>36,680,000.00</b>	<b>0%</b>
<b>964,145,078.27</b>	<b>Grant to other Parastatals</b>	<b>8</b>	<b>1,073,394,201.17</b>	<b>1,278,300,096</b>	<b>- 6%</b>
<b>1,982,442,653.18</b>	<b>Total Expenditure</b>		<b>2,131,964,051.47</b>	<b>2,170,322,757.31</b>	
<b>960,226,916.27</b>	<b>Operating Balance</b>		<b>1,497,339,958.38</b>	<b>797,735,819.69</b>	<b>95%</b>
	<b>Application/Transfer</b>				
<b>960,226,916.27</b>	<b>Transfer to Capital Development Fund</b>		<b>1,497,339,958.38</b>	<b>797,735,819.69</b>	<b>95%</b>
	<b>Closing Balance</b>				

**STATEMENT NO. 4**

**ZURU LOCAL GOVERNMENT COUNCIL KEBBI STATE OF NIGERIA**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2023**

<b>ACTUAL PREVIOUS YEAR (2022)</b>	<b>DESCRIPTION</b>	<b>NOTE S</b>	<b>ACTUAL 2023</b>	<b>FINAL BUDGET</b>	<b>VARIANCE IN PERCENTAGE</b>
	<b>TRANSFER FROM Capital Development</b>	<b>9</b>	<b>1,497,339,958.38</b>	<b>797,735,819.69</b>	<b>95%</b>
	<b>Aid and Grant</b>	<b>10</b>			
	<b>External Loans FGN/States/LGC</b>	<b>19</b>			
	<b>FGN/State/LGC Bonds&amp;Treasury Bonds</b>	<b>20</b>			
	<b>Nigerian Treasury Bills (NTB)</b>	<b>21</b>			
	<b>Development Loan Stock</b>	<b>22</b>			
	<b>Other Internal Loan (Promissory) Notes</b>	<b>23</b>			
	<b>Internal Loans from Other Funds</b>				
	<b>TOTAL REVENUE AVAILABLE</b>		<b>1,497,339,958.38</b>	<b>797,735,819.69</b>	<b>95%</b>
	<b>LESS CAPITAL EXPENDITURE</b>				
<b>159,817,867.85</b>	<b>Capital Expenditure Administrative Sector</b>	<b>11</b>	<b>252,735,921.43</b>	<b>125,000,000</b>	<b>28%</b>
<b>400,000,000.00</b>	<b>Capital Expenditure Economic Sector</b>	<b>11</b>	<b>618,055,857.41</b>	<b>806,240,660.00</b>	<b>0.77 &amp;</b>
	<b>Capital Expenditure Law and Justice</b>	<b>11</b>			
<b>200,000,000</b>	<b>Capital Expenditure: Regional Development Sector</b>	<b>11</b>	<b>300,000,000.00</b>	<b>344,944,747</b>	<b>13%</b>
<b>200,000,000.00</b>	<b>Capital Expenditure Social Service Sector</b>	<b>11</b>	<b>600,000,000.00</b>	<b>248,500,000.00</b>	<b>20%</b>
	<b>Capital Expenditure: Funded from aid and Grants</b>	<b>10</b>			
<b>959,817,867.85</b>	<b>TOTAL CAPITAL EXPENDITURE</b>		<b>1,470,791,778.57</b>	<b>1,524,685,407</b>	
	<b>Intangible Assets</b>				
<b>409,048.42</b>	<b>CLOSING BALANCE</b>		<b>84,349,643.71</b>		

## **ANALYSES OF FINANCIAL STATEMENT**

### **Revenues**

The overall performance of Revenue was 122% of the budgeted figure during the course of the year. This result appeared to be positive compared to previous year's performance. The success was recorded as a result of increase in both statutory Allocation and Value Added Tax (VAT) from the Federation Account. Details of the performance by Revenue heads are outlined below:

### **Statutory allocations**

Suru Local Government received the sum of N1.74 billion as statutory allocation from the FAAC (comprising Statutory Allocation, Distribution of Electronic Money Transfer Levy and Share of Exchange Gain).

### **Share of Value Added Tax**

The share of Suru Local Government from the Value Added Tax collection was estimated to be N851.08million. However, it is delighted to see that the sum of N1.81million was received during the year under review, which is greater than the amount received in the previous period.

### **Direct Taxes**

the sum of N15 million was alleged to have been generated during the year. However, the amount alleged to have been realized were not properly accounted for.

### **Earning from Commercial Undertaking**

During the period of our audit, we observed that many areas of this subhead were left on tap or unaccounted for. The sum of N20 was allegedly realized and not properly accounted for.

### **License and Fees**

Revenue to be collected under these subheads realized only the sum of N15 million. But the Council could not properly account for the sum.

### **Earnings from Rent on Local Government Properties**

This subhead only generated the sum of N7.5 million.

## **EXPENDITURE**

### **Recurrent Expenditure**

Recurrent Expenditure recorded a budget performance of 147%, inclusive of Personnel Emoluments amounted to N666.24 million, as against the budgeted sum of N511.95 million. It also includes contributions to both Local Governments and Primary School Staff Pensions and Gratuity which amounted to N356.33 million as against the sum of N344.07million appropriated for the year. The Overhead costs were only N36 million of the budgeted sum of N36. Subventions to Parastatals was equally inclusive which stood at N1.07billion of the budgeted figures of N1.29billion.

However, audit examination revealed that expenditure on personnel cost exceeded the amount appropriated for without any justification.

### **Capital Expenditure**

The Capital expenditure on economic sector stood at N618.06 million against the N806.24 million budgeted for the period, the Social sector spent N542.61 million as against of N248.50 million budgeted for, the Administrative sector expended N252.72 million against the budgeted amount of N125 million.

Audit examination observed that an over expenditure was incurred on the Economic and Administrative sectors without the approval of the Legislators, this is a gross violation of appropriation act.

**ADDITIONAL OBSERVATIONS IN RESPECT OF ZURU LOCAL GOVERNMENT COUNCIL  
TREASURY MAIN, SALARY AND REVENUE ACCOUNTS FOR THE PERIOD FROM 1<sup>ST</sup>  
JANUARY TO 31<sup>ST</sup> DECEMBER, 2023**

**MAIN ACCOUNT**

**1. INCOME AND EXPENDITURE:-**

Examination of various accounting records at my disposal revealed that, Zuru Local Government Council failed to account for the sum of ₦40,489,268.13 up to the time of writing this report. Appendix "A" attached to the main report sent to the Council refers for details.

**2. THE COUNCIL CASH BOOK:-**

It is quite worrisome to note that the upkeep of this important book was not encouraging after several warning giving to your Local Government Council previously. It has not reached to the extent that even monthly balancing was ignored by the Cashier. Similarly, the cash book was characterized with serious anomalies contrary to F.M chapter 19.

**3. BANK RECONCILIATION STATEMENT: -**

It was disheartening to not that, the council treasurer deliberately ignored and abused F.M provision No. 19.23 and 19.24 by not reconciling the bank transactions with cash book records.

**4. OVERHEAD COST:-**

Examination revealed that, your Local Government Council has received the sum of ₦36,000,000.00 for payment of overhead cost for the period under review, while the sum of ₦35,490,000 would appear to have been expended leaving the sum of ₦510,000,00 unaccounted for. Appendix "B" attached to the report sent to the Council for details.

**5. DEPARTMENT VOTE EXPENDITURE ACCOUNT (DVEA)**

It is quite noted with displeasure that this important book of account was not kept and maintained during the period under review. The treasurer has failed to attached the important this book deserves. However, the schedule officer were not discharging their functions in line with provision of 13.13 to 13.15 (1-7) please comment.

- 9. UNAUTHORIZED PAYMENT VOUCHERS:-** Examination of various accounting records at my disposal revealed that, payment voucher worth the sum of ₦57,523,638.84 were paid without the consent of the Officer Controlling the Vote (Directors) contrary to provision of F.M 14.18 and 14.19. Appendix "D" attached to main report sent to the Council for details.

## 10. PAYMENT VOUCHERS

i. Payment voucher No. 50/08/2023 paid to (Director Works) for general renovation of wall fence of N.T.A Zuru in accordance to attached estimate. On the spot verification on my visit to the location revealed that, only Zink was seen replaced and decorated with paint. The main renovation was not done i.e. fencing, leaving the sum of ~~₦~~35,000,000.00 unaccounted for.

### ii. NON-PAYMENT OF WITHHOLDING TAX AND VAT

Examination revealed that, Withholding Tax worth the sum of ~~₦~~15,559,523.83 and VAT worth the sum of ~~₦~~7,500,000.00 were due for payment but not paid by the Local Government Council. Appendix "E" of the main report sent to the Council refers for details.

iii. Payment Voucher 50/10/2023 paid to Rabiu Garba Aiki Bedi worth the sum of ~~₦~~5,000,000.00 for medical assistance, but to my dismay the Vice Chairman failed to retired the expenses with hospital bills.

## B. SALARY

1. the balance of ~~₦~~3,280,770.77 from the total salary paid remain unaccounted for up to the time of writing this report. Details could be seen in the main report sent to the Council.

2. Yet in another development, your Local Government Council has received the sum of ~~₦~~30,200,000.00 for payment allowance from the State Joint Account, while the sum of ~~₦~~29,910,000.00 would appear to have been expended leaving the sum of ~~₦~~290,000.00 unaccounted for. See appendix "G" for details.

## C. REVENUE

### 1. Haraji:-

The 2022/2023 Haraji collection was postponed and a year tax holiday was also granted to the tax payers by the State Government, due to security challenges around the Local Government Council.

### 2. GSM Network providers:-

The Network providers operating within the Local Government have following communication mast/antennas:-

MTN Antenna 8 x 40,000.00	=	320,000.00
GLO Antenna 3 x 30,000.00	=	90,000.00

AIRTEL Antenna	3 x 30,000.00	=	90,000.00
	<b>Total</b>	=	<b>500,000.00</b>

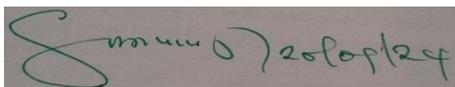
The sum of ~~₦500,000.00~~ was realized from this unit, but the failed to account for the amount said to have been generated.

**ANNUAL COLLECTION:-**

Other revenue sources such as shops, filling stations, bottles or sachets water produces and vendors, bakery houses, PHCN pole, medicine store, private school, private hospital, Hotels/Motels, commercial rider (Kabu-Kabu), Viewing Centre, computer business Centre and restaurants etc.

The above stated sources only recorded the sum of ~~₦1,200,000.00~~ as annual revenue which is too small considering the economic viability of this Local Government.

3. **MARKET REVENUE:-** The sum of ~~₦1,520,000.00~~ was realized from this source but not lodged into the Local Government account before incurring expenditure which is against the provision of F.M.
4. **DEPARTMENTAL RECEIPT: -** Only the sum of ~~₦2,500,000.00~~ was alleged have been realized and was not taken into Local Government accounts before incurring expenditure.



Faruk B. Muhammad FCNA, FCFA

Auditor General for Local Governments

Kebbi State



**OFFICE OF THE AUDITOR GENERAL FOR  
LOCAL GOVERNMENTS**

**KEBBI STATE, BIRNIN KEBBI**

**ANNUAL AUDIT REPORT IN RESPECT OF KEBBI STATE LOCAL  
GOVERNMENTS JOINT ACCOUNT COMMITTEE**

**(MAIN ACCOUNT)**

**FOR**

**THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2023**

**SUBMITTED BY**

**FARUK B. MUHAMMAD** FCNA, FCFA

*AUDITOR GENERAL FOR LOCAL GOVERNMENTS*

*KEBBI STATE, BIRNIN KEBBI*



# OFFICE OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS

P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

## RE: AUDIT FINDINGS IN RESPECT OF KEBBI STATE JOINT LOCAL GOVERNMENT ACCOUNT DISTRIBUTION AND FISCAL COMMITTEE (MAIN ACCOUNT) FOR THE PERIOD FROM 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER 2023

The key audit findings are those observations that in our professional judgments are deemed significant to draw the attention of the Committee. These observations are evaluated within the context of extant laws guiding the operations of the account and forming our opinion thereon.

### 2. INCOME AND EXPENDITURE

The Committee started its financial year (2023) with an opening balance of ₦9,098,121,201.19 and received the sum of ₦73,947,289,587.68 from the FAAC and other statutory sources, totaling ₦83,045,410,788.87 (as annual income). Similarly, the Committee disbursed the total sum of ₦82,847,456,101.07. And the total sum of ₦6,267,107,404.79 remained in the Committee's account as closing balance (as at 31<sup>st</sup> December, 2023) while the sum of ₦197,954,687.80 appear to be unaccounted for. See appendix "A" attached.

Faruk B. Muhammad FCNA, FCFA

Auditor General for Local Governments

Kebbi State

**KEBBI STATE LOCAL GOVERNMENTS JOINT ACCOUNT (MAIN ACCOUNT)**

**SCHEDULE OF INCOME AND EXPENDITURE FOR THE PERIOD FROM 1<sup>ST</sup>  
JANUARY TO 31<sup>ST</sup> DECEMBER 2023**

**APPENDIX "A"**

<b>S/N</b>	<b>MONTH</b>	<b>INCOME</b>	<b>EXPENDITURE</b>	<b>DIFFERENCE</b>
	Opening Bal.	9,098,121,201.19	--	9,098,121,201.19
1	January	8,043,373,025.93	5,170,787,614.52	2,872,585,411.41
2	February	5,062,693,840.18	11,382,664,604.07	(6,319,970,843.26)
3	March	1,306,146,096.66	5,526,441,885.95	(4,220,295,789.29)
4	April	10,466,410,925.75	4,471,722,671.70	5,994,688,254.05
5	May	4,445,685,231.61	5,325,988,599.09	(880,303,367.48)
6	June	3,973,138,944.74	6,122,689,002.39	(2,149,550,057.62)
7.	July	7,832,363,224.60	5,787,916,716.35	2,044,446,508.25
8	August	5,701,423,284.14	4,553,247,441.28	1,148,175,842.86
9	September	9,043,202,631.29	6,861,060,642.98	2,182,141,987.31
10	October	6,140,213,268.04	9,523,281,736.39	(3,383,068,468.35)
11	November	5,462,336,005.25	6,362,093,145.89	(899,757,140.64)
12	December	6,470,303,108.83	5,492,454,635.67	977,848,473.16
	Closing Bal.		6,267,107,404.79	(6,267,107,404.79)
	<b>Total</b>	<b>N83,045,410,788.87</b>	<b>N82,847,456,101.07</b>	<b>N197,954,687.80</b>



**OFFICE OF THE AUDITOR GENERAL FOR  
LOCAL GOVERNMENTS**

**KEBBI STATE, BIRNIN KEBBI**

**ANNUAL AUDIT REPORT IN RESPECT OF KEBBI STATE LOCAL  
GOVERNMENTS JOINT ACCOUNT COMMITTEE**

**(0.55% ACCOUNT)**

**FOR**

**THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2023**

**SUBMITTED BY**

**FARUK B. MUHAMMAD** FCNA, FCFA

*AUDITOR GENERAL FOR LOCAL GOVERNMENTS*

*KEBBI STATE, BIRNIN KEBBI*



# OFFICE OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS

P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

## RE AUDIT FINDINGS IN RESPECT OF KEBBI STATE JOINT LOCAL GOVERNMENT ACCOUNT DISTRIBUTION AND FISCAL COMMITTEE (0.55% ACCOUNT) FOR THE PERIOD FROM 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER 2023

The key audit findings are those observations that in our professional judgments are deemed significant to draw the attention of the Committee. These observations are evaluated within the context of extant laws guiding the operations of the account and forming our opinion thereon.

### 2. INCOME AND EXPENDITURE

It was observed that the 0.55% account received the total sum of N340,927,202.13 and expended the sum of N288,936,832.35 during the year under review. Another sum of N50,297,261.18 were seen in the account as closing balance, while the balance of N1,693,108.60 remain accounted for. Please comment. See appendix "A" attached.

### 3. MISAPPLICATION OF FUNDS:

a. The course of our examination, we observed that payment voucher no. 16/1/2023 to the tune of N3,000,000.00 was paid to Danko/Wasagu Local Government in respect of settling urgent security challenges.

b. Similarly, another payment voucher no. 141/3/2024 amounting to N22,000,000.00 was raised and paid to 4no. Emirate Councils for the conduct of sensitization exercise on 2023 population census. Further scrutiny of the voucher revealed that the memo approved by the H.E. clearly stated where the fund would be sourced, not 0.55% Account.

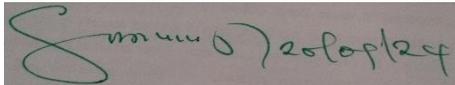
c. Another payment voucher no.128/3/2023 was equally paid to one Haliru Aliyu to the tune of N2,000,000.00 for Transportation, Logistics, and Feeding to committee for the Reimbursement

of District and Village Heads Funds. This was purely Chieftaincy matter and sections 110 -112 of the Local Government Law 2008 have taken care of.

All the above payments are contrary to the mandate which the 0.55% account was setup to perform, as explicitly stated in section 143(a – c) of the Local Government Law 2008.

Therefore, this expenditure would not be admitted as proper charged against the public funds and be recovered from the Main Account balance of the Local Government in question and 5% Joint Council of Chiefs and furnish my office with the details of such recovery.

4. Payment vouchers nos. 129/3/2023 and 449/8/2023 amounting to N500,000.00 and N540,000.00 were paid as support to unknown NGOs'. Further scrutiny revealed that the alleged NGOs' neither applied nor acknowledged the receipt of the payments. Please comment.



Faruk B. Muhammad FCNA, FCFA

Auditor General for Local Governments

Kebbi State

**KEBBI STATE LOCAL GOVERNMENTS JOINT ACCOUNT (0.55% ACCOUNT)**

**SCHEDULE OF INCOME AND EXPENDITURE FOR THE PERIOD FROM 1<sup>ST</sup>  
JANUARY TO 31<sup>ST</sup> DECEMBER 2023**

**APPENDIX "A"**

<b>S/N</b>	<b>MONTH</b>	<b>INCOME</b>	<b>EXPENDITURE</b>	<b>DIFFERENCE</b>
	Opening Bal.	28,358,631.41	--	28,358,631.41
1	January	23,524,415.82	9,334,692.36	14,189,723.46
2	February	30,646,574.94	26,968,155.31	3,678,419.63
3	March	26,706,094.51	51,862,862.95	(25,156,768.44)
4	April	23,194,778.27	19,376,350.51	3,818,427.76
5	May	23,115,889.54	40,551,715.00	(17,435,825.44)
6	June	23,115,889.54	13,567,923.32	9,547,966.22
7	July	25,916,709.40	16,683,574.99	9,233,134.41
8	August	19,214,577.58	25,672,431.80	(6,457,854.22)
9	September	30,357,483.32	23,480,361.16	6,877,122.16
10	October	28,257,764.44	29,934,400.00	(1,676,635.56)
11	November	28,286,726.33	13,175,614.81	15,111,111.52
12	December	30,231,667.03	18,328,750.14	11,902,916.89
	Closing bal.		50,297,261.18	(50,297,261.18)
	<b>Total</b>	<b>N340,927,202.13</b>	<b>N339,234,093.53</b>	<b>N1,693,108.60</b>

**KEBBI STATE LOCAL GOVERNMENTS**

**SERVICE COMMISSION**

**ANNUAL AUDIT REPORT**

**FOR**

**THE PERIOD FOR 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup>**

**DECEMBER, 2023**

**SUBMITTED BY**

**FARUK B. MUHAMMAD FCNA, FCFA**

*AUDITOR GENERAL FOR LOCAL GOVERNMENTS*

*KEBBI STATE, BIRNIN KEBBI*

**KEBBI STATE LOCAL GOVERNMENTS SERVICE COMMISSION**

**INCOME AND EXPENDITURE ACCOUNT FOR THE  
YEAR ENDED 2022**

		<b>₦</b>
Opening Balance		55,656,644.10
Total Income		<u>226,839,102.85</u>
<b>Total Income</b>		<b>₦282,495,746.95</b>
<b>Less Expenditure:</b>		
Seminars/Workshops	2	111,675,000.00
Staff on Course Allow	3	15,210,000.00
D.T.A on local inspection	4	18,725,000.00
DTA on official trips outside the state	5	8,010,000.00
Transport allowances to workshops And seminars participant	6	34,408,000.00
Entertainment (meetings)	7	25,690,000.00
Support to Professional Bodies	8	14,001,000.00
Remittance to FIRS	9	2,454,500.00
Remittance to BIR	10	3,931,600.00
Miscellaneous expenses	11	10,125,000.00
Bank Charges		N16,693.25
<b>Total Expenses</b>		<b>₦244,237,293.25</b>
Less: Closing Bank Balance 31/12/23		<del>₦</del> 38,170,238.98
Unaccounted Balance		<del>₦</del> 88,214.72



# OFFICE OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

## **RE: AUDIT FINDINGS IN RESPECT OF KEBBI STATE LOCAL GOVERNMENT SERVICE COMMISSION FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2023**

The key audit findings are those observations that in our professional judgments are deemed significant to draw the attention of the Commission. These observations are evaluated within the context of extant laws guiding the operations of this account and forming our opinion thereon.

### **2. INCOME AND EXPENDITURE**

The Commission started its financial year (2023) with an opening balance of ₦55,656,644.10 and received the sum of ₦226,839,102.85 as 21 Local Governments contribution to the training funds totaling to the tune of ₦4282,495,746.95 (as annual income). Similarly, the commission expended the total sum of ₦244,237,293.25. And the total sum of ₦38,170,238.98 remained in the commission's account (No. 1010902023, Zenith Bank) as closing balance as at 31<sup>st</sup> December, 2023 while the sum of ₦88,214.72 appear to be unaccounted for.

### **3. Diversion of Public Funds:**

In the course of our examinations, we discovered that Hilton Rocket Consultancy Ltd was contracted to conduct workshop to Kebbi State Local Governments personnel to the tune of ₦10,080,000.00. Further scrutiny revealed that contract sum was actually paid to one Sanusi Ahmed vide GT bank Account no.0026937396 instead of contracting company. This is clear violation of section 14.4 of the Financial Memoranda.

#### 4. **Misapplication of Funds:**

i. It was observed that payment voucher no. 14/3/2023 amounting to N9,450,000.00 was raised and paid to Sani Muhammad Mashaya and others in respect of Joint Security meeting. To our surprised all Directors of the 21 Local Governments including Internal Auditor were said to be in attendance.

However, scrutiny of this voucher revealed that officers were not the actual recipient of the money, because none of them actually signed or acknowledged the receipt of the amount in question. Beside, holding or conducting meeting on security is not the responsibility of LGSC (Training Funds).

ii. Similarly, another payment voucher no. 45/6/2023 amounting to N1,600,000.00 paid the Director Admin for the drilling of borehole and purchase of plumbing materials. Again, Training funds account is not the right account to be charged since the Commission had its Overhead Cost allocation (Monthly). Also, we cannot admit it as proper charge against the public funds in your custody.

iii. In the same vein, payment voucher no. 30/3/2023 amounting N1,550,000.00 was used to purchase undisclosed utility items. The items were neither disclosed nor receipted as at the time of filling this report. It's also not part of what the training funds are provided for. Therefore, needs to be refunded.

#### 5. **SEMINARS/WORKSHOPS**

It was observed that the Commission hosted and/or contracted consultants conduct seminars/workshops to the Local Governments staff amounting ~~N~~115,541,000.00. Examinations of these payment vouchers revealed that:-

- i. There were no written agreements on terms and conditions of conducting the workshop, except cost, date and venue.
- ii. No receipts from the Tender Board or Board of Internal Revenue indicating payments of tender fees, which cost the State significant amount as revenue.

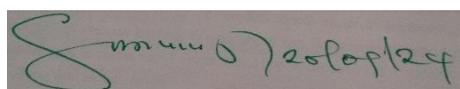
- iii. None of the Consulting Company acknowledged the receipt of payments made as enshrined in FM 14.16, which means they are yet to be paid despite PVs raised in their names.

**7. Non-retirement of Travelling Expenses:**

During the period under review, the total sum of N8,010,000.00 were said to be expended on engagements outside the state. But to our dismay not as single document was attached to any of the payment vouchers certify that the journey have actually taken place.

**7. IRREGULAR PAYMENTS:**

- i. Payment voucher no. 28/3/2023 was paid to Hilton Rocket Consultancy to the tune of N7,560,000.00 for organizing workshop to some personnel of Local Governments. Examination of the payment voucher revealed that the application letter purported to be from the consulting company was not signed by any of the company's official. Similarly, the Commission did not used any of its official document (i.e. letter head) while replying the application.
- ii. Another payment voucher no. 26/3/2023 amounting to N1,890,000.00 was paid to the Executive Chairman in respect of hosting a meeting to extend normal working day (which lasted for 10 days). It is rather confusing on a meeting of this nature could for 10 days.



**Faruk B. Muhammad FCNA, FCFA**

Auditor General for Local Governments

Kebbi State

**LOCAL GOVERNMENTS SERVICE COMMISSION**  
**SCHEDULE OF INCOME AND EXPENDITURE FOR THE YEAR ENDED, 2023**

<b>S/N</b>	<b>MONTH</b>	<b>INCOME</b>	<b>EXPENDITURE</b>	<b>DIFFERENCE</b>
	Opening Bal.	55,656,644.00	-	55,656,644.00
1	January	22,941,840.83	24,861,765.00	(1,919,924.17)
2	February	28,748,490.87	14,201,303.75	14,547,187.12
3	March	20,151,529.19	48,636,141.75	(28,484,612.57)
4	April	14,984,753.13	31,911,980.50	(16,927,227.37)
5	May	21,382,383.98	28,461,183.00	(7,078,799.02)
6	June	20,340,820.24	1,600,791.00	18,740,027.24
7	July	22,997,898.54	1,738,50	22,780,160.04
8	August	14,176,243.85	14,533,495.75	(357,251.90)
9	September	16,182,373.18	6,440,419.75	9,787,853.43
10	October	14,121,475.22	19,383,089.75	(5,261,614.53)
11	November	13,902,008.31	29,439,171.25	(15,537,162.94)
12	December	16,911,285.51	24,766,213.25	(7,854,927.74)
	Closing bal.		38,170,238.98	(38,170,238.98)
	<b>Total</b>	<b>N282,495,746.95</b>	<b>N282,407,532.23</b>	<b>N88,214.72</b>

**KEBBI STATE COUNCIL OF CHIEFS**

*BIRNIN KEBBI*

**AUDIT REPORT IN RESPECT OF FOUR EMIRATE COUNCILS**

**FOR**

**THE YEAR ENDED**

**31<sup>ST</sup> DECEMBER 2023**



**OFFICE OF THE AUDITOR GENERAL  
FOR LOCAL GOVERNMENTS**  
P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

**RE: AUDIT INSPECTION REPORT INRESPECT OF GWANDU EMIRATE COUNCIL  
FOR THE PERIOD FROM 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER, 2023**

The accounts and other related records maintained by the above named Emirate Council, for the period under review have been examined. Observations arising therefrom are hereby forwarded to you for your perusal and response.

Kindly, acknowledge the receipt of this report within one week and should be fully reply within Three (3) weeks. Quote same paragraph numbers as it appears on this report for easy comparison.

**4. PURCHASE OF SERVICE MATERIAL:**

Records made available to us revealed that the sum of N2,080,000.00 was expended vide payment vouchers nos. 21/8/23 (N1,880,000.00) and 13/6/23 (N200,000.00) in respect of supplying of clothing materials to the Council. Further examination of these PVs' revealed that the items alleged to have been supplied were neither receipted nor taken to the store for record and accountability purposes. This contradicts provisions of chapters 14, 17 and 34 of the Financial Memoranda.

**5. SUPPLY OF UTILITIES**

Examination of the available records revealed that payment vouchers worth N6,970,000.00 were raised and paid to various persons in respect of purchase of petrol and diesel to the Council. But to our dismay, these vouchers were not supported with

receipts or store records (Store ledger, SRV, SIV) to authenticate the expenditure. These contravene the provisions of chapter 14 of the Financial Memoranda.

See details below:

S/N	PV NO.	PAYEE	PARTICULARS	AMOUNT
1	10/12/23	Barayan Gwandu	Purchas of Petrol	1,103,000.00
2	2/5/23	Sundry Person	Purchase of Diesel	1,301,000.00
3	7/7/23	sundry Person	Payment of utility services	914,000.00
4	5/7/23	Barayan Gwandu	Purchase of petrol	500,000.00
5	16/6/23	Abubakar Haruna Rasheed	Purchase of Diesel	1,000,000.00
6	9/8/23	Sundry Person	Purchase of Diesel	500,000.00
7	2/6/23	Barayan Gwandu	Purchase of petrol	300,000.00
8	3/6/23	Sundry Person	Purchase of Diesel	1,300,000.00
9	14/7/23	Buhari Haruna	Purchase of Petrol	250,000.00
		<b>Total</b>		<b>N6,970,000.00</b>

## 6. PAYMENT OF NEPA BILL

The sum of N2,000,000.00 was alleged to have been paid to Kaduna Electricity Company vide payment voucher number 62/3/23. Careful examination of the payment voucher revealed that, no Bill, payment receipt or acknowledgement letter from the company being attached as justification for the payment. This is contrary to section 14.16 and 14.17 of the Financial Memoranda.

## 7. NON-RETIREMENT OF TRAVELLING ALLOWANCES

Scrutiny of the available records revealed that the payment voucher worth N3,645,500.00 were raised and paid to different persons in respect of travelling expenses. But it was disheartening to observed that none of the vouchers were

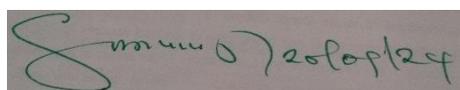
accompanied with any evidence (i.e. Boarding pass, Air ticket, Hotel and restaurant receipts, receipt from filling stations etc) justifying the journey or expenditure incurred.

Details below:

S/N	PV NO.	PAYEE	PARTICULARS	AMOUNT
1	47/3/23	Umar Aliyu Mabudi	Air ticket and travelling allowances to Abuja	358,000.00
2	16/8/23	Sundry Person	Air ticket and travelling allowances to Abuja	1,221,500.00
3	1/3/23	Aliyu Umar	Air ticket and travelling allowances to Abuja	780,000.00
4	48/2/23	Sundry Payment	Air ticket and travelling allowances to Abuja	1,286,000.00
		<b>Total</b>		<b>N3,645,500.00</b>

#### 11. INTERNALLY GENERATED REVENUE:

We observed with dismay that not a single kobo appeared to have been accounted for from the commercial assets of Gwandu Emirate at Birnin Kebbi and Kaduna.



**Faruk B. Muhammad FCNA, FCFA**

*Auditor General for Local Governments*

*Kebbi State*



# OFFICE OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS

P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

**RE: ANNUAL AUDIT INSPECTION REPORT IN RESPECT OF ARGUNGU EMIRATE COUNCIL FOR THE PERIOD FROM 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER 2023.**

## **2. UNDOCUMENTED PAYMENT VOUCHERS: -**

During the examination of records made available to us, we observed that payment voucher no. 10/2/2023 was paid to Al-Hamsad Motors (being the Final payment of purchased Toyota Hiace) amounting to N2,400,000.00. the alleged payment was effected without attaching the necessary documents such as LPO, Vehicle particulars, etc and the attached invoice was not dated as well.

## **3. PAYMENTS FOR AIR TICKETS**

Payment vouchers nos. 8/6/23 amounting to N893,000, 10/8/23 amounting to N225,000.00, 11/3/23 amounting to N972,000.00 and 20/1/23 amounting to N1,045,000.00 totaling N3,135,000.00 were to paid in respect of payments of air tickets and travelling expenses of His Royal Highness and his entourage to various destinations. Scrutiny of these payment vouchers revealed that necessary receipts and/or invoices, boarding pass among other documents were neither attached nor made available for examination.

## **4. PREPAYMENT AUDIT:**

It was observed with disheartening of mind that section 14.10 of Financial Memoranda, which stipulated that no payment shall be made without passing through the Internal Audit for prepayment examination was totally violated.

**Faruk B. Muhammad FCNA, FCFA**

*Auditor General for Local Governments*

*Kebbi State*



**OFFICE OF THE AUDITOR GENERAL  
FOR LOCAL GOVERNMENTS**  
P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

**RE: AUDIT INSPECTION REPORT IN RESPECT OF YAURI EMIRATE COUNCIL FOR THE PERIOD FROM 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER, 2023 UNDER REVIEW**

1. **INCOME AND EXPENDITURE ACCOUNT:-** It was observed that the sum of ₦132,344,412.11 was disbursed to Yauri Emirate Council for the period of 1<sup>st</sup> January to 31<sup>st</sup> December 2023 from the State and Local Government Joint Account on which the sum of ₦131,737,153.21 was expended leaving a balance of ₦607,258.90 unaccounted for, as per table shown below.

S/N	MONTHS	REVENUE	EXPENDITURE	DIFFERENCES
1.	JANUARY	16,258,353.37	16,604,847.45	346,494.08
2.	FEBRUARY	16,359,548.58	16,249,235.98	110,312.60
3.	MARCH	9,447,473.07	9,663,222.86	215,749.79
4.	APRIL	8,991,511.93	9,152,413.00	160,901.07
5.	MAY	12,256,329.69	11,977,756.68	278,573.01
6.	JUNE	12,256,329.69	12,609,102.86	352,773.17
7.	JULY	13,218,246.12	13,276,182.64	57,936.52
8.	AUGUST	7,537,555.10	7,358,239.18	179,315.92
9.	SEPTEMBER	9,585,602.15	9,477,245.75	108,356.40
10.	OCTOBER	7,793,029.85	7,750,948.63	42,081.22
11.	NOVEMBER	7,793,029.85	7,995,664.52	202,634.67
12.	DECEMBER	9,603,631.13	9,622,293.66	18,662.53
	<b>TOTAL</b>	<b>₦132,344,412.11</b>	<b>₦131,737,153.21</b>	<b>₦607,258.90</b>

2. **BANK RECONCILIATION STATEMENT:-** It was observed that no any reasonable effort would appear to have been made by the accountant in preparation of monthly, quarterly or yearly bank reconciliation statement. Bank reconciliation assists the Emirate to discover some of the direct debit and credit as well as actual bank charges, please comment.

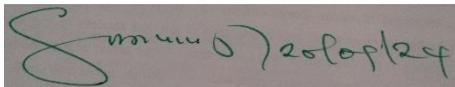
3. **SUPPLY OF PETROL AND DIESEL:-** It was observed with serious concerned that the sum of ~~₦~~23,000,000.00 purported to have been paid for the supply of petrol and diesel for the period of 1<sup>st</sup> January to 31<sup>st</sup> December 2023 under review without proper documentation, further observations revealed that, the said supply were not been taken into store, on which the store receipt vouchers and store issue vouchers as well as store ledger was not been kept and maintained which was considered as a gross violation of financial memorandum provision 34:15, 34:17 and 34:13 respectively, as it can be seen below.

S/N	MONTHS	REVENUE	REMARKS
1.	JANUARY	3,000,000.00	
2.	FEBRUARY	3,000,000.00	
3.	MARCH	1,000,000.00	
4.	APRIL	2,000,000.00	
5.	MAY	3,000,000.00	
6.	JUNE	2,500,000.00	
7.	JULY	3,000,000.00	
8.	AUGUST	1,000,000.00	
9.	SEPTEMBER	1,000,000.00	
10.	OCTOBER	1,000,000.00	
11.	NOVEMBER	1,000,000.00	
12.	DECEMBER	1,500,000.00	
	<b>TOTAL</b>	<b>₦23,000,000.00</b>	

4. **SALARY AND ALLOWANCES:-** It has been observed that, the sum of ~~₦~~68,165,252.72 allegedly said to have been expended for the payment of staff salary and allowances for the month of January to December 2023, furthermore it was discover that, the said payment vouchers are not been authorized by the officer controlling the vote which was contrary to the provision of financial memorandum 14.8 and 14.9 respectively as shown below.

S/N	MONTHS	REVENUE	REMARKS
-----	--------	---------	---------

1.	JANUARY	4,999,786.11	
2.	FEBRUARY	5,914,854.29	
3.	MARCH	5,876,854.04	
4.	APRIL	5,824,854.20	
5.	MAY	5,824,854.20	
6.	JUNE	5,824,854.20	
7.	JULY	5,874,924.23	
8.	AUGUST	5,604,854.29	
9.	SEPTEMBER	5,604,854.29	
10.	OCTOBER	5,604,854.29	
11.	NOVEMBER	5,604,854.29	
12.	DECEMBER	5,604,854.29	
	<b>TOTAL</b>	<b>N68,165,252.72</b>	



**Faruk B. Muhammad FCNA. FCFA**

*Auditor General for Local Governments*

*Kebbi State*



# OFFICE OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS

P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

## RE: AUDIT INSPECTION REPORT IN RESPECT OF ZURU EMIRATE COUNCIL FINANCIAL ACCOUNTS FOR THE YAER ENDED 2023

The accounts and other allied records maintained by the above name Emirate Council for the year under review have been examined. Observations arising therefrom are hereby forwarded to for your perusal and prompt response.

### 2. INTERNAL AUDIT UNIT

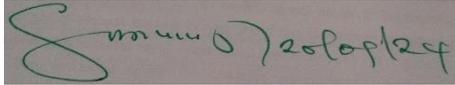
Section 14.10 of the Financial Memoranda empowers the Internal Auditor to carry out prepayment audit on every payment of the council and deter the Treasurer from effecting payments that were not endorsed by the Internal Auditor. Yet again, the above instruction has not been adhered to, because none of the payment vouchers made available to us was signed or endorse by the officer in question.

### 3. IRREGULAR PAYMENTS

Examination of the available records revealed that payment vouchers nos. 23/9/23 and 21/9/23 were paid to Zuru Emirate Council by the same Zuru Emirate Council to the tune of N1,000,000.00 and N689,000.00 respectively; for undisclosed purposed. These payments contravene the entire chapter 14 of the Financial Memoranda.

### 4. PURCHASE OF DIESEL

It was observed with disheartening of mind that Zuru Emirate Council spent more than N4,000,000.00 monthly in respect diesel supply. This is on the high side considering the economic situation and monthly income of the Council.

A rectangular box containing a handwritten signature in green ink. The signature appears to be 'Faruk B. Muhammad' followed by a date '20/07/24'.

**Faruk B. Muhammad FCNA. FCFA**

*Auditor General for Local Governments*

*Kebbi State*

**LOCAL GOVERNMENTS EDUCATION  
AUTHORITIES**

*KEBBI STATE*

**CONSOLIDATED AUDIT REPORT IN RESPECT OF 21 LGEAS'**

**FOR**

**THE YEAR ENDED**

**31<sup>ST</sup> DECEMBER 2023**



# OFFICE OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS

P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

## AUDIT INSPECTION REPORT IN RESPECT OF 21 LOCAL GOVERNMENTS EDUCATION AUTHORITIES' FINANCIAL RECORDS FOR THE YEAR ENDED 31ST DECEMBER, 2023

We have audited the financial records of the 21 Local Governments Education Authorities of Kebbi State for the year ended 31<sup>st</sup> December, 2023. The guidelines of the Generally Accepted Auditing Standards are strictly adhered to.

We have obtained necessary information and explanations required for the purpose of our examination. In our opinion, the financial records gave "true and fair" view of the public funds entrusted to the management of the Local Government Education Authorities in the State.

As part of our professional responsibility, observations therefrom were communicated to the affected Authorities for their comments and further necessary action. Therefore, issues raised are those that we deem significant to report therein.

**Faruk B. Muhammad FCNA, FCFA**

Auditor General for Local Governments

Kebbi State

## 2. MONTHLY ALLOCATION

The 21 Local Governments Education Authorities received the total sum of **N7,414,681,756.86** during the year for the payment of staff salaries. The total sum of **N7,374,884,712.21** appeared to have been expended, leaving an unaccounted balance of **N39,797,042.65**.

These contravene the Financial Memoranda provision number 1.14(1, 3&9) which states that there should be strict compliance with Financial Memoranda in all financial dealings. The Treasurers are also instructed to ensure that "All instructions relating to expenditure of public funds by the accounting officers are in writing". And "No payments are made unless properly authorized and funds are available". Also **14.4(1)** states "it must be made in favour of person or persons to whom the money is actually due".

We therefore recommended that the Education Secretaries and their Directors of Finance should:

- i. Explain in an unequivocal term why the above quoted provisions was contradicted.
- ii. Recover the sum of **N39,797,042.65** and remit same back to their respective Treasuries;
- iii. Forward evidences of remittance to my office for confirmation.
- iv. Otherwise, the principal officers would be sanctioned in accordance with FM 39.3(a)(6 &16). Appendix "A" attached for details.

## 3. OVERHEAD COST

Examinations of the 21 Local Government Education Authorities records revealed that the total sum of **N126,498,686.39** were received during the year under review for the above subject matter and the total sum of **N123,093,617.74** appeared to have been expended, leaving an apparent balance of **N3,405,068.65** unaccounted for. In our opinion the affected authorities should made to account for amount in questioned and surcharged accordingly. Appendix "B" attached for details

#### **4. UNION DUES:**

Similarly, audit inspection of the 21 Local Government Education Authorities records revealed that the total sum of N111,001,801.69 were deducted from the staff salaries as Union dues, but only the total sum of N91,445,077.75 appeared to have been remitted to the appropriate body, leaving an apparent balance of N19,556,723.94 unaccounted for. In our opinion the affected authorities should be made to accounts for amounts in questioned and surcharged accordingly. Appendix "C" attached for details

#### **5. NHF DEDUCTIONS:**

In yet another development, audit inspection of the 21 Local Government Education Authorities records revealed that the total sum of N69,908,835.52 were deducted from the staff salaries as NHF contributions, but only the total sum of N57,650,942.17 appeared to have been remitted to the appropriate body, leaving an apparent balance of N12,257,893.35 unaccounted for. In our opinion the affected authorities should be made to account for amount in questioned and surcharged accordingly. Appendix "D" attached for details

**CONSOLIDATED L.G.E.A INCOME & EXPENDITURE STATEMENT IN  
RESPECT OF SALARIES FOR YEAR ENDED 31<sup>ST</sup> DECEMBER, 2023.**

**APPENDIX "A"**

<b>S/N</b>	<b>L.G.E.A</b>	<b>INCOME (Jan – Dec. 2022</b>	<b>EXPENDITURE (Jan – Dec. 2022 (N)</b>	<b>DIFFERENCE (N)</b>
13.	ALIERO	139,199,114.96	137,077,353.97	2,121,760.99
14.	AREWA	538,048,929.65	536,045,961.88	2,002,967.77
15.	ARGUNGU	474,472,598.97	305,666,721.70	168,805,877.27
16.	AUGIE	340,228,939.15	337,951,211.37	2,277,727.78
17.	BAGUDO	437,440,294.00	435,561,112.97	1,879,181.03
18.	BUNZA	378,379,477.38	377,922,990.54	456,486.80
19.	BIRNIN KEBBI	674,998,656.58	673,834,657.87	1,163,998.71
20.	DANDI	309,389,081.07	308,668,097.50	720,983.57
21.	D/WASAGU			
22.	FAKAI	319,731,946.42	308,592,794.35	11,1392,794.35
23.	JEGA	298,299,904.37	297,204,962.09	1,094,942.28
24.	GWANDU	289,668,262.13	288,768,819.77	899,442.36
25.	KALGO	262,059,047.99	261,211,508.18	847,539.81
26.	KOKO/BESSE	292,942,303.45	292,413,070.63	529,232.82
27.	MAIYAMA	264,953,662.22	260,231,448.34	4,722,213.88
28.	NGASKI	272,281,356.61	271,570,000.39	711,336.22
29.	SAKABA	265,079,579.23	264,066,885.53	1,012,696.41
30.	SHANGA	278,271,341.79	276,475,401.85	1,795,939.94
31.	SURU	256,060,431.31	254,763,278.09	1,297,153.22
32.	YAURI	374,107,968.74	373,401,435.01	706,533.73
33.	ZURU	492,263,470.27	490,833,178.06	1,430,292.21
	<b>Total</b>			

**CONSOLIDATED L.G.E.A OVERHEAD COST FOR YEAR ENDED 31<sup>ST</sup>  
DECEMBER, 2023**

**APPENDIX "B"**

<b>S/N</b>	<b>L.G.E.A</b>	<b>INCOME</b>	<b>EXPENDITURE (N)</b>	<b>DIFFERENCE (N)</b>
1.	ALIERO	4,709,000.00	4,662,700.00	46,300.00
2.	AREWA	7,260,000.00	7,096,801.90	163,198.10
3.	ARGUNGU	9,720,000.00	2,861,000.00	6,859,000.00
4.	AUGIE	7,320,000.00	5,380,000.00	1,940,000.00
5.	BAGUDO	-	-	-
6.	BUNZA	7,260,000.00	6,572,000.00	688,000.00
7.	BIRNIN KEBBI	-	-	-
8.	DANDI	7,260,000.00	2,880,000.00	4,380,000.00
9.	D/WASAGU	9,679,000.00	9,679,000.00	-
10.	FAKAI	-	-	-
11.	GWANDU	7,500,000.00	7,437,500.00	60,500.00
12.	JEGA	7,320,000.00	6,895,400.00	424,600.00
13.	KALGO	4,860,000.00	4,860,000.00	-
14.	KOKO/BESSE	7,365,000.00	7,342,000.00	23,000.00
15.	MAIYAMA	7,320,000.00	6,720,000.00	600,000.00
16.	NGASKI	-	-	-
17.	SAKABA	-	-	-
18.	SHANGA	7,500,000.00	7,360,000.00	140,000.00
19.	SURU	7,194,000.00	7,194,000.00	-
20.	YAURI	7,500,000.00	-	7,500,000.00
21.	ZURU	-	-	-
	<b>Total</b>	<b>109,7670,000.00</b>	<b>N86,942,401.90</b>	<b>22,824,598.10</b>

**CONSOLIDATED L.G.E.A NUT DUE DEDUCTIONS AND REMITTANCES  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2023.**

**APPENDIX "C"**

<b>S/N</b>	<b>L.G.E.A</b>	<b>AMT DEDUCTED (JAN-DEC. 2022</b>	<b>AMT REMITTED JAN-DEC. 2022 (N)</b>	<b>DIFFERENCE (N)</b>
1.	ALIERO	14,706,506.14	8,196,237.92	6,510,268.22
2.	AREWA	-	-	-
3.	ARGUNGU	-	-	-
4.	AUGIE	25,892,089.39	25,457,995.24	432,094.15
5.	BAGUDO	-	-	-
6.	BUNZA	32,502,797.74	32,096,777.03	406,020.71
7.	BIRNIN KEBBI	-	-	-
8.	DANDI	23,623,604.94	23,299,119.06	324,487.88
9.	D/WASAGU	23,845,622.23	-	23,845,622.23
10.	FAKAI	21,758,965.18	20,390,169.24	1,368,796.57
11.	GWANDU	-	-	-
12.	JEGA	-	-	-
13.	KALGO	17,669,422.99	17,401,817.04	267,605.95
14.	KOKO/BESSE	-	-	-
15.	MAIYAMA	-	-	-
16.	NGASKI	-	-	-
17.	SAKABA	-	-	-
18.	SHANGA	10,780,730.54	10,515,729.98	265,000.56
19.	SURU	20,952,757.45	20,699,433.98	253,323.47
20.	YAURI	-	-	-
21.	ZURU	-	-	-
	<b>Total</b>	<b>N191,732,497.23</b>	<b>N158,059,277.49</b>	<b>N33,673,219.74</b>

**CONSOLIDATED L.G.E.A N.H.F. DEDUCTIONS AND REMITTANCES  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2023.**

**APPENDIX "D"**

S/N	L.G.E.A	AMT DEDUCTED (JAN – DEC. 2022)	AMT REMITTED (JAN – DEC. 2022 (N)	DIFFERENCE (N)
1.	ALIERO	1,482,031.12	1,088,759.86	393,271.36
2.	AUGIE	2,646,735.00	441,122.50	2,205,612.50
3.	ARGUNGU	4,386,000.00	4,386,000.00	NIL
4.	AREWA	5,152,959.00	5,152,959	NIL
5.	BAGUDO	4,200,000	2,800,000	1,400,000
6.	BUNZA	3,942,240.00	NIL	3,942,240.00
7.	BIRNIN KEBBI	5,436,000.00	5,436,000.00	NIL
8.	DANDI	2,400,000.00	NIL	2,400,000.00
9.	D/WASAGU	3,602,057.25	3,601,564.00	493,25
10.	FAKAI	2,713,773.75	2,400,000.00	313,773.75
11.	KOKO BESSE	3,184,065.00	3,184,065.00	NIL
12.	GWANDU	3,426,000.00	3,426,000.00	NIL
13.	KALGO	3,025,935.00	3,025,935.00	NIL
14.	JEGA	2,500,630.20	2,500,630.20	NIL
15.	MAIYAMA	2,754,000	2,753,032.51	967,49
16.	NGASKI	2,616,131.52	2,616,131.52	Nil
17.	SAKABA	2,438,102.64	2,438,102.64	Nil
18.	SHANGA	2,341,776.00	2,339,941.00	1,935.00
19.	SURU	3,199,200.00	1,599,600.00	1,599,600.00
20.	YAURI	3,517,199.04	3,517,199.04	NIL
21.	ZURU	4,944,000	4,944,000	NIL
	<b>Total</b>	<b>69,908,835.52</b>	<b>57,650,942.17</b>	<b>12,257,893.35</b>

**KEBBI STATE LOCAL GOVERNMENTS STAFF  
PENSION BOARD**

*BIRNIN KEBBI*

**AUDIT REPORT IN RESPECT OF LOCAL GOVERNMENTS  
STAFF PENSION BOARD**

**FOR**

**THE YEAR ENDED**

**31<sup>ST</sup> DECEMBER 2023**



# OFFICE OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS

P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

## AUDIT INSPECTION REPORT IN RESPECT OF KEBBI STATE LOCAL GOVERNMENTS STAFF PENSION BOARDS' FINANCIAL RECORDS FOR THE YEAR ENDED 31ST DECEMBER, 2023.

We have audited the financial records of the above named institution for the year ended 31<sup>st</sup> December, 2023. The guidelines of the Generally Accepted Auditing Standards are strictly adhered to.

We have obtained necessary information and explanations required for the purpose of our examination. In our opinion, the financial records gave "true and fair" view of the public funds entrusted to the management of the Local Government Staff pension Board.

As part of our professional responsibility, observations therefrom were communicated to the affected organisation for their comments and further necessary action. Therefore, issues raised are those that we deem significant to report therein.

**Faruk B. Muhammad FCNA, FCFA**

Auditor General for Local Governments

Kebbi State

## 2. RECORDS MAINTENANCE

Chapters 18 and 19 extensively explain the necessary accounting books, forms and manners in which Local Governments and its co-funded institutions are to keep and/or maintained them. But to our displeasure, the Board resorted in using electronic medium (storage device) as the only source of records maintenance. Examination of the available records revealed that Kebbi State Local Government Staff Pension Board did not maintain cash book in respect of monthly pension payments or in other words the cash book was not presented to me for audit exercise. This is an outright violation of the above provisions.

## 3. INCOME AND EXPENDITURE STATEMENT

Examination of the available records revealed that Kebbi State Local Governments Staff Pension Board received the total sum of N1,752,838.12 as statutory contributions from the 21 local governments in the state for the payment of local government retirees' monthly pensions. The total sum of N1,750,313,987.70 appeared to be expended during the same period. An accounted balance of N4,554,750.22 is hereby observed.

S/N	MONTH	INCOME	EXPENDITURE	DIFFERENCE
1	JANUARY	138,767,696.49	113,689,714.00	25,077,982.49
2	FEBRUARY	139,930,900.00	142,697,393.00	(2,741,493.00)
3	MARCH	142,155,788.37	148,844,307.00	(6,608,518.65)
4	APRIL	143,209,798.32	145,353,720.00	(2,143,921.68)
5	MAY	145,021,715.63	145,985,443.23	(963,727.88)
6	JUNE	145,874,751.55	146,550,316.23	(675,564.68)
7	JULY	146,104,207.75	151,768,271.36	(5,664,063.61)
8	AUGUST	146,933,596.24	151,400,000.00	(4,466,403.76)
9	SEPTEMBER	149,901,369.52	149,951,403.64	(50,034.12)
10	OCTOBER	150,710,477.93	149,148,772.25	1,561,755.68
11	NOVEMBER	151,629,217.66	151,471,230.46	157,987.20
12	DECEMBER	152,629,217.66	150,541,465.45	2,057,752.21
	<b>TOTAL</b>	<b>N1,754,868,737.92</b>	<b>N1,750,313,987.70</b>	<b>N4,554,750.22</b>

## 4. INTERNAL AUDIT UNIT

Section 14.10 of the Financial Memoranda empowers the Internal Auditor to carry out prepayment audit on every payment of the Board and any payment made without prior approval from the said officer is considered as null and void. But to our disbelieve, this vital unit

(responsible for ensuring internal control and financial discipline) had not done its job or were not allowed to carry out prepayment audit, because none of the payment vouchers made available to us were signed or endorsed by the officer in question.

#### **5. UNRECEPTED PAYMENT VOUCHERS**

Section 14.17 of the Financial memoranda enshrined that “An official printed receipt must be obtained and attached to the payment voucher in respect of a payment to Government, another Local Government or a commercial firm”. But while examining records presented to us, we discover that payment vouchers in respect of Union Due for the period under review, which alleged to have been remitted to Nigeria Union of Pensioners were neither acknowledged nor receipted by the body concerned.

#### **6. PAYMENT OF GRATUITY**

We could give an independent opinion on the true position of the payments of gratuity and death benefits, due to the fact that Pension and Gratuity Register(s) (where recipients acknowledge the receipts of their benefits) was not presented to us for inspection.

**KEBBI STATE PRIMARY SCHOOL STAFF  
PENSION BOARD**

*BIRNIN KEBBI*

**AUDIT REPORT IN RESPECT OF PRIMARY SCHOOL STAFF  
PENSION BOARD**

**FOR**

**THE YEAR ENDED**

**31<sup>ST</sup> DECEMBER 2023**

**RE: AUDIT INSPECTION REPORT IN RESPECT OF KEBBI STATE PRIMARY SCHOOL STAFF PENSION BOARD FOR THE PERIOD FROM 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER 2023.**

The accounts and other allied records maintained by the above named organisation have been examined. Observations arising therefrom are hereby forwarded to you for your perusal and comments.

**2. INCOME AND EXPENDITURE STATEMENT**

Examination of the available records revealed that Kebbi State Primary School Staff Pension Board received the total sum of N1,963,865,479.79 as pension contributions from the 21 local governments in the state for the payments of retired Primary Schools Teachers' monthly pensions. The total sums of N1,954,126,834.94 and N19,738,654.78 appeared to be expended in respect of payment of monthly pension and union dues respectively. These resulted to excess expenditure over income to the tune of N10,000,009.78, which the failed to give satisfactory explanation to the anomaly.

S/N	MONTH	INCOME	EXPENDITURE	DIFFERENCE
1	January	158,644,582.31	157,058,136.48	1,586,445
2	February	149,293,396.36	157,700,562.39	(8,407,066)
3	March	160,686,577.93	159,079,712.15	1,606,865.00
4	April	161,247,352.37	159,634,878.84	1,612,473
5	May	162,930,575.67	161,301,269.91	1,629,305
6	June	164,218,408.43	162,576,234.34	1,642,174
7	July	165,095,009.30	163,444,059.20	1,650,950
8	August	166,438,163.66	164,773,782.02	1,664,381
9	September	167,097,628.41	165,426,652.12	1,670,976
10	October	168,241,222.67	166,558,810.44	1,682,412
11	November	169,740,135.18	168,042,733.83	1,697,401
12	December	170,232,427.50	168,530,103.22	1,702,324
	<b>Total</b>	<b>N1,963,865,479.79</b>	<b>N1,954,126,834.94</b>	<b>9,738,645.00</b>
	<b>Less: 1% Union Dues</b>			<b>19,738,654.78</b>
	<b>Balance</b>			<b>(N10,000,009.78)</b>

### **3. PAYMENT OF GRATUITY AND DEATH BENEFIT**

Examination of the available records revealed that the sum of N261,480,192.10 were paid various individual as Gratuity and Death Pension (for the months of January, February and March), another sum of N1,050,643,018.96 were expended as gratuity and Death pension (for the months of April May and Pending cases of 2017/2018), while the sum of N394,823,485.83 were for the above purposes (for the months of June, July, August, September and October) totaling N1,706,946,696.89. However, we could not give independent opinion on the effectiveness of the payments due to the fact that bank records and registers on how the funds were disbursed to those beneficiaries were not made available to us for examination. Therefore, the Executive Secretary and the then Director Finance are to be held accountable for any anomaly recorded therefrom.

### **4. INTERNAL AUDIT UNIT**

Section 14.10 of the Financial Memoranda empowers the Internal Auditor to carry out prepayment audit on every payment of the Board and any payment made without prior approval from the said officer is considered as null and void. But to our disbelieve, this vital unit (responsible for ensuring internal control and financial discipline) had not done its job or were not allowed to carry out prepayment audit, because none of the payment vouchers made available to us were signed or endorsed by the officer in question.

### **5. UNRECEPTED PAYMENT VOUCHERS**

Section 14.17 of the Financial memoranda enshrined that “An official printed receipt must be obtained and attached to the payment voucher in respect of a payment to Government, another Local Government or a commercial firm”. But while examining records presented to us, we discover that payment vouchers amounting to N19,738,654.78 in respect of Union Due for the period under review, which alleged to have been remitted to Nigeria Union of Pensioners neither acknowledged nor receipted by the body concerned.

S/N	MONTH	AMOUNT PAID	REMARK
1	30/1/23	1,586,445.82	
2	28/2/23	1,592,933.96	
3	30/3/23	1,606,865.78	
4	30/4/23	1,612,473.52	
5	30/5/23	1,629,305.76	
6	30/6/23	1,642,184.08	
7	30/7/23	1,650,950.09	
8	31/8/23	1,664,381.64	
9	30/9/23	1,670,976.28	
10	31/10/23	1,682,412.23	
11	30/11/23	1,697,401.35	
12	31/12/23	1,702,324.27	
	<b>Total</b>	<b>N19,738,654.78</b>	

**KEBBI STATE PRIMARY HEALTH CARE  
DEVELOPMENT AGENCY**

*BIRNIN KEBBI*

**AUDIT REPORT IN RESPECT OF BASKET FUNDS AND 21  
PRIMARY HEALTH CARE AUTHORITIES**

**FOR**

**THE YEAR ENDED**

**31<sup>ST</sup> DECEMBER 2023**



**OFFICE OF THE AUDITOR GENERAL  
FOR LOCAL GOVERNMENTS**  
P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

**RE: AUDIT FINDINGS IN RESPECT OF KEBBI STATE PRIMARY HEALTH CARE  
DEVELOPMENT AGENCY FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2023**

In an effort to uplift the standard of primary health care and fulfill Sokoto declaration of Primary Health Care Under One Roof, the 21 Local Government Councils in the State agreed to remit the sum of N2,987,562.62 monthly to the Basket funds totaling N35,850,751.44 (per Local Government) annually. The funds are being transferred to various Local Government Health Authorities with a coordination and supervisory role by the Kebbi State Primary Health Care Development Agency.

***Audit observed that:***

- i. The sum of ~~N~~752,865,780.24 appear to have been contributed by the 21 Local Government Councils during the year under review.
- ii. Only the total sum of N**462,924,000.00** was disbursed to the Local Government Health Authorities.
- iii. The balance of N**289,941,780.24** were withheld by the Kebbi State Primary Health Care Development Agency. Details of how it was expended were not made available to me up to the time of writing this report.

## RISK

- i. Possible diversion of public funds by the management KBSPHCDA
- ii. Misapplication of funds
- iii. Payment of jobs not executed

## RECOMMENDATION

- I. The Executive Secretary should be made to surrender the records in respect of balances at his custody for audit examinations.

See tables below for details.

### CONTRIBUTION TO SPHCDA 2023 KEBBI STATE JOINT LOCAL GOVERNMENT ACCOUNT

S/N	MONTHS	DETAILED OF PAYMENT	AMOUNT (₦)
1.	JANUARY	SPHCD Health Contribution	62,738,920.02
2.	FEBRUARY	SPHCD Health Contribution	62,738,920.02
3.	MARCH	SPHCD Health Contribution	62,738,920.02
4.	APRIL	SPHCD Health Contribution	62,738,920.02
5.	MAY	SPHCD Health Contribution	62,738,920.02
6.	JUNE	SPHCD Health Contribution	62,738,920.02
7.	JULY	SPHCD Health Contribution	62,738,920.02
8.	AUGUST	SPHCD Health Contribution	62,738,824.10
9.	SEPTEMBER	SPHCD Health Contribution	62,738,303.96
10.	OCTOBER	SPHCD Health Contribution	62,738,920.02
11.	NOVEMBER	SPHCD Health Contribution	62,738,920.02
12.	DECEMBER	SPHCD Health Contribution	62,738,920.02
		<b>TOTAL</b>	<b>N752,867,040.24</b>

**TOTAL DISBURSEMENTS TO 21 PRIMARY HEALTH CARE AUTHORITIES FROM THE BASKET FUNDS FOR THE YEAR ENDED 2023**

S/N	LOCAL GOVT.	DISBURSEMENT TO BASKET FUNDS (JAN – DEC)	DISBURSEMENT TO HEALTH AUTHORITIES FROM BASKET FUNDS (JAN – DEC)	BALANCES HELD AT KBSPHCDA
1	ALEIRO	35,850,751.44	22,044,000.00	13,806,751.44
2	AREWA	35,850,751.44	22,044,000.00	13,806,751.44
3	ARGUNGU	35,850,751.44	22,044,000.00	13,806,751.44
4.	AUGIE	35,850,751.44	22,044,000.00	13,806,751.44
5	BAGUDO	35,850,751.44	22,044,000.00	13,806,751.44
6	BIRNIN KEBBI	35,850,751.44	22,044,000.00	13,806,751.44
7	BUNZA	35,850,751.44	22,044,000.00	13,806,751.44
8	DANDI	35,850,751.44	22,044,000.00	13,806,751.44
9	DANKO/WASAGU	35,850,751.44	22,044,000.00	13,806,751.44
10	FAKAI	35,850,751.44	22,044,000.00	13,806,751.44
11	GWANDU	35,850,751.44	22,044,000.00	13,806,751.44
12	JEGA	35,850,751.44	22,044,000.00	13,806,751.44
13	KALGO	35,850,751.44	22,044,000.00	13,806,751.44
14	KOKO/BESSE	35,850,751.44	22,044,000.00	13,806,751.44
15	MAIYAMA	35,850,751.44	22,044,000.00	13,806,751.44
16	NGASKI	35,850,751.44	22,044,000.00	13,806,751.44
17	SAKABA	35,850,751.44	22,044,000.00	13,806,751.44
18	SHANGA	35,850,751.44	22,044,000.00	13,806,751.44
19	SURU	35,850,751.44	22,044,000.00	13,806,751.44
20	YAURI	35,850,751.44	22,044,000.00	13,806,751.44
21	ZURU	35,850,751.44	22,044,000.00	13,806,751.44
	<b>TOTAL</b>	<b>752,865,780.24</b>	<b>462,924,000.00</b>	<b>289,941,780.24</b>

**SOCIAL SECURITY WELFARE FUNDS**

*KEBBI STATE, BIRNIN KEBBI*

**AUDIT REPORT IN LOCAL GOVERNMENTS CONTRIBUTIONS**

**TO SSWF**

**FOR**

**THE YEAR ENDED**

**31<sup>ST</sup> DECEMBER 2023**



# OFFICE OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS

P.M.B. 1059, BIRNIN-KEBBI, KEBBI STATE

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

## RE: AUDIT FINDINGS IN RESPECT OF 0.25% SOCIAL SECURITY WELFARE FUND FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2023

Examination of the Joint distribution table shows that the sum of **N71,478,626.28** appeared to have been contributed to the welfare fund by the 21 Local Government Councils. However. We could not form an independent opinion on the expenditure due to the fact that the managers of the funds failed to acknowledged or respond to our letter requesting for the released of their records for audit purposes.

### **Risk:**

- Possible diversion of public funds.
- Payment for work not done.

### **Recommendations:**

- i. Executive Secretary should explain why the records are not released.
- ii. Explain why contravening financial Memoranda.
- iii. Account for the funds contributed to the organisation.

The table below shows the total contribution of the 21 Local Governments Councils to the Social Security Welfare Funds for the year ended 31<sup>st</sup> December 2023:

**0.25% SOCIAL SECURITY WELFARE FUND 2023**

**KEBBI STATE JOINT LOCAL GOVERNMENT ACCOUNT**

<b>S/N</b>	<b>LOCAL GOVT.</b>	<b>DETAILED OF PAYMENT</b>	<b>AMOUNT (Jan – Dec) N</b>
1.	January	0.25% SSWF Contribution by 21 LGA	8,420,517.54
2.	February	0.25% SSWF Contribution by 21 LGA	8,472,928.51
3.	March	0.25% SSWF Contribution by 21 LGA	8,472,928.51
4.	April	0.25% SSWF Contribution by 21 LGA	4,656,878.97
5.	May	0.25% SSWF Contribution by 21 LGA	6,347,791.61
6.	June	0.25% SSWF Contribution by 21 LGA	6,347,791.61
7.	July	0.25% SSWF Contribution by 21 LGA	6,820,090.88
8.	August	0.25% SSWF Contribution by 21 LGA	3,823,568.95
9.	September	0.25% SSWF Contribution by 21 LGA	4,964,569.86
10.	October	0.25% SSWF Contribution by 21 LGA	4,088,826.17
11.	November	0.25% SSWF Contribution by 21 LGA	4,088,826.17
12.	December	0.25% SSWF Contribution by 21 LGA	4,973,907.50
	<b>TOTAL</b>		<b>N71,478,626.28</b>