



ZAMFARA STATE OF NIGERIA

REPORT

Of The

AUDITOR GENERAL

FOR THE LOCAL GOVERNMENTS

ON IPSAS (CASH)

GENERAL PURPOSE FINANCIAL STATEMENT

Of

MARADUN LOCAL GOVERNMENT

FOR THE YEAR ENDED 31ST DECEMBER, 2025



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MARADUN LOCAL GOVERNMENT ACCOUNT MANAGEMENT LETTER

Auditee:	MARADUN	Reviewed by:	Name	Rank	Date
Period end:	2025	Level 1	BELLO RILWANU	A Chief Auditor	20/2/2026
Prepared by:	BELLO RILWANU	Level 2	LAWALI IBRAHIM	DFS	22/3/2026
Rank:	A. Chief Auditor	Level 3	Aminu Mammaga	A G	26/3/2026
Date:	27/02/2026				

MANAGEMENT LETTER: IN RESPECT OF FINANCIAL AUDIT PERFORMED FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER, 2025

OFFICE OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS

Zamfara State

24th February, 2026

The Honourable Chairman,
MARADUN Local Government Council,
Zamfara State.

Dear Sir,

MANAGEMENT LETTER: IN RESPECT OF THE FINANCIAL AUDIT PERFORMED FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER, 2025

INTRODUCTION

The financial statements of MARADUN Local Government Council for the year ended 31st December, 2025 were subjected to audit by the Office of the Auditor General for Local Governments in accordance with the provisions of **Section 35 of the Zamfara State Local Government Administration Law, 2026**.

The purpose of this Management Letter is to bring to the attention of Management those matters and observations identified during the course of our audit and to provide recommendations for strengthening financial management, internal controls, accountability, and compliance with applicable laws and regulations.

SCOPE OF AUDIT AND RESPONSIBILITY

The audit was conducted in accordance with the **International Public Sector Accounting Standards (IPSAS)** and the applicable auditing standards adopted by the Office of the Auditor General for Local Governments. The audit was planned and performed to obtain reasonable assurance that the financial statements are free from material misstatement and are presented fairly in all material respects.

The audit included:

- Examination, on a test basis, of evidence supporting the amounts and disclosures contained in the financial statements;
- Assessment of the accounting policies adopted and significant estimates made by management;
- Evaluation of the adequacy and effectiveness of internal control systems;
- Review of compliance with relevant laws, regulations, financial memoranda, and other statutory requirements governing Local Government administration; and
- Evaluation of the overall presentation of the financial statements in accordance with IPSAS requirements.



The audit also included an examination of compliance with the provisions of the Zamfara State Local Government Administration Law, 2026, Financial Memoranda, Budgetary Regulations, Treasury Circulars, and other relevant financial management guidelines.

AUDIT OBSERVATIONS

The matters reported in this Management Letter are those identified during the audit procedures performed. They are not intended to represent all weaknesses that may exist within the Council's financial management and internal control systems.

The principal observations identified during the audit include, but are not limited to, the following:

- Inadequate maintenance of treasury records and cash books;
- Weaknesses in the maintenance and custody of payment vouchers and supporting documents;
- Non-compliance with approved budgetary provisions;
- Weak internal control mechanisms;
- Failure to maintain essential accounting records and registers;
- Inadequate safeguarding of government assets and security documents;
- Delays in revenue collection and banking procedures; and
- Other matters detailed in the audit report.

MANAGEMENT RESPONSE

Management is requested to submit its comments and responses to the observations contained in this letter within **fourteen (14) days** from the date of receipt to enable incorporation of such responses into the final audit report.

APPRECIATION

We wish to express our appreciation to the Chairman, Treasurer, Directors, and all staff of the Local Government Council for the cooperation, assistance, and courtesies extended to the audit team during the conduct of the audit.

CONCLUSION

Management is encouraged to take appropriate corrective actions on all audit observations and recommendations to strengthen financial accountability, transparency, and good governance in the administration of the Local Government Council.

Yours faithfully,

AMINU MAMMAGA (CNA/CPA/ACCA/ACCrFA)
AUDITOR GENERAL
FOR LOCAL GOVERNMENTS



Ref. No.: MRD/LGC/DFS/VOL1/2026

Date: _10th march 2026.

The Auditor General for Local Governments

Office of the Auditor General for Local Governments

Zamfara State.

Dear Sir,

RE: MANAGEMENT RESPONSE TO THE MANAGEMENT LETTER ON THE FINANCIAL AUDIT FOR THE YEAR ENDED 31ST DECEMBER, 2025

We acknowledge receipt of your Management Letter dated **24th February, 2026** regarding the financial audit of Maradun Local Government Council for the year ended 31st December, 2025.

Management appreciates the observations and recommendations made by your office, which are aimed at strengthening financial management, internal control systems, accountability, transparency, and compliance with the provisions of the Zamfara State Local Government Administration Law, 2026, the Financial Memoranda, Treasury Circulars, and the International Public Sector Accounting Standards (IPSAS).

Our responses to the observations are as follows:

1. Inadequate Maintenance of Treasury Records and Cash Books

Management has noted this observation. Measures have been taken to ensure that treasury records and cash books are properly maintained, regularly updated, and subjected to periodic supervisory review.

2. Weaknesses in the Maintenance and Custody of Payment Vouchers and Supporting Documents

Management has strengthened the filing system for payment vouchers and supporting documents. Officers responsible have been directed to ensure proper documentation, secure custody, and easy retrieval of financial records.

3. Non-Compliance with Approved Budgetary Provisions

Management has resolved to ensure strict compliance with approved budgetary provisions. Appropriate budget monitoring mechanisms have been introduced to prevent unauthorized expenditure and budget overruns.

4. Weak Internal Control Mechanisms

Management has commenced strengthening internal control procedures through enhanced supervision, segregation of duties, regular reconciliation, and improved monitoring of financial transactions.

5. Failure to Maintain Essential Accounting Records and Registers

Necessary accounting books and statutory registers are being updated, while responsible officers have been directed to ensure that all accounting records are properly maintained in accordance with IPSAS and relevant financial regulations.



6. Inadequate Safeguarding of Government Assets and Security Documents

Management has initiated the updating of the Fixed Asset Register and has improved the custody arrangements for government assets and security documents to ensure adequate protection and accountability.

Management appreciates the constructive observations and recommendations contained in the Management Letter. We are committed to implementing the recommended corrective actions to strengthen financial accountability, improve internal control systems, ensure compliance with IPSAS and other applicable laws, and enhance the overall financial management of Maradun Local Government Council.

Please accept the assurances of our highest regards.

Yours faithfully,

Director of Finance

For: Executive Chairman

Maradun Local Government Council



OFFICE OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS ZAMFARA STATE ZAMFARA STATE OF NIGERIA

☎ 204868 TELEGRAMS:-

P.M.B. 01015, Gusau

Date: 11th March, 2025

Ref. No: LGA/AA/VOL.1/211

1.0 INTRODUCTION

1.1 AUDITOR'S CERTIFICATION AND OBSERVATIONS

In the course of certifying the Financial Statements of the Local Government Council, the accounts and treasury records submitted were subjected to audit examination to ascertain their accuracy, completeness, and reliability. The extent of reliance placed on the Financial Statements is therefore subject to the observations and findings raised during the audit of the treasury records.

Accordingly, the observations contained in this report are hereby presented to the Public Accounts Committee for consideration. The attached Financial Statements should be read in conjunction with these audit observations for proper understanding and interpretation of the Council's financial position and operations.

Pursuant to the provisions of Section 35 of the Zamfara State Local Government Law, 2026, which provides for the establishment, structure, composition, finances, and functions of Local Government Councils in the State, and in accordance with the State and Local Government Audit Law No. 8 of 2021 (as amended), the Financial Statements submitted to the Office of the Auditor-General for Local Governments by the Director of Finance have been duly examined and certified as required by law.

The certification, however, is subject to the observations, comments, and recommendations contained in this report.

1.2 SUBMISSION OF REPORTS:

The correct Annual Accounts of the local government for the year 2022 was submitted to this office on 1st May, 2026.

1.3 PREVIOUS AUDITOR'S GENERAL REPORTS:

The previous year i.e. 2024 financial year audit report was submitted to the Honorable House of Assembly on 3th June, 2025 by this office for their oversight function and further necessary action.



2.0 OTHER OBSERVATIONS

2.1 ANNUAL ESTIMATES:

The delay in the distribution of approved Annual Estimates has become a recurring issue, as the approved Estimates are usually made available between January and March of the financial year under review. This practice affects the timely implementation and monitoring of budgetary provisions.

The Local Government Council should ensure that approved Annual Estimates are distributed to all relevant departments and units before the commencement of the financial year to facilitate effective budget implementation and control

2.2 EXPENDITURE MANDATES:

During the period under review, there existed a fiscal working relationship between the Zamfara State Government and the fourteen (14) Local Government Councils. The legal framework governing this arrangement was largely defined by the Memorandum of Understanding (MOU) duly consented to by the Chairmen of the respective Local Government Councils.

Major projects executed under this arrangement were undertaken in accordance with the existing framework and the provisions of Part III (Financial Provisions), Section 16, Sub-sections (1), (2), and (3) of the Law establishing the structure, composition, finances, and functions of Local Government Councils in Zamfara State.

Accordingly, expenditures incurred under the arrangement were treated as expenditure mandates and reflected in the accounts of the Local Government Council.

2.4 UNBUDGETED REVENUE:

During the year under review, it was observed that the sum of **₦140,377,992** (one hundred and forty million three hundred and seventy-seven thousand nine hundred and ninety-two naira).00 was received by the Local Government Council as its share of Ecology Fund and Share of recover of VAT from Import. However, the revenue was neither incorporated into the approved budget nor referred to the State House of Assembly for proper appropriation before expenditure.

This action contravenes the provisions of Part III (Financial Provisions), Section 19, Sub-sections (1), (2), and (3) relating to Supplementary Budget or review under the Law establishing the structure, composition, finances, and functions of Local Government Councils in Zamfara State.



2.5 ACCOUNTING RECORDS:

During the year under review, it was observed that, the local government books of accounts were fairly maintained. The manner in which this aspect was handled by the director of finance of the local government is fairly encouraging. Some of the observation made includes the following:

a. Non balance and reconciliation in the cash books: It was observed that the cash books maintained during the period under review were not properly balanced and closed at the end of each month in accordance with sound accounting practices. Furthermore, regular bank reconciliation statements were not prepared to reconcile the cash book balances with the corresponding bank statements throughout the financial year.

This practice is inconsistent with the requirements of the International Public Sector Accounting Standards (IPSAS), which require entities to maintain complete, accurate, and reliable accounting records and to perform periodic reconciliations to ensure the accuracy of cash balances reported in the financial statements.

The absence of timely balancing and bank reconciliations increases the risk of errors, omissions, fraud, and material misstatements in the financial statements, thereby undermining the reliability and faithful representation of reported cash and cash equivalents.

b. Classification of revenues and expenditure in accordance with IPSAS codes: According to what I observed, internally generated revenues of the local government and the statutory allocations were captured in the cash books. It was observed that, there was no mixed up in the codification of revenue and expenditure, IPSAS codes are used for recording of income and expenditure in the cash book and other books of account

c. Payment Vouchers: During the period under review, it was observed that salary payment vouchers were not recorded and classified by the appropriate departments and account codes but were instead posted on a cumulative basis. This practice does not comply with the IPSAS principles of proper classification, accurate presentation, and faithful representation of financial transactions. In addition, some payment vouchers were inadequately supported with the required documentation.

d. Non-Maintenance of Plant and Asset Register: During the examination of the assets records of the Local Government Council, it was observed that no Plant and Asset Register was maintained. As a result, details of assets owned by the Council could not be readily verified, thereby weakening the system of asset control and accountability.

This practice is contrary to the provisions of the Financial Memoranda, which require all government assets to be properly recorded and monitored through an up-to-date Asset Register.

e. Internally Generated Revenue (IGR): During the examination of the accounting records for the period 1 January 2025 to 31 December 2025, it was observed that Internally Generated Revenue (IGR) collected during the year under review was not promptly recorded in the Cashbook and related accounting records.

This practice resulted in incomplete recognition of revenue transactions and may affect the completeness, accuracy, and reliability of the Council's financial statements. In accordance with the International Public Sector Accounting Standards (IPSAS), revenue should be recognized when the entity obtains control of the economic benefits or service potential associated with the transaction and the amount can be measured reliably. Failure to promptly record IGR collections weakens the audit trail, increases the risk of errors or irregularities, and may result in inaccurate reporting of revenue and cash balances.

Audit Implication: The failure to record IGR collections in the Cashbook may lead to incomplete accounting records, unreliable financial reporting, and difficulties in reconciling revenue collections with cash balances, thereby reducing the credibility of the financial statements.



2.6 CERTIFICATION OF RETIRING BENEFITS:

In accordance with the Office's statutory responsibility for processing and certifying retirement benefit entitlements, a total of **154** retirement benefit files were received and processed from the Local Government during the period under review. The processed cases comprised **112** voluntary/compulsory retirement cases and **42** death benefit cases.

The total retirement benefits certified amounted to **₦282,412,500** (two Hundred and eighty-two Million, four Hundred and twelve Thousand, five hundred Naira). Of this amount, **₦212,680,044** was certified for beneficiaries under voluntary/compulsory retirement, while **₦69,732,456** was certified for beneficiaries of death-related claims.

2.7 RECOVERIES MADE OUT OF PENSION AND GRATUITY:

During the processing and verification of pension and gratuity files, the Office of the Auditor-General for Local Governments carried out detailed scrutiny of pension records and benefit computations. As a result of this exercise, several cases of incorrect calculations and irregularities were detected, which would have led to overpayment of pension and gratuity benefits to some beneficiaries.

The review revealed instances of arithmetic errors, wrong application of pension rates, inclusion of unqualified service periods, and other computation discrepancies. In addition, cases involving officers who overstayed in service beyond the approved retirement age or years of service were identified. Such irregularities, if left unchecked, would have resulted in avoidable financial losses to government.

In line with established financial regulations and audit procedures, the excess amounts arising from these errors were recovered through appropriate deductions from the affected beneficiaries' entitlements. The recovery exercise was conducted with due regard to fairness, transparency, and compliance with relevant pension laws and regulations.

As a result of these audit interventions, the sum of **₦8,305,757 (eight million three hundred and five thousand seven hundred and fifty-seven naira)** was recovered and saved to the Pension Fund during the period under review. This achievement demonstrates the commitment of the Office of the Auditor-General to safeguarding public funds, preventing financial leakages, and ensuring that pension benefits are paid accurately and only to eligible beneficiaries.



3.0 BUDGET IMPLEMENTATION ANALYSIS

3.1 STATUTORY RECEIPTS

During the financial year ended 31st December 2025, the Local Government budgeted Statutory Receipts of **₦2,817,357,240.00**. Actual statutory receipts amounted to **₦3,161,761,188.00**, representing 112% of the approved budget and a favorable budget variance of **₦344,403,948.00 (12%)**.

The favorable variance indicates that actual statutory allocations exceeded the budget estimate, thereby enhancing the financial resources available for the implementation of approved programmed and service delivery during the year. The receipts have been presented in accordance with the applicable International Public Sector Accounting Standards (IPSAS) and the approved budget framework.

S/N	DESCRIPTION	Actual 2024 (₦)	Estimate 2025 (₦)	Actual 2025 (₦)
1.	Statutory Allocation	614,919,721	2,817,357,240	3,161,761,188
	Total	614,919,721	2,817,357,240	3,161,761,188

3.2a STATUTORY RECEIPTS (SURPLUS):

In the year under review, statutory revenue revealed an excess collection of **₦344,403,948.00** (three hundred and sixty million, nine hundred and forty-five thousand, two hundred and ninety-seven naira).Representing 12% of the projected statutory receipt. The table below gives full details:

S/N	DESCRIPTION	Actual 2024 (₦)	Estimate 2025 (₦)	Actual 2025 (₦)	surplus 2025 (₦)
1.	Statutory Allocation	614,919,721	2,817,357,240	3,161,761,188	344,403,948
	Total	614,919,721	2,817,357,240	3,161,761,188	344,403,948

3.2b STATUTORY RECEIPTS (DEFICIT)

For the period under review revealed that, there was no deficit of statutory receipt by the local government.



3.3 VALUE ADDED TAX (VAT) ALLOCATION

During the year under review, the Local Government Council estimated Value Added Tax (VAT) Allocation revenue at **₦3,564,001,320.00**. However, the actual amount received during the financial year was **₦3,147,829,202.00**, representing 88.3% of the approved budget estimate. This indicates a revenue shortfall of **₦416,172,118.00**, equivalent to **11.7%** of the projected VAT allocation.

Compared with the actual receipt of **₦2,448,550,202.00** in the preceding financial year (2024), the Council recorded an increase of **₦699,279,000.00**, representing approximately **28.6%** growth in VAT allocation. This improvement reflects a positive year-on-year increase in statutory revenue, although the actual receipt fell below the budgeted estimate for the year.

S/N	DESCRIPTION	Actual 2024 (₦)	Estimate 2025 (₦)	Actual 2025 (₦)
1.	VAT	2,448,550,202	3,564,001,320	3,147,829,202
2.	Total	2,448,550,202	3,564,001,320	3,147,829,202

3.3a VAT ALLOCATION (DEFICIT)

During the year under review a shortfall of **₦416,172,118** (four hundred and sixteen million, one hundred and seventy-two thousand, one hundred and eighteen Naira) was revealed representing 11.7% below the estimated allocation as can be seen in the table below: -

S/N	DESCRIPTION	Actual 2024 (₦)	Estimate 2025 (₦)	Actual 2025 (₦)	Deficit 2025 (₦)
1.	VAT	2,448,550,202	3,564,001,320	3,147,829,202	416,172,118
	Total	2,448,550,202	3,564,001,320	3,147,829,202	416,172,118

3.3b VAT ALLOCATION (SURPLUS):-

There is no surplus reported in respect of value added tax for the period under review by this local government.

3.4 INDEPENDENT REVENUE

During the year under review the approved budget for Independent Revenue was **₦362,120,000**, while the actual revenue collected amounted to **₦267,613,203**, representing an overall budget performance of **73.9%** (approximately **74%**) of the approved estimate. This indicates a budget shortfall of **₦94,506,797**, equivalent to **26.1%** of the approved revenue budget.



The revenue analysis shows that collections from Direct Tax, Licenses, Fees, and Earnings, Sales/Rent on Land and Other Properties, and Interest Earned on Fixed Deposits contributed significantly to the actual revenue realized during the year. However, no revenue was generated from Fines, Sales/Rent of Government Buildings, and **10%** State IGR, despite budgetary provisions for some of these revenue sources. This contributed to the overall underperformance in Independent Revenue.

Overall, the Council achieved a moderate level of internally generated revenue during the year. In line with IPSAS reporting principles, management should strengthen revenue generation strategies, improve the efficiency of revenue collection mechanisms, and ensure that all budgeted revenue sources are effectively monitored and realized to enhance future budget performance and financial sustainability

S/N	DESCRIPTION	Actual 2024 (₦)	Estimate 2025 (₦)	Actual 2025 (₦)
1	Direct tax	21,190,500	7,650,000	54,220,620
2	Licenses	7,569,200	18,814,000	7,990,400
3	Fees	40,999,176	-	34,261,300
4	Fine	-	2,800,000	-
5	Earning	46,242,000	25,001,250	81,932,900
6	Sales/Rent of government Buildings	-	5,460,000	-
7	Sales/Rent on land and others	14,500,000		31,680,900
8	Interest earned on fix Deposits	45,411,362	-	57,527,083
9	10%State IGR	-	305,000,000	-
	Total	175,912,238	362,120,000	267,613,203

3.5 INDEPENDENT REVENUE (SURPLUS):

In the year under review, only five heads of independent revenue revealed a Surplus of **₦229,576,803** (two hundred twenty-nine million, five hundred and seventy-six thousand, eight hundred and three Naira). The details are shown in the table below:

S/N	DESCRIPTION	Actual 2024 (₦)	Estimate 2025 (₦)	Actual 2025 (₦)	SURPLUS 2025 (₦)
1	Direct tax	21,190,500	7,650,000	54,220,620	46,570,620
3	Fees	40,999,176	-	34,261,300	34,261,300
5	Earning	46,242,000	22,396,000	81,932,900	59,536,900
7	Sales/Rent on land and others	14,500,000		31,680,900	31,680,900
8	Interest earned on fix Deposits	45,411,362	-	57,527,083	57,527,083
	Total	175,912,238	30,046,000	259,622,803	229,576,803



3.6 INDEPENDENT REVENUE (DEFICIT):

In the year under review, four heads of independent revenue revealed a Deficit of **₦324,083,600** (three hundred and twenty-four million, eighty-three thousand, six hundred Naira). The table below gives full details: -

S/N	DESCRIPTION	Actual 2024 (₦)	Estimate 2025 (₦)	Actual 2025 (₦)	Deficit 2025 (₦)
1	Licenses	7,569,200	18,814,000	7,990,400	10,823,600
2	Fine	-	2,800,000	-	2,800,000
3	Sales/Rent of government Buildings	-	5,460,000	-	5,460,000
4	10%State IGR	-	305,000,000	-	305,000,000
	Total	7,569,200	332,074,000	7,990,400	324,083,600

3.7 CAPITAL RECEIPTS

During the 2025 financial year, the Local Government budgeted total capital receipts of **₦6,045,785,750**. At the end of the reporting period, actual capital receipts amounted to **₦6,693,729,875**, representing a budget performance of **110.72%** (approximately **111%**) of the approved estimate.

The favorable variance was primarily attributable to higher-than-budgeted receipts from the Consolidated Revenue Fund (CRF) transfer and proceeds realized from Nigerian Treasury Bills (NBT)/Fixed Deposits, which were not included in the original budget estimate. This indicates that actual capital inflows exceeded the approved budget, thereby enhancing the financial capacity of the Local Government to finance capital projects and other approved development programmed.

The analysis of capital receipts is presented below:

S/N	DESCRIPTION	Actual 2024 (₦)	Estimate 2025 (₦)	Actual 2025 (₦)
1.	Transfer from CRF	3,851,035,602	3,951,257,660	6,009,517,367
2.	Capital Development Fund Receipts	-	2,094,528,090	-
3	Nigerian Treasury BILLS (NBT)/Fixed Deposits	539,449,625	-	684,212,508
	Total	4,444,485,226	6,045,785,750	6,693,729,875

3.8 CAPITAL RECEIPTS (SURPLUS):

In the year under review a Surplus of **₦647,944,125**(six hundred and forty-seven million, nine hundred and forty-four thousand, one hundred and twenty-five Naira) was reported by this local government which have its origin from transfer from consolidated revenue funds, Capital Development Receipt and Bill (NBT)/Fixed Deposits



3.9 CAPITAL RECEIPTS (DEFICIT):

During the year under review, no Deficit was made in respect of capital receipt by the local government.

3.10 CAPITAL EXPENDITURE

During the year under review, the approved capital expenditure budget for the 2025 financial year amounted to **₦6,045,785,750**, while the actual capital expenditure recognized during the reporting period was **₦4,805,966,808**. This represents a **79.5%** budget implementation rate, indicating that a substantial proportion of the approved capital budget was executed during the year.

The variance between the approved budget and the actual expenditure reflects the extent of unimplemented capital projects and/or deferred capital spending at the reporting date. Under IPSAS reporting, capital expenditure should be recognized on the accrual basis of accounting, whereby expenditures are recorded when goods or services are received or when the related obligation is incurred, rather than when cash payments are made.

The distribution of actual capital expenditure by sector is presented below:

S/N	DESCRIPTION	Actual 2024 (₦)	Estimate 2025 (₦)	Actual 2025 (₦)
1.	Administrative Sector	1,704,204,865	814,000,000	1,249,376,686
2.	Economic Sector	486,085,763	3,491,785,750	1,462,793,774
3.	Social Sector	21,997,219	1,740,000,000.	2,093,796,348
	Total	2,212,287,847	6,045,785,750	4,805,966,808

3.11 EXCESS CAPITAL EXPENDITURE:

The actual capital expenditure of **₦4,805,966,808** demonstrates significant implementation of capital projects during the financial year. However, the variance of **₦1,239,818,942** between the approved budget and actual expenditure should be adequately disclosed and explained in the notes to the financial statements in accordance with IPSAS requirements on budget reporting and accountability. Such disclosures enhance transparency and enable users of the financial statements to assess the entity's budget execution performance and stewardship of public resources.

S/N	DESCRIPTION	Actual 2024 (₦)	Estimate 2025 (₦)	Actual 2025 (₦)	Savings 2025 (₦)
1.	Administrative Sector	1,704,204,865	814,000,000	1,249,376,686	435,376,686
2.	Economic Sector	486,085,763	3,491,785,750	1,462,793,774	(2,028,991,976)
3.	Social Sector	21,997,219	1,740,000,000.	2,093,796,348	353,796,348
	Total	2,212,287,847	6,045,785,750	4,805,966,808	1,239,818,942



3.12 CAPITAL EXPENDITURE (DEFICIT):

During the year under review, no record of expenditure deficits was made in respect of capital expenditure by the local government.

3.13 PERSONNEL COSTS (INCLUDING SALARIES AND CRF CHARGES)

During the financial year under review, the Local Government budgeted **₦973,287,520** for personnel costs, including salaries and Consolidated Revenue Fund (CRF) charges. Actual personnel expenditure amounted to **₦945,083,068**, representing payments made to **703** employees of the Local Government and its Administrative Development Councils (ADCs). The actual expenditure was **₦28,204,452** lower than the approved budget, resulting in a favorable budget variance. This variance reflects that per...

3.14 OVERHEAD CHARGES

During the financial year under review, the approved budget for overhead expenditure amounted to **₦2,298,999,160.00**, while the actual overhead expenditure recognized in the Statement of Financial Performance amounted to **₦1,173,165,406.00**.

The variance of **₦1,125,833,754.00** represents unutilized budgetary provision (budget savings) arising from lower-than-budgeted expenditure during the reporting period.

In accordance with the International Public Sector Accounting Standards (IPSAS), this variance reflects the difference between the approved budget and the actual expenditure recognized on the applicable IPSAS basis of accounting. The underspending should be disclosed as a budget variance

3.15 CONSOLIDATED REVENUE FUND CHARGES

During the year under review, the approved budget for Consolidated Revenue Fund Charges amounted to **₦1,578,000,000**, while the actual expenditure incurred was **₦1,718,142,005**. This resulted in an unfavorable budget variance (overspending) of **₦140,142,005**, representing actual expenditure in excess of the approved budget.

In accordance with the International Public Sector Accounting Standards (IPSAS), the variance should be disclosed and explained in the notes to the financial statements. Management is expected to provide adequate justification for the excess expenditure and confirm whether the additional spending was supported by appropriate budget revisions or supplementary approvals in line with the applicable public financial management laws and regulations. Such disclosure enhances transparency, accountability, and compliance with IPSAS budget reporting requirements.

The table below shows the full details: -



S/N	DESCRIPTION	ACTUAL 2024 (₦)	ESTIMATED 2025 (₦)	ACTUAL 2025 (₦)	DEFICIT/SAV INGS 2025 (₦)
1.	Subvention to pension fund	396,988,335	90,000,000	97,467,519	7,467,619
2.	Contribution to emirate council	30,745,986	120,000,000.	156,689,408	36,689,408
3.	Contribution to security trust fund	203,071,524	300,000,000	337,764,999	37,764,999
4.	Contribution common services	12,298,394	50,000,000	62,675,763	12,675,763
6.	Contribution to training fund	6,149,197	25,000,000	31,337,882	6,337,882
7	Contribution to primary school teachers	321,284,018	401,000,000	423,086,560	22,086,560
	Contr.to MASS Agency	130,768,620	420,000,000	462,150,881	42,150,881
	Contr.to state Electoral commission(ZA SIEC)	115,421,889	-	-	-
	Contr.to PHC staff salary	70,774,096	120,000,000	108,176,037	(11,823,963)
	Contr. To local Govt audit	1,285,714	1,500,000	1,285,714	(214,286)
	Contr.to zamfara state university	-	-	-	-
	Oversight committee logistic	-	7,000,000	6,857,143	(142,857)
	Contr.to ZEMA	-	1,200,000	1,200,000	-
	Contr.to council of chiefs	-	1,500,000	1,285,714	(214,286)
	Contr.to works School	-	600,000	600,000	-
	Contr.to ZCSDA	-	1,200,000	1,200,000	-
	Contr.to pension commission	-	1,500,000	1,285,714	(214,286)
	Contr.to state fire service	-	3,500,000	3,000,000	-
	Contr.to skill acquisition	-	12,000,000	1,200,000	(10,800,000)
	Contr.to NSCDC	-	6,000,000	5,332,143	(667,857)
	Contr.to NPF	-	9,000,000	8,817,857	(182,143)
	Contr.to security	-	7,000,000	6,728,571	(271,429)
	TOTAL	1,288,787,774	1,578,000,000	1,676,940,268	140,142,005

3.16 CRF CHARGES – PUBLIC DEBT CHARGE

During the year under review, the approved budget for CRF Charges – Public Debt Charge was **₦35,000,000**, while the actual expenditure recognized in the Statement of Financial Performance amounted to **₦207,466,557**.

The actual expenditure exceeded the approved budget by **₦172,466,557**, representing an unfavorable budget variance. This significant variance indicates that expenditure on public debt charges was substantially higher than originally budgeted.

In accordance with International Public Sector Accounting Standards (IPSAS), material budget variances should be disclosed and accompanied by adequate explanations in the notes to the financial statements to enhance transparency, accountability, and users' understanding of the entity's financial performance.



4.0 GENERAL RECOMMENDATIONS

According to the observations set out on the report the following recommendations are here by suggested.

1. None balancing of cashbook; Management should ensure that all cash books are balanced and closed at the end of each month and that monthly bank reconciliations are prepared, reviewed, and approved promptly. Any reconciling items identified should be investigated and resolved without delay to ensure compliance with IPSAS and strengthen internal controls over cash management.
2. Improper classification of revenue and expenditure: this also comes about as result of lack of proper understanding of the National Chart of Accounts (NCOA). It is hereby recommended that the treasury staff should be giving a rigorous training on this important aspect of IPSAS program, which is a vital segment of the program.
3. **IGR** Management should ensure that all Internally Generated Revenue collections are promptly and accurately recorded in the Cashbook and relevant accounting records. Regular reconciliations should also be performed to verify the completeness and accuracy of revenue recognized, in compliance with the requirements of IPSAS and sound public financial management practices. Opportunities for misappropriation and makes effective monitoring of revenue collections difficult.
4. Payment vouchers: Management is advised to ensure that all salary payment vouchers are recorded under the appropriate departmental and account classifications, supported by complete and relevant documentation, and maintained in accordance with established accounting procedures and the applicable IPSAS requirements. Furthermore, all original supporting records should be made available for audit scrutiny to facilitate effective verification and ensure compliance with public sector financial reporting standards.
5. Plant Register: Management should immediately establish and maintain a comprehensive Plant and Asset Register to ensure proper custody, control, and accountability of all Council assets.
6. Budget Implementation Analysis: Management should strengthen budget planning, expenditure monitoring, and commitment controls to ensure statutory obligations are adequately budgeted and that future expenditures remain within approved appropriations while complying with IPSAS reporting requirements.



5.0 CONCLUSION

The operations of this office are significantly constrained by several challenges, including inadequate cash allocation, the lack of functional vehicles to support field activities, and the failure of Local Government Executives to respond promptly to audit queries. These constraints have adversely affected the effective discharge of audit responsibilities and the overall efficiency of the office. It is recommended that adequate funding, operational logistics, and timely cooperation from relevant stakeholders be provided to enhance the effectiveness and efficiency of audit operations.

6.0 ACKNOWLEDGEMENT

I wish to express my sincere appreciation to all the staff of this Office whose dedication, commitment, and invaluable contributions made the successful completion of this report possible.

I also extend my profound gratitude to the Public Accounts Committee of the State House of Assembly for its continuous cooperation, guidance, and keen interest in the consideration of the 2024 Audit Report submitted by this Office.

Furthermore, I sincerely acknowledge the support and cooperation received from the Chief Executives and Accounting Officers of the Local Government Councils, as well as the supervising Ministry, the Ministry for Local Government Affairs. Their collaboration and commitment greatly facilitated the successful execution of this assignment.

Finally, I appreciate everyone who, in one way or another, contributed to the preparation and completion of this report. Your support is deeply valued and sincerely appreciated.

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