



**ZAMFARA STATE OF NIGERIA**

# **REPORT**

*Of The*

## **AUDITOR GENERAL**

**FOR THE LOCAL GOVERNMENTS**

**ON IPSAS (CASH)**

**GENERAL PURPOSE FINANCIAL STATEMENT**

*Of*

## **ANKA LOCAL GOVERNMENT**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2025**



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## ANKA LOCAL GOVERNMENT ACCOUNT MANAGEMENT LETTER

|                     |                  |                     |                |                 |             |
|---------------------|------------------|---------------------|----------------|-----------------|-------------|
| <b>Auditee:</b>     | ANKA             | <b>Reviewed by:</b> | <b>Name</b>    | <b>Rank</b>     | <b>Date</b> |
| <b>Period4 end:</b> | 2025             | <b>Level 1</b>      | Abubakar Isah  | A Chief Auditor | 27/03/2026  |
| <b>Prepared by:</b> | Abubakar Isah    | <b>Level 2</b>      | Lawali Ibrahim | DFS             | 29/4/2026   |
| <b>Rank:</b>        | A. Chief Auditor | <b>Level 3</b>      | Aminu Mammaga  | A G             | 30/4/2026   |
| <b>Date:</b>        | 27/03/2026       |                     |                |                 |             |

### MANAGEMENT LETTER: IN RESPECT OF FINANCIAL AUDIT PERFORMED FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> DECEMBER, 2025

#### OFFICE OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS Zamfara State

24<sup>th</sup> February, 2026

The Honorable Chairman,  
Ankah Local Government Council,  
Zamfara State.

Dear Sir,

#### INTRODUCTION

The financial statements of Anka Local Government Council for the year ended 31<sup>st</sup> 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.: ANK/LGC/DFS/2026

Date: 10<sup>th</sup> march, 2026.

**The Auditor General**

Office of the Auditor General for Local Governments  
Zamfara State  
Gusau.

**RE: RESPONSE TO THE MANAGEMENT LETTER ON THE FINANCIAL  
AUDIT OF ANKA LOCAL GOVERNMENT COUNCIL FOR THE FINANCIAL  
YEAR ENDED 31ST DECEMBER, 2025**

I write on behalf of the Management of Anka Local Government Council to acknowledge receipt of your Management Letter in respect of the Financial Audit conducted for the financial year ended **31st December, 2025**, and to express our appreciation for the observations and recommendations made by your Office.

Management has carefully reviewed the issues raised in the Management Letter and appreciates the professional manner in which the audit was conducted. The observations have been noted and are considered valuable in strengthening our financial management system, internal controls, accountability, and compliance with the provisions of the Zamfara State Local Government Administration Law, Financial Memoranda, IPSAS, and other applicable regulations.

Specifically, Management wishes to respond as follows:

- 1. Maintenance of Treasury Records and Cash Books:** Steps have been taken to ensure that treasury records and cash books are updated promptly and maintained in accordance with approved financial regulations.
- 2. Payment Vouchers and Supporting Documents:** Management has directed all departments to ensure that every payment voucher is fully supported with the required documents before payment is processed.
- 3. Budgetary Compliance:** Measures have been introduced to ensure that all expenditures are made strictly within the approved budget and in accordance with relevant appropriation provisions.
- 4. Internal Control System:** The Internal Audit Unit has been directed to strengthen pre-payment audit procedures and enhance monitoring of financial transactions.
- 5. Accounting Records and Registers:** Management has commenced updating all statutory accounting records and registers to ensure completeness and compliance with applicable standards.



6. **Safeguarding of Government Assets:** Adequate measures have been introduced to improve the custody, recording, and periodic verification of government assets and security documents.
7. **Revenue Collection and Banking:** Revenue collection procedures have been strengthened to ensure that all collections are promptly banked and properly accounted for.

Management assures your Office that all observations and recommendations contained in the Management Letter are receiving the necessary attention. Appropriate corrective measures have either been implemented or are currently being implemented to prevent future recurrence and to improve transparency, accountability, and good governance in the Council.

We appreciate the cooperation and professional support extended by your audit team throughout the audit exercise and look forward to continued collaboration in promoting sound public financial management.

Please accept the assurances of our highest esteem.

Yours faithfully,

**Director of Finance and Supplies (DFS)**  
**Anka Local Government Council**  
**For: The Management**  
**Anka Local Government Council**



OFFICE OF THE  
AUDITOR GENERAL  
FOR LOCAL GOVERNMENTS

ZAMFARA STATE OF NIGERIA  
REPORT OF THE AUDITOR GENERAL  
ON IPSAS (CASH) GENERAL PURPOSE FINANCIAL STATEMENT  
OF ANKA LOCAL GOVERNMENT  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2025



# 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 ANNUAL ACCOUNTS**

The correct Annual Accounts of the Local Government Council for the financial year ended 31st December 2025 were submitted to this Office on 1st May, 2026 for examination and audit.

The submission complied with the requirement for rendering annual financial statements to the Auditor-General for Local Governments for statutory audit and certification.

### **1.3 PREVIOUS AUDITOR-GENERAL'S REPORT**

The Audit Report and Certified Financial Statements of the Local Government Council for the year ended 31st December, 2024 were submitted to the Zamfara State House of Assembly by this Office on 3rd June, 2025 for legislative oversight and such further action as may be deemed necessary.



## **2.0 OTHER OBSERVATIONS**

### **2.1 ANNUAL ESTIMATE**

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.

### **2.3 NON-MAINTENANCE OF PERSONAL EMOLUMENT REGISTER**

During the examination of the accounts and records of the Local Government Council for the period under review, it was observed that the Personal Emolument Register was not maintained. Consequently, details of salaries, allowances, deductions, and other emoluments paid to staff could not be readily verified. The absence of the register weakens internal control over personnel costs and may lead to errors, irregular payments, or difficulties in verifying staff emoluments.

### **2.4 UNBUDGETED REVENUE**

During the year under review, it was observed that the sum of **₦127,912,270.00** was received by the Local Government Council as its share of Ecological funds and 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 audit of the financial statements of Ankh Local Government for the year ended 31 December 2025, it was observed that the Local Government generally maintained its books of accounts and other accounting records in accordance with the International Public Sector Accounting Standards (IPSAS) Cash Basis of Accounting. However, the audit identified the following observations requiring management's attention:

### **a. Cash Books**

The cash books maintained during the year under review were generally up-to-date, balanced, and closed at the end of each month. However, it was observed that monthly bank reconciliation statements were not prepared between the cash books and the respective bank statements throughout the financial year. This weakens the internal control system and may affect the reliability of reported cash balances.

### **b. Classification of Revenue and Expenditure**

The audit confirmed that internally generated revenue, statutory allocations, and expenditure were generally classified and recorded using the approved IPSAS Chart of Accounts. The Local Government also prepared its 2025 budget in accordance with the IPSAS-approved classification, and no material misclassification of revenue or expenditure was observed.

### **c. Payment Vouchers**

Examination of payment vouchers revealed instances of non-compliance with established financial procedures. Some payment vouchers were not supported by internal verification signatures, store receipt certificates where applicable, or recipients' acknowledgements. These deficiencies weaken accountability and the audit trail. Management should ensure that all payment vouchers are properly completed and supported before payment is authorized.

### **d. Plant and Machinery Register**

It was observed that the Local Government did not maintain a Plant and Machinery Register during the year under review. Failure to maintain this register limits effective control, monitoring, safeguarding, and accountability for government assets. Management should establish and maintain a comprehensive assets register in accordance with the International Public Sector Accounting Standards (IPSAS), the Financial Memoranda for Local Governments, and other applicable public financial management regulations..

## **2.6 CERTIFICATION OF RETIRING BENEFITS**

In accordance with the statutory responsibilities of the Office of the Auditor-General for Local Governments, the Office received, verified, processed, and certified retirement and death benefit claims prior to the issuance of payment authority during the year ended 31 December 2025.



The certification process involved detailed examination of service records, payroll information, retirement documentation, and the computation of pension and gratuity entitlements to ensure that all payments were accurate, complete, and in compliance with the applicable pension laws, financial regulations, and the principles of the International Public Sector Accounting Standards (IPSAS).

During the year under review, a total of **89** retirement benefit files were processed and certified for payment. These comprised **68** voluntary/compulsory retirement cases amounting to **N188, 750,954.00** and **21** death benefit cases with sum of **N58, 668,383.00** the total certified retirement and death benefits amounted to **N247,319,336.00** (Two hundred and forty-seven Million, three Hundred and Nineteen Thousand, three Hundred and thirty-Six Naira Only).

The certification exercise strengthened accountability and transparency in the administration of retirement benefits by ensuring that only duly verified and eligible beneficiaries received payment. It also contributed to the prevention of errors, irregular payments, and financial leakages, thereby safeguarding public funds and promoting prudent financial management within the Local Government Council.

## **2.7 RECOVERIES MADE FROM PENSION AND GRATUITY BENEFITS**

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 **N7,823,997.00** 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.

The continuous verification of pension and gratuity records remains an important mechanism for strengthening accountability, promoting prudent financial management, and protecting government resources from waste, errors, and irregular payments.



### 3.0 BUDGET IMPLEMENTATION ANALYSIS

#### 3.1 STATUTORY RECEIPTS:

A review of the Statement of Statutory Revenue revealed that the actual statutory allocation received for the 2025 financial year amounted to **₦2,784,760,370.00**, compared with the budget estimate of **₦2,541,041,120.00**, resulting in a favorable budget variance of **₦243,719,250.00 (approximately 9.6%)**.

Further review showed that the statutory allocation received in **2024** was **₦541,598,169.00**, which was significantly lower than the amount received in **2025**. This indicates a substantial increase in statutory revenue during the year under review, thereby improving the availability of financial resources for the implementation of approved programs and projects.

Also, this can be seen below:

| S/N | DESCRIPTION          | Actual 2024<br>(₦)    | Estimate 2025(₦)        | Actual 2024<br>(₦)      |
|-----|----------------------|-----------------------|-------------------------|-------------------------|
| 1.  | Statutory Allocation | 541,598,169.00        | 2,541,041,120.00        | 2,784,760,370.00        |
|     | <b>Total</b>         | <b>541,598,169.00</b> | <b>2,541,041,120.00</b> | <b>2,784,760,370.00</b> |

#### 3.2 STATUTORY RECEIPTS (DEFICIT):

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

##### 3.2a STATUTORY RECEIPTS (SURPLUS)

During the year under review, the estimated statutory of this local government made a surplus of **₦243,719,250.00**(Two hundred and forty-three million, seven hundred and nineteen thousand, two hundred and fifty Naira) that represent a surplus of almost **9.6%** of the projected revenue, this can be seen in the table below

| S/N | DESCRIPTION          | Actual 2024<br>(₦)    | Estimate 2025<br>(₦)    | Actual 2025<br>(₦)      | Surplus 2025<br>(₦)   |
|-----|----------------------|-----------------------|-------------------------|-------------------------|-----------------------|
| 1.  | Statutory Allocation | 541,598,169.00        | 2,541,041,120.00        | 2,784,760,370.00        | 243,719,250.00        |
|     | <b>Total</b>         | <b>541,598,169.00</b> | <b>2,541,041,120.00</b> | <b>2,784,760,370.00</b> | <b>243,719,250.00</b> |



### 3.3 VALUE ADDED TAX (VAT)

During the year under review, the Local Government budgeted Value Added Tax (VAT) revenue of **₦3,171,357,040.00**. Actual VAT revenue received during the year amounted to **₦2,750,188,533.00**, representing **86.7%** of the budgeted amount (approximately **87%**) and a budget variance of **₦421,168,507.00** (13.3% below budget).

The comparative analysis of VAT revenue is presented below

| S/N | DESCRIPTION  | Actual 2024<br>(₦)   | Estimate 2025<br>(₦) | Actual 2025<br>(₦)   |
|-----|--------------|----------------------|----------------------|----------------------|
| 1.  | VAT          | 1,134,121,751        | 3,171,357,040        | 2,750,188,533        |
|     | <b>Total</b> | <b>1,134,121,751</b> | <b>3,171,357,040</b> | <b>2,750,188,533</b> |

#### 3.3a VALUE ADDED TAX(SURPLUS):

During the year under review, there was no record of surplus for value added tax, by the local government

#### 3.3b VALUE ADDED TAX(DEFICIT):

For the year under review, a Deficit of **₦421,168,507.00** (Four hundred and twenty-one million, one hundred and sixty-eight thousand, five hundred and seven naira) was recorded from value added tax of this local government. The breakdown can be seen in the table below:

| S/N | DESCRIPTION  | Actual 2024<br>(₦)   | Estimate 2025<br>(₦) | Actual 2025<br>(₦)   | Deficit 2025<br>(₦) |
|-----|--------------|----------------------|----------------------|----------------------|---------------------|
| 1.  | VAT          | 1,134,121,751        | 3,171,357,040        | 2,750,188,533        | 421,168,507         |
|     | <b>Total</b> | <b>1,134,121,751</b> | <b>3,171,357,040</b> | <b>2,750,188,533</b> | <b>421,168,507</b>  |

### 3.4 INDEPENDENT REVENUE:

During the year under review, the Local Government budgeted **Independent Revenue** of **₦335,006,000.00**. However, actual revenue collected amounted to **₦121,371,894.00**, representing only **36%** of the approved budget, resulting in a revenue shortfall of **₦213,634,106.00** (64%).

The significant variance between the budgeted and actual collections indicates weaknesses in revenue forecasting, revenue administration, and collection mechanisms. Such a shortfall may adversely affect the Local Government's ability to finance approved programs and deliver essential public services.



Details of the revenue performance are presented in the table below.

| S/N | DESCRIPTION                          | Actual 2024<br>(₦) | Estimate<br>2025 (₦) | Actual 2025<br>(₦) |
|-----|--------------------------------------|--------------------|----------------------|--------------------|
| 1.  | Direct Taxes                         | 370,710            | 8,872,000            |                    |
| 2.  | License                              | -                  | 8,308,000            | 3,283,609          |
| 3.  | Mining Rents                         |                    | -                    | -                  |
| 4.  | Rates                                | -                  | -                    | -                  |
| 5.  | Fees                                 | 8,495,060          | -                    | 23,214,960         |
| 6.  | Fines                                | -                  | 3,644,000            | -                  |
| 7.  | Sales                                | -                  | -                    | -                  |
| 8.  | Earnings                             | 9,598,660          | 9,182,000            | 18,083,313         |
| 9.  | Sales/Rent on Govt. Buildings        | 12,440,375         | -                    | 26,122,330         |
| 10. | Sales/Rent on Lands & Others         | -                  | -                    | -                  |
| 11. | Investment Income                    | -                  | -                    | -                  |
| 12. | Interest earned on fixed deposits    | 39,996,620         | -                    | 50,667,692         |
| 13. | Re-Imbursement/Miscellaneous Receipt | -                  | ;                    | -                  |
| 14. | 10% state I. G. R                    | -                  | 305,000,000          | -                  |
|     | <b>Total</b>                         | <b>70,871,425</b>  | <b>335,006,000</b>   | <b>121,371,894</b> |

### 3.5 INDEPENDENT REVENUE (SURPLUS):

In the year under review, four heads of independent revenue revealed a Surplus **₦108,906,285.00** (One hundred and eight million, nine hundred and six thousand, two hundred and eighty-five naira). The table below gives full details:-

| S/<br>N | DESCRIPTION                       | Actual 2024<br>(₦) | Estimate 2025<br>(₦) | Actual 2025<br>(₦) | Surplus 2025<br>(₦) |
|---------|-----------------------------------|--------------------|----------------------|--------------------|---------------------|
| 1       | Fees                              | 8,495,060          | -                    | 23,214,950         | 23,214,950          |
| 2       | Earning                           | 9,568,680          | 9,182,000            | 18,083,313         | 8,901,313           |
| 3       | Sales/rent on buildings           | 12,440,375         | -                    | 26,122,330         | 26,122,330          |
| 4       | Interest earned on fixed deposits | 3,684,509          | -                    | 50,667,692         | 39,996,620          |
|         | <b>TOTAL</b>                      | <b>34,188,624</b>  | <b>9,182,000</b>     | <b>118,088,285</b> | <b>108,906,285</b>  |

### 3.5a INDEPENDENT REVENUE (DEFECIT):

In the year under review, independent revenue revealed a Deficit of **₦323, 034,391.00** (Three hundred and twenty-three million, eight hundred and thirty-four thousand, three hundred and ninety-one naira). The table below gives full details:

| S/N | DESCRIPTION   | Actual 2024<br>(₦) | Estimate 2025<br>(₦) | Actual 2025<br>(₦) | Deficit 2025<br>(₦) |
|-----|---------------|--------------------|----------------------|--------------------|---------------------|
| 1.  | Direct taxes  | 370,710            | 8,872,000            | -                  | 8,872,000           |
| 3   | Licenses      | -                  | 8,802,000            | 3,283,609          | 5,518,391           |
| 5   | Fines         |                    | 3,644,000            | -                  | 3,644,000           |
| 10  | 10% state IGR |                    | 305,000,000          | -                  | 305,000,000         |
|     | <b>Total</b>  |                    | <b>326,318,000</b>   | <b>3,283,609</b>   | <b>323,034,391</b>  |



### 3.6 CAPITAL RECEIPTS:

Capital receipts of the Local Government comprise statutory transfers from the Consolidated Revenue Fund (CRF), Capital Development Fund (CDF), Capital Foreign Grants, and income from investments, including Nigerian Treasury Bills (NTB) fixed deposits.

During the financial year under review, total capital receipts were budgeted at **₦4,971,408,210.00**. However, the actual capital receipts realized amounted to **₦5,968,895,143.00**, resulting in a favorable budget variance of **₦997,486,933.00**, representing approximately **120%** of the approved budget.

The increase in actual capital receipts was primarily attributable to higher-than-budgeted receipts from statutory allocations and investment income earned from Nigerian Treasury Bills (NTB) fixed deposits. Details of the capital receipts are presented in the table below.

| S/N | DESCRIPTION                 | Actual 2024<br>(₦)   | Estimate 2025<br>(₦) | Actual 2025<br>(₦)   |
|-----|-----------------------------|----------------------|----------------------|----------------------|
| 1.  | Transfer from CRF           | 3,358,638,310        | 3,176,911,660        | 5,366,256,393        |
| 2.  | NTB Fixed deposits          | 522,688,118          | -                    | 602,628,651          |
| 3   | Capital Dev, Funds Receipts | -                    | 1,794,496,550        | -                    |
|     | <b>Total</b>                | <b>3,881,326,426</b> | <b>4,971,408,210</b> | <b>5,968,895,143</b> |

### 3.7 CAPITAL RECEIPTS (SURPLUS):

In the year under review the surplus made was to the sum of **₦997,486,933.00** in respect capital receipts. On transfer from consolidated revenue funds and Nigerian treasury bills (NTB) by the local government.

### 3.8 CAPITAL RECEIPTS (DEFICIT):

During the year under review, there were no deficit was made in this local government in respect to capital receipts.



### 3.9 CAPITALEXPENDITURE:

Review of the Director of Finance's report for the year ended 2025 revealed that the approved capital expenditure budget amounted to **₦4,971,408,210.00**, while the actual capital expenditure incurred during the year was **₦4,313,911,113.00**, representing **87%** budget implementation. The variance of **₦657,497,097.00 (13%)** indicates that not all approved capital projects were executed during the financial year.

The analysis of capital expenditure by sector is presented below:

| S/N | DESCRIPTION            | Actual 2024<br>(₦)   | Estimate 2025<br>(₦) | Actual 2025<br>(₦)   |
|-----|------------------------|----------------------|----------------------|----------------------|
| 1.  | Administrative Sector  | 1,395,174,341        | 930,000,000          | 1,260,186,956        |
| 2.  | Economic Sector        | 485,126,576          | 2,456,408,210        | 1,420,572,154        |
| 3.  | Social Services Sector | 21,997,219           | 1,585,000,000        | 1,633,152,002        |
|     | <b>Total</b>           | <b>1,902,298,136</b> | <b>4,971,408,210</b> | <b>4,313,911,113</b> |

### 3.10 EXCESS CAPITAL EXPENDITURE:

During the year under review a savings of **₦ 657,497,097.00** (Six hundred and fifty-seven million, four hundred ninety-seven thousand, ninety-seven Naira) was made in respect of capital expenditure by this local government. The table below gives the breakdown: -

| S/N | DESCRIPTION           | Actual 2024<br>(₦)   | Estimate 2025<br>(₦) | Actual 2025<br>(₦)   | Savings/deficit<br>2025 (₦) |
|-----|-----------------------|----------------------|----------------------|----------------------|-----------------------------|
| 1.  | Administrative Sector | 1,395,174,341        | 930,000,000          | 1,260,186,956        | (330,186,956)               |
| 2   | Economic Sector       | 485,126,576          | 2,456,408,210        | 1,420,572,154        | 1,035,836,056               |
| 3   | Social Sector         | 21,997,219           | 1,585,000,000        | 1,633,152,002        | (48,152,002)                |
|     | <b>Total</b>          | <b>1,902,298,136</b> | <b>4,971,408,210</b> | <b>4,313,911,113</b> | <b>657,497,097</b>          |

### 3.11 CAPITALEXPENDITURE (DEFICIT):

During the year under review no record of deficits was made in respect of capital expenditure by the local government the economic sector accumulate the deficits



### **3.12 PERSONAL COST (INCLUDING SALARIES ON CRF CHARGES)**

The approved budget for personal costs, including salaries, during the year under review was **₦1,006,575,880.00**. However, the actual expenditure amounted to **₦876,710,217.00**, covering **791** staff members of the local government and its Area Development Council (ADC). This resulted in a savings of **₦129,865,663.00**.

In line with IPSAS 24, a comparison of budgeted versus actual expenditure should be disclosed, and any material differences should be explained in the financial notes.

### **3.13 OVERHEAD CHARGES:**

During the year under review the estimated overhead cost of the local government was **₦2,589,480,540.00**(two billion, five hundred and eighty-nine million, four hundred and eighty thousand, five hundred and forty Naira). Whereas the actual expenditure for the year stood at **₦1,043,083,155.00** (One billion, forty-three million, eighty-three thousand one hundred and fifty-five Naira). This resulted to a saving of **₦1,546,397,385.00** (One billion five hundred and forty-six million, three hundred and ninety-seven thousand, three hundred and eighty-five Naira)only.

### **3.14 CONSOLIDATED REVENUE FUND CHARGES**

During the year ended **31 December 2024**, the approved budget for Consolidated Revenue Fund Charges was **₦1,248,450,000.00**, while the actual expenditure amounted to **₦1,337,947,599.00**, resulting in an **excess expenditure (deficit)** of **₦89,497,599.00**, representing approximately **7.2%** above the approved budget.



This indicates that expenditure on Consolidated Revenue Fund Charges exceeded the budgetary provision during the year under review. The details are presented in the table below.

| S/N | DESCRIPTION                  | ACTUAL<br>2024 (₦)   | ESTIMATED<br>2025 (₦) | ACTUAL<br>2025 (₦)   | DEFICIT/SAVING<br>S 2025(₦) |
|-----|------------------------------|----------------------|-----------------------|----------------------|-----------------------------|
| 1.  | Pension Funds                | 313,156,086          | 90,000,000            | 97,457,619           | (7,457,619)                 |
| 2.  | Emirate Councils             | 27,079,908           | 110,000,000           | 137,834,918          | (27,834,,918)               |
| 3.  | Security Trust Fund          | 178,484,972          | 270,000,000           | 296,335,355          | (26,335,355)                |
| 4.  | Common Services              | 10,831,963           | 45,000,000            | 55,133,967           | (10,133,967)                |
| 5.  | Training Funds               | 5,415,982            | 25,000,000            | 27,556,984           | (2,556,984)                 |
| 6.  | Pri. Sch. Teachers. Salary   | 293,533,270          | 423,000,000           | 436,758,857          | (13,758,857)                |
| 7.  | Mass Education Salary        | 49,059,328           | 125,000,000           | 136,895,999          | (11,895,999)                |
| 8.  | State Electoral Commission   | 115,421,889          | -                     | -                    | -                           |
| 9.  | PHC Staff Salary             | 85,155,258           | 115,000,000           | 111,151,232          | 3,848,768                   |
| 10. | Local Gov't Audit            | 1,256,714            | 1,300,000             | 1,285,714            | 14,286                      |
| 11. | Zamfara State University     | -                    | -                     | -                    | -                           |
| 12. | Oversight committee logistic | -                    | 10,000,000            | 6,857,143            | 3,142,857                   |
| 13. | Contr to ZEMA                | -                    | 1500,000              | 1,200,000            | 300,000                     |
| 14. | Contr to council of chiefs   | -                    | 1,800,000             | 1,285,714            | 514,286                     |
| 15. | Contr to work school         | -                    | 1,000,000             | 600,000              | 400,000                     |
| 16. | Contr to ZCSDA               | -                    | 1,500,000             | 1,200,000            | 300,000                     |
| 17. | Contr to pension commission  | -                    | 1,350,000             | 1,285,714            | 64,286                      |
| 18. | Contr to fire service        | -                    | 3,500,000             | 3,000,000            | 500,000                     |
| 19. | Contr to skill acquisition   | -                    | 1,500,000             | 1,200,000            | 300,000                     |
| 20. | Contr to NSCDC               | -                    | 6,000,000             | 5,332,143            | 667,857                     |
| 21. | Contr to NPF                 | -                    | 9,000,000             | 8,817,857            | 182,143                     |
| 22. | Contr to security            | -                    | 7,000,000             | 6,728,571            | 271,429                     |
|     | <b>Total</b>                 | <b>1,079,424,381</b> | <b>1,248,450,000</b>  | <b>1,337,947,599</b> | <b>89,497,599.00</b>        |

### 3.15 CRF CHARGES- PUBLIC DEBT CHARGE:

During the year ended 31 December 2024, the approved budget for Public Debt Charges under the Consolidated Revenue Fund was **₦50,300,000.00** while the actual expenditure incurred amounted to **₦201,541,908.00** this resulted in an excess expenditure (deficit) of **₦151,241,908.00** representing approximately **300%** above the approved budget provision.

The variance indicates that expenditure on Public Debt Charges exceeded the amount appropriated for the year under review.



#### 4.0 GENERAL RECOMMENDATIONS

In line with the observations contained in this report and in accordance with IPSAS requirements and sound public financial management practices, the following recommendations are made:

1. **Cash Books:** Management should ensure that cash books are accurately maintained and updated promptly to reflect all financial transactions. Responsibility for maintaining the cash books should be assigned to competent treasury personnel with adequate supervision. Furthermore, regular training and capacity-building programmes should be organised for treasury staff to enhance their understanding of treasury operations, IPSAS requirements, and internal control procedures, thereby promoting effective financial management and accountability.
2. **Payment Vouchers:** Management should ensure that all payment vouchers are correctly prepared, classified, and posted in accordance with the approved IPSAS chart of accounts and applicable financial regulations. Payments should only be processed after all due procedures have been complied with and the vouchers are duly completed, supported with relevant documentation, and properly authorized. This will strengthen internal controls, improve accountability, and ensure compliance with IPSAS and other extant financial regulations.
3. **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.
4. **Budget Implementation Analysis:** 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.
5. The Local Government Council should ensure that all unbudgeted revenues received during the financial year are subjected to supplementary appropriation by the State House of Assembly before expenditure. This will ensure compliance with the relevant financial regulations and enhance accountability and transparency in public financial management.
6. The Public Accounts Committee should direct the Local Government to adopt a more realistic approach in preparing revenue estimates to avoid significant variances between projected and actual receipts.
7. The Council should strengthen its revenue monitoring and budget performance review mechanisms to promptly identify and address revenue shortfalls.
8. The Council should intensify efforts to improve Internally Generated Revenue (IGR) in order to reduce overdependence on statutory allocations from the Federation Account.
9. Management should provide explanations for the revenue deficit and outline measures taken to mitigate its impact on budget implementation.
10. The Committee may wish to direct the Council to ensure that future budgets are based on verifiable revenue trends and economic realities to enhance effective budget implementation.
11. The Council should ensure that a comprehensive Personal Emolument Register is maintained and updated regularly. Management should also institute adequate supervisory controls to ensure that all salary-related transactions are properly.



## **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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AUDITOR GENERAL  
FOR LOCAL GOVERNMENTS

