



**ZAMFARA STATE OF NIGERIA**  
**REPORT**  
*of the*  
**AUDITOR GENERAL**  
**FOR LOCAL GOVERNMENTS**

ON IPSAS (CASH)

**GENERAL PURPOSE FINANCIAL STATEMENTS**  
*of*

**BAKURA LOCAL GOVERNMENT**

*For The Year Ended*

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



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

☎ 204868

P.M.B. 01015, Gusau

Date: 20th January, 2023

Ref. No: LGA//VOL/205

## 1.0 INTRODUCTION

### 1.1 MANDATE:

In my certification of the financial statements (accounts) generated by the local government, I subjected the reliability of the statements to the extent of my observations raised on the treasury records. What I am presenting to the public accounts committee, here under are those observations.

In this wise, each financial statement (hereby attached) is to be read in conjunction with these observations for easy comprehension.

In accordance with section 92 of the local government law 2012 of the Zamfara state and section 24 of the public finance (control and management) act 1958 as amended, the account submitted to the office of the Auditor General for local government by the Director of Finance have been certified correct as mandated by the law, but subjected to some observations made in this report.

### 1.2 SUBMISSION OF REPORTS:

The correct Annual Accounts of the local government for the year 2023 was submitted to this office on 13<sup>th</sup> March, 2024.

### 1.3 PREVIOUS AUDITOR'S GENERAL REPORTS:

The previous year 2022 financial statement and audit report was submitted to the Honorable House of Assembly of 30<sup>th</sup> November, 2023 by this office for their oversight function and further necessary action.



## **2.0 OTHER OBSERVATIONS**

### **2.1 ANNUAL ESTIMATES:**

The delay in distribution of the approved estimates has become a tradition, which almost it was submitted between the months march to July of the year.

### **2.2 EXPENDITURE MANDATES:**

In the course of the period under review, there was a fiscal working relationship between the state Government and the fourteen Local Governments. The legal framework for this arrangement was largely defined by the memorandum of understanding consented to by the Chairmen. Major projects executed fall under the existing framework.

A closer scrutiny of this scheme would reveal inadequate arrangement for timely expenditure returns to the Local Governments. Local Governments treasuries took unnecessary longer time before they brought these types of expenditures to book.

### **2.3 PERSONNEL EMOLUMENT REGISTER (P.E):**

This important record was observed to be not in existence in the local government. A situation that had aggravated the current state of affairs with regard to management and control of personnel emoluments. The worrisome phenomenon of ghost workers could be traced to the neglect suffered by this control record. The financial memorandum being in operation in the local government made a remarkable provision for this but alas, it was conveniently abandoned to allow for an easy manipulation of salary.

### **2.4 UNBUDGETED REVENUE:**

During the year under review it was observed that, the sum of **₦946,468,051.00** (Nine hundred and forty-six million, four hundred and sixty-eight thousand, fifty-one Naira) was received from electronic money transfer levy. Exchange gain difference, ecology funds, distribution of non-oil excess account, share of forex equalization, share of solid minerals, share of FGN treasury crude account, exchanges rates differential, additional share of funds FGN and share of refunds FGN sure-p by the local government, but the revenue was not referred to the State house of Assembly for proper appropriation. It was expended without proper appropriation.



## **2.5 OTHER TRANSFERS:**

During the year under review the sum **₦18,603,629.00** (Eighteen million, six hundred and three thousand, six hundred and twenty-nine Naira) was reported by the local government as transfer from Governmental agencies, Amsabam construction ventures and cash deposit from caliphate & others, Observation arising from this transfer revealed that, what the transfer is meant for has not been stated, weather it is loan to the local government or repayment of loan.

## **2.6 ACCOUNTING RECORDS:**

During the year under review, it was observed that, there was fearful maintenance of the books of accounts and other accounting records by the local government. The manner in which this aspect was handled by the local government is fairly commendable. Some of the observation made includes the following:

- a. Entries in the cash books:** It was observed that the cash books maintained for the period under review were fairly maintained but are free from mistakes and unnecessary cancellations. The cash books were balanced and closed at the end of every month, but monthly reconciliation with the bank statements was observed to be neglected.
- b. Classification of revenues and expenditure in accordance with IPSAS codes:** According to what I observed, internally generated revenues of the local government were neglected and the statutory allocations were captured in the cash books in accordance with IPSAS code classification. Equally, recurrent and capital expenditure of the local government was the same as that of statutory.
- c. Payment Vouchers:** A significant number of the payment vouchers were found not properly documented effort made by the inspection officer to followed the due process before the payment were done, which makes the proper control and management of vouching process, but prove abortive.
- d. Plant Register:** The local government did not keep the register of its plants and machineries. The operation of this register in any organization is central to the proper control of this type of asset. It also makes the disposal of the asset to be made in a most prudent manner. Conversely, the non-operation of the register by the local government had negated the basis of accountability.



## 2.7 CERTIFICATION OF RETIRING BENEFITS:

It is a mandate for this office to received, process and raises an authority for payment of retirement benefits. During the period under review 7 files were approved from this local Government which consist of 4 voluntary/compulsory retirement and 3 death staff with their total benefits standing at **₦8,356,630.00 (Eight million, three hundred and fifty-six thousand, six hundred and thirty Naira)**. Out of this amount the sum of **₦3,749,141.00**(Three million, seven hundred and forty-nine thousand, one hundred and forty-one Naira) stood as total claims for 4 number retired staff, while 3 number death staff benefits gulfed the sum of **₦4,607,389.00** (Four million, six hundred and seven thousand, three hundred and eighty-nine Naira)

## 2.8 RECOVERIES MADE OUT OF PENSION AND GRATUITY:

In the course of processing the pension files, instances of wrong computation that invariably result into over payment of pension benefits, were detected. It has been a routine to this office for these types of over payment together with those of over stay in the service, to be deducted out of the individual pensioner's benefit. Therefore, this office was able to save the sum **₦825,771.00** (Eight hundred and twenty-five thousand, seven hundred and seventy-one Naira) for the pension funds.

## 2.9 INVESTMENTS:

As at 31<sup>st</sup> December, 2023 the investment value stood at **₦108, 188,667.00** (One hundred and eight million, one hundred and eighty-eight thousand, six hundred and sixty-seven naira). The investment holding is as shown below: -

S/N	NAME OF THE COMPANY	VALUE 2023 (₦)	VALUE 2022 (₦)
1	Oceanic Bank	-	-
2	Kaduna Textile	-	-
3	CCNN Soot	748,006	748,006
4	Soot Cement Co.	-	-
5	SICL Communication	-	-
6	Ashaka Cement Co	-	-
7	NNPC Nig.	-	-
8	FSB International Bank	-	-
9	Bank Of the North	-	-
10	Zamfara Investment Co.	2,000,000	2,000,000
11	T/Mafara Bricks B. Ind.	-	-
12	Intercontinental Bank	1,350,000	1,350,000
13	Bright way Solid Min. Dev. Co	104,090,661	104,090,661
	<b>TOTAL</b>	<b>108,188,667</b>	<b>108,188,667</b>



## 2.9 REPAYMENT OF EXTERNAL LOANS (INCLUDING SERVICES)

The sum of **₦249,604,109.00** (Two hundred and forty-nine million, six hundred and four thousand, one hundred and nine Naira) was paid by the local government for the year under review to various banks as repayment of various loans taken from them and loan from FAAC deduction.

## 3.0 BUDGET IMPLEMENTATION ANALYSIS

### 3.1 STATUTORY ALLOCATION:

During the year under review, the estimated Statutory Receipt of this local government was **₦1,359,039,260.00** (One billion, three hundred and fifty-nine million, thirty-nine thousand, two hundred and sixty Naira) **while** the actual collection for the year was **₦1,113,003,135.00** (One billion, one hundred and thirteen million, three thousand, one hundred and thirty-five Naira). The actual revenue was 82% of the total projected revenue. Also, this can be seen as per table below: -

S/N	DESCRIPTION	Actual 2022 (₦)	Estimate 2023 (₦)	Actual 2023 (₦)
1.	Statutory Allocation	1,319,814,060	1,359,039,260	1,113,003,135
	<b>Total</b>	<b>1,319,814,060</b>	<b>1,359,039,260</b>	<b>1,113,003,135</b>

### 3.2a STATUTORY ALLOCATION (DEFICIT):

In the year under review a deficit of **₦246,036,125.00** (two hundred forty-six million, thirty-six thousand, one hundred and twenty-five naira) was revealed as per statutory Allocation. This represents 18% shortage of the projected Statutory Allocation revenue as shown below:

S/N	DESCRIPTION	Actual 2022 (₦)	Estimate 2023 (₦)	Actual 2023 (₦)	Deficit 2023 (₦)
1.	Statutory Allocation	1,319,814,060	1,359,039,260	1,113,003,135	246,036,125
	<b>Total</b>	<b>1,319,814,060</b>	<b>1,359,039,260</b>	<b>1,113,003,135</b>	<b>246,036,125</b>

### 3.2b B STATUTORY RECEIPTS (SURPLUS):-

For the period under review there was no surplus made in respect to statutory receipt by this local government.





### 3.3 VAT RECEIPTS:

For the period under review, the estimated figure for the value added tax was **₦954,634,790.00** (Nine hundred and fifty-four million, six hundred and thirty-four thousand, seven hundred and ninety naira) Whereas the actual collection was **₦1,172,096,794.00** (One billion, one hundred and seventy-two million, ninety-six thousand, seven hundred and ninety-four Naira) which resulted to over and above 123% of the projected figure, that could be seen in the table below:

S/N	DESCRIPTION	Actual 2022 (₦)	Estimated 2023 (₦)	Actual 2023 (₦)
1	VAT	857,699,917	954,634,790	1,172,096,794
	<b>Total</b>	<b>857,699,917</b>	<b>954,634,790</b>	<b>1,172,096,794</b>

#### 3.3a VAT (SURPLUS):

During the year under review, surplus of **₦217,462,004.00** (Two hundred and seventeen million, four hundred and sixty-two thousand, four Naira) was recorded in respect of VAT allocation and this represent 23%increase over the projected one. The details are shown below: -

S/N	DESCRIPTION	Actual 2021. (₦)	Estimate 2022 (₦)	Actual 2022 (₦)	Surplus 2022 (₦)
1.	VAT	857,699,917	954,634,790	1,172,096,794	217,462,004
	<b>Total</b>	<b>587,699,917</b>	<b>954,634,790</b>	<b>1,172,096,794</b>	<b>217,462,004</b>

#### 3.3b VAT(DEFICITS):

For the period under review, there was no deficit made in respect of value added tax by the local government.





### 3.4 INDEPENDENT REVENUE:

During the year under review, the estimated Independent Revenue of this local government was **₦37,734,040.00** (Thirty-seven million, seven hundred and thirty-four thousand, forty naira only) **while** the actual collection for the year was **₦36,212,076.00** (Thirty-six million, two hundred and twelve thousand, seventy-six naira) The actual revenue represents 96% of the total projected independent revenue. The details are as per table below:

S/N	DESCRIPTION	Actual 2022 (₦)	Estimate 2023 (₦)	Actual 2023 (₦)
1.	Direct Taxes	-	-	-
2	Rates	3,225,870	1,960,040	8,281,110
3.	Licenses	1,227,980	14,074,000	2,600,600
4.	Royalties	-	-	-
5.	Fees	2,186,691	10,200,000	5,179,700
6.	Fines	1,367,810	-	2,396,470
7.	Sales	-	500,000	-
8.	Earnings	5,825,502	11,000,000	12,582,100
9.	Sales/Rent on Govt. Buildings	-	-	-
10.	Sales/Rent on Lands & Others	1,228,320	-	349,500
11.	Repayments-General	-	-	-
12.	Investment Income	-	-	-
13.	Interest Earned	212,830	-	4,626,446
14.	Re- imbursement/Misc.	-	-	196,150
	<b>Total</b>	<b>15,309,003</b>	<b>37,734,040</b>	<b>36,212,076</b>

### 3.5 INDEPENDENT REVENUE (SURPLUS):

In the year under review, independent revenue revealed a Surplus of **₦15,471,736.00** (Fifteen million, four hundred and seventy-one thousand, seven hundred and thirty-six Naira). The table below gives full details: -

S/N	DESCRIPTION	Actual 2022 (₦)	Estimate 2023(₦)	Actual 2023 (₦)	Surplus 2023 (₦)
1.	Rates	3,255,870	1,960,040	8,281,110	6,321,000
2	Fines	1,367,810	-	2,396,470	2,396,470
3	Earnings	5,829,502	11,000,000	12,582,100	1,582,100
4	Sales/rent on Lands	1,228,320	-	349,500	349,500
5	Interest earned	212,830	-	4,626,446	4,626,446
6	Re-imburse/misc.	-	-	196,150	196,150
	<b>Total</b>	<b>6,064,830</b>	<b>12,960,040</b>	<b>28,431,776</b>	<b>15,471,736</b>



### 3.6 INDEPENDENT REVENUE (DEFECIT):

In the year under review, independent revenue revealed a Deficit of **₦16,993,700.00** (Sixteen million, nine hundred and ninety-three thousand, seven hundred Naira). The table below gives full details: -

S/N	DESCRIPTION	Actual 2022 (₦)	Estimate 2023 (₦)	Actual 2023 (₦)	Deficit 2023 (₦)
1.	License	1,227,980	14,074,000	2,600,600	11,473,400
2.	Fees	2,186,691	10,200,000	5,179,700	5,020,300
3.	Sales	-	500,000	-	500,000
	<b>Total</b>	<b>9,244,173</b>	<b>24,774,000</b>	<b>7,780,300</b>	<b>16,993,700</b>

### 3.7 CAPITAL RECEIPTS:

The Capital receipt of this local government which constitute Transfer from Consolidated Revenue and External Loans of the Local Government was estimated at **₦1,429,483,380.00** (One billion, four hundred and twenty-nine million, four hundred and eighty-three thousand, three hundred and eighty Naira) during the year under review, but in the actual the sum of **₦2,487,889,995.00** (Two billion, four hundred and eighty-seven million, eight hundred and eighty-nine thousand, nine hundred and ninety-five Naira) was realized from CRF, Nigerian treasury bills and internal loan . This represents 174% increase of the total budgeted amount. The details are shown below:

S/N	DESCRIPTION	Actual 2022 (₦)	Estimate 2023 (₦)	Actual 2023 (₦)
1.	Transfer from CRF	233,085,668	429,483,380	1,279,221,468
2.	External Loans LGC	119,080,643	1,000,000,000	-
3	Nig.treasury bills	-	-	1,030,047,562
4	Internal loan	-	-	178,620,965
	<b>Total</b>	<b>352,166,311</b>	<b>1,429,483,380</b>	<b>2,487,889,995</b>

### 3.8 CAPITAL RECEIPTS (DEFICIT):

In the year under review no deficit was reported by the local government in respect of capital receipt.



### 3.9 CAPITAL RECEIPTS (SURPLUS):

During the year under review, a surplus of **₦1,058,406,615.00** (One billion, fifty-eight million, four hundred and six thousand, six hundred and fifteen naira) was made in respect of capital receipt by the local government.

S/N	DESCRIPTION	Actual 2022 (₦)	Estimate 2023 (₦)	Actual 2023 (₦)	Surplus 2023 (₦)
1.	Transfer from CRF	233,085,668	429,483,380	1,279,221,468	849,738,088
2	External loans	119,080,643	1,000,000,000	-	-
3	Nig. Treasury bill	-	-	1,030,047,562	1,030,047,562
4	Internal loan	-	-	178,620,965	178,620,965
	<b>Total</b>	<b>352,166,311</b>	<b>1,429,483,380</b>	<b>2,487,889,995</b>	<b>1,058,406,615</b>

### 3.10 CAPITAL EXPENDITURE:

According to Director of Finance's report for the year under review, the sum of **₦1,429,483,380.00** (One billion, four hundred and twenty-nine million, four hundred and eighty-three thousand, three hundred and eighty Naira) was budgeted, while on the actual the capital expenditure of the local government stood at **₦1,363,911,278.00** (One billion, three hundred and sixty-three million, nine hundred and eleven thousand, two hundred and seventy-eight Naira). The amount is about 95% of the estimated figure. The details are shown as per table below: -

S/N	DESCRIPTION	Actual 2022 (₦)	Estimate 2023 (₦)	Actual 2023 (₦)
1.	Administrative Sector	103,698,776	210,000,000	531,395,166
2.	Economic Sector	37,385,142	890,000,000	376,916,588
3.	Social Services Sector	146,432,327	329,483,380	455,599,524
	<b>Total</b>	<b>287,516,244</b>	<b>1,429,483,380</b>	<b>1,363,911,278</b>

### 3.11 EXCESS CAPITAL EXPENDITURE:

During the year under review a savings of **₦65,572,102.00** (Sixty-five million, five hundred and seventy-two thousand, one hundred and two Naira) was made in respect of capital expenditure by the local government. The details are as per shown below: -

S/N	DESCRIPTION	Actual 2022 (₦)	Estimate 2023 (₦)	Actual 2023 (₦)	Saving/deficits 2023 (₦)
1.	Administrative Sector	103,698,776	210,000,000	531,395,166	(321,395,166)
2.	Economic Sector	37,385,142	890,000,000	376,916,588	513,083,412
3.	Social Services Sector	146,432,327	329,483,380	455,599,524	(126,116,144)
	<b>Total</b>	<b>287,516,244</b>	<b>1,429,483,380</b>	<b>1,363,911,278</b>	<b>65,572,102.00</b>



### 3.13 PERSONAL COST (INCL. SALARIES ON CRF CHARGES):

The sum of **₦391,793,940.00** (Three hundred and ninety-one million, seven hundred and ninety-three thousand, nine hundred and forty Naira) was budgeted by this local government as personal cost for the year. While in the actual the sum of **₦277,467,994.00** (Two hundred and seventy-seven million, four hundred and sixty-seven thousand, nine hundred and ninety-four Naira) was paid to **1,236** staff of the local government and its ADC. This resulted to a savings of **₦114,325,946.00** (One hundred fourteen million, three hundred and twenty-five thousand, nine hundred and forty-six Naira).

### 3.14 OVERHEAD CHARGES:

During the year under review the estimated overhead cost of the local government was **₦580,365,120.00** (Five hundred and eighty million, three hundred and sixty-five thousand, one hundred and twenty Naira). Whereas the actual expenditure for the year stood at **₦490,977,651.00** (Four hundred and ninety million, nine hundred and seventy-seven thousand, six hundred and fifty-one Naira), this resulted to a saving of **₦89,387,469.00** (Eighty-nine million, three hundred and eighty-seven thousand, four hundred and sixty-nine Naira)

### 3.15 CONSOLIDATED REVENUE FUND CHARGES

The budgeted figure of consolidated revenue fund charges for the year under review of this Local Government was **₦540,000,000.00** (Five hundred and forty million, Naira) while the actual expenditure for the year stood at **₦463,150,976.00** (Four hundred and sixty-three million, one hundred and fifty thousand, nine hundred and seventy-six Naira). This resulted to a savings of **₦76,849,024.00** (Seventy-six million, eight hundred and forty-nine thousand, twenty-four Naira). The table below shows the full details: -

S/N	DESCRIPTION	ACTUAL 2022 (₦)	ESTIMATED 2023 (₦)	ACTUAL 2023 (₦)	DEFICIT/SAVINGS 2023 (₦)
1	Primary Sch. Teachers Sal	228,481,772	280,000,000	233,481,772	46,518,228
2	Training Funds	9,915,105	15,000,000	9,433,019	5,566,981
3	Contribution to Emirate	48,554,754	50,000,000	48,308,013	1,691,987
4	Contribution to Pension	82,500,000	75,000,000	78,000,000	(3,000,000)
5	Common Services	23,364,093	25,000,000	22,297,399	2,702,601
6	Agency for Mass Edu. Salary	27,078,206	35,000,000	25,457,855	9,542,145
7	PHC Staff salary	54,370,456	60,000,000	46,172,918	13,827,082
8	Traditional rulers' salary	39,711,143	-	-	-
9	Salary S/A ADCS	60,642,857	-	-	-
10	Salary of special assistant	7,192,57	-	-	-
	<b>Total</b>	<b>581,811,242</b>	<b>540,000,000</b>	<b>463,150,976</b>	<b>76,849,024</b>



### **3.16 CRF CHARGES- PUBLIC DEBT CHARGE:**

During the year under review the estimated public debt charge of the local government was **₦165,000,000.00** (One hundred and sixty-five million, Naira). Whereas the actual expenditure for the year stood at **₦490,568,927.00** (Four hundred and ninety million, five hundred and sixty-eight thousand, nine hundred and twenty-seven Naira). This resulted to a deficit of **₦325,568,927.00** (Three hundred and twenty-five million, five hundred and sixty-eight thousand, nine hundred and twenty-seven Naira).

### **4.0 GENERAL RECOMMENDATIONS**

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

1. **Non reconciliation of the cash books**, which was as a result of inadequate and proper training and re-training of the treasury staff, it is hereby recommended that proper training should be organized to the treasury staff of the Local Government for proper understanding of the treasury process.
2. **The payment vouchers**: the payment vouchers should be documented and arranged in their respective batches and forwarded for confirmation to our Inspection officer, otherwise they will regard as un-necessary expenditure.
3. **Plant Register**: this document is not in existence over a long period of time, it is hereby recommended that the register should be brought back for proper records of Local Government Assets.
4. **Budget Implementation Analysis**: going by the analysis of budget implementation by this local Government it is hereby recommended that, the local government should put more effort in ensuring that its budget is implemented properly, especially on the aspect of revenue generation, proper machineries should be put in place to ensure that what is due to the local government is collected and duly remitted into the revenue account of the local government. On the expenditure aspect more efforts should be made in seeing that over expenditure is avoided as per as possible.

### **5.0 CONCLUSION:**

This office is bedeviled with a series of problems which include inadequate cash allocation, lack of functional vehicles and failure of the local government executives to respond to my queries.

### **6.0 ACKNOWLEDGMENT**

I wish to express my sincere gratitude to all staff of this office who contributed immensely in order to make this report a reality. I equally acknowledge with gratitude the co-operation received from Public Accounts committee of state house of assembly for their co-operation and show of interest especially on 2022 report sent to the committee by this office. I also acknowledge with gratitude the co-operation given to this office by the Chief Executive and Accounting Officers of the local government and the supervising ministry i.e., Ministry for Local Governments and chieftaincy Affairs.

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

**ZAMFARA STATE OF NIGERIA**  
**REPORT**  
*of the*  
**AUDITOR GENERAL**  
**FOR LOCAL GOVERNMENTS**  
**BAKURA 2023**

