

AUDITOR—GENERAL'S REPORT

**FUNE LOCAL GOVERNMENT
2020 FINANCIAL YEAR REPORTS**

SEPTEMBER, 2021

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REPORT OF THE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS
ON ACCOUNTS OF FUNE LOCAL GOVERNMENT
FOR THE YEAR ENDED 31ST DECEMBER 2020

1. INTRODUCTION:

The Financial Statements of Fune Local Government and relevant operation records for the year ended 31st December, 2020 have been examined in accordance with provisions of the Financial Memorandum F.M 39.1 which is also consistent with the provision of the constitution Sec 125 (2) and Sec 85 (2,4-6) of Federal Republic of Nigeria 1999 as amended.

The Annual Financial Statements were prepared in accordance with the provision of International Public Sector Account (IPSAS) cash bases adopted by the Federation Allocation Committee (FAC) on the Standardization of Financial reporting of the Federal State and Local Government councils in Nigeria.

2. SUBMISSION OF THE REPORTS:

The Financial Statements of Fune Local Government for the year ended 31st December, 2020 was submitted to me on the 18th September, 2021.

The provisions of the F.M 32.1 provides that, for prompt and accurate public accountability of Public resources, accounts and schedules of all assets and Liabilities must be prepared and balanced latest by 31st March of the preceding year of operation.

The Accounts and schedule of statements were certified on 20th September, 2021 in observance of the provisions.

INCOME HIGHLIGHT.

Arising from the inspection of the Bank Statement for lodgment of all receipts and disbursement, Fune Local Government collected the sum of **N2,467,483,414.53** from Federation account and **N10,953,690.00** on account of collection from Internal operations of the Revenue Unit of the councils treasurer. The total sum of **N2,478,437,104.53** was the certified total income to the council for the year ended 31 December, 2020.

1. PREVIOUS AUDIT REPORTS

The plenary of the Yobe State House of Assembly seating of 30th July, 2020 considered the reports of the Public accounts Committee (PAC) recommendation on the reports of the Auditor –General Local Government for the Year 2018 and 2019.

Arising from the resolution of the House in a letter Ref No YBHA/5/GEN/10/VOL.11 of 17th August, 2020 the following resolutions were forwarded for observance.

- (i) The Plenary observed the prevalence of drawings from Public funds without the necessary supporting expenditure details attached. The resolution directed the executive to ensure recovery of sum drawn without the necessary documentation as no transparency could be established even if the sum was committed in a genuine course to thus: _
- (ii) The Treasurer be held liable for non-observance of documentation to retire the sum of N15,810,000.00 unretired 2018 advances.
- (iii) The sum of N83,509,537.55 for drawings without vouchers that was claimed missing for 2018 operation.
- (iv) Irregular drawings without supporting records for N63,701,984.66 of 2018.
- (v) Outstanding un-remitted revenue collection of N1,138,000.00 for 2018 revenue operation.

- (vi) The Coordinator PHC be held liable for N1,200,000.00 on account of drawings of 2018 without documentation
- (vii) The Head of Works to refund the sum of N261,000 on un- receipted energy bill of 2018.
- (viii) The Coordinator PHC be held liable for the recovery of N5,079,000 for irregular drawing for 2019.
- (ix) The Coordinator PHC to refund the sum of N5,141,000.00 on account of irregular drawings of for 2019 operation.
- (x) Over payments of N3,898,106.00 in favour of United Surgical to be recovered from Treasurer.
- (xi) Irregular drawings charged to Works department for N17,498,922.67 to be recovered from Head of Works.
- (xii) Unremitted Mass transit collection of N460,000.00 by the Mass Transit Manager for 2019 to be recovered.
- (xiii) Non documented of drawing of N13,879,572 by Head of Agric Department for 2019.
- (xiv) Irregular drawings of N54,501,452.55 by the Head of General Administration for 2019.

2020 FINANCIAL YEAR AUDIT REPROTS:

Bellow presents observations arising from the inspection of 2020 financial I year audit.

AGRIC DEPT.

WRONG/IRREGULAR PAYMENT WORTH N80,000.00

The sum of N80,000.00 was drawn in the name of Abdullahi Kadiri (Vet. Sup) as part payment to cater for logistics, feedings and staff allowance to the plag- up of livestock vaccine at Jajere.

Examination of the payment voucher reveals that, no valid expenditure details attached on voucher not subject to pre payment Internal Audit checks.

Since the expenditure could not be justified the sum of N80,000.00 be recovered from signatories to the account as it fall short of public expenditure.

PRIMARY HEALTH CARE DEPARTMENT .

IRREGULAR PAYMENT WORTH N229,000.00

Below drawings for the sum of N229,000.00 could not be observed supported with the necessary attachment. The payment vouchers were raised without adherence to the due process as stipulated in FMM 14.4 (1-4) and 14.10.

OBSERVATIONS.

- (i) The beneficiaries did not acknowledge payment due to their non-sign or endorsement of their signatures.
- (ii) The payment vouchers were not supporter with valid documents to justify the expenditures
- (iii) Not subjected to pre-payment Audit.

DETAILS BELOW:

S/N	NAME	PURSPOE	P.V NO/DATE	HEAD/SUB HEAD	AMUNT
1	Sundry person	Monthly allowances	10 of April, 2020	2001/12	109,000.00
2	Sundry	“	11 of May ,	2007/12	60,000.00

	person		2020		
3	Sundry person	Maintenance of Day to day activities	13 of Sept, 2020	2007/2	60,000.00
					<u>N229,000</u>

Since the expenditures were not incurred in accordance with the provisions, appropriate recoveries is hereby recommended.

ADMINISTRATION DEPARTMENT .

WRONG /IRREGULAR PAYMENT WORTH N2,811,000.00

Drawing worth N2,811,000.00 were expended on Thirteen (13) payment vouchers which were observed not supported with the necessary documentation contrary to the provision of FM 14.2.

OBSERVATION INCLUDES:-

- (i) Relevant receipts/invoices fro the purchase were not attached.
- (ii) Prepayment Audit were not observed as vouchers were not subjected to Internal Audit checks
- (iii) Supplies were not charge to stores
- (iv) Payee could not acknowledge the payments.

Details below:-

S/ N	NAME	PURPOSE	P.V NO	DATE	HEAD/S UBHEA D	AMOUNT
1	Sundry persons	Monthly Security allowances	5	Jan 2020	2001/10	180,000.00
2	Sundry persons	Monthly allowances	50	Jan 2020	2001/7	80,000.00
3	Sundry persons	Logistics and allowances of security meeting	11	Jan, 2020	2001/10	175,000.00
4	Sundry persons	Monthly contribution to Emirates (each p.v 150,000)	14 and 18	Aug. 2020	10010/12	300,000.00
5	Usman Bello	Procurement of six tones to the L.G.	22	Jan, 2020	2001/7	210,000.00
6	Sundry person	Monthly allowance to DPM/Treasurer	2	April	2001/10	80,000.00
7	Abbaka M. K	Security vote	16	May	2001/12	500,000.00
	Sundry person	Monthly contribution to Emirate	14	“	“	150,000.00
	“	Monthly Security allowance	48	“	2001/1	800,000.00
	Sundry person	Monthly allowance for 3 Emirate	11	July	2010/12	150,000.00
	“	Allowance in	15	August	2002/12	106,000.00

		respect of admin dept.				
	“	Monthly allowance for the July, 2020	6	“	2004/10	80,000.00
	Total					2,811,000.00

Since necessary valid expenditure documentation and explanation could not be advance, recovery is hereby recommended.

TREASURY DEPARTMENT:

WRONG /IRREGULAR PAYMENT WORTH N2,165,000.00

Below listed payment vouchers for the sum of N2,165,000.00 could not be observed effected in compliance to the provisions of FM 14.4(1-5) and FM 14.10.

OBSERVATIONS-

- (i) The beneficiaries did not acknowledge payment due to their non-endorsement of their signatures.
- (ii) The payment vouchers were not supported with valid documents to justify the expenditures.
- (iii) Not subjected to pre-payment Audit
- (iv) Items purchased were not charge to store records.

Details below: _

S/N	NAME	PURPOSE	P.VNO/DATE	HEAD/S.HEAD	AMOUNT
1	Suleiman Umaru	Supply of vaccine	29 of Jan 2020	-	350,000.00
2	Alh.Dahiru Jajere	Feeding of Boarding Pri. School Jajere	46 of Jan 2020	5001/5	165,800.00
3	Baba Shehu	Financial Assistance	7 of Feb 2020	2005/12	100,000.00
4	Sundry Persons	Logistics for preparation of salary	36 of Mar, 2020	2005/10	60,000.00
5	Abdulkadir Ibraim	Repairs of Mass Transit vehicle	26 of Jan, 2020	2005/4	200,000.00
6	Sundry person	Monthly allowance	58 of May, 2020	2005/10	60,000.00
7	Sundry persons	Monthly allowance	17 of April. 2020	2004/10	800,000.00
8	Sundry	Disbursement	22 of Aug, 2020	2005/2	350,000.00

WORKS DEPARTMENT

WRONG AND IRREGULAR PAYMENTS.

Bellow listed drawings were effected in contravention of the provisions as stipulated by Financial memoranda. However, such drawings shall not be admitted as charges to the public funds for below observation.

-Payments not subjected to chapters by the Semier account

-Certification by the Internal Auditor not obtained

Acknowledgement by recipient is missing.

Items purchased not taken charge into store

Details

S/ N	PAYEE	PURPSOE	P.V/DA TE	HEAD/SU BHEAD	AMOUNT	REMARKS
1	Auwal mai Mai	Fuel consume d for the month	25/ May	2009/5	164,000	-Not processed in subject file. -Not in store records
2	Salisu Bala Mai mai	Supply of fuel	44/Mar ch	2009/10	86,250	Not processed in subject file -Not in store records
3	Usman Bello	Purchase of tyres to	38/Mar ch	2009/10	142,000	Not processed in subject file

		DPM Vehicle				-Not in store records No details attached of valid expenditure
4	Bala Salisu	Purchase of Diesel	49/Dec .	2001/2	1,690,500	Not subjected to checking by Internal Auditor -No valid documentation Not in store records.
5	Manager NEPA	Payment of Electricity bill	20/Feb .	2009/3	100,000	No acknowledgement bill attached
6	“	“	22/Jul	2009/3	80,000	No valid documentation
7	“	“	7/Aug	2009/12	80,000	No valid documentation
8	“	“	9/Dec	2009/13	100,000	No valid documentation
		Total			2,442,750	

The sum of N2,442,750.00 recommended for recovery.

HIGHLIGHTS OF 2020 FINANCIAL OPERATION
FUNE LOCAL GOVERNMENT COUNCIL

Note	Description	Actual 2020	Financial Budget 2020	Actual 2019
		₦	₦	₦
1	Statutory Allocation	1,759,962,522.04	2,353,903,100.40	2,176,513,978.80
2	Excess Crude Oil	56,438,526.63	127,471,914.99	3,296,178.17
3	Value Added Tax	497,001,828.58	310,994,125.23	513,551,015.45
4	Other FAAC Allocation	154,080,537.28	35,000,000.00	69,068,326.90
	Sub Total	<u>2,467,483,414.53</u>	<u>2,827,369,140.62</u>	<u>2,762,429,499.32</u>
5	Internal Generated Revenue	10,953,690.00	20,300,000.00	5,765,100.00
	Total Receipts	<u>2,478,437,104.53</u>	<u>2,847,669,140.62</u>	<u>2,768,194,599.32</u>
	RECURRENT EXPENDITURE			
	Personnel Cost	874,312,005.69	1,605,112,335.38	549,299,715.18
	Over Head Exp.	76,972,105.48	41,004,000.00	76,565,100.00
	Subventions to Boards	972,386,801.02	-	804,649,414.20
	Emirate Councils	35,000,000.00	-	33,000,000.00
	Other operating activities	45,095,970.43	271,281,854.25	63,848,255.31
	Sub - Total	<u>2,003,766,882.62</u>	<u>1,917,398,189.63</u>	<u>1,527,362,484.69</u>
	Total Capital Exp.	<u>487,565,990.82</u>	<u>930,270,950.99</u>	<u>1,200,607,049.45</u>
	Total Expenditure	<u>2,491,332,873.44</u>	<u>2,847,669,140.62</u>	<u>2,727,969,534.14</u>
	Net Cash Balance			
	Opening 01/01/2020	41,149,686.37		1,116,700.59
	Closing 31/12/2020	28,253,914.46		41,149,686.37

FUNE LOCAL GOVERNMENT COUNCIL

PERSONNEL COST

DOMESTIC GRANTS					
S/N	Description	Code	Budgeted 2020	Actual 2020	Variance 2020
			₦	₦	₦
1	Basic Salaries	21010101	1,043,323,018.00	568,302,803.70	475,020,214.30
2	Allowances General	21020101-7	517,648,728.16	281,965,621.84	235,683,106.32
3	2.75 YCHMB Contribution	21020201	44,140,589.22	24,043,580.15	20,097,009.07
	Total		<u>1,605,112,335.38</u>	<u>874,312,005.69</u>	<u>730,800,329.69</u>

FUNE LOCAL GOVERNMENT COUNCIL

OVERHEAD/SUBVENTION EXPENDITURE

S/N	Description	Code	Budgeted 2020	Actual 2020	Variance 2020
			₦	₦	₦
1	Office Materials and Supplies	22020301	16,000,000.00	6,529,750.00	9,470,250.00
2	Printing of security document	22020305	5,000,000.00	3,500,000.00	1,500,000.00
3	Minor Motor Vehicle Maintenance	22020401	30,000,000.00	13,883,440.00	16,116,560.00
4	Minor plants/Generators maintenance	22020405	30,000,000.00	9,225,950.00	(20,774,050.00)
5	Other Maintenance Service	22020406	5,000,000.00	2,122,003.57	2,877,996.43
6	Market & other Public place maintenance	22020412	10,000,000.00	6,200,000.00	3,800,000.00
7	Minor Road Maintenance	22020413	2,000,000.00	441,176.46	1,558,823.54
8	Local Training	22020501	3,000,000.00	1,850,000.00	1,150,000.00
9	Security Service Coverage	22020601	50,000,000.00	13,349,831.63	36,650,168.37
10	Sanitation services	22020607	8,000,000.00	3,900,000.00	4,100,000.00
11	Audit Service	22020710	2,000,000.00	198,529.38	1,801,470.62
12	Motor vehicle fuel costs	22020801	10,000,000.00	7,850,000.00	2,150,000.00
13	Plans/Generator fuel cost	22020803	5,000,000.00	2,214,000.00	2,786,000.00
14	Bank Charges	22020901	500,000.00	360,280.00	139,720.00
15	Honorarium and sitting allowance	22021002	4,000,000.00	3,200,000.00	800,000.00
16	Welfare Packages	22021007	15,000,000.00	7,897,646.96	7,102,353.04
17	Sporting Activities	22021009	-	1,039,720.00	(1,039,720.00)
18	Meetings Entertainment	22021026	4,000,000.00	1,941,176.46	2,058,823.54
19	Contingencies	22021029	10,000,000.00	-	(10,000,000.00)
20	Press and Public relations	22021030	-	36,363,970.55	(36,363,970.55)
21	Subvention General	22050104	102,785,854.25	1,007,387,401.92	(904,601,547.67)
Total			<u>312,285,854.25</u>	<u>1,129,454,876.93</u>	<u>(817,169,022.68)</u>

ADMINISTRATIVE SECTOR EXPENDITURE 2020

ECON CODE	Description	GEO CODE	Budgeted 2020	Actual 2020	Variance 2020
			₱	₱	₱
23010105	Purchase of Vehicle	23520500	15,000,000.00	23,164,235.28	(8,164,235.28)
23020102	Cont/poor nes Building	23520512	30,000,000.00	88,588,090.93	(58,588,090.93)
Total			<u>45,000,000.00</u>	<u>111,752,326.21</u>	<u>(66,752,326.21)</u>

ECONOMIC SECTOR EXPENDITURE 2020

ECON CODE	Description	GEO CODE	Budgeted 2020	Actual 2020	Variance 2020
			₱	₱	₱
23010118	Purchase of Mass Transit	23520500	214,207,423.34	90,200,000.00	(124,007,423.34)
23010129	Purchase of Tractor	23520500	291,600,000.00	63,000,000.00	(228,600,000.00)
Total			<u>505,807,423.34</u>	<u>153,200,000.00</u>	<u>(352,607,423.34)</u>

REGIONAL DEVELOPMENT SECTOR 2020

ECON CODE	Description	GEO CODE	Budgeted 2020	Actual 2020	Variance 2020
			₱	₱	₱
23010119	Purchase of Generator Set	23520500	100,000,000.00	60,000,000.00	40,000,000.00
23030104	Repair of Water facility	23520511	200,000,000.00	41,786,149.25	158,213,850.75
Total			<u>300,000,000.00</u>	<u>101,786,149.25</u>	<u>198,213,850.75</u>

SOCIAL SECTOR EXPENDITURE 2020

ECON CODE	Description	GEO CODE	Budgeted 2020	Actual 2020	Variance 2020
			₱	₱	₱
23040102	Erosion and hard central	23520510	50,000,000.00	80,000,000.00	(30,000,000.00)
23050286	Emergency relief to disaster victim	23520502	29,463,527.65	40,824,515.36	(11,360,987.71)
Total			<u>79,463,527.65</u>	<u>120,824,515.36</u>	<u>(41,360,987.71)</u>

BUDGET ANALYSIS 2020

INTERNAL GENERATED REVENUE:- The Local Government Budgeted the collection of N20,300,000.00 for the which the sum of N10,953,690.00 was only collected accounting for only 54%. The Local Government should improve despite the economic crunch occasioned by the insurgency in the region.

CAPITAL PROJECTS:- The Local Government Budgeted the sum of N930,270,950.99 to provide for Capital project programs.

The Council was only abled to executed projects worth N487,565,990 . The dwindling allocation from Federation account could be responsible for the under performance.

INTERNAL CONTROL:- The Local Government council could not be observed to have standing Internal control procedure put in place as serve collected could be observed unremitted and recurrent expenditure vouchers not passed through the Internal Audit for prepayment certification.

AUDIT CERTIFICATION

In accordance with the provision of Section 125 (2) of the Constitution of the Federation Republic of Nigeria 1999 (as amended). I have examined the Accounts and Financial Statement of Fune Local Government for the year ended 31st December, 2020

The Audit was conducted in line with Auditing Principles and Practice as specified in the draft Audit Laws of Yobe State. Projects and programmes were verified in line with the Audit procedures in practice. In the discharge of my responsibilities vested in me by the provision of the draft Laws and the Constitution, Statement of Assets and Liabilities of **Fune Local Government** for the year ended 31st December 2020 have been certified subject to my observations on unaccounted funds in my correspondences

In my opinion the Financial Statements and Schedules presents a true and fair view of the Fune Local Government for the year ended 31st December, 2020.

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**ALH. YAHAYA W. IDRIS
AUDITOR-GENERAL (LOCAL GOVTS.)
YOBE STATE**