

AUDITOR—GENERAL'S REPORT

MACHINA LOCAL GOVERNMENT 2023 FINANCIAL YEAR REPORTS

AUGUST, 2024

TABLE OF CONTENT

Table of Content:	..	..	..	..	..	..	..	..	..	2
Introduction:	..	..	..	..	..	..	..	..	..	3
Submission of Financial Statement:	..	..	..	..	..	..	..	..	..	3
Income Highlight:	..	..	..	..	..	..	..	..	..	3
Statutory Allocations from Federation Accounts:	..	..	..	..	..	..	..	..	..	4
2023 Financial Year Reports:	..	..	..	..	..	..	..	..	..	4-10
Highlight of 2023 Financial Operation:	..	..	..	..	..	..	..	..	..	11
Personnel Cost:	..	..	..	..	..	..	..	..	..	12
Overhead Cost:	..	..	..	..	..	..	..	..	..	13
Administrative Sector Expenditure:	..	..	..	..	..	..	..	..	..	14
Economic Sector Expenditure:	..	..	..	..	..	..	..	..	..	15
Social Sector Expenditure:	..	..	..	..	..	..	..	..	..	16
Regional Development Expenditure:	..	..	..	..	..	..	..	..	..	17
Budget Analysis 2023:	..	..	..	..	..	..	..	..	..	18
Audit Certification:	..	..	..	..	..	..	..	..	..	19

REPORT OF THE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS
ON ACCOUNTS OF MACHINA LOCAL GOVERNMENT FOR THE
YEAR ENDED 31ST DECEMBER 2023

1. INTRODUCTION:

The Financial Statements of Machina Local Government and relevant operation records for the year ended 31st December, 2023 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 Machina Local Government for the year ended 31st December, 2023 was submitted to me on the 20th July, 2024.

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 24th July 2024 in observance of the provisions.

3. INCOME HIGHLIGHT:

Arising from the inspection of the Bank Statement for lodgment of all receipts and disbursement, Machina Local Government collected the sum of ₦2,767,384,833.00 from Federation account and ₦20,745,672.00 on account of collection from Internal operations of the Revenue Unit of the councils' Treasury. The total sum of ₦2,788,130,505.00 was the certified total income to the council for the year ended 31 December, 2023.

STATUTORY ALLOCATIONS FROM FEDERATION ACCOUNTS

FAAC 2023 MACHINA LOCAL GOVERNMENT												
MONTH	Statutory Allocation	VAT	Exchange Gain	NON OIL REVENUE	SURE-P	Share of Non-Solid Mineral	ECOLOGICAL FUND	Forex Equalization	ADDITIONAL FAAC	Electronic Money Transfer Levy	Excess Crud Oil	Total
JANUARY	134,061,454.63	64,854,126.37	6,148,445.57				4,164,871.41			7,167,801.64		216,396,699.62
FEBRUARY	77,419,127.81	64,488,892.14		21,723,319.68			3,072,067.00			7,052,309.51		173,755,716.14
MARCH	73,682,666.85	61,659,175.86					3,364,066.51		22,679,145.75			161,385,054.97
APRIL	100,436,841.40	59,234,810.21					5,903,959.62		134,712,555.97	4,376,786.13		304,664,953.33
MAY	71,344,836.31	57,155,404.39		5,213,596.71		3,152,588.55	3,498,254.52	13,229,501.69	24,052,069.88	4,376,786.13	21,495,628.72	203,518,666.90
JUNE	107,909,715.33	70,001,711.04					3,241,085.40		126,464.81	4,116,024.93		185,395,001.51
JULY	60,497,761.87	76,599,918.01	64,392,652.20				4,576,962.69		27,675,009.15	3,282,134.54		237,024,438.46
AUGUST	78,551,053.06	78,007,682.13	58,258,009.76		149,668,016.23		4,320,082.09		7,193,673.50	3,684,712.46		379,683,229.23
SEPTEMBER	63,331,797.70	93,435,558.25	47,192,884.05				4,711,324.77			4,200,880.48		212,872,445.25
OCTOBER	78,698,796.32	79,120,887.29	35,317,762.72	38,470,287.66			3,420,496.77			3,268,129.07		238,296,359.83
NOVEMBER	60,854,188.10	90,761,503.95	38,482,938.48	13,033,991.81			3,371,133.55			4,635,751.70		211,139,507.59
DECEMBER	72,125,857.39	95,201,665.07	72,500,736.11							3,424,501.76	-	243,252,760.33
TOTAL	978,914,096.77	890,521,334.71	322,293,428.89	78,441,195.86	149,668,016.23	3,152,588.55	43,644,304.33	13,229,501.69	216,438,919.06	49,585,818.35	21,495,628.72	2,767,384,833.16

2023 FINANCIAL YEAR REPORTS

PRIMARY HEALTH CARE DEPARTMENT.

FINANCIAL AUDIT TEST

IRREGULAR PAYMENTS WORTH N221,000.00

The sum of N221,000.00 was drawn on three (3) payment vouchers which could not be observed supported with necessary attachments as required by the provisions.

Details below: -

S/N	NAME OF PAYEE	NATURE OF PAYMENT	PV/DATE	AMOUNT	REMARK
1	Musa Isa (Sanitation Officer)	Clearing of Machina main Market	39/6/6/2023	81,000	No list/signatures involved was attached.
2	Babagana Tijjani	Attending meeting at Potiskum	57/27/3/2023	50,000	No invitation letter for the so call meeting was attached
3	Sundry Person	Monthly standing order for month of April	26/11/4/2023	90,000	No list of beneficiary was not attached in respect of the payment
	Total			N221,000.00	

Since the expenditures could not be certified/genuinely incurred, recovery be effected.

TREASURY DEPARTMENT

FINANCIAL AUDIT TEST.

WRONG AND IRREGULAR PAYMENTS WORTH N1,532,000.00

The sum of N1,532,000.00 was drawn on Nine (9) payment vouchers to cater for various services by the Local Government observed not supported with relevant supporting document to justify public expenditure.

Details presented below: -

S/N	NAME OF PAYEE	NATURE OF PAYMENT	AMOUNT	PV/DATE	REMARK
1	Abba Hassan Maimalari (H.O.W)	S.J for the Procurement of materials	850,000.00	55/20/1/23	Not sign by the beneficiary
2	Sundry Person	Attend of workshop at Damaturu	100,000	7/5/2023	No valid supporting document to justify the payments.
3	Shettima Modu	Servicing of LG 03 MCH	42,000	50/20/1/23	Not sign by the beneficiary
4	Bagoni Abubakar	Transformation feeding & other logistics for 84 regular intake	40,000	35/12/1/23	Not sign by the beneficiary
5	Shettima Modu	Hosting of committee on visiting of Machina Local Govt.	66,500	52/06/2/23	No valid supporting document
6	Sundry persons	day to day running activities	128,000	22/25/2/23	The beneficiary could not acknowledge receipt of same
7	Moh'd Musa Babu	Feeding of Senior staff	70,000	18/28/2/23	The beneficiary and not

					acknowledge receipt
8	Shettima Modu	Repair of police Vehicle	98,000	49/14/2/23	The beneficiary and not acknowledge receipt
9	Abba Hassan Maimalari (HOW)	Procurement of submersible pump	137,500	43/5/5/23	No valid supporting document
	Total		1,532,000.00		

Since no further explanation and documentation could not be obtained, recoveries of the amount be effected in accordance with the provision.

MISSING PAYMENT VOUCHERS WORTH 1,178,500.00

The sum of N1,178,500.00 was drawn on eight (8) payment vouchers which were not presented for Audit certification.

Details below: -

S/N	NAME OF PAYEE	NATURE OF PAYMENT	PV/DATE	AMOUNT
1	Adam Adamzo	Upgrade of 25% water	06/5/2023	50,000
2	Adam Adamzo	Upgrade of 25% water	07/5/2023	137,500
3	Hon. Bukar A Bukar	Monthly standing order	05/01/2023	100,000
4	Bello Ali	Transportation of code of conduct	59/3/2023	15,000
5	Moh'd Zakariya Yusufari	submission meting	16/4/2023	16,000
6	Moh'd zakariya Yusufari	Standing imprest	11/8/2023	30,000
7	Ibrahim Chiroma	Retirement of imprest	65/8/2023	330,000
8	Machina Local Govt. Main Account	Transfer of fund	01/04/2023	500,000
	Total			1,178,500.00

Since the vouchers could not be produced for inspection, the signatories to the account be held liable for the sum drawn .

OUTSTANDING REVENUE RECEIPT:

Inspection of the Treasury store and revenue records revealed that, below listed booklets of revenue receipt upon which collection were duly collected but not returned.

Details below: -

S/N	NAME OF RECEIPT	NATURE OF RECEIPT	BOOK NO.	FROM-TO	
1	Bello Ali Secretary Tax	Departmental	44	3253-3300	Under terminated
2	Bajanuje	Departmental	53	3301-3350	“

Since the collection cannot be determined without the retrieval of the receipts. Recovery is recommended in accordance with the provisions.

ADMIN DEPARTMENT

FINANCIAL TEST

WRONG AND IRREGULAR PAYMENTS WORTH N865,000.00

The sum of N865,000.00 was drawn on Seven (7) payment vouchers claimed sum expended on various service.

OBSERVATION:

- (i) The expenditure could not be observed subjected to any subject file records.
- (ii) Attachment of details of expenditure incurred could not be observed.

Details below: -

S/N	NAME OF PAYEE	NATURE OF PAYMENT	PV/DATE	AMOUNT	REMARK
1	Abba Yusuf Kyari (DPM)	Attending of swearing in newly	53/5/10/2023	60,000	No invitation letter from governor

		commissioners at Damaturu			House attach
2	Sundry person Security standing order	Monthly allowance	03/11/7/2023	285,000	No supporting documents attached nor list of beneficiaries
3	sundry person	Monthly standing order	22/1/4/2023	120,000	No supporting document attached nor list of beneficiaries
4	Mohammed Zakariya YSF	Entertainment of committee on Local government	33/5/5/2023	70,000	No notification letter of the said committee attached
5	Shettima Modu	feeding of CBN officials on cashless policy to MCH	57/12/2023	130,000	No certification letter from the CBN nor supporting document to prove
6	Shettima Modu	Another payment for the hosting of CBN officials	28/22/1/2023	130,000	No letter from the CBN office please
7	Lawan Alh. Usman	Attending two day workshop in community building at Abuja	48/22/5/2023	70,000	No invitation letter nor certificate of attendance
	Total			865,000.00	

Since the expenditure could not be supported with the statutory documentation recoveries be effected accordingly.

WORKS DEPARTMENT.

WRONG AND IRREGULAR PAYMENT AMOUNTING TO N235,000.00

The sum of N235,000 was paid on 3 instance without taking into cognizance the payment procedures as stipulated in the financial memoranda as.

Correspondence Ref MCNLG/FIN/CLGA/012/VOL. 11 dated 29th April, 2024 refers.

The Local Government could not advance any explanation on the below expenditure.

Details are shown below: _

S/N	NAME OF PAYEE	NATURE OF PAYMENT	PV/DATE	AMOUNT	REMARK
1	Mohammed Bulama	repair of Dolen Machina borehole	63/6/6/2023	60,000	the documentary evidence to prove of the payment
2	Manager Nepa	Settlement of Nepa bills	27/28/12/2023	120,000	No Nepa bills evidence to prove of the payment attached
3	Shettima Modu	Renovation of primary School Central Machina	61/17/2/2023	55,000	No documentary evidence to prove of the repair please
				<u>N235,000.00</u>	

Since no further explanation could be advance of payment granted is hereby recommended for recovery in accordance with the provision.

MACHINA LOCAL GOVERNMENT COUNCIL

HIGHLIGHTS OF 2023 FINANCIAL OPERATION				
S/No	DESCRIPTIONS	ACTUAL 2023	FINAL BUDGET 2023	ACTUAL 2022
	RECURRENT REVENUE	N	N	N
1	STATUTORY ALLOCATION	978,914,097	1,232,913,992	1,337,415,805
2	VALUE ADDED TAX	890,521,335	733,409,779	687,281,705
3	OTHER FAAC ALLOCATION	897,949,402	206,090,483	131,811,735
4	INTERNAL REVENUE IGR	20,745,672	51,131,765	17,884,200
	SUB TOTAL	2,788,130,505	2,223,546,019	2,174,393,445
	CAPITAL RECIEPTS			
1	GRANTS	-	-	126,677,862
2	MISCELLANEOUS	-	-	-
	SUB TOTAL	-	-	126,677,862
	TOTAL RECEIPTS	2,788,130,505	2,223,546,019	2,301,071,307
	RECURRENT EXPENDITURE			
1	PERSONNEL COSTS (Including Salaries on CRF charges - Public Office Holders)	475,431,132	654,908,076	322,900,817
2	OVERHEAD COSTS	85,000,000	120,000,000	60,000,000
3	SUBVENTIONS TO BOARD and PARASTATALS	381,362,347	-	560,093,871
4	PUBLIC DEBTS CHARGES	-	-	-
5	OTHER OPERATING ACTIVITIES	800,229,709	-	542,968,297
	TOTAL RECURRENT EXPENDITURE	1,742,023,188	774,908,076	1,485,962,985
	CAPITAL EXPENDITURE	1,274,326,653	1,072,666,889	596,219,939
	TOTAL EXPENDITURE	3,016,349,840	1,847,574,965	2,082,182,924
1	NET CASH BALANCE	(228,219,335)	375,971,054	218,888,384
2	OPENING BALANCE	320,348,931	-	101,460,546
	OPENING BALANCE (ii Project Joint Acc)	92,129,596		320,348,931

MACHINA LOCAL GOVERNMENT

PERSONNEL COST					
ECON CODE	Description	GEO CODE	Actual 2023	Budget 2023	Variance 2023
21010101	Basic Salaries		309,030,235.90	425,690,249.11	116,660,013.21
21020101- 7	Allowances General		153,326,539.91	211,207,854.36	57,881,314.45
21020201	2-27 YCHMB Contribution		13,074,355.73	18,009,972.14	4,935,616.41
	Total		<u>475,431,131.54</u>	<u>654,908,075.61</u>	<u>179,476,944.07</u>

MACHINA LOCAL GOVERNMENT

OVERHEAD COST EXPENDITURE					
ECON CODE	Description	GEO CODE	Actual 2023	Budget 2023	Variance 2023
	Overhead cost		85,000,000.00	120,000,000.00	35,000,000.00
	Total		<u>85,000,000.00</u>	<u>120,000,000.00</u>	<u>35,000,000.00</u>

MACHINALOCAL GOVERNMENT

ADMIN SECTOR EXPENDITURE					
ECON CODE	Description	GEO CODE	Actual 2023	Budgeted 2023	Variance 2023
23030121	Renovation of Staff Quarters	23030121	120,000,000.00	206,000,000.00	86,000,000.00
23010105	Renovation of Office Building	23010105	53,300,000.00	30,666,889.00	(22,633,111.00)
Total Administrative Sector			<u>173,300,000.00</u>	<u>236,666,889.00</u>	<u>63,366,889.00</u>

MACHINALOCAL GOVERNMENT

ECONOMIC SECTOR EXPENDITURE					
ECON CODE	Description	GEO CODE	Actual 2023	Budget 2023	Variance 2023
23020130	Purchase of Agric Chemical		20,000,000.00	50,000,000.00	30,000,000.00
13010159	Purchase of Vet Drugs		77,126,652.72	31,000,000.00	(46,126,652.72)
23030154	Repair of Tractor		30,000,000.00		(30,000,000.00)
23030117	Purchase of Grains		150,000,000.00	150,000,000.00	-
	Total Economic Sector		<u>277,126,652.72</u>	<u>231,000,000.00</u>	<u>46,126,652.72</u>

MACHINALOCAL GOVERNMENT

SOCIAL SECTOR EXPENDITURE					
ECON CODE	Description	GEO CODE	Actual 2023	Budget 2023	Variance 2023
23020106	Renovation of Health faculty		261,900,000.00	185,000,000.00	(76,900,000.00)
	Total Social Sector		<u>261,900,000.00</u>	<u>185,000,000.00</u>	(76,900,000.00)

MACHINALOCAL GOVERNMENT

REGIONAL DEVELOPMENT SECTOR EXPENDITURE					
ECON CODE	Description	GEO CODE	Actual 2023	Budget 2023	Variance 2023
23030141	Drilling of Malario Borehole		462,000,000.00	400,000,000.00	(62,000,000.00)
23010163	Purchase of Hand pump accessories		100,000,000.00	20,000,000.00	(80,000,000.00)
	Total Regional Sector		<u>562,000,000.00</u>	<u>420,000,000.00</u>	(142,000,000.00)

BUDGET ANALYSIS 2023

INTERNAL GENERATED REVENUE

The Local Government Budgeted the sum of ₦51,131,765.00 for the year ended 31st December 2022 while the actual collections were ₦20,745,672.00 thereby reflecting variance of (₦30,386,093.00).

RECURRENT EXPENDITURE

The Council Budgeted the sum of ₦654,908,076.00 as personnel cost, while the actual amount expended is ₦475,431,132.00 The sum of ₦466,362,347.00 is expended on overhead cost, subvention to MDAs and other operation activities.

CAPITAL EXPENDITURE

The Local Government Budgeted the sum of ₦1,072,666,889.00 while the actual expenditure on Capital Project stood at ₦1,274,326,653.00 for the period under review.

INTERNAL CONTROL PROCEDURE

Assessment of the Internal Control System of the Local Government for 2023 operations indicate that, the Internal Audit Function was very weak as the volume of observation raised justify the weakness.

AUDIT CERTIFICATION

In accordance with the provision of section 125(2) of the Constitution of the Federal Republic of Nigeria 1999 (as amended). I have examined the Accounts and Financial Statement of **Machina** Local Government for the year ended 31st December, 2023.

The Audit was conducted in line with Auditing Principles and practice as verified in line with the Audit procedures in practice. In the discharge of the responsibilities vested in me by the provisions of the draft law and section 125(5) of the above Constitution, the Statement of Assets and Liabilities of **Machina** Local Government for the year ended 31st December, 2023 have been certified subject to compliance to my correspondences in the report.

In my opinion the Financial Statements and Schedules presents a true and fair view of **Machina** Local Government for the year ended 31st December, 2023.

OFFICE OF THE AUDITOR GENERAL
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DAMATURU, YOBE STATE


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