

AUDITOR—GENERAL’S REPORT

**NANGERE LOCAL GOVERNMENT
2023 FINANCIAL YEAR REPORTS**

AUGUST, 2024

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

1. INTRODUCTION:

The Financial Statements of Nangere Local Government and relevant operation records for the year ended 31st December, 2023 have been examined in accordance with the 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 Accounting Standards (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 Nangere Local Government for the year ended 31st December, 2023 was submitted to me on the 19th 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, Nangere Local Government collected the sum of **₦2,966,093,437** from Federation account and **₦25,741,005.00** collection from Internal operations of the Revenue Unit of the Councils Treasury. The total sum of **₦2,991,834,442.00** was the certified total income to the council for the year ended 31 December, 2023

The Federation collections from State Local Government Joint Account records are analyzed in below table:

STATUTORY ALLOCATIONS FROM FEDERATION ACCOUNTS

	FAAC 2023 NANGERE L.G	2023										
Month	STATUTORY ALLOCATION	VAT	Exchange Gain	NON OIL REVENUE	Forex Equalization	Share of Non Solid Mineral	ECOLOGICAL FUND	Electronic Money Transfer Levy	ADDITIONAL FAAC	SURE-P	Excess Crude Oil Revenue	TOTAL
Jan	143,734,380.93	69,441,863.46	6,592,073.91				4,465,379.08	7,645,987.41				231,879,684.79
Feb.	83,005,144.45	69,067,421.39		23,290,720.77			3,293,725.64	7,561,154.28				186,218,166.53
March	78,999,086.91	66,020,904.31					3,606,793.76		24,315,512.49			172,942,297.47
April	107,683,653.45	63,425,040.67					6,329,947.59	4,661,713.15	144,432,461.14			326,532,816.00
May	76,492,575.05	61,198,539.09		5,589,772.97	14,184,048.95	3,380,057.04	3,750,663.83	4,661,713.15	25,787,497.12		23,046,601.24	218,091,468.44
June	115,695,717.10	75,052,539.37					3,474,939.21	4,413,008.18	135,589.61			198,771,793.47
July	64,862,852.45	82,018,544.47	69,038,770.51				4,907,203.96	3,518,950.15	29,671,842.05			254,018,163.59
Aug.	84,218,741.43	83,525,892.87	62,461,495.66				4,631,788.65	3,950,575.25	7,712,718.09	160,467,001.62		406,968,213.57
Sept	68,482,144.85	99,766,999.00	50,597,988.75				5,051,260.65	4,478,236.23				228,376,629.48
Oct.	84,377,144.79	84,829,690.87	37,866,042.66	41,246,031.51			3,667,295.63	3,480,882.96				255,467,088.42
Nov.	65,244,995.87	97,122,547.03	41,259,595.12	13,974,432.46			3,614,370.70	4,941,592.68				226,157,533.86
Dec.	77,329,949.09	101,936,166.55	77,731,876.40					3,671,589.59				260,669,581.63
Total	1,050,126,386.37	953,406,149.08	345,547,843.01	84,100,957.71	14,184,048.95	3,380,057.04	46,793,368.70	52,985,403.03	232,055,620.50	160,467,001.62	23,046,601.24	2,966,093,437.00

FINANCIAL POSITION AS AT 31ST DECEMBER 2023

The Cashbook of the Local Government has been reconciled for receipts and payments for which bellow status was certified.

CLOSING CASH BOOK	
BALANCE	2023
	-
	₦
Unity Bank	- 1,678,291.02
Keystone Bank	- 106,771,007.88
Keystone Bank	- 40,735.52
Joint Project Acct.	- <u>87,633,603.27</u>
Total Cashbook Balances	- <u>196,123,637.69</u>

ADEQUACY OF FINANCIAL RECORDS

Books of financial records of the Treasury Department and that of Subsidiary records of the Cost Centers (Departments) have been examined and bellow financial records could not be observed maintained:

- (1) Departmental Expenditure Control Ledgers.
- (2) Store Records for the Administration of Procurements.
- (3) Subsidiary Store Records for Requisition and Issuance of Store items.
- (4) Inventory and Assets Control Register.
- (5) Subsidiary Treasury Abstract of Revenue and Expenditure.
- (6) Advance Control Ledger and Deposits.
- (7) Log Book for Vehicles and Tractors on Revenue Generation.
- (8) Council Resolution Diary.

The in-adequacy of these records at the Cost Centers could not justify effectiveness of Public finance administration for the period under review.

2023 FINANCIAL YEAR REPORTS

Operations of the Local Government for the year ended December 31st 2023 have been examined and below observations and recommendation are presented for further consideration.

FINANCE DEPARTMENT

1.1 PAYMENT WITHOUT DOCUMENTATION WORTH N1,300,000.00

The sum of N1,300,000.00 was observed to be drawn on three (3) separate Payment Vouchers which were contrary to the provision of FM Chapter 14 (122).

The Payment Vouchers observed lacks the followings: -

- i. Approval pages were not supported to authenticate the expenditures.
- ii. No cash receipts invoice for the said purchases were attached to justify the payments.
- iii. Some payments were raised without considering necessary documents attached, but skeletal.

Details of expenditures is below: -

S/N	Name	Particular	PV/No	Amount	Remarks
1.	Adamu Haruna (ES)	Logistics to conduct common interest examination	13/Feb	100,000	No acknowledgement receipt.
2.	Mohammed Usman (HODB)	Production of 2024 appropriate bill	125/Oct	400,000	'' '' ''
3.	Usman Ibn Abdullahi	Procurement office materials to Nangere Local Government	3/Mar	800,000	No invoice attached. Items were not taken charge to store.
TOTAL				<u>1,300,000</u>	

Since the expenditures could not be justified through the accounting records, recoveries of the amount involved is recommended.

1.2 **OUTSTANDING REVENUE EARNING BOOKS WORTH N120,000.00**

According to the provision of FM 7:98 as enshrine that, all Revenue Earning Books when they were exhausted or are not use or could not be use immediately must be return to the Store in the Finance Department.

2. In contradiction to the aforesaid provision, the Revenue Officer (Abubakar Yaro) was observed and confirmed that 8 Nos. of Booklets receipts were collected by the Revenue Officer without returning the exhausted ones to Store.

3. Below attached are details of the Booklets for your understanding: -

GENERAL MARKET

S/N	Book number	Receipt number	Amount
1.	055	0701-0800	10,000.00
2.	056	0801-0900	10,000.00
3.	058	1001-1100	10,000.00
4.	001	0001-0100	10,000.00
5.	044	0201-0300	10,000.00

SLAUGHTER TICKET

S/N	Book number	Receipt number	Amount
1.	008	0201-0300	10,000.00

GOAT AND SHEEP

S/N	Book number	Receipt number	Amount
1.	247	0801-0900	10,000.00

MOTOR PARK

S/N	Book number	Receipt number	Amount
1.	001	0001-0100	50,000.00

Since the necessary receipt were not presented, recovery is recommended.

PRIMARY HEALTH CARE DEPARTMENT
WRONG AND IRREGULAR PAYMENTS WORTH ₦100,000.00

The sum of N100,000.00 was drawn on Payment Voucher No. 7 of May claimed sum expended on services which was observed not supported with valid expenditure document to justify expenditure of public fund.

Details below: -

S/No.	Name	Purpose	PV No. /Date	Amount	Remark
1.	Jummai Talba	Hosting of participants on trachoma impact survey in Nangere	7/May	<u>100,000.00</u>	No respond

Since the necessary attachment could not be obtained, recovery is hereby recommended.

WORKS DEPARTMENT
WRONG AND IRREGULAR PAYMENT

Payments were made on Three (3) Nos. Payment Vouchers amounting to N260,000.00 where due process were observed not followed. Discrepancies noted include: -

- Lack of approval page
- Absence of evidence of purchase.
- Non-acknowledgement by payee.
- Absence of details of expenses incurred.

Details are shown below: -

S/N	Name	Participation	PV	Amount	Remarks
1.	YEDC Manager	Electricity bills	52/Jan	55,000	No bill or receipt attached
2.	Musa Isa Jamare	Repairs of Dagare borehole	12/Feb	150,000	No approval
3.	Manager YEDC	Electricity pays	42/mar	55,000	No approval
TOTAL				<u>260,000.00</u>	

Since the expenditures could not be justified through the accounting records, recoveries is hereby recommended.

PROJECT COMPLETED BUT NOT TO SPECIFICATION

Contract for the construction of blocks of two classroom office and store at Jakade and Garin Gabako was awarded to Mandagai Global Concept at the cost of N13,500,000.00 each. Totaling N27,000,000.00

Although the construction observed to be completed but not in accordance with the specification of the B.O.Q

The sum of N720,000.00 was provided in the BOQ for casting terrazzo in the classrooms but physical inspection to the project site reveals that the contractor laid ordinary floor instead of the terrazzo being specified in the BOQ

In view of these, it is recommended that, the Contractor has to cast terrazzo in both the projects or refund the total sum of N1,440,000.00 being the cost of terrazzo estimated in the Bill of Quantity.

ADMIN DEPARTMENT

WRONG AND IRREGULAR PAYMENTS WORTH N958,000.00

The sum of N958,000.00 was duly observed drawn from Local Government Council Accounts for the payments of various expenditures from January to December 2023 on Six (6) Payment Vouchers observed not fully documented and these are contrary to the provision of FM 14:2.

Details below: -

S/N	Name	Particulars	PV/No.	Amount	Remarks
1.	Sundry Persons	Workshop in DTR	6/Feb	60,000	No respond
2.	Lawan Mohammed Tikau	Hiring of lorry of convey relief	48/Apr	250,000	No respond
3.	Sani Haruna Kurka	Transportation and accommodation to attend screening exercise; at Nguru	50/Jun	150,000	No respond, receipt not presented.
4.	Lawan Mohammed Tikau	Hosting of Sema officials to distribution palliatives materials	118/Oct	258,000	No respond
5.	Lawan Mohammed Tikau	Logistics for chairman officials engagement at Damaturu	119/Oct	140,000	No respond
6.	Lawan Mohammed Tikau	Purchase of food stuff	25/Nov	100,000	No invoice and approval page to justify
TOTAL				<u>958,000.00</u>	

Since the necessary attachment could not be obtained, recovery is recommended.

**NANGERE LOCAL GOVERNMENT COUNCIL
FINANCIAL HIGHLIGHTS FOR THE YEAR 2023**

S/No	DESCRIPTIONS	ACTUAL 2023	FINAL BUDGET 2023	ACTUAL 2022
	RECURRENT REVENUE	₦	₦	₦
1	STATUTORY ALLOCATION	1,050,126,386	1,321,872,345	1,434,010,176
2	VALUE ADDED TAX	953,406,149	785,284,703	734,775,947
3	OTHER FAAC ALLOCATION	962,560,902	183,435,162	141,341,464
4	INTERNAL REVENUE IGR	25,741,005	35,600,659	22,779,650
	SUB TOTAL	<u>2,991,834,442</u>	<u>2,326,192,869</u>	<u>2,332,907,236</u>
	CAPITAL RECIEPTS			
1	GRANTS	-	-	135,818,041
2	MISCELLANEOUS	-	-	-
	SUB TOTAL	-	-	135,818,041
	TOTAL RECEIPTS	<u>2,991,834,442</u>	<u>2,326,192,869</u>	<u>2,468,725,277</u>
	RECURRENT EXPENDITURE			
1	PERSONNEL COSTS (Including Salaries on CRF charges - Public Office Holders)	568,406,198	894,347,316	511,923,728
2	OVERHEAD COSTS	85,000,000	120,000,000	60,000,000
3	SUBVENTIONS TO BOARD and PARASTATALS	938,121,388	-	892,724,229
4	PUBLIC DEBTS CHARGES	-	-	-
5	OTHER OPERATING ACTIVITIES (Advances)	666,936,069	322,141,554	583,867,001
	TOTAL RECURRENT EXPENDITURE	<u>2,258,463,654</u>	<u>1,336,488,869</u>	<u>2,048,514,958</u>
	CAPITAL EXPENDITURE	788,301,660	1,024,702,000.00	173,681,789
	TOTAL EXPENDITURE	<u>3,046,765,314</u>	<u>2,361,190,869</u>	<u>2,222,196,747</u>
1	NET CASH BALANCE	(54,930,873)	(34,998,000)	246,528,530
2	OPENING BALANCE	251,054,510	-	4,525,980
3	CLOSING BALANCE	196,123,637	-	251,054,510

NANGERE LOCAL GOVERNMENT
PERSONNEL COST

DOMESTIC GRANTS					
S/N	Description	CODE	BUDGETTED 2022	Actual 2022	Variance 2022
			₦	₦	₦
1	Basic Salaries	21010101	581,325,755.08	369,464,028.64	211,861,726.44
2	Allowances General	21020101-7	288,427,009.25	183,310,998.82	105,116,010.43
3	2-27 YCHMB Contribution	21020201	24,594,551.18	15,631,170.44	8,963,380.74
	Total		<u>894,347,315.51</u>	<u>568,406,197.90</u>	<u>325,941,117.61</u>

NANGERE LOCAL GOVERNMENT
OVERHEAD

S/N	Description	CODE	BUDGETTED 2023	Actual 2023	Variance 2023
1.	Overhead charge and other operating activities		120,000,000.00	85,000,000.00	35,000,000.00
	Total		<u>120,000,000.00</u>	<u>85,000,000.00</u>	<u>35,000,000.00</u>

NANGERE LOCAL GOVERNMENT
ADMIN SECTOR EXPENDITURE

ECON CODE	DESCRIPTION	GEO CODE	ACTUAL 2023	BUDGETTED 2023	VARIANCE 2023
			₦	₦	₦
23020107	Construction of Classroom	-	97,075,550.00	161,065,650.00	63,990,100.00
23030106	Rehabilitation/Repairs of Classroom	-	26,680,200.00	83,751,385.00	57,071,185.00
23030121	Repair of Office Building	-	73,319,665.00	90,183,624.00	16,863,959.00
Total Administrative Sector			<u>197,075,415.00</u>	<u>335,000,659.00</u>	<u>137,925,244.00</u>

NANGERE LOCAL GOVERNMENT
ECONOMIC SECTOR

ECONOMIC SECTORS					
ECON CODE	DESCRIPTION	GEO CODE	ACTUAL 2023	BUDGETTED 2023	VARIANCE 2023
			₦	₦	₦
23030102	Rehabilitation/Repairs of Electricity	-	85,895,400.00	92,500,285.00	6,604,885.00
23010127	Purchase of farm tools and Agric equipment	-	97,045,215.00	100,500,000.00	3,454,785.00
23010159	Purchase of Vaccine	-	30,157,200.00	33,000,000.00	2,842,800.00
23020139	Construction/Completion of culvet/Bridges	-	63,192,000.58	65,500,000.00	2,307,999.42
23020156	Fencing of Agwasa grain Market	-	20,785,600.00	11,190,455.00	- 9,595,145.00
TOTAL			<u>297,075,415.58</u>	<u>302,690,740.00</u>	<u>5,615,324.42</u>

NANGERE LOCAL GOVERNMENT
REGIONAL DEVELOPMENT SECTOR

ECON CODE	DESCRIPTION	GEO CODE	ACTUAL 2023	BUDGETTED 2023	VARIANCE 2023
			₦	₦	₦
23020177	Drilling of Borehole and Repairs	-	23,250,100.00	130,125,500.00	106,875,400.00
23020139	Construction of Culvert/Bridge	-	61,785,250.00	65,000,000.00	3,214,750.00
23020189	Construction/Establishment of Women Centre	-	55,324,812.00	64,874,500.00	9,549,688.00
TOTAL			<u>140,360,162.00</u>	<u>260,000,000.00</u>	<u>119,639,838.00</u>

NANGERE LOCAL GOVERNMENT
SOCIAL SECTOR

ECON CODE	DESCRIPTION	GEO CODE	ACTUAL 2023	BUDGETTED 2023	VARIANCE 2023
			₦	₦	₦
23020179	Construction/quiping of Mini Fire Service Action	-	73,876,350.00	70,000,000.00	- 3,876,350.00
23010126	Purchase of Sporting/Gaming Equipment	-	35,500,000.00	36,055,250.00	555,250.00
23030105	Rehabilitation/Repairs of Hospital/Health Centre	-	44,414,317.60	20,955,351.00	- 23,458,966.60
TOTAL			<u>153,790,667.60</u>	<u>127,010,601.00</u>	<u>- 26,780,066.60</u>

BUDGET ANALYSIS 2023

The council project Internal Generated Revenue of ₦35,600,659.00 from experience. The actual collection of ₦25,741,005.00 with surplus of ₦9,859,654.00.

INTERNAL REVENUE

The Internal Revenue Generation is poorly managed as no efficient records were observed for the revenue collection administration. The Principal Officers of the Revenue Unit to be transferred to other schedules to improve collection and accounting.

INTERNAL CONTROL

The Internal Control of the Local Government is too weak as the revenue Unit is operating without supervision and drawings on the Local Government funds made without payment vouchers. The Internal Control System could not be observed operational for the year ended 31st December 2023.

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 **Nangere 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 **Nangere 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 **Nangere Local Government** for the year ended 31st December, 2023.

OFFICE OF THE AUDITOR-GENERAL
LOCAL GOVERNMENTS,
P.M.B 1058, KM 3 GUJBA ROAD
DAMATURU, YOBE STATE.


(IBRAHIM M. ALIYU) CNA, ACTIN
AUDITOR-GENERAL (LOCAL GOVTS.)
YOBE STATE