

AUDITOR-GENERAL'S REPORT

MACHINA LOCAL GOVERNMENT 2022 FINANCIAL YEAR REPORTS

SEPTEMBER, 2023

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REPORT OF THE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS
ON ACCOUNTS OF MACHINA LOCAL GOVERNMENT FOR THE
YEAR ENDED 31ST DECEMBER 2022

1. INTRODUCTION:

The Financial Statements of Machina Local Government and relevant operation records for the year ended 31st December, 2022 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, 2022 was submitted to me on the 20th July, 2023.

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 25th July 2023 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 ₦2,156,509,245.70 from Federation account and ₦17,884,200.00 on account of collection from Internal operations of the Revenue Unit of the councils treasurer. The total sum of ₦2,174,393,445.70 was the certified total income to the council for the year ended 31 December, 2022.

STATUTORY ALLOCATIONS FROM FEDERATION ACCOUNTS

FAAC 2022 MACHINA LOCAL GOVERNMENT										
MONTH	Statutory Allocation	VAT	Exchange Gain	NON OIL REVENUE	Excess Bank Charges Refund	Share of Non-Solid Mineral	ECOLOGICAL FUND	Intervention	Exchange Differentials	Total
JANUARY	102,630,974.25	54,920,127.85	1,014,819.85				3,109,373.83			161,675,295.78
FEBRUARY	50,617,445.86	53,142,800.94	1,006,570.01	21,723,319.68			2,200,420.06			128,690,556.55
MARCH	68,142,086.75	47,749,222.62		19,003,428.14			2,614,365.44			137,509,102.95
APRIL	100,295,424.78	57,383,887.60					3,048,738.92	1,077,996.03	7,493,591.70	169,299,639.03
MAY	89,652,821.96	74,735,749.66		4,344,663.94	1,915,773.41		2,877,869.28			173,526,878.25
JUNE	76,368,257.09	56,922,447.63					2,513,564.68			135,804,269.40
JULY	120,734,203.98	55,042,893.40					3,622,026.12			179,399,123.50
AUGUST	156,712,556.78	51,015,033.45					4,701,376.70			212,428,966.93
SEPTEMBER	257,797,188.10	60,843,178.56		4,344,663.94			2,812,534.71			325,797,565.31
OCTOBER	96,048,281.29	56,050,446.73					3,272,468.19	13,033,991.81		168,405,188.02
NOVEMBER	85,184,373.31	59,504,644.84	1,116,144.12	15,206,323.78		6,516,995.90	3,240,715.12			170,769,197.07
DECEMBER	133,232,191.05	59,971,271.86								193,203,462.91
TOTAL	1,337,415,805.20	687,281,705.14	3,137,533.98	64,622,399.48	1,915,773.41	6,516,995.90	34,013,453.05	14,111,987.84	7,493,591.70	2,156,509,245.70

2022 FINANCIAL YEAR REPORTS

I) ADMIN DEPARTMENT

(i) FINANCIAL AUDIT TEST

WRONG/IRREGULAR PAYMENT WORTH ₦715,000.00

The sum of ₦715,000.00 was drawn on 6 Nos payment vouchers which were observed contrary to the provisions for a transparent expenditure.

OBSERVATION:-

- i) The expenditure could not be observed subjected to any file records.
- ii) Attachment of details of expenditure incurred could not be observed.
- iii) Payment voucher were not subject to internal Audit certification and checked.

S/N	NAME	PARTICULAR	DATE	DV	AMOUNT ₦	REMARK
1	ALHAJI KAWU	Being payment made to the above named officer to enable for the report of low an vehicle	7/5/22	38	75,000.00	No any documentary evidence attached to the payment vouched to justify the said expenditure and no certification of Internal Audit and D.P.M in the payment vouched
2	BABU BUNDI	Being payment to the above named staff to purchase of two Tyre of Hilux	24/2/22	39	270,000.00	No S.R.V attached to the payment voucher. No invoice for the procurement and Not subjected to file records
3	AHMED M DOGO	being payment made to the above named to enable him for the purchases of Tyre	05/1/22	38	130,000.00	No S.R.V attached to the payment voucher for the procurement. Not processed in any subject file

4	AHME M. DOGO	Being Payment mode to the above named to enable him for the purchase of tyres for his office vehicle	05//2022	38	130,000.00	Not processed in any subject file. No SRV from store for administration of procurement
5	ABUBAKA R BAGONI	Being payment made to the above named recruitment officer to enable to attend recruitment exercise in to Nigeria police	27/09/22	49	50,000.00	Not processed in any subject file. No prepayment Audit certification. No expenditure detail attached
6	ABBA YUSUF D.P.M	Being payment made officer above named officer to enable him for the felling and alter two Head of department to attend	no	31	60,000.00	No any documentary evidence attached to the payment voucher to justify the said expenditure
TOTAL					715,000.00	

II) **FINANCE DEPARTMENT**

(ii) **FINANCIAL AUDIT TEST**

1. **WRONG/IRREGULAR PAYMENT WORTH ₦455,000.00**

The sum of ₦455,000.00 was drawn on 4 Nos. payment vouchers for which below observation were made.

OBSERVATION:

- a) Procurements were not taken on charge to store record observed.
- b) No cash receipt or invoice attached justifying expenditure incurred.
- c) Not subjected to prepayment internal Audit as provided see Fm cap 14.10.
- d) Expenditure not documented or processed in subject file.

Details of such expenditure presented below.

S/N	NAME	PARTICULAR	DAT E	P.V	AMOUNT	REMARK
1	ZANAH M GREMU	payment for the transportation to Damaturu	30/3/2 2	42	33,000.00	- Not subjected to file processing - No Internal Audit was not sign attach in the payment voucher
2	SHETTIMA MADU	Being payment made to the above named enable him for hosing sensitization on record purpose	6/6/22	29	170,000.00	Not processed in any subject file - No Internal Auditor certification - No expenditure attached
3	SUNDRY PERSON	Being payment mode to the listed officer to enable them attached 2021 body of implementation & expenditure	2/6/22	32	183,000.00	No documentation evidence attached with the payment voucher to justify expenditure incurred
4	SHELTIMA ARDO	Being payment mode to the above named officer to enable him to cater for the	25/9/2 2	P.V 39	69,000.00	Not processed in subject file - No expenditure details

		reports of L.G 15 Machina local government				attached
Total					455,000.00	

Since expenditure could not be validated hence, recovery of the sum of ₦455,000.00 be imposed in compliance to the provision.

2. OUTSTANDING REVENUE COLLECTIONS AND DEPARTMENTAL RECEIPT

For the period under review, the sum of ₦222,500.00 was observed realized as proceeds on difference revenue earning books details below for which collections were not remitted and receipt observed to be outstanding.

Details below:-

MARKET SHEET

S/N	NAMES	B/N	FORM-TO	AMOUNT ₦
1	ABUBAKAR ABALE	129	6950-700	2500
2		130	1051-1100	2500
3		131	4001-4051	2500
4		151	1601-1650	2500
5		165	185-1900	2500
6		166	1401-1450	2500
7		182	13951-1400	2500
8		186	8351-8400	2500
9		189	11301-11350	2500
10		195	2851-2900	2500
11		206	12701-12750	2500
12		236	0931-10.00	2500
13		237	1001-1050	2500
14		238	1051-1100	2500

15		240	2351-2400	37,500
GRAIN MARKET				
1	MALLAM ISAH	6	6451-6500	2500
2		8	7951-.800	2500
3		19	6151-6200	2500
4		41	3001-3050	2500
5		42	3051-7000	2500
6		47	5751-4800	2500
SHEEP GOATS				
1	ABUBAKAR ABALE	13	0601-0650	2500
2		20	0851-0900	2500
3		23	3351-3400	2500
4		31	1801-1850	2500
4		36	1951-2000	2500
5		41	1751-1800	2500
6		58	0551-0600	2500
MARKET SHADE				
1	ABUBAKAR ABALE	1	2001-2051	2500
2		2	2031-2100	2500
3		3	2101-2150	2500
4		4	2151-2200	2500
5		6	2251-2300	2500
		B/N		
1	ALH KAWURO	12	5051-5100	2500
2		14	5151-3250	2500
3		15	5201-5250	2500
4		16	5251-5300	2500
5		26	5451-5500	2500
6		33	5601-5600	2500
7		26	3731-3800	2500
8		28	5851-3900	2500

MOTOR PARK				
1	ABUBAKAR ABALE	3	2601-2650	2500
2		4	4201-4250	2500
3		6	4501-4350	2500
DEPARTMENTAL				
1	ALH KAWU	4	1551-1400	

Since remittance of the sum involved is not observed, recovery of the sum ~~₦~~222,500.00 should be effected.

III) LOCAL GOVERNMENT EDUCATION AUTHORITY

(iii) FINANCIAL AUDIT TEST

WRONG/IRREGULAR PAYMENT WORTH ~~₦~~40,000.00

Bellow listed drawings for the sum of ~~₦~~40,000.00 could not be observed duly supported as provided for by the provisions of the FM.

S/N	NAME	DESCRIPTION OF PAYMENT	PV	DATE	AMOUNT ₦	REMARK
1	Education Secretary	Being settlement of OPE to the above name officer for the purchase of fuel to our officer at	2	13/9/22	30,000.00	No expenditure details to justify drawings
2	Sundry Person	Being payment impress granted to the above name sectioned Heads for the month of November 2022	3	11/7/22	10,000.00	No impress authorized attached
TOTAL					40,000.00	

Since adequate explanation could not be advanced, recovery is recommended.

IV) **PRIMARY HEALTH CARE DEPARTMENT**

(iv) **FINANCIAL AUDIT TEST**

WRONG/IRREGULAR PAYMENT WORTH ₦257,500.00

The sum of ₦257,500.00 was drawn on two (2) Nos. payment vouchers for which bellow observation were made

Details of such expenditure are below.

S/N	NAME	DESCRIPTION OF PAYMENT	DATE	PV	AMOUNT ₦	REMARKS
1	NGABARAM U KACHALLA	Being payment mode to the above named officer to enable him an duties the local government	30/3/22	31	184,000.00	Not processed in any subject file and the internal Audit and D.P.M did not authorized the expenditure. No expenditure details attached contrary to Fm 14.10
2	HABU A BUNU	Being payment made of and pocket expenses incurred by the above named director P.H.C management	2/7/22	38	73,500.00	Not processed in any subject fie. Not subjected to Internal Audit certification contrary to the Fm cap 14.10
TOTAL					257,500.00	

V) **AGRIC DEPARTMENT**

(v) **FINANCIAL AUDIT TEST**

NON IMPLEMENTATION OF 2022 APPROPRIATION

FOR THE SUM OF ₦55,000,000.00

In the course of Audit inspection it was observed that, below listed expenditure were approved in 2022 appropriation but were not executed, and no explanation were forwarded by the council as to what necessitated this either short full in extracted revenue or virement to other Heads.

Details below:-

S/N	CLASSIFICATION OF EXPENDITURE	APPROVAL BUDGET	ACTUAL BUDGET	Variance	REMARK
1	Purchase of 20 set bulls to boost agriculture	16,000,000.00	Nil	16,000,000.00	No expenditure executed
2	Purchase of 1000 bags of grains for distributions to the communities (4001/8)	32,000,000.00	Nil	32,000,000.00	“ “
3	Maintenance of vehicle And other capital asset (2008/6)	4,500,000.00	Nil	4,500,000.00	“ “
4	Misalliance expenses	2,500,000.00	Nil	2,500,000.00	“ “
	TOTAL	55,000,000.00		55,000,000.00	

VI) **WORKS DEPARTMENT**

(vi) **FINANCIAL AUDIT TEST**

1. **WRONG/IRREGULAR PAYMENT**

The sum of ₦685,000.00 was drawn on five (3) nos payment vouchers to cater for various services which were observed effected without valid documentation as provided for by the provisions of the Fm for below details.

S/N	NAME	DESCRIPTION PAYMENT	DATE	P.V	AMOUNT ₦	REMARK
1	GAMBO LAWAN	Being payment made to the above named officer to enable his cater for the repairs of house	3/02/22	13	75,000.00	- Not processed in any subject file - The drawing is personalized not public expenditure
2	HUJJA AJIRAN MAINA DANGO	Being payment made to the above named person to enable her cater for the land compensation of land situation of Hausari ward	3/02/22	62	300,000.00	- No agreement and details of the land for compensation attached - Not processed in any subject file
3	SHELTIMA MADU	Being payment mode to the above to purchase submersible pump at manjale village	21/2/22	65	120,000.00	- Not in store records - No valid procurement receipt attached - Not processed in any subject file
Total					495,000.00	

MACHINA LOCAL GOVERNMENT COUNCIL

HIGHLIGHTS OF 2022 FINANCIAL OPERATION				
S/No	DESCRIPTIONS	ACTUAL 2022	FINAL BUDGET 2022	ACTUAL 2021
	RECURRENT REVENUE	N	N	N
1	STATUTORY ALLOCATION	1,337,415,805.20	1,235,737,693.00	1,034,945,084.82
2	VALUE ADDED TAX	687,281,705.14	582,618,002.00	580,492,580.61
3	OTHER FAAC ALLOCATION	131,811,735.36	127,155,885.00	86,818,274.59
4	INTERNAL REVENUE IGR	17,884,200.00	33,204,833.00	16,697,073.90
	SUB TOTAL	2,174,393,445.70	1,978,716,413.00	1,718,953,013.92
	CAPITAL RECIEPTS			
1	GRANTS	126,677,862.31	0	0
2	MISCELLANEOUS	0	0	0
	SUB TOTAL	126,677,862.31	0	0
	TOTAL RECEIPTS	2,301,071,308.01	1,978,716,413.00	1,718,953,013.92
	RECURRENT EXPENDITURE			
1	PERSONNEL COSTS (Including Salaries on CRF charges - Public Office Holders)	322,900,816.72	649,721,699.00	367,361,776.30
2	OVERHEAD COSTS	60,000,000.00	120,000,000.00	42,500,000.00
3	SUBVENTIONS TO BOARD and PARASTATALS	560,093,870.73	383,939,839.00	501,741,924.26
4	PUBLIC DEBTS CHARGES	0	0	0
5	OTHER OPERATING ACTIVITIES	542,968,297.10	0	83,768,339.06
	TOTAL RECURRENT EXPENDITURE	1,485,962,984.55	1,153,661,538.00	995,372,039.62
	CAPITAL EXPENDITURE	596,219,939.12	1,551,689,354.56	740,066,907.75
	TOTAL EXPENDITURE	2,082,182,923.67	2,705,350,892.56	1,735,438,947.37
1	NET CASH BALANCE	218,888,384.34	-726,634,479.56	-16,485,933.45
2	OPENING BALANCE	101,460,546.05	676,634,479.00	7,478,192.93
	OPENING BALANCE (ii Project Joint Acc)	0		110,468,286.57
3	CLOSING BALANCE	320,348,930.39		101,460,546.05

MACHINA LOCAL GOVERNMENT

PERSONNEL COST					
ECON CODE	Description	GEO CODE	Actual 2022	Budget 2022	Variance 2022
21010101	Basic Salaries		209,885,530.86	422,319,104.35	212,433,573.49
21020101-7	Allowances General		104,135,513.39	209,535,247.92	105,399,734.53
21020201	2-27 YCHMB Contribution		8,879,772.47	17,867,346.73	8,987,574.26
	Total		<u>322,900,816.72</u>	<u>649,721,699.00</u>	<u>326,820,882.28</u>

MACHINA LOCAL GOVERNMENT

OVERHEAD COST EXPENDITURE					
ECON CODE	Description	GEO CODE	Actual 2022	Budget 2022	Variance 2022
	Overhead cost		60,000,000.00	120,000,000.00	60,000,000.00
	Total		<u>60,000,000.00</u>	<u>120,000,000.00</u>	<u>60,000,000.00</u>

MACHINALOCAL GOVERNMENT

ADMIN SECTOR EXPENDITURE					
ECON CODE	Description	GEO CODE	Actual 2021	Budgeted 2021	Variance 2021
23020102	Construction/provision of residential building/Quarters at Machina	23531100	346,736,899.00	200,066,907.75	146,669,991.25
			-	-	-
			-	-	-
TOTAL			346,736,899.00	200,066,907.75	146,669,991.25

MACHINALOCAL GOVERNMENT

ECONOMIC SECTOR EXPENDITURE					
ECON CODE	Description	GEO CODE	Actual 2022	Budget 2022	Variance 2022
23020130	Purchase of Agric chemicals		29,000,000.00	120,000,000.00	91,000,000.00
23030154	Repairs of Tractor		9,219,939.12	20,000,000.00	10,780,060.88
23020134	Felling of sand at Secretariat		30,000,000.00	100,000,000.00	70,000,000.00
23020114	Construction of slapp caplese		15,000,000.00	40,000,000.00	25,000,000.00
13010159	Purchase of Vet drugs		19,000,000.00	60,000,000.00	41,000,000.00
23050117	Purchase of grains		18,000,000.00	109,501,136.87	91,501,136.87
	Total Economic Sector		<u>120,219,939.12</u>	<u>449,501,136.87</u>	<u>329,281,197.75</u>

MACHINALOCAL GOVERNMENT

SOCIAL SECTOR EXPENDITURE					
ECON CODE	Description	GEO CODE	Actual 2022	Budget 2022	Variance 2022
23020106	Renovation of Health faculty		58,000,000.00	278,988,217.69	220,988,217.69
	Total Social Sector		<u>58,000,000.00</u>	<u>278,988,217.69</u>	<u>220,988,217.69</u>

MACHINALOCAL GOVERNMENT

REGIONAL DEVELOPMENT SECTOR EXPENDITURE					
ECON CODE	Description	GEO CODE	Actual 2022	Budget 2022	Variance 2022
23030141	Drilling of Malario Borehole		210,000,000.00	350,000,000.00	140,000,000.00
23010163	Purchase of Hand pump accessories		22,800,000.00	73,200,000.00	50,400,000.00
	Total Regional Sector		<u>232,800,000.00</u>	<u>423,200,000.00</u>	190,400,000.00

BUDGET ANALYSIS 2022

INTERNAL GENERATED REVENUE

The Local Government Budgetted the sum of ₦33,204,833.00 for the year ended 31st December 2022 while the actual collections was ₦17,884,200.00 thereby reflecting variance of (₦18,507,759.10).

RECURRENT EXPENDITURE

The Council Budgetted the sum of ₦649,721,699.00 as personnel cost, while the actual amount expended is ₦322,900,816.72. The sum of ₦628,007,263.32 is expended on overhead cost, subvention to MDAs and other operation activities.

CAPITAL EXPENDITURE

The Local Government Budgetted the sum of ₦1,551,689,354.56 while the actual expenditure on Capital Project stood at ₦596,219,939.12 for the period under review.

INTERNAL CONTROL PROCEDURE

Assessment of the Internal Control System of the Local Government for 2021 operations indicate that, the Internal Audit Function was very weak as the volume of observation raised justify the weakness.

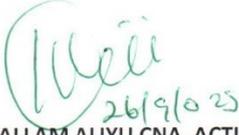
AUDIT CERTIFICATION

In accordance with the provisions 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 2022.

The Audit was conducted in line with auditing principle 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 responsibilities vested in me by the provision of draft laws and the constitution. The statement of Assets and Liabilities of Machina Local Government for the year ended 31st December 2022 have been certified subject to the observance of observations on unaccounted funds in various correspondences.

In my opinion the Financial Statements and schedules presents a true and fair view of Machina Local Government for the year ended 31st December 2022.

Office of the Auditor-General
Local Governments,
P.M.B 1058, KM3 Gujba Road,
Damaturu, Yobe State.


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