

AUDITOR—GENERAL’S REPORT

**POTISKUM LOCAL GOVERNMENT
2023 FINANCIAL YEAR REPORTS**

AUGUST, 2024

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

1. INTRODUCTION:

The Financial Statements of Potiskum 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 standard (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 Potiskum Local Government for the year ended 31st December, 2023 was submitted to me on the 18th 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.

INCOME HIGHLIGHT.

Arising from the inspection of the Bank Statement for lodgment of all receipts and disbursements, Potiskum Local Government collected the sum of **₦3,632,379,910.52** from Federation account and **₦83,275,225** on account of collection from Internal operations of the Revenue Unit of the council's treasury. The total sum of **₦ 3,715,655,136.00** was the certified total income to the council for the year ended 31 December, 2023. The financial statement submitted to the Audit also confirm to below table obtained from the state Local Government Joint Account disbursement.

STATUTORY ALLOCATIONS FROM FEDERATION ACCOUNTS 2023

	STATUTORY ALLOCATION	VAT	Exchange Gain Diff	NON OIL REVENUE	Share of Solid Mineral	Forex Equalization	ECOLOGICAL FUND	SURE-P	ADDITIONAL FAAC	Electronic Money Transfer levy	EXCESS CRUDE OIL	TOTAL
Jan	172,021,333.49	90,100,067.18	7,889,395.26				5,344,166.50		-	9,799,218.67		285,154,181.10
Feb.	99,340,572.12	89,684,162.96		27,874,338.90			3,941,931.44		-	9,049,190.83		229,890,196.25
March	94,546,121.72	85,661,409.66					4,316,611.42		29,100,809.81			213,624,952.61
April	128,875,816.22	82,293,304.65					7,575,682.43		172,856,796.01	5,944,716.10		397,546,315.41
May	91,546,327.86	79,404,442.91		6,689,841.31	4,045,252.88	16,975,472.39	4,488,795.16		30,862,481.29	5,944,716.10	27,582,176.60	267,539,506.50
June	138,464,655.47	89,822,892.89					4,158,807.87		162,273.67	5,281,489.00		237,890,118.90
July	77,627,873.72	106,418,174.84	82,625,613.23				5,872,942.59		35,511,266.02	4,211,480.19		312,267,350.59
Aug.	100,793,005.21	108,373,943.09	74,753,929.47				5,543,325.51	192,046,937.01	9,230,582.43	4,728,049.18		495,469,771.90
Sept	83,543,525.56	128,276,957.22	60,555,682.23				6,045,349.67		-	5,727,146.42		284,148,661.10
Oct.	100,982,582.38	101,524,189.61	45,318,086.81	49,363,258.08			4,389,020.07		-	4,438,896.23		306,016,033.18
Nov.	78,085,223.03	125,765,802.13	49,379,491.01	16,724,603.34			4,325,679.52		-	6,318,769.48		280,599,568.51
Dec.	92,548,497.26	132,261,074.18	93,029,523.94						-	4,394,159.09	-	322,233,254.47
TOTAL	1,258,375,534.04	1,219,586,421.32	413,551,721.95	100,652,041.63	4,045,252.88	16,975,472.39	56,002,312.18	192,046,937.01	277,724,209.23	65,837,831.29	27,582,176.60	3,632,379,910.52

FINANCIAL POSITION AS AT DECEMBER 31ST 2023

The Local Government cashbook and Bank statements for all accounts operated by the Local Government treasury have been examined and below position as presented in the financial statement certified for the closing balance as at December 31st 2023

➤ Zenith Bank 1: Account No	9,797,194.17
➤ Zenith Bank 2: Account No	55,964.34
➤ Keystone Bank : Account No	48,601,512.61
➤ Joint Project	<u>107,319,120.84</u>
	<u>165,773,791.96</u>

ADEQUACY OF FINANCIAL RECORDS

Inspection was made to the treasury and all other subsidiary cost centers (Departments)

Below listed Financial records could not be observed operated and maintained.

1. Store records for the Administration of procurements
2. subsidiary store records of requisition issuance
3. Inventory records and Assets registers
4. Council resolution diary.

The absence of these vital financial records for the operation of 2023 financial year accounts renders Audit reporting to be cumbersome for absence of clear mandates of vote controllers and insufficient administrative controls.

2023 FINANCIAL YEAR REPORTS

Arising from the inspection of the Local Government operations for 2023 below observation are made:

WRONG IRREGULAR AND UNDOCUMENTED PAYMENT VOUCHER N720,000.00

Audit inspection conducted reveals that the sum of ₦720,000.00 was drawn in-respect of expenditure incurred on to cater for various service across the Local Government.

Details below:

S/ N	NAME OF PAYEE	PARTICULAR OF PAYMENT	DATE	P.V NO	HEAD/S UBHEAD	AMOUNT	REMARK
1	Idriss Modu Bah (Chairman Task force)	Payment for logistic support to the Committee on Revenue Generation	March	55	2005/11	210,000.00	The list of the committee members and their signature was not attached. the PV'S suppose to be sundry but not in the name of the chairman
2	Sundry person	Payment for sundry persons for personnel to attend workshop on capacity building organized by recent mobilization and fiscal Commission Abuja	Jan, 23	83	2004/2	250,000	No certificate of attendance were seen us evidence of attendance.
3	Sundry persons	Payment for sundry persons for 3 days on capacity building workshop on IPSAS implementation	Feb. 23	68	2005/12	160,000.00	-Beneficiary did not acknowledge the payment -No certificate of attendant attached to payment voucher

4.	Mohammed Audu	Payment of logistics support to the distribution of relliative		97	2008/13	100,000.00	The office controlling the vote and not signed no receipt indicated on payment voucher.
	Total					720,000.00	

Since no further valid explanation could be obtained recoveries is hereby recommended in accordance with the provision FM.

**UN-RETURN REVENUE RECEIPTS FROM JANUARY-DECEMBER
2023**

Examination of the record as presented reveals from January-December 2023 below revenue receipts were not return to the store keeper of treasury department with the collection.

S/ N	WHOM ISSUE	BOOK NO	BOOK NO FROM TO	DATE	TYPE OF BOOK	AMOUNT	
1	Umar Aliyu	371	6751-6800	14/11/23	Moto Park	2,500.00	
2	“	372	6801-6850	“	Moto Park	2,500.00	
3	Isa Ibrahim Baba	2150	7351-7400	3/11/23	Department	under	
4	Abubakar Ii	108	5490-54950	20/10/23	“		
5	Munkaila	506	26251-26300	29/11/23	Town Service	2,500.00	
6	“	507	26301-26350	“	Town service	2,500.00	
7	“	508	26351-26400	“	“	2,500.00	
			TOTAL				12,500.00

The revenue receipts and the collection there upon be recovered the officers concern and to be observed for subsequent certification.

IRREGULAR AND UN DOCUMENTED PAYMENT VOUCHER
WORTH N100,000.00.

The sum of N100,000.00 was drawn on one payment voucher claim have been expended for the distribution of palliatives workshop attending were observed with the following

1. the expenditure were not supported with complete document
2. the payment were not supported with expenditure receipt to justify

S/N	NAME OF PAYEE	PARTICULAR OF PAYMENT	DATE	P.V NO	HEAD/SUBHEAD	AMOUNT	REMARK
1	Mohammed Audu (Sup Councilor Dalari)	Payment of logistic support to the above name sup councilor Agric for the distribution of Paliative allocation..		97	2008/13	100,00.00	-The officer controlling vote did not control payment voucher. -No Location indicated on payment voucher..
						100,000.00	

You are required to advance convincing explanation with materials evidence as to why recovery would not be effected

L.E.A DEPARTMENT.

WRONG AND IRREGULAR PAYMENT WORTH'S N395,900.00

The sum of N395,900.00 was drawn on (4) payment vouchers N395,900.00 as expenditure incurred for various purchases examination on payment voucher reveals that expenditures were not supported with authentic document that justifies as provide by provision of law details below:

S/N	NAME	PURPSOE	H/SUBHE AD	P.V NO	DATE	AMOUNT	OBSERVATION
1	Mai Mai	Payment for purchase of School Chack	2006/2	1	“	150,000.00	No SRV/SIV No approval
2	Mai Mai	Payment for purchase of School Material chock	Nil	“	29/3/23	40,000.00	No invoice of expenditure on incurred
3	Mai Mai	“	“	“	28/5/23	100,000.00	No approval
4	Baba Mai Mai	“	“	“	25/9/23	105,900.00	No approval
	Total			Total		395,000.00	

Since no further explanation could be observed recoveries be effected.

P.H.C DEPARTMENT.

**WRONG AND IRREGULARITIES PAYMENT VOUCHER WORTH
₦270,000.00 PRIMARY HEALTH CARE DEPARTMENT.**

The sum of ₦270,000.00 was drawn on Three Nos PVs reveals that, supporting documentation were not attached such as receipts invoice of (NURTIW) for conveying (RUTF) from Damaturu to Potiskum and others cash invoice of some purchases were not presented as evidence to justify the claimed of amounts expended.

Details of these is below:

S/N	NAME OF PAYEE	PARTICULAR OF PAYMENT	DATE	P.V NO	HEAD/S UBHEAD	AMOUNT	REMARK
1	Hauwa Ibrahim Chana	Payment for transportation of Ruff commodities from Damaturu to Potiskum	22/6/23	21	2007/2	50,000.00	-OCV did not control. -No receipt from NURT
2	Hauwa Ibrahim Chana (Nutrition officer)	Payment for standing for Nutrition officer	25/9/23	13	2007/2	50,000.00	-No NURTW receipt to support the payment -Only approval attached to payment voucher.
3	Iliya Samaila Maji (L/O)	Payment for the conveyance of penta vaccine from Damaturu to Potiskum for distribution to various health facilities across the LGA	8/12/23	83	2007/2	170,000.00	-No receipt from the RURTW to support the payment of N100,000 -No list of facility stated on payment voucher.
	Total					<u>270,000.00</u>	

Since no authentic expenditure evidence could be advanced to rectify the remarks recovery be effected accordingly.

ADMIN DEPARTMENT.

WRONG AND IRREGULARITIES' PAYMENT VOUCHERS ADMIN DEPARTMENT 2023

The sum of ₦1,665,000.00 was drawn on (9) nine Nos payment vouchers claimed sum expended on various services of the Local Government were observed irregular for obscene of statutory document

Details below:

S/N	NAME OF PAYEE	PARTICULAR OF PAYMENT	DATE	P.V NO	HEAD/SU BHEAD	AMOUNT	REMARK
1	Alh. Nasiru Mato (C/M)	Payment for fire disaster happened on 8/1/2023	5/1/23	57	2001/9	500,000.00	-No list of beneficiary -No invoice from association that acknowledge the sum of N500,000.00
2	Hauwa Maina Gimba (CD Officer)	Payment for officer to attend a workshop at Abuja on Community building and reconstruction of Hiroshima (would)	16/9/23	2	2001/10	100,000.00	-No Receipt of transport sand Accommodation attached to the payment voucher -No certificate of attendant Workshop in Abuja
3	Sundry persons (Vigilsat ee)	Payment for allowance to Vigilante and Watchmen of Jigawa clinic and women center	28/3/23	47	2003/12	50,000.00	-No recipient signature at the pace of payment voucher
4	Danlami Shehu	Payment for the purchase of fuel	4/4/23	69	2001/7	50,000.00	The fueling receipt is not

	(PEO Admin)	to DPM vehicle					genuine is under their custodian
5	Idriss Modu Bah (Chairman Task force)	Payment for logistic support to the Committee on Revenue Generation	March	55	2005/11	210,000.00	-Payment voucher is in slated of sundry persons the raise payment voucher in the name of Committee. -List of Committee not appear on payment voucher The list of Committee on Revenue they are 17 in number all councilors all Committee and staff of L. Govt coopted -They are payment weekly observations all money spend on allowance of Committee.
6	Sundry person	Payment for sundry persons for personnel to attend workshop on capacity building organized by recent mobilization and fiscal Commission Abuja	Jan, 23	83	2004/2	250,000	--No certificate of attendance
7	Sundry persons	Payment for sundry persons for 3 days on capacity building workshop on IPSAS implementation	Feb. 23	68	2005/12	160,000.00	-Beneficiary did not acknowledge the money -No certificate of attendant attached to payment

							voucher
8	“	Payment for taskforce for 3 weeks allowance	March 23	81	2005/12	330,000.00	-Councils approval not for 2022 is for 2021 not existed only. -Just they made this to remove public fund in the name of taskforce Committee.
9	Sundry person	Payment of allowance to the overleaf list officer to enable them to attend session with Yobe State house of assembly committee on public account.	7/12/23	64	2005/1	220,000.00	-Beneficiary not acknowledge the amount
	Total					₦ 1,665,000.00	

Since no authentic document on expenditure evidence could be advance to rectify the remarks recovery be accordingly.

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

S/No	DESCRIPTIONS	ACTUAL 2023	FINAL BUDGET 2023	ACTUAL 2022
	RECURRENT REVENUE	N	N	N
1	STATUTORY ALLOCATION	1,258,375,534	1,585,640,303	1,716,485,230
2	VALUE ADDED TAX	1,219,586,421	810,769,574	948,638,621
3	OTHER FAAC ALLOCATION	1,154,417,956	153,011,548	169,291,646
4	INTERNAL REVENUE IGR	83,275,225	140,600,000	75,704,750
	SUB TOTAL	3,715,655,136	2,690,021,425	2,910,120,247
	CAPITAL RECIEPTS			
1	GRANTS	-	-	162,547,056
2	MISCELLANEOUS	-	-	-
	SUB TOTAL	-	-	162,547,056
	TOTAL RECEIPTS	3,715,655,136	2,690,021,425	3,072,667,303
	RECURRENT EXPENDITURE			
1	PERSONNEL COSTS (Including Salaries on CRF charges - Public Office Holders)	591,751,845	837,111,361	539,637,397
2	OVERHEAD COSTS	85,000,000	120,000,000	60,000,000
3	SUBVENTIONS TO BOARD and PARASTATALS	1,547,285,119	-	876,143,662
4	OTHER OPERATING ACTIVITIES	588,859,851	780,377,407	683,025,384
	TOTAL RECURRENT EXPENDITURE	2,812,896,815	1,737,488,768	2,158,806,443
	CAPITAL EXPENDITURE	1,089,034,789	1,248,099,724	696,434,479
	TOTAL EXPENDITURE	3,901,931,604	2,985,588,492	2,855,240,922
1	NET CASH BALANCE	(186,276,468)	(295,567,067)	217,426,381
2	OPENING BALANCE	352,050,260	212,210,149	134,623,879
3	CLOSING BALANCE	165,773,792		352,050,260

**POTISKUM LOCAL GOVERNMENT
PERSONNEL COST**

3	PERSONNEL COST					
	Description		Actual 2023	Budget 2023	Variance 2023	Remarks
21010101	Basic Salaries		384,638,699.02	544,122,384.80	159,483,685.78	
21020101-7	Allowances General		190,839,969.90	269,968,413.99	79,128,444.09	
21020201	2.75 YCHMB Contribution		16,273,175.74	23,020,562.44	6,747,386.70	
	Total		<u>591,751,844.66</u>	<u>837,111,361.23</u>	<u>245,359,516.57</u>	

**POTISKUM LOCAL GOVERNMENT
OVERHEAD EXPENDITURE**

OVERHEAD COST

	Description		Actual 2023	Budget 2023	Variance 2023	Remarks
	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>	

**POTISKUM LOCAL GOVERNMENT
ADMIN SECTOR- EXPENDITURE**

	Administrative Sector					
	Description		Actual 2023	Budget 2023	Variance 2023	Remarks
23030131	Renovation of Local Govt. Lodge		115,150,300.00	150,100,000.00	34,949,700.00	
23020116	Construction/provision of Water way		45,100,000.00	105,000,000.00	59,900,000.00	
22020503	Workshop and Seminar		15,000,000.00	50,500,000.00	35,500,000.00	
23050140	Scholarship		27,300,000.00	62,400,000.00	35,100,000.00	
23020102	Construction/Renovation of Local Govt. House		18,559,692.36	200,000,000.00	181,440,307.64	
	Total Administrative Sector		<u>221,109,992.36</u>	<u>568,000,000.00</u>	<u>346,890,007.64</u>	

**POTISKUM LOCAL GOVERNMENT
ECONOMIC SECTOR EXPENDITURE**

	Economic Sector					
	Description		Actual 2023	Budget 2023	Variance 2023	Remarks
23020129	Purchase of Fertilizer for Farmer		25,110,000.00	100,000,000.00	74,890,000.00	
23010156	Purchase of Chemical		70,798,600.00	92,340,000.00	21,541,400.00	
23010156	Purchase of Vet. Drugs and equipment		41,420,500.00	50,160,000.00	8,739,500.00	
23030155	Rehabilitation of Potiskum Abattoir		55,370,000.00	70,000,000.00	14,630,000.00	
23030124	Renovation of Sand Filling Motor park		25,601,000.00	52,600,000.00	26,999,000.00	
23030154	Repair and Maintenance of Tractors		15,200,000.00	15,999,724.00	799,724.00	
23040101	Provision of annual Tree Planting Campaign		13,700,000.00	14,000,000.00	300,000.00	
	Total Economic Sector		<u>247,200,100.00</u>	<u>395,099,724.00</u>	<u>147,899,624.00</u>	

**POTISKUM LOCAL GOVERNMENT
REGIONAL DEVELOPMENT EXPENDITURE**

	Regional Development Sector					
	Description		Actual 2023	Budget 2023	Variance 2023	Remarks
23020139	Construction/completion of Culvert and Bridge		69,330,000.00	15,300,000.00	(54,030,000.00)	
23020156	Construction/completion of Perimeter fence		70,000,000.00	50,000,000.00	(20,000,000.00)	
23030130	Rehabilitation of Borehole		66,709,782.92	15,000,000.00	(51,709,782.92)	
23020105	counterpart/ funding to rural water		93,848,914.06	2,340,000.00	(91,508,914.06)	
23050215	Evacuation of sewage and drainage		45,170,000.00	30,000,000.00	(15,170,000.00)	
23050284	Area Development Programme		55,200,000.00	34,360,000.00	(20,840,000.00)	
	Total Regional Sector		<u>400,258,696.98</u>	<u>147,000,000.00</u>	<u>(253,258,696.98)</u>	

**POTISKUM LOCAL GOVERNMENT
SOCIAL SECTOR EXPENDITURE**

	Social Sector					
	Description		Actual 2023	Budget 2023	Variance 2023	Remarks
23010159	Immunization and Malaria		85,700,000.00	35,060,000.00	(50,640,000.00)	
23050182	Social Protection and Youth Empowerment		2,600,000.00	45,000,000.00	42,400,000.00	
23010123	Purchase of Fire Fighting Equipment		25,360,000.00	15,500,000.00	(9,860,000.00)	
23020147	Purchase of MCH (Drugs)		15,200,000.00	9,300,000.00	(5,900,000.00)	
23050141	Supply of Instructional material to Primary School		56,800,000.00	10,007,000.00	(46,793,000.00)	
32020147	Procurement and supply of Maternity equipment		34,806,000.00	23,133,000.00	(11,673,000.00)	
	Total Social Sector		<u>220,466,000.00</u>	<u>138,000,000.00</u>	<u>31,826,000.00</u> =	

BUDGETTARY ANALYSIS

The Local Government budgeted the sum of N2,749,571,30 for statutory allocation and 75,704,750.00 collections from internal Generated Revenue source. The Federal Allocation for the year certified for N2,910,120,247.00.

(1) INTERNALLY GENERATED REVENUE

The Local Government budgeted the collection of N140,600,000.00 for which the sum of N83,275,225 was collected. The council would perform better with efficient supervision.

(2) INTERNAL CONTROL

The Local Government Council could not be observed to have a standing internal control procedure put in place as collections could be observed efficiently administered and expenditure vouchers not be observed processed through the Internal Audit certification. The Internal control should be strengthen for better result.

(3) STORE REGULATIONS FOR ASSETS/INVENTORIES

The Council despite the resolution of the House arising from the 2017 recommendation, it still observed poor or absence of Assets Register and proper inventory of stocks and other assets. This have to be addressed

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

OFFICE OF THE AUDITOR GENERAL
LOCAL GOVERNMENTS
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DAMATURU, YOBE STATE


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