

# **AUDITOR—GENERAL’S REPORT**

## **NGURU LOCAL GOVERNMENT 2023 FINANCIAL YEAR REPORTS**

**AUGUST, 2024**

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**REPORT OF THE AUDITOR-GENERAL FOR LOCAL  
GOVERNMENTS ON ACCOUNTS OF NGURU  
LOCAL GOVERNMENT FOR THE YEAR  
ENDED 31<sup>ST</sup> DECEMBER 2023**

**1. INTRODUCTION:**

The Financial Statements of Nguru Local Government and relevant operation records for the year ended 31<sup>st</sup> 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 Nguru Local Government for the year ended 31<sup>st</sup> December, 2023 was submitted to me on the July 17<sup>th</sup> 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 31<sup>st</sup> March of the preceding year of operation.

The Accounts and schedule of statements were certified on July 24<sup>th</sup> 2024 in observance of the provisions.

## **INCOME HIGHLIGHT**

Arising from the inspection of the Bank Statement for lodgment of all receipts and disbursement, Nguru Local Government collected the sum of **₦3,283,834,182.20** from Federation Account Allocation and **₦29,713,619.00** on account of collection from Internal operations of the Revenue Unit of the councils treasury. The total sum of **₦3, 313,547,801.20** was the certified total income to the council for the year ended 31 December, 2023.

Inspection to the state Local Government Joint Account confirms bellow table for the receipt and remittance of allocation to the council which also agreed with the presentation by the Local Government for 2023 financial statement.



## STATUTORY ALLOCATIONS FROM FEDERATION ACCOUNTS 2023

	STATUTORY ALLOCATION	VATE	Exchange Gain	NON OIL REVENUE	Share of Non-Solid Mineral	Forex Equalization	ECOLOGICAL FUND	SURE-P	ADDITIONAL FAAC	ELECTRONIC MONEY TRANSFER LEVY	Excess Crude Oil	TOTAL
<b>Jan</b>	156,328,139.18	80,432,868.49	7,169,660.05				4,856,627.87		-	8,791,594.06		257,578,889.65
<b>Feb.</b>	90,277,911.87	80,036,366.87		25,331,413.51			3,582,316.19		-	8,223,649.56		207,451,658.00
<b>March</b>	85,920,850.48	76,470,452.39					3,922,814.80		26,445,995.70			192,760,113.37
<b>April</b>	117,118,709.21	73,463,724.92					6,884,566.67		157,087,383.97	5,344,322.93		359,898,707.70
<b>May</b>	83,194,722.38	70,884,820.78		6,079,539.22	3,676,211.80	15,426,830.82	4,079,290.52		28,046,953.09	5,344,322.93	25,065,904.65	241,798,596.19
<b>June</b>	125,832,776.05	81,628,513.26					3,779,407.38		147,469.74	4,799,668.33		216,187,834.76
<b>July</b>	70,546,023.57	95,000,140.73	75,087,828.37				5,337,164.69		32,271,637.61	3,827,274.49		282,070,069.46
<b>Aug.</b>	91,597,842.12	96,746,066.74	67,934,264.05				5,037,617.97	174,526,843.20	8,388,493.13	4,296,717.83		448,527,845.04
<b>Sept</b>	75,187,688.23	114,935,456.95	55,031,297.15				5,493,843.39		-	5,142,707.27		255,790,992.99
<b>Oct.</b>	91,770,124.51	92,262,321.89	41,183,799.93	44,859,937.56			3,988,617.74		-	3,990,585.01		278,055,386.64
<b>Nov.</b>	70,961,649.74	112,361,924.34	44,874,689.59	15,198,848.10			3,931,055.62		-	5,674,306.78		253,002,474.17
<b>Dec.</b>	84,105,465.69	118,070,251.43	84,542,609.18						-	3,993,287.93		290,711,614.23
<b>Total</b>	<b>1,142,841,903.03</b>	<b>1,092,292,908.79</b>	<b><u>375,824,148.32</u></b>	<b><u>91,469,738.39</u></b>	<b><u>3,676,211.80</u></b>	<b><u>15,426,830.82</u></b>	<b><u>50,893,322.84</u></b>	<b><u>174,526,843.20</u></b>	<b><u>252,387,933.24</u></b>	<b><u>59,428,437.12</u></b>	<b><u>25,065,904.65</u></b>	<b><u>3,283,834,182.20</u></b>

**FINANCIAL POSITION AS AT DECEMBER 31<sup>ST</sup> 2023**

Certification was made of the balance of **₦116,143,396.61** from bank balance details bellow:

• FBN (MAIN)Account No 2006648208	68,885.05
• FBN (CAP) Account No 3125226737	18,901,809.81
• FBN (REV) Account No 2005886915	151,408.25
• Joint Account	97,021,293.50
<b>TOTAL</b>	<b><u><u>116,143,396.61</u></u></b>

This confirms the closing balance as presented in financial statement.

## **2023 FINANCIAL YEAR AUDIT REPORTS:**

*Observations arising from the Audit process of 2023 financial year operations are hereby forwarded for further necessary action*

### **ADEQUACY OF FINANCIAL RECORDS**

Inspection to the financial records observed the absence of bellow listed financial records or non updating for a transparent finance management. This applies to all the spending units and the treasury

- 1) Inventory records and assets registers
- 2) Efficient security books control ledgers
- 3) Council resolution diary

The non-maintenance of this valid record could not justify financial operation to be transparent and may result to in effective administrative control.

## **WRONG AND IRREGULAR PAYMENT WORTH ₦1,575,000.00**

The sum of ₦1,575,000.00 was drawn on six (6) Nos of payment vouchers which were observed not supported with relevant documents justifying the expenditures

Details of these below:

<b>S/ N</b>	<b>PAYEE</b>	<b>PV/N O</b>	<b>DATE</b>	<b>AMOUNT</b>	<b>PARTICULAR</b>	<b>REMARKS</b>
1	Isiyaku Dan Arewa	86	05/04/23	200,000.00	Being Logistic for 2023 Hajja on advance number 25.	i. The recipient did not signed on the payment voucher to justify the claimed contrary to FM 14:4 (1)
	Hadiza Idriss Nutrition Officer	81	05/04/23	450,000.00	Transportation of RUTF from Damaturu to Nguru on Advance number 23.	i. No reference file number on the payment voucher for the approval obtained. ii. The recipient did not acknowledged on the payment voucher to justify the claimed contrary to FM 14:4 (1)
3	Ibrahim Musa Balingo	92	05/04/23	488,000.00	Repair of Vehicle LG 001 Jeep on advance number 45.	i. The internal auditor did not signed on the payment voucher to justify the payment affected contrary to FM 14:10 ii. No reference number on the payment for the approval obtained
4	Usman Kachallah	102	06/10/23	150,000.00	Transportation Feeding and Accommodation to Attend Defence of Monthly in Audit Department	i. The internal auditor did not acknowledged on the payment voucher its contrary to FM 14:10 ii. No reference file number on the payment for the approval obtained

5.	Jibrin Ahmadu	97	09/06/23	87,000.00	Repair of Borehole in Tsohon Nguru Market Kofar Alhaji Nasallah Mosque on Advance number 49.	<ul style="list-style-type: none"> <li>i. The recipient did not signed on the payment voucher to justify the claimed contrary to FM 14:4 (1)</li> <li>ii. Internal auditor did not acknowledged on the payment voucher to justify the payment affected to contrary FM 14:10</li> <li>iii. No reference File number on the payment for the approval obtained.</li> </ul>
6.	Kyari Mai Gari	109	60/10/23	200,000.00	Transportation of Budget material from Damaturu	<ul style="list-style-type: none"> <li>iv. No details of attachment of spending.</li> </ul>

Where no further explanation could be advanced, recoveries be effected and treasury receipt copies forwarded for subsequent certification

**MISSING PAYMENT VOUCHERS WORTH ₦220,000.00**

Drawing were observed worth ₦220,000.00 on one (1) payment voucher which could not be presented for Audit inspection hence termed missing payment vouchers

Details typically below:

<b>S/N</b>	<b>NAME</b>	<b>PV/NO&amp; DATE</b>	<b>PARTICULARS</b>	<b>AMOUNT</b>
1.	-	139 of 12/09/23	Transportation of Drugs	220,000.00
<b>Total</b>				220,000.00

Where the vouchers could be produce, the sum as drawn should be seen recovered and the treasury receipt for the recovery forwarded for subsequent verification.

**UN-RETURNED DEPARTMENT AND MARKET REVENUE WORTH  
N70,000.00**

Below typically revenue booklets of departmental and market receipt were observed not returned to treasury and these receipt worth ₦70,000.00

Details as below:

<b>S/N</b>	<b>NAME</b>	<b>BOOK/NO</b>	<b>COUNTERFOIL/NO</b>	<b>AMOUNT</b>
1.	Habu Ahmadu	234	1251 – 1300	10,000.00
<b>Total</b>				<b>10,000.00</b>
<b>S/N</b>	<b>NAME</b>	<b>BOOK/NO</b>	<b>COUNTERFOIL/NO</b>	<b>AMOUNT</b>
1.	ShuaibuBala	104	0151 – 0700	10,000.00
2.	ShuaibuBala	102	1001 – 1050	10,000.00
<b>Total</b>				<b>20,000.00</b>
<b>S/N</b>	<b>NAME</b>	<b>BOOK/NO</b>	<b>COUNTERFOIL/NO</b>	<b>AMOUNT</b>
1.	Isa Lawan	204	0201 – 0250	10,000.00
2.	Isa Lawan	213	4401 – 4450	10,000.00
<b>Total</b>				<b>20,000.00</b>
<b>S/N</b>	<b>NAME</b>	<b>BOOK/NO</b>	<b>COUNTERFOIL/NO</b>	<b>AMOUNT</b>
1.	TijjaniAminu	136	5001 – 5050	5,000.00
2.	Dauda Mohammed	140	3601 – 3650	5,000.00
3.	Dauda Mohammed	143	3951 – 4000	5,000.00
4.	Dauda Mohammed	136	1751 – 1800	5,000.00
<b>Total</b>				<b>20,000.00</b>

The sum of ₦70,000.00 must be seen remitted to the treasury and treasury receipt be forwarded for confirmation and subsequent verification.

## **ADMIN DEPARTMENT**

### **WRONG AND IRREGULAR PAYMENT WORTH ₦,142,500.00**

The Sum of N142,500.00 was drawn on one (1) Nos of payment voucher which were observed not supported with relevant documents justifying the expenditure incurred

Details below:

<b>S/ N</b>	<b>PAYEE</b>	<b>PV/NO</b>	<b>DATE</b>	<b>AMOUNT</b>	<b>PARTICULAR</b>	<b>REMARKS</b>
1.	Zannah B. Sheriff	116	18/06/23	142,500.00	Repair of Toyota Corolla LG 001	i. Internal auditor stamp signed contrary to FM 14:10

Where no further convincing explanation could be advanced, recoveries be effected and treasury receipts copies forwarded for subsequent verification as summary made is not satisfactory recoveries is recommended

## WORKS DEPARTMENT

### WRONG AND ITTEGULAR PAYMENT WORTH ₦650,000.00

The sum of ₦650,000.00 were paid out on (7) numbers payment vouchers with various degree of irregularities which observed receipt bill of payment were not attached to justify the claim money will be refund by the other controlling vote as fictitious claim ranging from non-certification by internal Auditor lack of approval.

Details of the payment voucher could be seen below:

S/N	PAYEE	PV/ NO	DATE	AMOUNT	PARTICULAR	REMARKS
1.	The Manage r PHCN	19	07/08/23	100,000.00	Bill for the month of July, 2023	<p>i. Payment voucher were not supported with each bill to probe the claim money will refund. See FM Chapter 14.4</p> <p>ii. No reference file number on the payment voucher</p> <p>iii. The recipient did not signed on the payment voucher to</p>

						justify the claimed contrary to FM 14:4 (1)
2.	Idriss Mai Gari	62	06/12/23	100,000	Part Payment for the Renovation of Head Work House	No cash invoice receipt and SRV were not attached to the payment voucher to justify the claim. See FM 14:4 AND Chapter 34.
3.	Idriss Mai Gari	76	04/09/23	80,000.00	Financial Assistance to Purchase Tyre to His Personal Vehicle	<ul style="list-style-type: none"> <li>i. The recipient did not signed on the payment voucher to justify the claimed contrary to FM 14:4 (1)</li> <li>ii. No reference file number payment voucher.</li> </ul>
4.	Alh. Ado Mohammed	93	05/04/23	70,000.00	Purchase of Submersible Pump to Musa Na Sallah Borehole	<ul style="list-style-type: none"> <li>i. Officer Controlling the vote did not signed on the payment voucher to justify the payment contrary to FM.</li> <li>ii. Internal</li> </ul>

						<ul style="list-style-type: none"> <li>iii. auditor did not stamp &amp; signed on the payment voucher contrary to FM 14:10</li> <li>iv. No reference file number on the payment voucher</li> <li>No cash invoice contrary to FM 14:4 (8)</li> </ul>
5.	Yola Electricity Distribution Company	47	02/11/23	100,000.00	Being Payment of Electricity Bill for the Month of October, 2023	<ul style="list-style-type: none"> <li>i. Officer Controlling the vote did not signed on the payment voucher to justify the payment contrary to FM.</li> <li>ii. Internal auditor did not stamp &amp; signed on the payment voucher contrary to FM</li> </ul>

						<p>iii. 14:10 No reference file number on the payment voucher</p> <p>iv. No cash invoice only bill of N50,000.00 was attached to the PV there is balance of N50,000.00 contrary to FM 14:4 (8)</p>
6.	Yola Electricity Distribution Company	120	31/01/23	100,000.00	Being Payment of Electricity Bill for the Month of January, 2023	<p>i. Payment voucher were not supported with cash bill to justify money will be refund. See Chapter 14:4 (FM)</p> <p>ii. Recipient did not signed on the payment voucher contrary to FM 14:4 (1)</p>

7.	Yola Electricity Distribution Company	134	28/04/23	100,000.00	Being Payment of Electricity Bill for the Month of April, 2023	<ul style="list-style-type: none"> <li>i. No reference file number on the payment voucher</li> <li>ii. Un-receipted payment voucher cash bill were not attached to justify the claim money will be refund</li> </ul>
				<del>N</del> 495,000.00		iii.

You are required to effect the due diligence and inform the Auditor-General for re-assessment authorize appropriate surcharge to applied accordingly

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

<b>S/No</b>	<b>DESCRIPTIONS</b>	<b>ACTUAL 2023</b>	<b>FINAL BUDGET 2023</b>	<b>ACTUAL 2022</b>
	<b>RECURRENT REVENUE</b>	<b>N</b>	<b>N</b>	<b>N</b>
1	STATUTORY ALLOCATION	1,142,841,903	1,437,692,517	1,559,772,134
2	VALUE ADDED TAX	1,092,292,909	909,556,514	848,559,592
3	OTHER FAAC ALLOCATION	1,048,699,371	199,507,435	153,795,603
4	INTERNAL REVENUE IGR	29,713,619	183,000,000	25,837,930
	<b>SUB TOTAL</b>	<b>3,313,547,801</b>	<b>2,729,756,466</b>	<b>2,587,965,259</b>
	<b>CAPITAL RECIEPTS</b>			
1	GRANTS	-	-	147,718,183
2	MISCELLANEOUS	-	-	-
	<b>SUB TOTAL</b>	<b>-</b>	<b>-</b>	<b>147,718,183</b>
	<b>TOTAL RECEIPTS</b>	<b>3,313,547,801</b>	<b>2,729,756,466</b>	<b>2,735,683,442</b>
	<b>RECURRENT EXPENDITURE</b>			
1	PERSONNEL COSTS (Including Salaries on CRF charges - Public Office Holders)	481,458,722	1,620,000,000	455,480,927
2	OVERHEAD COSTS	85,000,000	120,000,000	60,000,000
3	SUBVENTIONS TO BOARD and PARASTATALS	1,621,242,954	-	1,019,535,980
4	OTHER OPERATING ACTIVITIES	555,601,733	407,293,147.00	607,006,665
	<b>TOTAL RECURRENT EXPENDITURE</b>	<b>2,743,303,408</b>	<b>2,147,293,147.00</b>	<b>2,142,023,572</b>
	CAPITAL EXPENDITURE	777,918,241	619,522,319.00	274,543,185
	<b>TOTAL EXPENDITURE</b>	<b>3,521,221,649</b>	<b>2,766,815,466.00</b>	<b>2,416,566,757</b>
1	NET CASH BALANCE	(207,673,848)	(37,059,000)	319,116,685
2	OPENING BALANCE	323,817,246	142,502,277	4,700,560
3	CLOSING BALANCE	116,143,398	-	323,817,246

**NGURU LOCAL GOVERNMENT**

<b>3</b>	<b>PERSONNEL COST</b>				
	<b>Description</b>		<b>Actual 2023</b>	<b>Budget 2023</b>	<b>Variance 2023</b>
21010101	Basic Salaries		312,948,169.12	1,053,000,000.00	740,051,830.88
21020101- 7	Allowances General		155,270,437.75	522,450,000.00	367,179,562.25
21020201	2-27 YCHMB Contribution		13,240,114.85	44,550,000.00	31,309,885.15
	<b>Total</b>		<b><u>481,458,721.72</u></b>	<b><u>1,620,000,000.00</u></b>	<b><u>1,138,541,278.28</u></b>

**NGURULOCAL GOVERNMENT**

**4 OVERHEAD COST**

	Description		Actual 2023	Budget 2023	Variance 2023
	Overhead cost		85,000,000.00	120,000,000.00	35,000,000.00
	<b>Total</b>		<b><u>85,000,000.00</u></b>	<b><u>120,000,000.00</u></b>	<b><u>35,000,000.00</u></b>

## NGURULOCAL GOVERNMENT

<b>ADMINISTRATIVE SECTOR</b>					
	<b>Description</b>		<b>Actual 2023</b>	<b>Budget 2023</b>	<b>Variance 2023</b>
23010105	Supply of Toyota Hilux 2 Nos.		95,700,000.00	21,500,000.00	(74,200,000.00)
23020180	Renovation of Central Mosque Nguru		45,200,000.00	11,300,000.00	(33,900,000.00)
23020126	Fencing of Graveyard at Bombori		19,850,000.00	15,200,000.00	(4,650,000.00)
23020131	Fencing/Renovation of Senior Staff Quarters		54,750,000.00	120,000,000.00	65,250,000.00
	<b>Total Administrative Sector</b>		<b><u>215,500,000.00</u></b>	<b><u>168,000,000.00</u></b>	<b><u>(47,500,000.00)</u></b>

**NGURULOCAL GOVERNMENT**  
**ECONOMIC SECTOR**

	<b>Economic Sector</b>					
	<b>Description</b>		<b>Actual 2023</b>	<b>Budget 2023</b>	<b>Variance 2023</b>	<b>Remarks</b>
23020124	Contruction of Market Stall at Afunori Mirwa Kabir Ward		34,475,448.00	13,789,965.00	(20,685,483.00)	
23020124	Fencing of Cattle Market at Zongon Shanu, Hausari Ward		68,074,552.00	55,500,000.00	(12,574,552.00)	
23010105	Supply of 2 Mass Transit Buses		95,700,000.00	160,000,000.00	64,300,000.00	
	<b>Total Economic Sector</b>		<b><u>198,250,000.00</u></b>	<b><u>229,289,965.00</u></b>	<b><u>31,039,965.00</u></b>	

## NGURULOCAL GOVERNMENT

	<b>SOCIAL SECTOR</b>				
	<b>Description</b>		<b>Actual 2023</b>	<b>Budget 2023</b>	<b>Variance 2023</b>
23020153	Construction of Drainage at Hausari Ward		84,150,000.00	60,000,000.00	(24,150,000.00)
23020153	Construction of Drainage at Bulabulin Ward		60,018,240.70	55,000,000.00	(5,018,240.70)
	<b>Total Social Sector</b>		<b><u>144,168,240.70</u></b>	<b><u>115,000,000.00</u></b>	<b><u>(29,168,240.70)</u></b>

**NGURU LOCAL GOVERNMENT**

<b>REGIONAL DEVELOPMENT SECTOR</b>					
	<b>Description</b>		<b>Actual 2023</b>	<b>Budget 2023</b>	<b>Variance 2023</b>
23030130	Supply of assorted Boreholes materials for touting maintenance		25,000,000.00	35,000,000.00	10,000,000.00
23020153	Construction of additional course on top of drainage behind Emir's Palace		21,500,000.00	10,000,000.00	(11,500,000.00)
23030141	Conversion of Motorized Boreholes to Solar hybrid		23,500,000.00	12,232,354.00	(11,267,646.00)
23020177	Drilling of 5 Solar hybrid Borehole system at the following Town: (a) Limanti -Tshon Nguru, (b) Nayinawa (c) Kofar Mai Anguwa Bere S/Gari (d) {Madashi (e) Rigar Lamido i		150,000,000.00	50,000,000.00	(100,000,000.00)
	<b>Total Regional Sector</b>		<b><u>220,000,000.00</u></b>	<b><u>107,232,354.00</u></b>	<b><u>(112,767,646.00)</u></b>

## **BUDGET ANALYSIS**

### **INTERNAL GENERATED REVENUE:**

The Local Government appropriated collection estimate of ₦187,000.00 to which only the sum of ₦29,713,619.00 was collected and accounted. The Internal Revenue performance felt bellow 50% which is not encouraging and is counterproductive.

The Local Government should strive to improve upon its effort in subsequent financial years.

### **INTERNAL CONTROL.**

The Internal control function seemed shifted to the Internal Audit only and the Treasury could not be observed adhering to the provisions as most drawings do not pass through the pre payment checks. The Local Government do not operate effective store records and no control over assets and Equipment. The appropriation laws were not observed as basic control records were not maintained.

## 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 **Nguru** Local Government for the year ended 31<sup>st</sup> 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 **Nguru** Local Government for the year ended 31<sup>st</sup> 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 **Nguru** Local Government for the year ended 31<sup>st</sup> December, 2023.

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

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