

AUDITOR—GENERAL'S REPORT

**FUNE LOCAL GOVERNMENT
2023 FINANCIAL YEAR REPORTS**

AUGUST, 2024

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

1. INTRODUCTION:

The Financial Statements of Fune Local Government and relevant operational 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 in 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 provisions 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 Fune 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 22nd 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, Fune Local Government collected the sum of **₦4,650,416,829.02** from Federation account and **₦29,254,715.00** on account of collection from Internal operations of the Revenue Unit of the Treasury Department. The total sum of **₦4,679,621,544.47** was the certified total income to the council for the year ended 31 December, 2023. The Federation account details certified from State Joint Account records is here by presented bellow:-

STATUTORY ALLOCATIONS FROM FEDERATION ACCOUNTS

FAAC 2023 FUNE LOCAL GOVERNMENT												
	STATUTORY ALLOCATION	VAT	Excess Crude Oil Revenue	Exchange Gain	NON OIL REVENUE	SURE-P	Share of Non-Solid Mineral	ECOLOGICAL FUND	Forex Equalization	Additional FAAC Allocation	Electronic Money Transfer Levy	GRAND TOTAL
Jan	227,003,177.36	106,703,906.14		10,411,021.45				7,052,280.97			11,529,858.25	362,700,244.17
Feb.	131,092,028.27	106,254,677.10			36,783,597.52			5,201,860.39			11,941,513.46	291,273,676.74
March	124,765,164.89	101,447,283.03						5,696,296.43		38,402,075.81		270,310,820.16
April	170,067,393.23	97,458,496.20						9,997,039.02		228,105,672.29	6,975,917.78	512,604,518.52
May	120,806,570.20	94,037,268.66	36,398,053.66		8,828,063.38		5,338,205.67	5,923,513.92	22,401,210.89	40,726,816.68	6,975,917.78	341,435,620.84
June	182,721,038.76	118,532,287.09						5,488,055.36		214,139.95	6,969,570.34	313,925,091.50
July	102,439,468.57	126,029,150.64		109,034,596.78				7,750,065.65		46,861,456.39	5,557,562.92	397,672,300.95
Aug.	133,008,691.27	128,345,332.18		98,646,947.83		253,429,409.12		7,315,095.62		12,180,881.86	6,239,238.85	639,165,596.73
Sept	112,818,594.36	151,191,570.79		79,910,625.01				7,977,577.87			6,730,946.36	358,629,314.39
Oct.	133,258,861.53	133,973,578.47		59,802,755.20	65,140,853.19			5,791,848.50			5,208,890.49	403,176,787.38
Nov.	103,042,996.90	148,787,551.83		65,162,274.52	22,070,158.51			5,708,262.90			7,425,662.53	352,196,907.19
Dec.	122,129,055.23	156,634,436.43		122,763,828.74							5,798,630.05	407,325,950.45
Total	1,663,153,040.57	1,469,395,538.56	36,398,053.66	545,732,049.53	132,822,672.60	253,429,409.12	5,338,205.67	73,901,896.63	22,401,210.89	366,491,042.98	81,353,708.81	4,650,416,829.02

FINANCIAL POSITION AS AT 31-12-2023

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

1. Cash balance		-
2. Zenith Bank	Acct No	1,493,094.79
3. Keystone Bank	Acct. No	13,920,096.97
4. Key stone Bank	Acct. No	97.99
5. Joint Project		<u>137,397,1951</u>
Total Cashbook Balance		<u>₱152,810,439.26</u>

ADEQUACY OF FINANCIAL RECORDS

Books of financial records of the Treasury department and subsidiary records of other cost centers (Departments) have been examined and bellow financial records could not be observed maintained.

- (i) Store records for the Administration of procurements
- (ii) Subsidiary store records for requisition and issuance of store items.
- (iii) Inventories and Assets registers
- (iv) Logbook of vehicles sand Tractors on revenue generation.
- (v) Council Resolution diary.

The in-adequacy of this records at the cost centers could not justify qualification of efficiency and effectiveness of public finance and sufficient administrative control.

2023 FINANCIAL YEAR AUDIT REPORTS:

PRIMARY HEALTH CARE DEPARTMENT

1) **WRONG /IRREGULAR PAYMENT WORTH ~~₦~~80,000.00**

The sum of ~~₦~~80,000.00 was drawn on two (2) payment voucher which could not be observed supported with necessary attachments as required by the provisions.

Details below:-

S/N	DATE	NAME OF PAYEE	PURPOSE OF PAYMENT	P.V NO	HEAD & S/HEAD	AMOUNT ₦	REMARK
1	4/7/23	Asabe Dauda	Transportation of RUFT from Damaturu	40	2007/12	40,000.00	Payee did not Acknowledge PV were not supported with file reference, no approval
2	2/11/23	Asabe Dauda	Transportation of RUFT from Damaturu	43	2007/12	40,000.00	Prepayment Audit and payee did not acknowledge payment. File approval were not attached to justify
			TOTAL			80,000.00	

You are required to advanced explanations with materials evidence on why recovery could not be effected within 21 days as the supporting records as provided for by the provision.

AGRIC DEPARTMENT

1) **IRREGULAR PAYMENT WORTH ₦150,000.00**

The sum of ₦150,000.00 was drawn on one (1) Nos payment voucher which could not be observed supported with the necessary attachments as required by the provision.

Details of these is below:-

S/ N	DATE	NAME OF PAYEE	PURPOSE OF PAYMENT	PV NO. DATE	HEAD & SUBHEAD	AMOUNT ₦	REMARK
1	26/6/23	Suleman Shettima	Co-ordinal 2 days exercise on National Population Commission	50	2008/11	150,000.00	Details of expenses incurred unaccounted with , PV were not sign by the recipient

Since the expenditure could not certify genuinely incurred recovery is recommended and evidence of same forwarded for subsequent verification.

L.E.A. DEPARTMENT

1) **IRREGULAR PAYMENT WORTH ₦129,500.00**

The sum of ₦129,500.00 was drawn on four (4) Nos payment vouchers which could not be observed supported with the necessary attachment as required by the provision.

Details of these is below:-

S/N	DATE	NAME OF PAYEE	PURPOSE OF PAYMENT	PV NO. DATE	HEAD & SUBHEAD	AMOUNT ₦	REMARK
1	8/5/23	Mamman Abdullahi	Purchase of Engine oil	12	3005/6	20,000.00	No receipt evidencing purchase
2	10/8/23	Sundry Persons	Payment Allowance	10	3005/2	17,500.00	Beneficiaries did not sign
3	8/11/23	Hashimu Inuwa	Purchase of Petrol	12	3005/6	56,000.00	No SRV attached
4	8/12/23	Sundry Persons	Payment of Allowance	10	3005/2	36,000.00	Beneficiaries did not sign
TOTAL						129,500.00	

You are required to advance convincing explanation as to why recovery would not be effected.

FINANCE DEPARTMENT

1 OUTSTANDING REVENUE EARNING BOOKS WORTH ₦20,000.00

Inspection conducted at Treasury store and revenue records observed that below listed receipts on which revenue were duly collected but observed not returned with the collection there from the Treasury.

Details below:-

I) DEPARTMENTAL RECEIPT

S/N	BOOK NO	COUNTERFOIL NO		DATE OF ISSUE	NAME OF COLLECTOR	AMOUNT ₦
		FROM	TO			
1	124	195	2000	28/11/23	Danjuma Ali	Undetermined
2	113	0401	0450	28/11/23	Danjuma Ali	Undetermined

II) CATTLE TAX RECEIPT (JANGALI)

S/N	BOOK NO	COUNTERFOIL NO		DATE OF ISSUE	NAME OF COLLECTOR	AMOUNT ₦
		FROM	TO			
1	120	8601	8650	26/07/2023	Ibrahim Alh Usman Tafida	Undetermined

III) MAIN MARKET (₦200)

S/N	BOOK NO	COUNTERFOIL NO		DATE OF ISSUE	NAME OF COLLECTOR	AMOUNT ₦
		FROM	TO			
1	090	7001	7050	06/04/2023	Babale Musa	10,000.00
2	128	1951	2000	28/11/2023	Danjuma Ali	10,000.00

The books be recovered from the collectors and refund to the treasury together with the collection therefrom and evidence of same forwarded for subsequent verification.

FUNE 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	1,663,153,041	2,087,664,903	2,265,536,927
2	VALUE ADDED TAX	1,469,395,539	1,206,599,588	1,120,528,755
3	OTHER FAAC ALLOCATION	1,517,868,250	424,713,580	223,352,288
4	INTERNAL REVENUE IGR	29,254,715	62,455,908	25,438,883
	SUB TOTAL	<u>4,679,671,544</u>	<u>3,781,433,979</u>	<u>3,634,856,852</u>
	CAPITAL RECIEPTS			
1	GRANTS	-	-	214,500,710
2	MISCELLANEOUS	-	-	-
	SUB TOTAL	-	-	214,500,710
	TOTAL RECEIPTS	<u>4,679,671,544</u>	<u>3,781,433,979</u>	<u>3,849,357,562</u>
	RECURRENT EXPENDITURE			
1	PERSONNEL COSTS (Including Salaries on CRF charges - Public Office Holders)	714,957,850	1,547,916,899	690,356,634
2	OVERHEAD COSTS	85,000,000	120,000,000	60,000,000
3	SUBVENTIONS TO BOARD and PARASTATALS	1,036,611,311	-	802,244,296
4	PUBLIC DEBTS CHARGES	-	-	-
5	OTHER OPERATING ACTIVITIES	835,780,536	438,884,974	804,967,301
	TOTAL RECURRENT EXPENDITURE	<u>2,672,349,696</u>	<u>2,106,801,873</u>	<u>2,357,568,231</u>
	CAPITAL EXPENDITURE	2,298,868,352	1,818,391,178	1,069,683,801
	TOTAL EXPENDITURE	<u>4,971,218,049</u>	<u>3,925,193,051</u>	<u>3,427,252,033</u>
1	NET CASH BALANCE	(291,546,504)	(143,759,072)	422,105,530
2	OPENING BALANCE	444,356,943	691,694,499	22,251,414
4	CLOSING BALANCE	152,810,439		444,356,943

FUNE LOCAL GOVERNMENT COUNCIL

PERSONNEL COST						
	Description		Actual 2023	Budget 2023	Variance 2023	Remarks
21010101	Basic Salaries		464,722,602.25	1,006,145,984.35	541,423,382.10	
21020101-7	Allowances General		230,573,906.50	499,203,200.00	268,629,293.50	
21020201	2.75 YCHMB Contribution		19,661,340.86	42,567,714.65	22,906,373.79	
	Total		<u>714,957,849.61</u>	<u>1,547,916,899.00</u>	<u>832,959,049.39</u>	

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>	

FUNE LOCAL GOVERNMENT COUNCIL

DETAILS OF CAPITAL EXPENDITURES (ACCORDING TO SECTOR)

ADMINISTRATIVE SECTOR						
	Description		Actual 2023	Budget 2023	Variance 2023	Remarks
23020102	Const of Damagum Emi. Palace		290,445,686.60	225,300,000.00	(65,145,686.60)	
23020101	Repairs of secretariat		109,219,027.16	10,100,000.00	(99,119,027.16)	
23050243	Purchase of vehicle to H.O.D.s		100,000,000.00	78,800,000.00	(21,200,000.00)	
23030131	Renovation of Staff Quarters		80,695,243.21	40,400,000.00	(40,295,243.21)	
23030139	Interlocking & Land Scarping		50,382,854.06	39,400,000.00	(10,982,854.06)	
	Total Administrative Sector		<u>630,742,811.03</u>	<u>394,000,000.00</u>	<u>- 236,742,811.03</u>	

FUNE LOCAL GOVERNMENT COUNCIL

ECONOMIC SECTOR						
	Description		Actual 2023	Budget 2023	Variance 2023	Remarks
23040102	Erosion control at Damagum		130,016,959.50	51,300,000.00	(78,716,959.50)	
23020124	Contr. Of shopping complex		178,810,175.70	180,600,000.00	1,789,824.30	
23040102	Erosion control at Kayeri		65,608,480.38	40,300,000.00	(25,308,480.38)	
23040102	Erosion control at Jajere		53,405,087.23	23,100,000.00	(30,305,087.23)	
23040102	Cont. of township road at Damagum		134,827,135.21	196,200,000.00	61,372,864.79	
	Total Economic Sector		<u>562,667,838.02</u>	<u>491,500,000.00</u>	<u>(71,167,838.02)</u>	

FUNE LOCAL GOVERNMENT COUNCIL

REGIONAL DEVELOPMENT SECTOR						
	Description		Actual 2022	Budget 2022	Variance 2022	Remarks
	Fencing of grave yard Damagum		114,662,053.09	81,625,011.50	(33,037,041.59)	
23020153	Const. and maintenance of Drainage at Damagum		229,324,106.18	161,625,011.50	(67,699,094.68)	
23050880	Sinking of Cement Well		156,033,940.37	146,280,144.75	(9,753,795.62)	
23020177	Drilling of Motorised Borehole		249,403,684.36	160,361,010.25	(89,042,674.11)	
	Total Regional Sector		<u>749,423,784.00</u>	<u>549,891,178.00</u>	<u>(199,532,606.00)</u>	

FUNE LOCAL GOVERNMENT COUNCIL

SOCIAL SECTOR						
	Description		Actual 2023	Budget 2023	Variance 2023	Remarks
23020105	Purchase of borehole materials to various wards		74,882,419.78	82,750,000.00	7,867,580.22	
23050153	Purchase of Educ. Materials		109,008,479.76	113,750,000.00	4,741,520.24	
23050283	Medical Assistance		111,260,599.69	115,750,000.00	4,489,400.31	
23050172	Renovation of Health Facility		60,882,419.78	70,750,000.00	9,867,580.22	
	Total Social Sector		<u>356,033,919.01</u>	<u>383,000,000.00</u>	<u>26,966,080.99</u>	

BUDGET ANALYSIS

INTERNALLY GENERATED REVENUE

The Local Government projected the sum of **₦62,455,908.00** for the year ended 31st December 2023, while the actual collection of **₦29,254,715.00**. The collection is highly inadequate and could be observed that unless aggressive instructions are given, the Local Government could not improve.

RECURRENT EXPENDITURE

The Council Budgetted the sum of **₦1,547,916,899.00** as personnel cost, while the actual expenditure was **₦714,957,850.00** the overhead cost, subventions to MDAs and other operating activities stood at **₦1,957,391,846.84**. The payment of salaries through the centralized system has yielded positive result.

CAPITAL EXPENDITURE

The Local Government Budgetted the sum of **₦1,818,391,178.00** as capital expenditure while the actual expenditure was **₦2,298,868,352**. This may be as a result in increase in allocation and the Government zeal to improved an infrastructure development of the current administration.

INTERNALLY CONTROL SYSTEM

Assessment of the Internal Control of the Local Government for 2023 operations still indicate that the Internal Audit function was leaking as payment vouchers for purchase were not supported with store receive vouchers. However afford have been made to improve the system.

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 Fune Local Government for The Year ended 31st December, 2023.

The Audit 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 Fune 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 Fune Local Government for the year ended 31st December, 2023.

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


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