



**ZAMFARA STATE OF NIGERIA**  
**REPORT**  
*of the*  
**AUDITOR GENERAL**  
**FOR LOCAL GOVERNMENTS**

ON IPSAS (CASH)

**GENERAL PURPOSE FINANCIAL STATEMENTS**  
*of*

**ANKA LOCAL GOVERNMENT**

*For The Year Ended*

**31<sup>ST</sup> DECEMBER 2023**



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# OFFICE OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS ZAMFARA STATE ZAMFARA STATE OF NIGERIA

☎ 204868

P.M.B. 01015, Gusau

Date: 20th January, 2023

Ref. No: LGA//VOL/204

## **1.0 INTRODUCTION**

### **1.1 MANDATE**

In my certification of the financial statements (accounts) generated by the local government, I subjected the reliability of the statements to the extent of my observations raised on the accounting records what I am presenting to the public accounts committee, here under is my observations.

In this wise, each financial statement (hereby attached) is to be read in conjunction with this observations for easy comprehension. in accordance with section 92 of the local government law 2012 of Zamfara state and section 24 of the public finance(control management) act 1958 as amended, the account submitted to the office of the Auditor General for local government by the directors of finance of the Ministry for local government who is custodian of the Ministry account, have certified correct as mandated by the law, but subjected to some observations made in the report.

### **1.2 SUBMISION OF REPORTS.**

The correct annual account of the local government for the year 2023 was submitted to this office on 13<sup>th</sup> March, 2024.

### **1.3 PREVIUOSAUDITOR'S GENERAL REPORTS;**

The previous year 2022 financial statement and audit report has been sent to the Honorable house of Assembly by this office on 30<sup>th</sup> of November, 2023 for their oversight function and resolution.



## **2.0 OTHER OBSERVATIONS**

### **2.1 ANNUAL ESTIMATES:**

The delay in distribution of approved estimate has become a tradition as almost every year it was submitted between the months of March to July of the year.

### **2.2 EXPENDITURE MANDATES:**

In the course of the period under review, there was a fiscal working relationship between the state Government and the fourteen Local Governments. The legal framework for this arrangement was largely defined by the memorandum of understanding consented to by the Chairmen. Major projects executed fall under the existing framework.

A closer scrutiny of this scheme would reveal inadequate arrangement for timely expenditure returns to the Local Governments. Local Governments treasuries took unnecessary longer time before they brought these types of expenditures to book.

### **2.3 PERSONNEL EMOLUMENT REGISTER (P.E):**

This important record was observed to be not in existence in the local government. A situation that had aggravated the current state of affairs with regard to management and control of personnel emoluments. The worrisome phenomenon of ghost workers could be traced to the neglect suffered by this control record. The financial memorandum being in operation in the local government made a remarkable provision for this but alas, it was conveniently abandoned to allow for an easy manipulation of salary.

### **2.4 UNBUDGETED REVENUE:**

During the year under review, it was observed that, the sum of **₦958,360,606.00** (Nine hundred and fifty-eight million, three hundred and sixty thousand, six hundred and six Naira) was received from Exchange gain difference, distribution of Non-oil excess account, share of forex equalization, share of electronics money transfer, solid minerals, share of ecological funds, share of FGN Treasury crude account, share of Exchange rate difference, Additional funds from FGN and share of refund FGN sure-p by the local government, but the revenue was not referred to the State house of Assembly for proper appropriation. It was expended without proper appropriation.



## **2.5 OTHER TRANSFERS RECEIPTED:**

During the year under review the sum **₦19,213,664.00** (Nineteen million, two hundred and thirteen thousand, six hundred and sixty-four Naira) only was reported by the local government as transfer from governmental agencies, Amsabam construction ventures and cash deposit from caliphate & others. Observation arising from these transfers revealed that, what the transfers are meant for, has not been stated, weather it is loan to the local government or repayment of loan.

## **2.6 ACCOUNTING RECORDS:**

During the year under review, it was observed that, the local government books of accounts were fairly maintained. The manner in which this aspect was handled by the director of finance of the local government is fairly encouraging. Some of the observation made includes the following:

- a. Non balance and reconciliation in the cash books:** It was observed that the cash books maintained for the period under review were not characterized by a mistakes and unnecessary cancellations. But the cash books were not balanced and closed at the end of every month. Additionally bank reconciliation between the cash book and bank statement has never been carried out throughout the year by this local government.
- b. Classification of revenues and expenditure in accordance with IPSAS codes:** According to what I observed, internally generated revenues of the local government and the statutory allocations were not captured in some months in the cash books. But recurrent and capital expenditure of the local government were captured in the cash books. It was observed that, there was no mixed up in the codification of revenue and expenditure, IPSAS codes are used for recording of income and expenditure in the cash book and other books of account
- c. Payment Vouchers:** For the period under review, the salary payment vouchers of this local Government were not posted departmentally in respective of their codes, posted cumulative which is automatically wrong, please endeavor to comply with the right accounting procedure and forwarded to us the records physically available for my scrutiny.
- d. Plant Register:** The local government did not keep the register of its plants and machineries. The operation of this register in any organization is central to the proper control of this type of asset. It also makes the disposal of the asset to be made in a most prudent manner. Conversely, the non-operation of the register by the local government had negated the basis of accountability.



## **2.7 CERTIFICATION OF RETIRING BENEFITS:**

It is a mandate for this office to received, process and raises an authority for payment of retirement benefits. During the period under review 8 files were approved from the local Government which consist of 8 voluntary/compulsory retirement and Nil death staff with their total benefits standing at **₦10,919,781.00** (Ten million, nine hundred and nineteen thousand, seven hundred and eighty-one Naira) only.

## **2.8 RECOVERIES MADE OUT OF PENSION AND GRATUITY:**

In the course of processing the pension files, instances of wrong computation that invariably result into over payment of pension benefits, were detected. It has been a routine to this office for these types of over payment together with those of over stay in the service, to be deducted out of the individual pensioner's benefit. Therefore, this office was able to save the sum **₦6,817,801.00** (Six million eight hundred and seventeen thousand, eight hundred and one Naira) for the pension funds.

## **2.9 INVESTMENTS:**

As at 31<sup>st</sup> December, 2023 the investment value stood at **₦89,530,540.00** (Eighty-nine million five hundred and thirty thousand five hundred and forty naira) the investment holding is as shown below: -

S/N	NAME OF THE COMPANY	VALUE 2023 (₦)	VALUE 2022 (₦)
1	Oceanic Bank	180,000	180,000
2	Kaduna Textile	100,000	100,000
3	CCNN Sokoto	100,000	100,000
4	Sokoto Mortgage		
5	SICL Communication		
6	Ashaka Cement		
7	NNPC Nig.		
8	ISB International Bank		
9	Bank of the North		
10	Zamfara Fertilizer Co.	1,500,000	1,500,000
11	T/Mafara Clay Ind. Co.	1,500,000	1,500,000
12	Intercontinental Bank	1,350,000	1,350,000
13	Bright way Solid Min. Dev. Co	84,800,547	84,800,547
14	Micro Finance Bank		
	<b>TOTAL</b>	<b>89,530,547</b>	<b>89,530,547</b>



## 2.10 LOAN REPAYMENT:

The sum of **₦257,524,982.00** (Two hundred and fifty-seven million, five hundred and twenty-four thousand, nine hundred and eighty-two Naira) was paid by the local government for the year under review to various banks as repayment of various loans taken from them and from FAAC loan deduction.

## 3.0 BUDGET IMPLEMENTATION ANALYSIS

### 3.1 STATUTORY RECEIPTS:

During the year under review, the estimated Statutory Receipt of this local government was **₦1,320,352,470.00** (One billion, three hundred and twenty million, three hundred and fifty-two thousand, four hundred and seventy Naira) **while** the actual collection stood at **₦1,149,499,831 .00** (One billion, one hundred and forty-nine million, four hundred and ninety-nine thousand, eight hundred and thirty-one Naira). The actual revenue represents 87% of the projected revenue. Also, this can be seen below:

S/N	DESCRIPTION	Actual 2022 (₦)	Estimate 2023 (₦)	Actual 2023 (₦)
1.	Statutory Allocation	1,363,092,332	1,320,352,470	1,149,499,831
	<b>Total</b>	<b>1,363,092,332</b>	<b>1,320,352,470</b>	<b>1,149,499,831</b>

### 3.2a STATUTORY RECEIPTS (DEFICIT):

In the year under review, one head of Statutory revenue revealed a deficit of **₦170,852,639.00** (One hundred and seventy million, eight hundred and fifty-two thousand, six hundred and thirty-nine naira). The table below gives full details:

S/N	DESCRIPTION	Actual 2022 (₦)	Estimate 2023 (₦)	Actual 2023 (₦)	Deficit 2023 (₦)
1.	Statutory Allocation	1,363,092,332	1,320,352,470	1,149,499,831	170,852,639
	<b>Total</b>	<b>1,363,092,332</b>	<b>1,320,352,470</b>	<b>1,149,499,831</b>	<b>170,852,639</b>

### 3.2b STATUTORY RECEIPTS (SURPLUS)

For the period under review revealed that there was no surplus of statutory receipt by the local government.



### 3.3 VALUE ADDED TAX VAT:

During the year under review, the estimated Value added tax of this local government was **₦949,994,920.00**(Nine hundred and forty-nine million, nine hundred and nine four thousand, nine hundred and twenty Naira) **while** the actual collection stood at **₦1,063,440,695 .00** (One billion sixty-three million, four hundred and forty thousand, six hundred and ninety-five Naira). The actual revenue is over and above the projected revenue by 112%. Also, this can be seen below:

S/N	DESCRIPTION	Actual 2022 (₦)	Estimate 2023 (₦)	Actual 2023 (₦)
1.	VAT	780,946,348	949,994,920	<b>1,063,440,695</b>
	<b>Total</b>	<b>780,946,348</b>	<b>949,994,920</b>	<b>1,063,440,695</b>

### 3.3a VALUE ADDED TAX (SURPLUS):

For the year under review, a surplus of **₦113,445,775.00** (One hundred and thirteen million, four hundred and forty-five thousand, seven hundred and seventy-five naira) was recorded from value added tax of this local government. The breakdown can be seen in the table below:

S/N	DESCRIPTION	Actual 2022 (₦)	Estimate 2023 (₦)	Actual 2023 (₦)	Surplus 2023 (₦)
1.	VAT	780,946,348	949,994,920	1,063,440,695	<b>113,445,775</b>
	<b>Total</b>	<b>760,946,348</b>	<b>949,994,920</b>	<b>1,063,440,695</b>	<b>113,445,775</b>

### 3.3b VALUE ADDED TAX(DEFICIT):

During the year under review, there was no record of deficit for value added tax, by the local government



### 3.4 INDEPENDENT REVENUE:

During the year under review, the estimated Independent Revenue of this local government was **₦25,520,000.00** (Twenty-five million, five hundred and twenty thousand, naira) **while** the actual collection was **₦28,932,225.00** (Twenty-eight million, nine hundred and thirty-two thousand, two hundred and twenty-five naira). This represent an over and above of 113% of the budgeted figure, the details is as per table shown below: -

S/N	DESCRIPTION	Actual 2022 (₦)	Estimate 2023(₦)	Actual 2023 (₦)
1.	Direct Taxes	-	-	-
2.	License	1,029,310	7,750,000	3,082,923
3.	Mining Rents	-	-	-
4.	Rates	3,907,126	5,950,000	7,741,498
5.	Fees	1,533,885	7,740,000	3,543,196
6.	Fines	992,798	-	2,803,657
7.	Sales	-	50,000	-
8.	Earnings	3,139,939	2,500,000	7,200,993
9.	Sales/Rent on Govt. Buildings	-	-	-
10.	Sales/Rent on Lands & Others	706,539	1,500,000	876,451
11.	Interest earned on fixed deposits	-	-	3,684,509
11.	Re-Imbursement/Miscellaneous Receipt	-	-	-
	<b>Total</b>	<b>11,309,598</b>	<b>25,520,000</b>	<b>28,932,225</b>

### 3.5 INDEPENDENT REVENUE (SURPLUS):

In the year under review, four heads of independent revenue revealed a Surplus **₦12,980,658.00** (Twelve million, nine hundred and eighty thousand, six hundred and fifty-eight naira). The table below gives full details:

S/N	DESCRIPTION	Actual 2022 (₦)	Estimate 2023 (₦)	Actual 2023 (₦)	Surplus 2023 (₦)
1.	Fines	992,798	-	2,803,658	2,803,638
2.	Rates	3,907,126	5,950,000	7,741,498	1,791,498
3	Earnings	3,139,939	2,500,000	7,200,993	4,700,993
4	Interest earned on fixed deposits	-	-	3,684,509	3,684,509
	<b>TOTAL</b>	<b>8,039,863</b>	<b>8,450,000</b>	<b>21,430,658</b>	<b>12,980,658</b>



### 3.6 INDEPENDENT REVENUE (DEFICIT):

In the year under review, independent revenue revealed a Deficit of **₦9,568,430.00** (Nine million, five hundred and sixty-eight thousand, four hundred and thirty naira). The table below gives full details:

S/N	DESCRIPTION	Actual 2022 (₦)	Estimate 2023 (₦)	Actual 2023 (₦)	Deficit 2023 (₦)
1.	Direct taxes	-	-	-	-
2.	Fees	1,533,885	7,740,000	3,543,196	4,196,804
3.	Sales	-	50,000	-	50,000
5	Licenses	1,029,310	7,780,000	3,081,923	4,698,077
6	Sales/rent on Lands	706,539	1500,000	876,451	623,549
	<b>Total</b>	<b>3,269,734</b>	<b>17,070,000</b>	<b>7,501,570</b>	<b>9,568,430</b>

### 3.7 CAPITAL RECEIPTS:

The Capital receipt of this local government which constitute Transfer from Consolidated Revenue and External Loans of the Local Government was estimated at **₦1,529,877,650.00** (One billion, five hundred and twenty-nine million, eight hundred and seventy-seven thousand, six hundred and fifty Naira) during the year under review, the actual the sum **₦2,512,856,947.00** (Two billion, five hundred and twelve million, eight hundred and fifty-six thousand, nine hundred and forty-seven Naira) was realized from Nigerians treasury bills (NTB) and internal loan. This represents an over and above of 164% of the total budgeted amount. The details are shown below:

S/N	DESCRIPTION	Actual 2022 (₦)	Estimate 2023 (₦)	Actual 2023 (₦)
1.	Transfer from CRF	238,566,144	529,877,650	1,264,554,742
2.	External Loans LGC	122,985,439	1,000,000,000	1,063,824,048
3	Internal loan	-	-	184,478,158
	<b>Total</b>	<b>361,551,583</b>	<b>1,529,877,650</b>	<b>2,512,856,947</b>

### 3.8 CAPITAL RECEIPTS (DEFICIT):

In the year under review no deficit was reported by this local government in respect capital receipts.



### 3.9 CAPITAL RECEIPTS (SURPLUS):

During the year under review, revealed a surplus of **₦982,979,297.00** (Nine hundred and eighty-two million nine hundred and seventy-nine thousand, two hundred and ninety-seven naira) only was made in respect of transfer from consolidated revenue funds, Nigerian treasury bills (NTB) and internal loan by the local government.

S/N	DESCRIPTION	Actual 2022 (₦)	Estimate 2023 (₦)	Actual 2023 (₦)	Surplus 2023 (₦)
1	Transfer from CRF	238,566,144	529,877,650	1,264,554,742	734,677,092
2	Ext. Loan/NTB	122,985,439	1,000,000,000	1,063,824,048	63,824,024
3	Internal loan	-	-	184,478,158	184,478,158
	<b>TOTAL</b>	<b>361,551,583</b>	<b>1,529,877,650</b>	<b>2,512,856,947</b>	<b>982,979,297</b>

### 3.10 CAPITAL EXPENDITURE:

According to Director of Finance's report for the year under review, the sum of **₦1,529,877,650.00** (One billion, five hundred and twenty-nine million, eight hundred and seventy-seven thousand, six hundred and fifty Naira) was budgeted, while on the actual the capital expenditure of the local government stood at **₦1,335,945,753.00** (One billion three hundred and thirty-five million, nine hundred and forty-five thousand, seven hundred and fifty-three naira). This amount represents 87% of the estimated figure. The details are shown as per table below:

S/N	DESCRIPTION	Actual 2022 (₦)	Estimate 2023 (₦)	Actual 2023 (₦)
1.	Administrative Sector	105,888,250	188,032,980	508,227,976
2.	Economic Sector	38,106,256	1,025,844,670	397,862,220
3.	Social Services Sector	151,234,017	316,000,000	429,855,557
	<b>Total</b>	<b>295,225,524</b>	<b>1,529,877,650</b>	<b>1,335,945,753</b>

### 3.11 EXCESS CAPITAL EXPENDITURE:

During the year under review a savings of **₦193,931,897.00** (One hundred and ninety-three million, nine hundred thirty-one thousand, eight hundred and ninety-seven Naira) was made in respect of capital expenditure by this local government. The table below gives the breakdown: -

S/N	DESCRIPTION	Actual 2022 (₦)	Estimate 2023 (₦)	Actual 2023 (₦)	Savings 2023 (₦)
1.	Administrative Sector	105,888,250	188,032,980	508,227,976	320,194,996
2	Economic Sector	38,106,256	1,025,844,670	397,862,220	(627,982,450)
3	Social Services Sector	151,234,012	316,000,000	429,855,557	113,855,557
	<b>Total</b>	<b>295,228,524</b>	<b>1,529,877,650</b>	<b>1,335,945,753</b>	<b>193,931,897</b>



### 3.12 CAPITAL EXPENDITURE (DEFICIT):

During the year under review no record of deficits was made in respect of capital expenditure by the local government.

### 3.13 PERSONAL COST (INCL. SALARIES ON CRF CHARGES):

The sum of **₦339,266,000.00** (Three hundred and thirty-nine million, two hundred and sixty-six thousand, Naira) was budgeted by this local government as personal cost for the year under review. While spent the actual the sum of **₦274,830,331.00** (Two hundred and seventy-four million, eight hundred and thirty thousand, three hundred and thirty-one Naira) was paid to **1,055** staff of the local government and it's ADC. This resulted to a savings of **₦64,435,669.00** (Sixty-four million, four hundred and thirty-five thousand, six hundred and sixty-nine Naira).

### 3.14 OVERHEAD CHARGES:

During the year under review the estimated overhead cost of the local government was **₦541,960,000.00** (Five hundred and forty-one million, nine hundred and sixty thousand, Naira). Whereas the actual expenditure for the year stood at **₦469,480,262.00** (Four hundred and sixty-nine million, four hundred and eighty thousand two hundred and sixty-two Naira). This resulted to a saving of **₦72,479,738.00** (Seventy-two million, four hundred and seventy-nine thousand, seven hundred and thirty-eight Naira) only.

### 3.15 CONSOLIDATED REVENUE FUND CHARGES

The budgeted figure of consolidated revenue fund charges for the year under review of this Local Government was **₦509,000,000.00** (Five hundred and nine million, Naira) while the actual expenditure for the year stood at **₦422,799,247.00** (Four hundred and twenty-two million, seven hundred and ninety-nine thousand, two hundred and forty-seven Naira). This resulted to a saving of **₦86,200,753.00** (Eighty-six million, two hundred thousand, seven hundred and fifty-three Naira).

The table below shows the full details:

S/N	DESCRIPTION	ACTUAL 2022 (₦)	ESTIMATED 2023 (₦)	ACTUAL 2023 (₦)	DEFICIT/SAVING S 2023 (₦)
1.	Primary Sch. Teachers Sal	187,604,836	219,000,000	186,604,836	32,395,164
2.	Training Funds	10,216,810	15,000,000	9,651,072	5,348,928
3.	Contribution to Emirate	50,053,233	61,500,000	49,891,593	11,608,407
4.	Contribution to Pension	82,500,000	77,539,090	78,000,000	(460,910)
5.	Common Services	24,104,455	30,000,000	23,031,395	6,968,605
6.	Agency for Mass Edu. Salary	21,314,376	21,000,000	19,218,027	1,781,973
7.	PHC Staff Salary.	63,529,808	84,960,910	56,402,324	28,558,586
	Traditional rulers salary	39,711,143		-	-
	Salary of s/admin ADCS	60,642,857		-	-
	Salary of special assistant	7,192,857		-	-
	<b>Total</b>	<b>546,870,735</b>	<b>509,000,000</b>	<b>422,799,247</b>	<b>86,200,753</b>



### **3.16 CRF CHARGES- PUBLIC DEBT CHARGE:**

During the year under review the estimated Public debt charge of the local government was **₦134,000,000.00** (One hundred and thirty-four million, nine hundred and ninety-eight thousand, nine hundred and thirty Naira) Whereas the actual expenditure for the year stood at **₦496,257,375.00** ( Four hundred and ninety-six million, two hundred and fifty-seven thousand, three hundred and seventy-five Naira) This resulted to a deficit of **₦362,257,375.00** (Three hundred and sixty-two million, two hundred and fifty-seven thousand, three hundred and seventy-five Naira)

### **4.0 GENERAL RECOMMENDATIONS**

According to the observations set out on the report the following recommendations are here by suggested.

- 1. The cash books:** Should be given a highly proper attention while recording the transactions and handling it to the competent personnel for the effective and efficient control of this important books of account, in this regard it is here by recommended that, proper training should be organized to the treasury staff of the Local Government for proper understanding of the treasury process.
- 2. Payment vouchers:** the salary payment vouchers should be properly posted departmentally in accordance with the classified IPSAS coding system by ensuring due process is followed before the payments took place.
- 3. Plant Register:** this document is not in existence over a long period of time, it is here by recommended that the register should be brought back for proper records of Local Government Assets.
- 4. Budget Implementation Analysis:** going by the analysis of budget implementation by this local Government it is hereby recommended that, the local government should put more effort in ensuring that its budget is implemented properly, especially on the aspect of revenue generation, proper machineries should be put in place to ensure that what is due to the local government is collected and duly remitted into the revenue account of the local government. On the expenditure aspect more efforts should be made in seeing that over expenditure is avoided as per as possible.

### **5.0 CONCLUSION:**

This office is bedeviled with a series of problems which include inadequate cash allocation, lack of functional vehicles and failure of the local government executives to respond to my queries.

### **6.0 ACKNOWLEDGEMENT**

I wish to express my sincere gratitude to all staff of this office who contributed immensely in order to make this report a reality. I equally acknowledge with gratitude the co-operation received from Public Accounts committee of state house of assembly for their co-operation and show of interest especially on 2022 report send to the committee by this office. I also acknowledge with gratitude the co-operation given to this office by the Chief Executive and Accounting Officers of the local government and the supervising ministry i.e., Ministry for Local Governments affairs.

AMINU MAMMAGA (CPA/ACCA/ACCrFA)  
AUDITOR GENERAL  
FOR LOCAL GOVERNMENTS

**ZAMFARA STATE OF NIGERIA**  
**REPORT**  
*of the*  
**AUDITOR GENERAL**  
**FOR LOCAL GOVERNMENTS**  
**ANKA 2023**

