



ZAMFARA STATE OF NIGERIA

REPORT

Of The

AUDITOR GENERAL

FOR THE LOCAL GOVERNMENTS

ON IPSAS (CASH)

GENERAL PURPOSE FINANCIAL STATEMENT

OF

BUKKUYUM LOCAL GOVERNMENT

FOR THE YEAR ENDED 31ST DECEMBER, 2024



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BUKKUYUM LOCAL GOVERNMENT ACCOUNT MANAGEMENT LETTER

Auditee:	Bukkuyum	Reviewed by:	Name	Rank	Date
Period end:	2024	Level 1	Saleh Ibrahim	Ass Chief Exc Auditor	27/2/2025
Prepared by:	Saleh Ibrahim	Level 2	R.B Saeed	D.Field Serv	28/2/2025
Rank:	Asst. Exc.Chief Auditor	Level 3	Aminu Mammaga	A G	01/3/2025
Date:	27/02/2025				

Audit of a department performed by the Auditor General

The Honourable Chairman,
Bukkuyum Local Government,
Bukkuyum.
Zamfara State.

2nd March, 2025

Dear Sir

The financial statements of Bukkuyum Local Government' are subject to audit by the Auditor-General for local governments in terms of the provision of section 98 of the local government law 2008 of zamafara state.

MANAGEMENT LETTER: IN RESPECT OF FINANCIAL AUDIT PERFORMED FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER,2024

INTRODUCTION

The audit of the Bukkuyum Local Government for the year ended 31st December, 2024 was completed and the purpose of this letter is to bring to your attention the findings that were revealed during the audit.

SCOPE AND DETERMINATION OF RESPONSIBILITY

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). These standards require that the audit is planned and performed so as to obtain reasonable assurance that, in all material respects, fair presentation is achieved in the annual financial statements.

An audit includes:

Examination on a test basis of evidence supporting the amounts and disclosures in the financial statements;

Assessment of the accounting principles used and significant estimates made by management; and

Evaluation of the overall financial statement presentation.



The audit will also include an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations which came to our attention and are applicable to financial matters.

The matters mentioned in this letter are therefore those that were identified through tests considered necessary for the purpose of the audit and it is possible that there might be other matters and/or weaknesses that were not identified.

The financial statements, maintenance of effective control measures and compliance with laws and regulations are the responsibility of the Accounting Officer. Our responsibility is to express our opinion on these financial statements.

The audit findings which were identified during the course of the audit, are included below:

- Non proper keeping of treasury cashbook
- Poor maintenance of Revenue/ payment voucher
- Implementing budgetary provision in expenditures
- Weak internal control mechanism
- Lack of proper safeguards to essential security documents
- Lack of proper checking of staff register and payrolls
- Etc.

MANAGEMENT COMMENTS

It would be appreciated if your comments on these findings could be submitted within “14” days after the date of this report for incorporation.

APPRECIATION

We would like to express our appreciation for the courtesy extended and assistance rendered by the staff of the local government during the audit.

Yours faithfully

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



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

Date: 20th April, 2025

Ref. No: LGA/AA/VOL.1/222

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 treasury records. What I am presenting to the public accounts committee, here under are those observations.

In this wise, each financial statement (hereby attached) is to be read in conjunction with these observations for easy comprehension.

In accordance with section 92 of the local government law 2012 of the Zamfara state and section 24 of the public finance (control and management) act 1958 as amended, the account submitted to the office of the Auditor General for local government by the Director of Finance have been certified correct as mandated by the law, but subjected to some observations made in this report.

1.2 SUBMISSION OF REPORTS:

The correct Annual Accounts of the local government for the year 2024 was submitted to this office on 23th April, 2025.

1.3 PREVIOUS AUDITOR'S GENERAL REPORTS:

The previous year 2023 financial statement and audit report was submitted to the Honorable House of Assembly on 23th April, 2024 by this office for their oversight function and further necessary action.



2.0 OTHER OBSERVATIONS

2.1 ANNUAL ESTIMATES:

The delay in distribution of the approved estimates has become a tradition, as almost every year it was submitted between the month of January to March 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 **N211,263,130.00** (Two hundred and eleven million, two hundred and sixty-three thousand, one hundred and thirty Naira) was received from share of solid minerals, and share of additional funds FGN, received 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 ACCOUNTING RECORDS:

During the year under review, it was observed that, there was fearful maintenance of the books of accounts and other accounting records by the local government. The manner in which this aspect was handled by the local government is fairly commendable. Some of the observation made includes the following:

- a. **Entries in the cash books:** It was observed that the cash books maintained for the period under review were fairly maintained and are free from mistakes and unnecessary cancellations. But it was observed that, the cash books were not balanced and closed at the end of every month as required by financial memoranda. Also, reconciliation between the cash book and bank statements was observed to be ignored by the officers responsible for its preparation.
- b. **Payment Vouchers:** For the under review, the payment vouchers were found with a lot of irregularities such as no supporting documents recipient and internal auditor signature e.t.c please try to erase such abnormalities for proper documentation
- c. **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.

2.6 CERTIFICATION OF RETIRING BENEFITS:

It is a mandate for this office to receive, process and raised an authority for payment of retirement benefits. During the period under review a total number of **11** files were approved for payment of retirement/death benefits from this local Government which consist of **4** voluntary/compulsory retirement and **7** death staff and their total benefits standing at **N19,950,292.00(Nineteen million, nine hundred and fifty thousand, two hundred and ninety-two Naira).**



2.7 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 **N167,085.00** (One hundred and sixty-seven thousand, eighty-five Naira) for the pension funds.

2.8 INVESTMENTS:

As at 31st December, 2024 the investment value stood at **N120, 201,490.00** (One hundred and twenty million, two hundred and one thousand, four hundred and ninety naira). The investment holding is as shown below: -

S/N	NAME OF THE COMPANY	VALUE 2024 (₦)	VALUE 2023 (₦)
1	Gamji Bank	301,170	301,170
2	Kaduna Textile	-	-
3	CCNN Sokoto	-	-
4	Sokoto Investment Co	-	-
5	SICL Communication	-	-
6	Ashaka Cement	-	-
7	NNPC Nig.	-	-
8	FSB International Bank	-	-
9	Bank of the North	-	-
10	Zamfara Fertilizer Co.	1,500,000	1,500,000
11	T/Mafara Clay Ind. Co.	-	-
12	Intercontinental Bank	1,350,000	1,350,000
13	Bright way Solid Min. Dev. Co	117,351,490	117,351,490
	TOTAL	120,201,490	120,201,490



3.0 BUDGET IMPLEMENTATION ANALYSIS

3.1 STATUTORY ALLOCATION:

During the year under review, the estimated Statutory Receipt of this local government was **N1,843,001,020.00** (One billion, eight hundred and forty-three million, one thousand, twenty Naira) **while** the actual collection for the year was **N618,880,717.00** (Six hundred and eighteen million, eight hundred and eighty thousand, seven hundred and seventeen Naira). The actual revenue represents **34%** of the total projected revenue. Also, this can be seen as per table below: -

S/N	DESCRIPTION	Actual 2023 (₦)	Estimate 2024 (₦)	Actual 2024 (₦)
1.	Statutory Allocation	1,313,526,006	1,843,001,020	618,880,717
2.	Total	1,313,526,006	1,843,001,020	618,880,717

3.2 STATUTORY ALLOCATION (DEFICIT):

In the year under review a deficit of **N1,224,120,303.00** (One billion two hundred and twenty-four million, one hundred and twenty thousand, three hundred and three Naira) was revealed as per Statutory Allocation. This represents **76%** shortage of the projected Statutory Allocation revenue as shown below:

S/N	DESCRIPTION	Actual 2023 (₦)	Estimate 2024 (₦)	Actual 2024 (₦)	Deficit 2024 (₦)
1.	Statutory Allocation	1,313,526,006	1,843,001,020	618,880,717	1,224,120,303
	Total	1,313,526,006	1,843,001,020	618,880,717	1,224,120,303

3.3 STATUTORY ALLOCATION (SURPLUS)

During the year under review there were no surplus made in respect to statutory receipt by the local government.

3.4 VAT ALLOCATION:

During the year under review, the estimated figure of value added tax was **₦3,833,128,030.00** (Three billion, eight hundred and thirty-three million, one hundred and twenty-eight thousand, thirty Naira). Whereas the actual collection was to the tune of **₦2,452,131,382.00** (Two billion, four hundred and fifty-two million, one hundred and thirty-one thousand, three hundred and eighty-two naira), it represent **64%** of the projected revenue

S/N	DESCRIPTION	Actual 2023 (₦)	Estimate 2024 (₦)	Actual 2024 (₦)
1.	VAT	1,230,643,886	3,833,128,030	2,452,131,382
2.	Total	1,230,643,886	3,833,128,030	2,452,131,382



3.5 VAT ALLOCATION(SURPLUS):

During the year under review, there no record of surplus made in respect to value added tax by the local government.

3.6 VAT ALLOCATION (DEFICIT):

Which revealed a Deficit of **N1,380,996,648.00** (One billion three hundred and eighty million, nine hundred and ninety-six thousand, six hundred and forty-eight Naira) it represents **36%** of the total projected revenue as can be seen in the table below: -

S/N	DESCRIPTION	Actual 2023 (₦)	Estimate 2024 (₦)	Actual 2024 (₦)	Deficit 2024 (₦)
1.	VAT	1,230,643,886	3,833,128,030	2,452,131,382	1,380,996,648
	Total	1,230,643,886	3,833,128,030	2,452,131,382	1,380,996,648

3.7 INDEPENDENT REVENUE:

During the year under review, the estimated Independent Revenue of this local government was **N456,949,080.00** (Four hundred and fifty-six million, nine hundred and forty-nine thousand, eighty Naira) **while** the actual collection for the year was **N67,944,378.00**(Sixty-seven million, nine hundred and forty-four thousand, three hundred and seventy-eight Naira) The actual revenue represents only **15%** of the projected Independent revenue. The details are as per table below:

S/N	DESCRIPTION	Actual 2023 (₦)	Estimate 2024 (₦)	Actual 2024 (₦)
1.	Direct Taxes/Rates	738,300	5,656,220	3,695,000
2.	License	6,157,420	30,650,000	1,778,500
3.	Mining Rents	-	-	-
4.	Royalties	-	-	-
5.	Fees	2,069,370	31,000,000	1,600,000
6.	Fines	6,129,100	3,000,000	1,741,500
7.	Sales	-	6,000,000	-
8.	Earnings	23,707,210	17,500,000	12,291,800
9.	Sales/Rent on Govt. Buildings	-	-	-
10.	Sales/Rent on Lands & Others	991,580	3,000,000	1,133,700
11.	Investment Income	-	3,000,000	-
12.	Interest Earned	4,210,265	-	45,703,878
13.	10% state IGR	-	357,142,860	-
	Total	44,003,245	456,949,080	67,944,378



3.8 INDEPENDENT REVENUE (SURPLUS):

In the year under review, one head of recurrent revenue revealed a surplus of **N45,703,878.00** (Forty-five million, seven hundred and three thousand, eight hundred and seventy-eight Naira) was recorded as regards to Independent Revenue and it emanate from fines, earnings, sales/rent on land and interest earned on fixed deposit.

S/N	DESCRIPTION	Actual 2023 (?)	Estimate 2024 (?)	Actual 2024 (?)	Surplus 2024 (?)
1	Fines	6,129,100	-	-	-
2	Earnings	23,707,210	-	-	-
3	Sales/Rent on land	991,580	-	-	-
4	Interest earned	4,210,265	-	45,703,878	45,703,878
	Total	35,038,155		45,703,878	45,703,878

3.9 INDEPENDENT REVENUE (DEFICIT):

In the year under review, independent revenue revealed a Deficit of **N440,523,580.00** (Four hundred and forty million, five hundred and twenty-three thousand, five hundred and eighty Naira). The table below gives full details: -

S/N	DESCRIPTION	Actual 2023 (₦)	Estimate 2024 (₦)	Actual 2024 (₦)	Deficit 2024 (₦)
1	Rates	738,300	5,656,220	3,695,000	1,961,220
2.	License	6,157,420	30,,650,000	1,778,500	28,871,500
3.	Fees	2,069,370	31,000,000	1,600,000	29,400,000
4	Fines	6,129,100	3,000,000	1,741,500	1,258,500
5	Sales	-	6,000,000	-	6,000,000
6	Earnings	-	17,500,000	12,291,800	5,208,200
7	Sales/Rent on lands and other	991,580	3,000,000	1,133,,700	1,866,300
8	10%State IGR	-	357,142,860	-	357,142,860
	Total	16,08,770	453,949,080	13,425,500	440,523,580



3.10 CAPITAL RECEIPTS:

The Capital receipt of this local government which constitute Transfer from Consolidated Revenue, Capital Foreign Grants and Capital Dev. Funds Receipts of the Local Government was estimated at **N5,581,297,530.00** (Five billion, five hundred eighty-one million, two hundred and ninety-seven thousand, five hundred and thirty Naira) during the year under review, but in the actual the sum of **N4,336,572,878.00** (Four billion, three hundred and thirty-six million ,five hundred and seventy-two thousand eight hundred and seven Naira) was realized. From CRF and Nigerian Treasury Bills, this represents almost **78%** of the total budgeted amount. The details are shown below:

S/N	DESCRIPTION	Actual 2023 (₦)	Estimate 2024 (₦)	Actual 2024 (₦)
1.	Transfer from CRF	1,558,580,269	2,867,011,820	3,739,300,557
2.	Capital foreign grants	-	714,285,710	-
3	Nig. Treasury bills	1,215,624,843	-	587,272,321
4	Capital Dev. funds receipts	-	2,000,000,000	-
	Total	2,985,007,107	5,581,297,530	4,336,572,878

3.11 CAPITAL RECEIPTS (SURPLUS):

In the year under review no surplus was reported by this local government from capital receipts.



33.12 CAPITAL RECEIPTS (DEFICIT):

During the year under review, a deficit was made in respect of capital receipt by the local government of about **N1,244,724,652.00** (One billion, two hundred and forty-four million, seven hundred and twenty-four thousand, six hundred and fifty-two naira) that originated from CRF and others estimated funds not received.

3.13 CAPITAL EXPENDITURE:

According to Director of Finance's report for the year under review, the sum of **N5,581,297,530.00** (five billion, five hundred eighty-one million, two hundred and ninety-seven thousand, five hundred and thirty Naira) was budgeted, while on the actual the capital expenditure of the local government stood at **N2,030,112,114.00** (Two billion, thirty million, one hundred and twelve thousand, one hundred and fourteen Naira). The amount represents only **36%** of the estimated figure. The details are shown as per table below: -

S/N	DESCRIPTION	Actual 2023 (₦)	Estimate 2024 (₦)	Actual 2024 (₦)
1.	Administrative Sector	636,721,587	1,202,110,240	1,315,427,243
2.	Economic Sector	455,531,151	3,708,986,110	692,687,652
3.	Social Services Sector	546,768,429	670,201,180	21,997,219
	Total	1,639,021,167	5,581,297,530	2,030,112,114

3.14 CAPITAL EXPENDITURE (EXCESS):

For the year under review, a saving **N3,551,165,416.00** (three billion five hundred and fifty-one million, one hundred and sixty-five thousand, four hundred and sixteen Naira) was recorded in respect of capital expenditure of this local government. The details as per shown below: -

S/N	DESCRIPTION	Actual 2023 (₦)	Estimate 2024 (₦)	Actual 2024 (₦)	Saving/deficits 2024 (₦)
1.	Administrative Sector	636,721,587	1,202,110,240	1,315,427,243	113,317,003
2.	Economic Sector	455,531,151	3,708,986,110	692,687,652	3,016,298,458
3.	Social Services Sector	546,768,429	670,201,180	21,997,219	648,203,961
	Total	1,639,021,167	5,581,297,530	2,030,112,114	3,551,165,416



3.15 CAPITAL EXPENDITURE (DEFICIT):

During the year under review no record of deficit was made in respect of capital expenditure by the local government for the year 2024.

3.16 PERSONAL COST (INCL. SALARIES ON CRF CHARGES):

The sum of **N571,636,600.00** (Five hundred seventy-one million, six hundred and thirty-six thousand, six hundred Naira) was budgeted by this local government as personal cost for the year. While in the actual the sum **N441,560,579.00** (Four hundred and forty-one million, five thousand, sixty five hundred and seventy-nine Naira) was paid to **928** staff of the local government and its ADC. This resulted to a savings of **N130,076,021.00** (One hundred and thirty million, seventy-six thousand, twenty-one Naira).

3.17 OVERHEAD CHARGES:

During the year under review the estimated overhead cost of the local government was **N1,426,576,380.00** (One billion four hundred and twenty-six million, five hundred and seventy-six thousand three hundred and eighty Naira). Whereas the actual expenditure for the year stood at **N932,180,858.00** (Nine hundred and thirty-two million, one hundred and eighty thousand, eight hundred and fifty-eight Naira), this resulted to a savings of **N494,395,522.00** (Four hundred and ninety-four million, three hundred and ninety-five thousand, five hundred and twenty-two Naira)



3.18 CONSOLIDATED REVENUE FUND CHARGES

The budgeted figure of consolidated revenue fund charges for the year under review of this Local Government was **N1,563,059,330.00**(One billion, five hundred and sixty-three million, fifty-nine thousand, three hundred and thirty Naira) while the actual expenditure for the year stood at **N1,066,379,917.00**(One billion, sixty-six million, three hundred and seventy-nine thousand, nine hundred and seventeen Naira). This resulted to a saving of **N496,679,413.00**(Four hundred and ninety-six million, six hundred and seventy-nine thousand four hundred and thirteen Naira). The table below shows the full details: -

S/N	DESCRIPTION	ACTUAL 2023 (₦)	ESTIMATED 2024 (₦)	ACTUAL 2024 (₦)	DEFICIT/SAVI NGS 2024 (₦)
1.	Pension Funds	78,000,000	390,000,000	341,436,607	48,563,393
2.	Emirates Councils	56,869,897	80,000,000	30,944,036	49,055,064
3.	Security Trust Fund	-	283,773,620	203,804,848	79,968,772
4.	Common Services	26,257,271	32,000,000	12,377,614	19,622,386
5.	Training Funds	11,005,463	16,000,000	6,188,807	9,811,193
6.	Pri.Sch.Teacher Salary	158,614,248	414,285,710	257,572,682	156,713,028
7.	Mass Agency	8,163,793	72,571,429	17,726,800	54,844,629
8.	State Election Commission	-	100,000,000	115,421,889	-15,421,889
	Phc Staff Salary	53,276,755	141,428,571	79,621,920	61,806,651
	Local Gov't Audit	-	1,000,000	1,285,714	-285,714
	Zamfara State University	-	32,000,000	-	32,000,000
	Total	392,187,426	1,563,059,330	1,066,379,917	496,679,413

3.19 CRF CHARGES- PUBLIC DEBT CHARGE:

During the year under review the estimated public debt charge of the local government was **N201,011,670.00**(Two hundred and one million, eleven thousand, six hundred and seventy Naira). Whereas the actual expenditure for the year stood at **N137,038,692.00** (One hundred and thirty-seven million, thirty-eight thousand, six hundred and ninety-two Naira). This resulted to a saving of **N63,972,978.00** (Sixty-three million, nine hundred seventy-two thousand, nine hundred and seventy-eight Naira).



4.0 GENERAL RECOMMENDATIONS

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

- 1. In case of the cash books,** lack of monthly balances and reconciliation which was as a result of in adequate and proper training and re-training of the treasury staff, 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. 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.
- 3. 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 ACKNOWLEDGMENT

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 2023 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 (CNA/CPA/ACCA/ACCrFA)
AUDITOR GENERAL
FOR LOCAL GOVERNMENTS

