

ZAMFARA STATE OF NIGERIA

MARU LOCAL GOVERNMENT

**Report And Financial Statements
(IPSAS - CASH)**



For The Year Ended
31st December, 2018

MARU LOCAL GOVERNMENT

ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 2018

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MARU LOCAL GOVERNMENT

ZAMFARA STATE OF NIGERIA



OFFICE ADDRESS:

Local Government Secretariat
Maru Local Government
Zamfara State

Our Ref: LG/AA/VOL.II/014 Your Ref: _____ Date: 11th June, 2019

EXECUTIVE CHAIRMAN'S REPORT

The Annual Financial Report for the fiscal year 2018 contains a report of the financial operations and the Financial Statements of the Local Government. The purpose of this Annual Financial Report is to provide, in a single document, basic financial information that gives a succinct, yet comprehensive summary of the financial position and operation of the Local Government.

The Statements were prepared in compliance with the Finance (Control and Management) Act Cap 1958 as amended and in compliance with International Public Sector Accounting Standard (**IPSAS CASH**). The financial position and performance of the Local Government are adequately highlighted in the Statements which include the Cash Flow Statement, Statement of Assets and Liabilities, Statement of Consolidated Revenue Fund and Statement of Capital Development Fund.

The information provided by the Statements are intended to meet the need of users which include Taxpayers, Members of the Legislature, Policy Analysts, the Media, Investors, Creditors and International Financial Agencies.

The Statements of the Local Government for the fiscal year 2018 were examined and certified by the Auditor General for Local Governments in accordance with the provisions of Local Government relevant laws. Based on the opinion of the Auditor General the Statements were fairly presented in all material respects. Therefore the Financial Position and Report of Maru Local Government as at 31st December, 2018 are hereby recommended for public use.

Hon. Salisu isah
Executive Chairman

All Correspondence should be addressed to the Office of the Executive Chairman

MARU LOCAL GOVERNMENT

ZAMFARA STATE OF NIGERIA



OFFICE ADDRESS:

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Maru Local Government
Zamfara State

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FINANCE DIRECTOR'S REPORT TO THE COUNCIL MEMBERS OF MARU LOCAL GOVERNMENT

We have prepared the Local Government Accounts, together with accompanying schedules as set out on page 7 - 19 for the year ended 31st December, 2018 under Historical Cost Convention and in accordance with International Public Sector Accounting Standard (IPSAS CASH).

In fulfillment of my accounting and reporting responsibilities as Director of Finance, I ensure that adequate internal control measures are installed to provide reasonable assurance that the transactions recorded are within statutory authority and truly reflect the use of all public financial resources by the Local Government.

The accounts which are prepared in accordance with the provision of the Finance (Control and Management) Act 1958 as amended reflect the true Financial Position of the Local Government and its operations for the year ended 31st December, 2018.

The efforts of all staffers of the Department and other related Departments in the Local Government are worthy of mention and



ALH. MUSA MANI
Director Finance & Supply

All Correspondence should be addressed to the Office of the Executive Chairman



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

Telephone:- 204868 Telegrams:-

P.M.B. 01015, Gusau

Date: 29th August, 2019

Ref. No: LGA/AA/VOL.II/97

AUDITOR'S GENERAL CERTIFICATION **MARU LOCAL GOVERNMENT ACCOUNTS**

We have audited the 2018 Accounts of MARU Local Government Council set out on page 7 - 19 which have been prepared under Historical Cost Convention and on the basis of Significant Accounting Policy set out on page 5.

DIRECTOR OF FINANCE AND AUDITOR GENERAL FOR **LOCAL GOVERNMENT RESPONSIBILITIES**

In accordance with section 90 of the Local Government law 2012 of Zamfara State and section 24 of the Public Finance (Control and Management) Act 1958 as amended, the Director of Finance is responsible for the preparation of the Financial Statements which he did on International Public Sector Accounting Standards (IPSAS CASH), while it is my responsibility to audit and form an independent opinion on the Financial Statements.

BASIS OF OPINION

The audit was conducted in compliance with section 98 of the Local Government law 2012 of Zamfara State of Nigeria and Chapter 39.1 of the Financial Memoranda for Local Governments. The audit was also conducted in accordance with Generally Accepted Auditing Standards for Public Sector Accounts and in compliance with the provision of International Organization of Supreme Audit Institutions **INTOSAI**.

An audit includes examination on test basis of evidence relevant to the figures disclose in the Financial Statements. The audit was planned and performed to obtained information and explanations considered adequate in order to provide sufficient evidence to give reasonable assurance that the Financial Statements are free from material mis-statement. In addition, projects and programmes were verified in line with responsibility as required by law, the financial statements have been certified, subject to comments and observation contained in my report.

OPINION

In my opinion, subject to the observation/comments contained in my report, the statements give a true and fair view of the Financial transaction of ANKA Local Government of Zamfara State for the year ended and the Financial position as at 31st December, 2018 and of its surplus of income over expenditure and cash flow statement for the year ended on that date.



Alh. Abubakar Danmaliki (CNA)

Auditor General
(Local Government)

1.0 ACCOUNT POLICIES

The following are the significant accounting policies adopted by the Local Government Council in the preparation of these accounts.

1.1 ACCOUNTING CONVENTION

These accounts have been prepared in accordance with Historical Cost Convention.

1.2 BASIS OF ACCOUNTING

Basis of accounting refers to the method employed in the recording and reporting of transactions. Therefore the basis of accounting in the Local Government Council is on International Public Sector Accounting Standards (IPSAS CASH). Under the cash basis accounting, revenue is recognized only when cash are received and expenses are recorded here they are paid in cash.

1.3 RECEIPTS

These are cash inflows within the Financial Year. They comprise of receipts from Statutory Allocations, Taxes, External Assistance, Other Aid and Grants, other borrowings, capital receipts (Sale of Government Assets etc), Receipts from Trading activities and other receipts.

1.4 PAYMENTS

These are recurrent and capital cash outflows made during the financial year and are categorized by sector in the statement of cash and payments.

Payments for purchase of items of capital nature (PPE) are expensed in the year in which the item has been purchased. It is disclosed under capital payments.

Investments in PPEs are also treated in the same way as capital purchases.

1.5 LOAN REPAYMENTS

Cash receipts from loans granted to other agencies and Government are classified under loan repayments in the Statement of Receipts and Payments. Amount disclosed are actual received during the year.

1.6 INVESTMENTS

Cash payments made for investment purposes such as purchase of Government Stock, Treasury Bills Certificates of Deposit, are capital costs and are disclosed as purchase of financial instruments or may be given an appropriate name as the case may be. They are separately disclosed in the GPFS (Statement of Receipts and Payments) under capital payments.

1.7 ADVANCES

The Government policy specifically states that all advances shall be retired before the end of the financial year. However should circumstances occur (including an Emergency) where either an advance is given out close to the financial year end or an advance already given could not be accounted for, such an advance (or balance outstanding) shall be treated as cash equivalent since there shall be no proof that such funds have been utilized.

MARU LOCAL GOVERNMENT

CASHFLOW STATEMENT FOR THE YEAR ENDED 31st DECEMBER, 2018

ANNUAL BUDGET 2018 N	NOTES	2018 N	2017 N
CashFlows from Operating Activities:			
Receipts:			
2,303,328,230	1	2,612,400,011	1,766,955,962
471,782,150		544,317,919	417,004,313
1,566,610,210		1,582,187,907	630,000,000
-	2	571,683,583	-
-	3	291,243,118	-
4,341,720,590		5,601,832,539	2,813,960,275
Sub-Total- Statutory Allocation			
-	4	-	49,589,715
39,542,740	4	62,104,925	91,628,669
-	4	-	-
-	4	-	-
25,449,710	4	76,655,114	63,956,902
-	4	-	-
8,849,720	4	-	-
23,349,720	4	58,611,600	58,193,455
9,219,130	4	20,774,825	23,343,889
-	4	-	-
-	4	-	-
-	4	-	-
-	4	4,791,186	8,087,440
-	4	59,885,205	-
106,411,020		282,822,855	294,800,070
Sub-Total-Independent Revenue			
Other Revenue Sources of the L/Govt.			
4,448,131,610		5,884,655,394	3,108,760,345
Total Receipts			

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MARU LOCAL GOVERNMENT

ANNUAL
BUDGET 2018

N

NOTE

2018
N

2017
N


Movement in Other Cash Equivalent Accounts

(Increase)/Decrease in Investments

Net (Increase)/Decrease in Other Cash Equipments

Total Cashflows from other cash equivalent Accounts

- Net Cash for the year	(6,661,613)	407,663
Cash & Its Equivalent as at 1st January	24,774,229	24,366,566
Cash & Its Equivalent as at 31st December	18,112,616	24,774,229



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MARU LOCAL GOVERNMENT

STATEMENT OF ASSETS AND LIABILITIES AS AT 31st DECEMBER, 2018

	NOTE	2018 N	2017 N
<u>ASSETS:-</u>			
<u>Liquid Assets:-</u>			
Cash Held by Director Finance & Supply			
- Other Bank of the Treasury	11	64,109	321,012
- Cash Balance of Trust & Other Funds of the LGC		717,420,262	242,857,143
- Cash Balance with Sub-Treasurer			
- Cash Held by Department & Agencies	12	18,048,508	24,453,216
TOTAL LIQUID ASSETS		735,532,879	267,631,371
<u>Investments and Other Cash Assets:</u>			
Local Government Investments	13	92,561,986	92,561,986
Imprest			
Advances	14	48,721,767	408,721,767
Revolving Loans Granted			
Intangible Assets			
TOTAL INVESTMENTS AND OTHER CASH ASSETS		141,283,753	501,283,753
TOTAL ASSETS		876,816,632	768,915,124

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MARU LOCAL GOVERNMENT

	NOTE	2018 N	2017 N
<u>LIABILITIES:-</u>			
<u>PUBLIC FUNDS</u>			
Consolidated Revenue Fund	15	18,112,616	24,774,229
Capital Development Fund			
Trust & Other Public Funds		123,235,245	476,830,536
<u>TOTAL PUBLIC FUNDS</u>		141,347,862	501,604,765
<u>EXTERNAL AND INTERNAL LOANS</u>			
External Loans: LGC		717,420,262	242,857,143
LGC Bonds & Treasury Bonds			
Nigerian Treasury Bills (NTB)			
<u>Development Loan Stock</u>			
Other Internal Loans (Promissory Notes)			
Internal Loans from Other Funds			
<u>TOTAL EXTERNAL AND INTERNAL LOANS</u>		717,420,262	242,857,143
<u>OTHER LIABILITIES</u>			
Deposits:-	16	18,048,508	24,453,216
<u>TOTAL LIABILITIES</u>		876,816,632	768,915,124



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MARU LOCAL GOVERNMENT

STATEMENT OF CAPITAL DEVELOPMENT FUND FOR THE YEAR ENDED 31st DECEMBER, 2018

ACTUAL 2017 N	NOTES	ACTUAL 2018 N	FINAL BUDGET 2018 N	INITIAL/ORIGINAL BUDGET 2018 N	SUPPLEMENTARY BUDGET 2018 N	PERF. ON TOTAL %
	Opening Balance:					
491,597,305	Transfer from Consolidated Revenue Fund: Aid and Grants	206,746,509	1,624,679,370	696,069,160	928,610,210	13
242,857,143	External Loans: LGC LGC Bonds & Treasury Bonds Nigerian Treasury Bills (NTB) Development Loan Stock Other Internal Loans (Promissory Notes) Internal Loans from Other Funds	717,420,262	1,000,000,000	1,000,000,000		72
734,454,448	TOTAL REVENUE AVAILABLE:	924,166,771	2,624,679,370	1,696,069,160	928,610,210	35
	LESS: CAPITAL EXPENDITURE:					
124,447,564	Capital Expenditure: Administrative Sector:	44,818,389	103,000,000	103,000,000		230
318,254,895	Capital Expenditure: Economic Sector:	489,686,663	1,471,110,210	612,500,000	858,610,210	300
266,977,760	Capital Expenditure: Social Service Sector: Capital Expenditure: Funded from Aids and Grants:	371,549,103	1,050,569,160	980,569,160	70,000,000	283
709,680,219	TOTAL CAPITAL EXPENDITURE Intangible Assets	906,054,155	2,624,679,370	1,696,069,160	928,610,210	290
24,774,229	CLOSING BALANCE	18,112,616				



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MARU LOCAL GOVERNMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER, 2018

NOTES	DETAILS	2018 N	2017 N	BUDGET 2018 N	VARIANCE 2018 N
1	STATUTORY ALLOCATION				
	- Statutory Allocation	2,356,655,357	1,571,519,884	2,209,282,700	147,372,657
	- Excess Crude Oil	12,841,119	195,436,078	94,045,530	(81,204,411)
	- Non-Oil Revenue	242,903,535			242,903,535
		2,612,400,011	1,766,955,962	2,303,328,230	309,071,781
2	TRANSFERS FROM OTHER GOVERNMENT AGENCIES				
	- Accountant General (MOF) FAAC Account	424,237,916			424,237,916
	- University Special Project	147,445,667			147,445,667
		571,683,583			571,683,583
3	OTHER TRANSFERS				
	- Habib Engineering Nig. Ltd	14,782,492			14,782,492
	- Namuduuka Ventures Ltd	276,460,626			276,460,626
		291,243,118			291,243,118
4	INDEPENDENT REVENUE (IGR)				
	- Direct Taxes/Rates		49,589,715		
	- Licences	62,104,925	91,628,669	39,542,740	22,562,185
	- Mining Rents				
	- Royalties				
	- Fees	76,655,114	63,956,902	25,449,710	51,205,404
	- Fines				
	- Sales			8,849,720	(8,849,720)
	- Earnings	58,611,600	58,193,455	23,349,720	35,261,880
	- Sales/Rent of Government Buildings	20,774,825	23,343,869	9,219,130	11,555,695
	- Sales/Rent on Lands and Others				
	- Repayments- General				
	- Investment income		8,087,440		
	- Interest Earned	4,791,186			4,791,186
	- Re-Imbursement	59,885,205			59,885,205
		282,822,855	294,800,070	106,411,020	176,411,835

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MARU LOCAL GOVERNMENT

NOTES	DETAILS	2017 N	BUDGET 2018 N	VARIANCE 2018 N
5	PERSONNEL COST			
	- Admin & General Services	90,299,151	97,312,410	7,013,259
	- Agric & Natural Resources	42,346,704	44,573,340	2,226,636
	- The Council	34,641,000	34,802,300	161,300
	- Finance & Supply	40,092,069	54,037,750	13,945,681
	- Primary Health Care	149,923,478	211,925,210	62,001,732
	- Social & Religious Affairs	45,379,355	53,949,020	8,569,665
	- Works & Housing	32,218,040	38,848,990	6,630,950
		434,899,797	535,449,020	100,549,223
	6	OVERHEAD COST		
- Office of the Chairman		13,678,525	14,000,000	321,475
- Office of the Vice Chairman		4,200,000	4,800,000	600,000
- Office of the Secretary		18,066,786	18,532,300	465,514
- The Council		47,214,143	47,300,000	85,857
- Personnel Management		335,851,130	336,500,000	648,870
- Financial & Supply		201,580,502	201,833,340	252,838
- Social Development		303,010,028	303,500,000	489,972
- Health Services		128,181,822	129,000,000	818,178
- Agric and Natural Resources		92,408,382	92,500,000	91,618
- Works & Housing		27,876,365	28,000,000	123,635
- Traditional Offices		43,044,357	44,000,000	955,643
- Miscellaneous				-
	1,215,112,040	1,219,965,640	4,853,600	



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MARU LOCAL GOVERNMENT

NOTES	DETAILS	2017		BUDGET		VARIANCE		
		N	N	2018	2018	2018	2018	
7	CONSOLIDATED REVENUE FUND CHARGES							
	- Primary School Teachers Salary	235,492,509	217,492,509	242,495,400	242,495,400	7,002,891		
	- Training Fund	23,566,554	14,931,156	46,104,230	46,104,230	22,537,676		
	- Contribution to Emirate Council	117,832,767	78,575,994	123,555,880	123,555,880	5,723,113		
	- Contribution to Pension Funds	86,478,571	59,142,857	72,198,230	72,198,230	(14,280,341)		
	- Common Services	47,133,107	31,430,398	88,545,540	88,545,540	41,412,433		
	- Agency for Mass Education Salary	51,366,156	51,366,156	70,330,790	70,330,790	18,964,634		
	- Contribution to State Electoral Commission (ZASIEC)			100,000,000	100,000,000	100,000,000		
		561,869,664	452,939,069	743,230,070	743,230,070	181,360,406		
8	OTHER TRANSFERS TO GOVERNMENT AGENCIES							
	- Zamfara State Accountant General FAAC Account	624,011,950				(624,011,950)		
	- Zamfara State Sub Treasury Account	539,433,652				(539,433,652)		
	- Zamfara State (MOF) Salary Account	763,317,299				(763,317,299)		
	- Zamfara State VAT Account	455,925,840				(455,925,840)		
	- University Special Projects Account	543,705,898				(543,705,898)		
		2,926,394,639	-	-	-	(2,926,394,639)		



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MARU LOCAL GOVERNMENT

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DETAILS

CAPITAL EXPENDITURE

ADMINISTRATIVE SECTOR

	2018 N	2017 N	BUDGET N	VARIANCE 2018 N
- Purchase of Fixed Assets	22,740,929		62,000,000	39,259,071
- Construction/Provision of Fixed Assets	22,052,560	124,447,564	40,000,000	17,947,440
- Rehabilitation/Repairs of Fixed Assets	24,900		1,000,000	975,100
- Preservation of Environment				-
- Supplementary Estimate				-
	44,818,389	124,447,564	103,000,000	58,181,611

ECONOMIC SECTOR

- Purchase of Fixed Assets	22,910,628		37,500,000	14,589,373
- Construction/Provision of Fixed Assets	427,985,481	318,254,895	1,268,610,210	840,624,729
- Rehabilitation/Repairs of Fixed Assets	38,790,554		155,000,000	116,209,446
- Preservation of Environment			10,000,000	10,000,000
- Supplementary Estimate				-
	489,686,663	318,254,895	1,471,110,210	981,423,547

SOCIAL SECTOR

- Purchase of Fixed Assets	953,720		96,000,000	95,046,280
- Construction/Provision of Fixed Assets	368,822,126	266,977,760	838,371,120	469,548,994
- Rehabilitation/Repairs of Fixed Assets	1,773,257		101,198,040	99,424,783
- Preservation of Environment			15,000,000	15,000,000
- Supplementary Estimate				-
	371,549,103	266,977,760	1,050,569,160	679,020,057

TOTAL CAPITAL EXPENDITURE BY SECTOR

	906,054,155	709,680,219	2,624,679,370	1,718,625,215
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MARU LOCAL GOVERNMENT

NOTES	DETAILS	2018 N	2017 N
10	<p>PROCEEDS FROM LOANS/OTHER BORROWINGS</p> <ul style="list-style-type: none"> - FGN Bonds - Salary Bail Out - ECA Concessionary Loan - State Government - Commercial Banks Loans 	<p>717,420,262</p> <p>717,420,262</p>	<p>107,142,857</p> <p>135,714,286</p> <p>242,857,143</p>
11	<p>OTHER BANKS OF THE TREASURY</p> <ul style="list-style-type: none"> - First Bank PLC - UBA PLC - Eco Bank PLC - Sterling Bank PLC 	<p>64,109</p> <p>64,109</p>	<p>321,012</p> <p>321,012</p>
12	<p>CASH HELD BY DEPARTMENT & AGENCIES</p> <ul style="list-style-type: none"> - Cash at Hand with MLGCA (JAAC 1) - Cash at Hand with MLGCA (Salary) - Cash at Hand with MLGCA (Dev. Saving) 	<p>5,657,919</p> <p>139,577</p> <p>12,251,012</p> <p>18,048,508</p>	<p>13,126,405</p> <p>5,891,855</p> <p>5,434,956</p> <p>24,453,216</p>
13	<p>LOCAL GOVERNMENT INVESTMENTS</p> <ul style="list-style-type: none"> Gamji Bank Sokoto Investment Co Ltd CCNN Sokoto Sokoto Cooperative Bank Gusau Community Bank Zamfara Investment Co. Unity Bank (BON) Zamfara Fertilizer Co. T/Mafara Bricks B. Ind. Intercontinental Bank Brightway Solid Minerals Dev. Co. Micro Finance Bank 	<p>125,000</p> <p>500,000</p> <p>200,000</p> <p>100,000</p> <p>100,000</p> <p>499,760</p> <p>91,645</p> <p>2,000,000</p> <p>1,000,000</p> <p>1,350,000</p> <p>86,595,581</p> <p>92,561,986</p>	<p>125,000</p> <p>500,000</p> <p>200,000</p> <p>100,000</p> <p>100,000</p> <p>499,760</p> <p>91,645</p> <p>2,000,000</p> <p>1,000,000</p> <p>1,350,000</p> <p>86,595,581</p> <p>92,561,986</p>



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MARU LOCAL GOVERNMENT

NOTES
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DETAILS

ADVANCES

Yusuf M T & Others	3,720,105	3,720,105
Ibrahim M .G & Others	3,500,000	3,500,000
Hajia Sadiya Muh'd & Others	4,800,000	4,800,000
Bello Audu K & Others	3,801,200	3,801,200
Alh Muhammad Kanoma	3,115,130	3,115,130
Muhammad M Nasarawa	3,200,100	3,200,100
Alh Salisu Kanoma	4,000,130	4,000,130
Aminu Garba & Others	3,800,150	3,800,150
Alh Tukur Aliyu & Others	3,550,130	3,550,130
Umar Aliyu D/Gulbi & Others	3,400,180	3,400,180
Abdulhamid & Others	3,602,101	3,602,101
Yusuf Musa & Others	8,232,541	8,232,541
Loan to Zamfara State Government		360,000,000
	48,721,767	408,721,767

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CONSOLIDATED REVENUE FUNDS

- Opening Balance	24,774,229	24,366,566
- Revenue	6,602,075,656	3,351,617,488
	6,626,849,885	3,375,984,054

- Less
- Expenditure
- Closing Balance

	6,608,737,269	3,351,209,824
	18,112,616	24,774,229

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DEPOSITS

- Cash at Hand with MLGCA (JAAC 1)
- Cash at Hand with MLGCA (Salary)
- Cash at Hand with MLGCA (Dev. Saving)

	5,657,919	13,126,405
	139,577	5,891,855
	12,251,012	5,434,956
	18,048,508	24,453,216



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