



DOMESTIC REPORT

ON THE

ACCOUNTS OF GOVERNMENT OF

YOBE STATE OF NIGERIA

FOR THE YEAR ENDED

31ST DECEMBER 2022

TABLE OF CONTENT

Forwarding letter	3
1. Ministry of Budget & Economic Planning	5
2. Office of the Accountant-General	6
3. Ministry of Transport and Energy	6
4. Ministry of Housing & Urban Development	8
5. Ministry of Justice	8
6. Ministry of Basic & Secondary Education	9
7. Ministry of Health & Human Services	10
8. Ministry of Home Affairs, Information & Culture	11
9. Yobe State University	12
10. Local Government Service Commission	13
11. Mai Alooma Idriss Polytechnic, Geidam	14
12. Drugs and Consumables Management Agency	15
13. State Universal Basic Education Board	16
14. Yobe Transport Corporation	17
15. Government-Owned Enterprises	18



YOBE STATE GOVERNMENT OF NIGERIA

OFFICE OF THE AUDITOR-GENERAL

Website: www.osag.yb.gov.ng

E-mail: oagyobestate@yahoo.com
auditybsg@gmail.com

GSM NO: +2347088824193

P.M.B. 1051.

Phase I, Secretariat
Damaturu – Yobe State

18th April 2023

Rt. Hon. Speaker,
Yobe State House of Assembly,
Bukar Abba Ibrahim Way,
Damaturu – Yobe State.

Dear Sir,

**DOMESTIC REPORT ON THE ACCOUNTS OF GOVERNMENT OF
YOBE STATE FOR THE YEAR ENDED 31ST DECEMBER 2022.**

Sequel to the provision of section 125 subsection 5 of the Constitution of the Federal Republic of Nigeria 1999 (as amended) and section 17 (3) of the Yobe State Public Sector Audit & Other Related Matters Law, 2021; and other relevant extent laws, we have completed the audit of accounts of the Government of Yobe State of Nigeria for the year ended 31st December 2022 and wish to submit our findings, observations and recommendations for your further legislative purposes.

We have conducted the evaluation of the internal control systems as established by laws of the Yobe State and other

extent laws with a view to establish the state of the financial accounting and internal control systems and in extents to which we can rely upon for meaningful results. We have also identified some area/areas that requires audit emphasis and make recommendations for better improvements in the systems where weakness was observed.

Comments/observations contained here-in this report are therefore the results of an audit exercise which has primarily been planned to enable us to express our opinion on the financial statements and its notes schedules of the accounts of Government of Yobe State as well as individual accounts of the Ministries, Departments and Agencies (MDAs). Below are the observations, comments and recommendations set-out which came to our notice during the course of audit.

Finally, we shall be willing to provide any additional information and explanations that may be required in respect of the comments/observations raised herein.

Yours faithfully,



**Mai Aliyu Umar Gulani cna,
Auditor-General**

1. MINISTRY OF BUDGET AND ECONOMIC PLANNING:

Audit issue

Section 32(1) & (2) of the Yobe State Public Finance Management Law, 2020 provide that; *“Each Accounting Officer may cause any proposed budget estimates to be examined and reported on by the internal audit unit of the entity. Likewise, it provides that any recommendations made in respect thereto shall take into account before submitting estimates to the Ministry of Budget and Economic Planning”*.

Having considered the above provision, no MDAs were ever present copy of such documents indicating internal audit reports on proposed budget estimates made available for audit purposes.

Recommendation:

Based on the provision of the law, each MDA must present copy of budget proposal accompanied with internal audit reports before consideration into budget proposals/discussions by the Budget stakeholders to ensure budget adherence processes/discipline.

2. OFFICE OF THE ACCOUNTANT-GENERAL:

Audit issue

Audit observed that non publication of Financial/Accounting Manual to be adopted by Yobe State Government contravened the provision under section 8 of the Yobe State Public Finance Management Law, 2020. This would further not facilitate adoption of international standards and emerging best practices.

Recommendation

Therefore, Audit recommends the production and publication of the State Accounting Manual without undue delay for a transparent and accountable process in the state public finance management.

3. MINISTRY OF TRANSPORT AND ENERGY:

Audit issue

- a. It was observed that procurements made in respect of solar and other materials worth N86,747,000 did not channeled vide stores accounting procedures as outlined in the financial regulations under chapter 3 rules 2301-2305 and chapter 25 rules 2501-2511, chapter 26 rules 2601-2609 and chapter 27 rules 2701-2711 respectively.
- b. Four (4) payment vouchers amounting to N87,595,000 did not substantiated with some relevant supporting particulars or evidences, contrary to the requirements of

the financial regulations rules 703, 707, 711 and 716 respectively.

Recommendation

All payment vouchers must be attached with relevant supporting particulars/evidences to justify that the payments were made in accordance financial rules and regulations or alternatively, the amount involved be recovered and furnish this office with evidence of refunds. Hence, officials responsible be recommended to public service rules for negligent of duties.

Audit issue

As earlier stated in my previous reports, the organization did not maintained up-to-date Contract and Fixed Assets Registers.

Recommendation

Furthermore, Fixed Assets register must be provided to avoid pilferages or loss of assets in an organization, while contract register is required to ease the historical convention in all contractual assessment. This would further shows that officials concern are not relieve of their responsibilities until necessary books of accounts are obtain and made available for transparency and accountability in all public entities.

4. MINISTRY OF HOUSING AND URBAN DEVELOPMENT:

Audit issue

- a. Payments made amounting to N7,500,000 to the Director Public Building for the purpose of projects monitoring were not retired at the end of service delivery and remained unaccounted.
- b. Two (2) payment vouchers amounting to N8,340,000 are devoid of some relevant supporting documents, contrary to the requirements of the financial regulations rules 703, 707, 711 and 716 respectively.

Recommendation

All monies due for public services must be retired and supported with relevant particulars/evidences to justify that payments were made in accordance with financial rules and regulations or alternatively, the amounts involved be recovered and furnish this office with evidence of refunds. Hence, officials responsible be recommended to public service rules for negligent of duties.

5. MINISTRY OF JUSTICE:

Audit issue

Some records regarding the performance in respect of vetting fees which include revenue voucher, revenue ledger, etc found it difficult to be made available for examinations.

Recommendation

Therefore, organizations are required to establish necessary records for proper reconciliation between the responsible entities (i.e. Ministries of Justice, Finance and State Internal Revenue Service), to ease for Audit verification of actual collections made for the purpose of best assurance results.

Audit issue

Fixed Assets Register as one of the important tools to measure the value of an organizational performance were not maintained.

Recommendation

However, non-maintenance of Fixed Assets register would results to subjecting the possible pilferages or loss of assets in an organization.

6. MINISTRY OF BASIC AND SECONDARY EDUCATION:

Audit issue

It was observed that two (2) payment vouchers worth N6,215,000 paid to different beneficiaries are devoid of some relevant supporting particulars/evidences which is contrary to the requirements of the financial regulations rules 703, 707, 711 and 716 respectively.

Recommendation

All payment vouchers must be attached with relevant supporting particulars/evidences to justify that payments were made in accordance with financial rules and regulations

or alternatively, the amount involved be recovered and furnish this office with evidence of refunds. Hence, officials responsible be recommended to public service rules for negligent of duties.

Audit issue

Contract and Fixed Assets Registers were not maintained at the organizational level.

Recommendation

As always emphasized in my previous reports, there is need to maintain Fixed Assets Registers (FARs) at the Ministry's level which seems to be very relevant for the purpose of accrual accounting reporting as well as prevention of loss and pilferages. However, Contract Register is also required to avoid poor documentation of contracts and would promote transparency and accountability in all government businesses.

7. MINISTRY OF HEALTH AND HUMAN SERVICES:

Audit issue

It was observed that Procurements worth over N54,000,000 are devoid of some relevant particulars and necessary supporting documents.

Recommendation

Non adherence to the stores accounting processes could amount to the fact that the materials have not been supplied at all, or supplied but not in accordance with specifications,

qualities and quantities, since materials were not taken on charge. Therefore, officials responsible are required to establish records regarding the stores accounting procedures in the interest of public service.

Audit issue

- a. Fixed Assets Register as one of the important aspects to measure the value of organizational performance were not maintained.
- b. However, Contract Register with columns indicating Contract Sum, Periods of execution, stage of work, progress payments and balance were not maintained at the organizational level.

Recommendation

There is need to maintain Fixed Assets Register (FAR) at the Ministry's level for the purpose of accrual accounting reporting as well as prevention of pilferages or loss.

Similarly, Contract Register must be established to avoid poor documentation of contract.

8. MINISTRY OF HOME AFFAIRS, INFORMATION & CULTURE:

Audit issue

During the period under review, it was observed that three (3) payment vouchers worth N5,266,250 were not duly adhered to vouching process.

Recommendation

Non adherence to vouching process could amount to the fact that, expenditure were not actually incurred on the purposes intended. Therefore, officials engage are requires to strictly adhered to the provisional laws of an expenditure as contained in the Yobe State Public Finance Management law, 2020.

9. YOBE STATE UNIVERSITY:

Audit issue

Accounts submitted by the Yobe State University indicates a closing balance of N6,761,638.00 as at 31st December, 2022 were not remitted to the State Treasury.

Recommendation

All public monies that were not expended as at 31st December, 2022 must be returned and paid to the Treasury unit in accordance with the public finance management law, 2020 of the state. Therefore, officials responsible are required to provide evidence of refunds or alternatively to provide details of reconciliations between the bank and cashbook for ease of reference.

Audit issue:

Despite initial payment of 35% of a contract for the renovation & procurement of furniture to the Dept. of English, Biological Science, Statistics & Faculty of Art Office

Complex by Shuwams Synergy Nig. Ltd., it was observed that records related to vetting fee deductions amounting to N1,602,845,71 were not made available for audit verifications.

Recommendation

Comprehensive payment voucher(s) with evidence of payments made to the relevant tax authorities must be provided for audit purposes, or alternatively the amount involved be recovered from the accounting officials responsible and refers to the Public Service rule for negligent of duties.

10. LOCAL GOVERNMENT SERVICE COMMISSION:

Audit issue

It was observed that the sum of N3,075,016 being an internally generated revenue realized during the year under review was not posted into the cashbook and remained unaccounted.

Recommendation

All monies being accrued as revenue must be paid in one consolidated revenue fund account of the State. Failure to do so would contravene the provisions under section 120 (1-4) of the Constitution of the Federal Republic of Nigeria and the Financial Regulations rules 301, 309, 310, 311, 317 & 319 respectively.

Audit issue

Fixed assets registers were not maintained, subjecting the organization's assets to possible pilferages or loss resulting from weak control.

Recommendation

There is need to maintain Fixed Assets Registers (FARs) at the Organizational level for the purpose of accrual accounting reporting as well as prevention of pilferages or loss.

11. MAI ALOOMA IDRIS POLYTECHNIC GEIDAM:

Audit issue

It was observed that Audited financial statement of the Institution indicates a closing balance amounting to the sum of N17,074,635 as at 31st December, 2022.

Recommendation

Substantial evidence indicating the remittance to state treasury must be presented and made available to justify the remittance were made.

Audit issue

It was further observed that Bank statements were up to date, but monthly reconciliation of accounts were not prepared to confirm accuracy of transactions between the Bank and Cashbook.

Recommendation

Proper reconciliation between the bank statement and cashbook must be tallied to confirm the accuracy of the transactions.

Audit issue

However, internal control mechanism which is very important aspect of an internal check structure was neglected and set aside by the Management.

Recommendation

Non-compliance to the internal control system mechanism could amount to the fact that internal check arrangement in the accounting trends of an organization remained in doom and is contrary to the requirement of rules 510-511, & 519 of the financial regulations.

12. DRUGS & MEDICAL CONSUMABLES MGT. AGENCY

Audit issue

Accounting officer of the above mentioned organization fails to accounts and submitted his 2022 Audited Financial Statements for my review and reports thereon. However, no official communication/reasons in written was received compelling for such delay.

Recommendation

The Audit view this unprofessional practice as a serious negligent attitude on part of the officials concerned, and

seems to be a violation under section 181 of the Public Finance Management Law, 2020.

13. STATE UNIVERSAL BASIC EDUCATION BOARD:

Audit issue

Twenty (20) payment vouchers worth to N28,197,000 for various transactions from Subvention account are devoid of some relevant supporting documents, contrary to the requirements of the financial regulations rules 703, 707, 711 and 716 respectively.

Recommendation

All payment vouchers must be attached with relevant supporting particulars/evidences to justify that payments were made in accordance with financial rules and regulations or alternatively, the amounts involved be recovered and furnish this office with evidence of refunds. Hence, officials responsible be recommended to public service rules for negligent of duties.

Audit issue

It was further observed that the sum of N2,500,156.19 being an opening balance as at 1st January, 2022 was not remitted to the Treasury Unit of the State as required by the law.

Recommendation

Therefore, officials responsible were asked to provide necessary records regarding the amounts in question.

Audit issue

However, details of necessary records for stores and stores accounting procedures which include fixed assets and contract registers were not made available for audit purposes.

Recommendation

As always emphasized in my previous reports, there is need to maintain Fixed Assets Registers (FARs) at the organizational level which seems to be very relevant for the purpose of accrual accounting reporting as well as prevention of pilferages or loss. However, Contract Register is also required to avoid poor documentation of contracts and would promote transparency and accountability in all government businesses.

14. YOBE TRANSPORT CORPORATION:

Audit issue

Section 15 of the Public Sector Audit Law, 2021 provides that each Accounting Officer of the public entity must submit his draft Annual Accounts and Financial Statements within a period of three months after the 31st of December in each year (i.e not later than 31st March of each year).

But contrary to the above provision, officials responsible are yet to submit their accounts for further audit purposes, which contravened the provision of the law.

Recommendation

Non-compliance to the above provision, commit an offence under section 51 (a-i) of the Yobe State Public Sector Audit Law, 2021.

15. GOVERNMENT-OWNED ENTERPRISES:

Audit issue

It was observed that records of Annual Accounts and Audited financial statements indicating the financial position of the Government-Owned Enterprises were not made available in my office. These comprises of:-

- a) Yobe Investment Company Limited
- b) Yobe Micro Finance Bank, Damaturu
- c) Yobe Polythene & Woven Sacks Company, Damaturu
- d) Yobe Flour & Feed Mills Potiskum
- e) Yobe Sahel Aluminum Company Potiskum

Recommendation

Non-availability of their audited financial statements and accounts contravened the provision under Section 10 (b)(i) of the Yobe State Public Sector Audit Law, 2021; and section 90 (1) of the Yobe State Public Finance Management Law, 2020.

Therefore, commit an offence under section 51 (a-i) of the Yobe State Public Sector Audit Law, 2021.