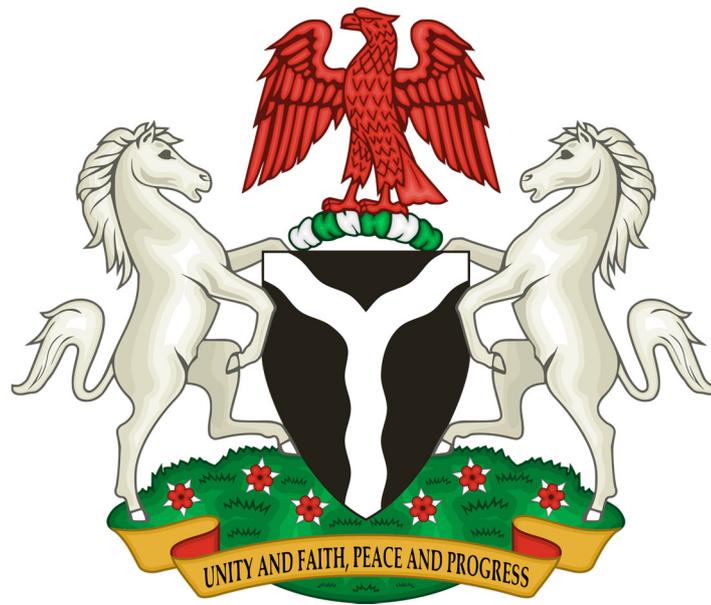


JIGAWA STATE GOVERNMENT OF NIGERIA



AUDITED ACCOUNTS FOR YEAR ENDED 31ST DECEMBER 2016

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1.0 INTRODUCTION

The Accounts of the Government of Jigawa State of Nigeria for the year ended 31st December, 2016 have been duly audited under my direction in accordance with the provision section 125 (2) of the constitution of the Federal Republic of Nigeria of 1999 (as amended).

I have therefore certified the individual accounts as being correct subject to the various observations raised and contained in this report, whereas the irregularities discovered had duly conveyed in various letters to the affected Accounting Officers for their comments and necessary action.

1.1 REPORT OF THE ACCOUNTANT GENERAL

The report of the Accountant General of Jigawa State Government together with the Financial Statements for the year ended 31st December 2016 provide the record of the financial activities of the Jigawa State Government for the year and the position of its financing as at the end of the year. This Report reviews the financial efforts and outcomes of the State Government in its attempts to match the objectives of financial management with the goals of governance. This publication is expected to serve the following purposes: to Provide

- a.** A proper documentary evidence of transparency in the government financial administration;
- b.** A permanent record of published accounts as an instrument of accountability;
- c.** A useful, concise and easy to digest information for the use of external users and;
- d.** A means of acquainting the public with the State Government financial operations and the challenges faced in discharging its financial responsibilities.

1.2 PREPARATION AND AUDIT OF STATE GOVERNMENT ACCOUNTS

Section 125 of the 1999 Constitution and Section 24 of the Public Finance and Management Act 1958 as amended enjoins the State Accountant General to prepare, signed and present to the State Auditor General, Statements or abstracts containing the public accounts of Jigawa State Government, showing fully the financial position on the last day of each financial year. These accounts are to be audited and certified by the State Auditor General in compliance with Section 125(5) of the 1999 Constitution of the Federal Republic of Nigeria.

1.3 PUBLICATION OF THE ANNUAL ACCOUNTS OF THE STATE GOVERNMENT AND REPORT OF THE ACCOUNTANT GENERAL

In line with transparency and accountability posture of the present Administration in Jigawa State, and in conformity with the new financial reporting guidelines approved by the Federation Accounts Allocation Committee (FAAC), the Annual Accounts and Financial Statements of the Jigawa State Government are contained on pages 15 to 20 of this Report and consist of the following financial statements prepared in the format recently adopted by the Federal Accounts Allocation Committee (FAAC) under the framework of the standardized accounts reporting format of the Federal, States and Local Governments in Nigeria:

- a. Cash Flow Statements;**
- b. Statement of Assets and Liabilities;**
- c. Statement of Consolidated Revenue Fund**
- d. Statement of Capital Development Fund; and**
- e. Notes to the Financial Statements.**
- f. Schedules of Revenue and Expenditure**

This Report together with the Financial Statements and Notes to the Accounts are available on request from my office. Extracts of the annual accounts and reports would also be published in reputable national newspapers and magazines to make the financial information available to the general public.

1.4 CONSOLIDATED REVENUE FUND

All the revenues received by the State Government except those specifically provided to be treated otherwise have been credited to the Consolidated Revenue Fund. During the year total revenue received and credited to the Consolidated Revenue Fund was N55.454 Billion. The total recurrent expenditure charged to the Fund in line with the 1999 Constitution was N51.978 Billion. With an opening balance of N12.792 billion, the operation of the Fund resulted in a deficit of N572.938 Billion, giving a closing balance of N12.219 billion as at 31st December, 2016.

	2016		2015	
	N	N	N	N
Opening balance		12,792,161,924		16,652,366,212
Recurrent Revenue	51,978,491.037		55,453,707,874	
Recurrent Expenditure	(52,551,429,169)	(572,938,132)	(59,313,812.162)	(3,860,104,288)
Net Surplus (Deficit)		<u>12,219,323,792</u>		<u>12,792,161,924</u>
Closing balance				

1.5 CAPITAL DEVELOPMENT FUND

The finance (Control and Management) Act 1958 as amended provides that all funds received for capital projects should be credited to the capital development fund. During the year total capital receipts was N12.985 billion and total capital expenditure charged to the fund was N13.002 billion. The Operations of the fund during the fiscal year, with an opening balance of N20.421 million resulted to a

deficit of N17.477 million, which represents the closing balance of N2.944 million as at 31st December 2016

	2016		2015	
	N	N	N	N
Opening balance		20,420,839		61,761,332
Capital Receipt	12,984,851,892		12,341,829,639	
Capital Expenditure	<u>(13,002,328,638)</u>	<u>(17,476,746)</u>	<u>(12,383,170,132)</u>	<u>(41,340,493)</u>
Net Capital Surplus/(Deficit)		<u>2,944,093</u>		<u>20,420,839</u>
Closing balance				

1.6 CASH FLOWS AND LIQUIDITY POSITION

Exceptionally strong oil prices during 2015 and throughout 2016 improved statutory allocation received by the State Government from the Federation Accounts. Total revenue received in the year was N62.741 Billion and total expenditure was N63.097 Billion. With an opening balance of N12.313 billion, the liquidity position as at 31st December 2016, was N12.457 Billion, with a deficit of N355.882 million

	2016		2015	
	N	N	N	N
Opening balance		12,812,682,763		16,714,127,544
Total Receipts	62,740,875,900		64,798,537,513	
Total Payments	<u>(63,096,756,807)</u>	<u>(355,881,907)</u>	<u>(69,199,982,294)</u>	<u>(4,401,444,781)</u>
Net Cash Surplus (Deficit)		<u>12,456,800,856</u>		<u>12,312,682,763</u>
Closing cash/Bank balance	12,453,856,763		12,792,161,924	
	<u>2,944,093</u>		<u>20,420,839</u>	
<u>Represented by:</u>				
Consolidated Revenue Fund		<u>12,456,800,856</u>		<u>12,312,682,763</u>
Capital Development Fund				
Total Public Funds				

1.7 INTERNALLY GENERATED REVENUE (IGR)

During the year under review, the total sum of N24.3 billion was generated internally as IGR, of which the sum N2.4 billion being 10% of the total sum is payable to the Local Government councils as the mandatory IGR, while the balance of N21.8 billion was ploughed back into capital project.

2.0 GENERAL OBSERVATIONS

2.1 10% LOCAL GOVERNMENT DUES

The financial statements disclosed that a total sum of N24.3 billion was the Internally Generated Revenue by the State Government. However, the statutory 10% share of N2.4 billion would appear to be due to the Local Governments whereas only the sum of N2.2 billion was remitted thereby leaving the sum of N.2 billion not remitted. The Accountant General is hereby requested to visit this

issue with a view to reconciling this account and ensuring compliance to the provisions of the law.

2.2 STATUTORY ALLOCATION

The estimated Statutory allocation from the Federation Account for the year under review was N40,000,000,000 whereas the actual receipt by the State stood at N41,006,508,936 with a surplus of N1,006,508,936 or 20%. Out of the actual disbursement to the State, a sum of N1,874,692,650 was deducted at source for the servicing Public debts thereby leaving a net balance of N502,321,305 as contained in the accounts.

2.3 VALUE ADDED TAX

The sum of N9,300,000,000 or 6.11% of the total revenue profile of the State was the income projection from VAT for the year of which N9,344,829,639 was confirmed to be duly receipted into the Account of the State thus a surplus of N44,829,539. or 11.8%.

2.4 INTERNALLY GENERATED REVENUE

A total of N5,500,000,000 or 5.3% of the total revenue accruable to the State was budgeted for the year under review. From the Accounts submitted, however, only N5,820,681,910 was realised with a resultant surplus of N320,681,910 or 2.83%% of expected IGR.

2.5 INTERNAL CONTROL SYSTEM

It was observed that in spite of my previous report on payment vouchers not being subjected to Internal Audit check, the trend still continued during the year review. The non-compliance is evidence by payment vouchers being raised and paid but not endorsed by the internal Audit Unit. In order to ensure and display

transparency, the Offices of the affected Accounting Officers are advised to comply and ensure that payment vouchers raised are channelled through the office of the Internal Auditor for certification before such payments are effected.

2.6 PAYMENTS MADE WITHOUT SUPPORTING DOCUMENTS

As reflected in most paragraphs of this report, Officers have continued with the habit of incurring expenditure from public funds without substantiating the payment so effected with relevant supporting documents. This action has made it difficult to certify such payments as genuine and whether they were made in the interest of the public. However, this act contravenes the provisions of the financial instruction. The Accounting Officers are therefore admonished to comply strictly with laid down financial instructions.

2.7 OUTSTANDING PAYMENT VOUCHERS

This office still observed several cases of payment vouchers not made available for vouching and scrutiny for the period under review. Since Officers are self-accounting, it is expected that no payment voucher should remain outstanding. Offices where these lapses were observed are contained in the respective reports already forwarded to the Accounting Officers.

2.8 UNDERSTATED REVENUE

In the course of verifying the amounts presented as actual revenue collected and recorded in the financial statement of Accounts, it was observed that some of the collections made were under stated. The details involving the sum of N80,596,973 on various Heads and Sub-Heads are contained in the schedule marked "I" attached to this report. The Accountant General is requested to look

into this matter with a view to ensuring that the differences are duly accounted for and to subsequently effect adjustment in the next accounting year.

3.0 STATEMENT OF ACCOUNTING POLICIES

3.1 Accounting Basis:

The Financial Statements have been prepared under cash basis on Historical Cost Convention.

3.2 Investments

Shares held are stated at cost, while bonus shares are shown but not considered in value in the Accounts.

3.3 Capital Cost

These are recognized in the year of their occurrences only.

3.4 Assets and Liabilities

These are stated at their net values

3.5 Advances

All advance granted for either recurrent or capital items are retired and charged to the relevant accounts in the year. All advances not retired have been charged to the Consolidated Revenue Fund and Recoveries initiated.

These Financial Statements have been prepared by the Accountant General in accordance with the provisions of the Finance (Control and Management) Act 1958 as amended. The Financial Statements comply with generally accepted accounting practice. To fulfil accounting and reporting responsibilities the Accountant General is responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance that the transactions

recorded are within statutory authority and properly record the use of all public financial resources by the government.

Efforts were made to ensure that these financial statements reflect the financial position of Government as at 31st December 2016 and its operations for the year ended on the date.

The efforts of all officers of the Main Accounts Production Department, the Accounting Officers in the Treasury Headquarters, Ministries and Parastatals are worthy of mention and recognition in the preparation of this report. We also appreciate the support of the Permanent Secretary Ministry of Finance and the Honourable Commissioner of Finance.

Office of the Accountant-General,
Ministry of Finance,
Jigawa State.

Haruna Mohammed Amin,
Accountant- General,
Jigawa State.

AUDIT CERTIFICATE

In accordance with Section 125 (2) of the Constitution of the Federal Republic of Nigeria 1999, I have examined the Accounts and the Financial Statement of Jigawa State Government of Nigeria for the year ended 31st December 2016. Proper returns have been rendered by Ministries, Departments and their related Parastatals in conformity with the Public Finance (Control and Management) Law of 1958. I have obtained all the information and explanations required for my audit. The audit was carried out in accordance with auditing requirements as specified in the Audit Law of 1959 (Chapter 14/5(2) of the Federal Republic of Nigeria.

Furthermore, projects and programmes were verified in line with the concept of performance audit. In the discharge of my duty and responsibility as required by Section 125(2) of the same Constitution, the Financial Statements have been certified subject to the comments contained in this report. In my opinion, the Statement of Assets and Liabilities and the related accounts and statements give a true and fair view of the state of affairs of Jigawa State Government as at 31st December 2016 subject to the observations in my report.

Office of the Auditor-General,
State Audit Headquarters,
Jigawa State.

Hussaini Muhammad Hadeja
Auditor-General,
Jigawa State.

FINANCIAL STATEMENTS

Statement No. 1	Responsibility for Financial statement
Statement No. 2	Statement of Opinion of Auditor General
Statement No. 3	Cash Flow Statement
Statement No. 4	Statement of Assets and Liabilities
Statement No. 5	Statement of Consolidated Revenue Fund
Statement No. 6	Statement of Capital Development Fund
Statement No. 7	Notes to the Financial Statements

STATEMENT NO. 1
RESPONSIBILITY FOR FINANCIAL STATEMENTS

These Financial Statements have been prepared by the Accountant General of Jigawa state in accordance with the provisions of the finance (Control and Management) Act 1958 as amended. The Financial Statements comply with generally accepted accounting practice.

The Accountant General is responsible for the establishment and maintaining a system of internal controls designed to provide reasonable assurance that the transactions recorded are within statutory authority and proper record of the use of all public financial resources by the Government.

To the best of my knowledge, this system of internal controls has operated adequately throughout the reporting period.

I accept responsibility for the integrity of these financial statements, the information they contain and their compliance with the financial position of the Government as at 31st December, 2016 and its operation for the year ended on that date.

Haruna Mohammed Amin,
Accountant- General,
Jigawa State.

Date