

CERTIFICATE

OF THE

AUDITOR-GENERAL FOR LOCAL GOVERNMENTS, OYO STATE ON THE ACCOUNTS OF EGBEDA LOCAL GOVERNMENT, EGBEDA FOR THE YEAR ENDED 31ST DECEMBER, 2021

In compliance with the provision of Part VII, Section 66 (Subsections 2, 3 and 5) of Oyo State Local Government Law 2001, Section 5 (Subsection 4) of the State Joint Local Government Account (Distribution) Law 2002 and the provisions of Model Financial Memoranda, the Book of Accounts and General Purpose Financial Statements of Egbeda Local Government, Egbeda for the year ended 31st December, 2020 have been audited.

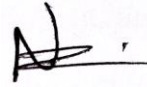
2. The General Purpose Financial Statements consisting of (a) Responsibility Statement (b) Cash Flow Statement (c) Statement of Financial Position (d) Statement of Consolidated Revenue Fund (e) Statement of Capital Development Fund and (f) Notes to the Accounts were prepared in line with IPSAS Cash by the management of the Local Government.

3. The audit inspection was planned and performed in accordance with the Generally Accepted Auditing Standards. As a result of the Audit, I have obtained sufficient evidence to State that:

- (a) The revenues from Federation Account were understated due to deductions by the State Joint Local Governments Account Allocation Committee in compliance with the underlisted laws
 - (i) Oyo State Compulsory and Free Universal Basic Education Law, 2005
 - (ii) Primary Health Care Board Law, 2016
 - (iii) Oyo State Local Government Law, 2001
 - (iv) State Joint Local Government (Distribution) Law, 2002
- (b) The expenditures of Local Government were understated due to expenditures incurred centrally by the State Joint Local Government Account Allocation Committee majorly on Universal Basic Education, Primary Health Care and Sundries.

(c) Some projects and programmes were verified in line with the prevailing administrative guidelines

4. In my opinion, without prejudice to the comments in paragraph 3 above, the SAR and observations contained in the Domestic Report, the year 2021 General Purpose Financial Statements showed the true and fair view of the financial transactions of the Local Government.



Olusola Olanrewaju Akinola
Auditor-General for Local Governments,
Oyo State

REPORT

OF THE

AUDITOR-GENERAL FOR LOCAL GOVERNMENTS, OYO STATE ON THE ACCOUNTS OF EGBEDA LOCAL GOVERNMENT, EGBEDA FOR THE YEAR ENDED 31ST DECEMBER, 2021

The attached General Purpose Financial Statements of Egbeda Local Government, Egbeda have been examined in accordance with the Oyo State Local Government Law 2001, Part VII Section 66 Sub-sections (2) (3) & (5), State Joint Local Government (Distribution) Law 2002, Oyo State Audit Law 2021, Sections 27, 34 & 35 and the provisions of Model Financial Memoranda for Local Governments.

2. The General Purpose Financial Statements were prepared by the management of Egbeda Local Government, Egbeda and the management is therefore responsible for the contents and the information therein.

3. I have obtained all the information and explanations that I required and in my opinion, the Financial Statements are correct subject to the observations in this Report.

4. COMPLIANCE AUDIT

(A) **Violation of Appropriation Law:** All expenditures shown in the Statement of Actual Expenditure for the year have been authorized as provided by the Law except as follows:

Audit Query No. LQ/EGB/MA/01/2021: Excess Expenditures Disclosed by the Statement

Economic Code	Final Approved Provision (₦)	Actual Expenditure (₦)	Excess Disclosed (₦)
2202301	150,000.00	980,000.00	830,000.00
22021007	1,000,000.00	4,532,000.00	3,532,000.00
22021029	1,000,000.00	2,986,000.00	1,986,000.00
22021001	300,000.00	350,000.00	50,000.00
22021002	Nil	400,000.00	400,000.00
22020203	150,000.00	150,500.00	500.00
22020306	1,000,000.00	1,092,000.00	92,000.00
22021001	7,000,000.00	8,521,000.00	1,521,000.00

22021007	Nil	310,000.00	310,000.00
22040111	Nil	1,500,000.00	1,500,000.00
22021006	Nil	30,000.00	30,000.00
22020102	500,000.00	592,000.00	92,000.00
22021001	4,000,000.00	7,301,000.00	3,301,000.00
22021003	4,500,000.00	6,275,400.00	1,775,400.00
22021029	Nil	1,565,000.00	1,565,000.00
22021030	Nil	420,000.00	420,000.00
22050105	24,500,000.00	26,600,375.00	2,100,375.00
22021001	250,000.00	284,000.00	34,000.00
22020306	Nil	10,000.00	10,000.00
22020404	Nil	13,000.00	13,000.00
22021033	Nil	5,000.00	5,000.00
23040105	1,000,000.00	2,500,000.00	1,500,000.00
	45,350,000.00	66,417,275.00	21,067,275.00

(B) Violation of Provisions of Model Financial Memoranda: The underlisted registers were not maintained.

- (a) Asset Register
- (b) Investment Register
- (c) Register of Cheque Books
- (d) Register of Audit Correspondence

(iv) Unvouched Payment: The Bank Reconciliation Statement/Cash Order Forms as at 31st December, 2021 showed that the underlisted payments were made without raising Payment Vouchers.

Audit Query No. LQ/EGBE/MA/01/2021: Unvouched Payments

a. S/N	Date Cheque Issue	Cheque No.	Bank	Amount (₦)	Date Presented
1	18/11/2021	509	Polaris	77,800.00	18/11/2021
2	25/11/2021	522	Polaris	55,000.00	25/11/2021
3	22/10/2021	487	Polaris	100,000.00	22/10/2021
4	22/10/2021	490	Polaris	25,000.00	22/10/2021
5	06/10/2021	478	Polaris	50,000.00	06/10/2021
6	22/10/2021	488	Polaris	50,000.00	22/10/2021
7	22/10/2021	489	Polaris	50,000.00	22/10/2021
8	29/10/2021	497	Polaris	12,000.00	29/10/2021
9	29/10/2021	501	Polaris	37,000.00	29/10/2021
10	10/09/2021	458	Polaris	20,000.00	10/09/2021
11	27/08/2021	446	Polaris	30,000.00	27/08/2021
12	03/11/2021	446	Polaris	10,000.00	03/11/2021
13	31/05/2021	411	Polaris	200,000.00	31/05/2021
14	25/06/2021	424	Polaris	50,000.00	25/06/2021
				766,800.00	

5. FINANCIAL AUDIT

The General Purpose Financial Statements consisting (a) Responsibility Statement (b) Cash Flow Statement (c) Statement of Financial Position (d) Statement of Consolidated Revenue Fund (e) Statement of Capital Development Fund and (f) Notes to the Accounts were prepared under IPSAS Cash.

a. **Notes to the Accounts and Basis of the Accounts:** The Notes to the Accounts would appear badly prepared while the basis of accounts was not stated.

6. COMPLETENESS

a. Revenue:

(i) The revenues from Federation Account Allocation Committee (FAAC) would appear understated by deductions effected by the State Joint Local Government Account Allocation Committee (SJLGAAC) in compliance with the provisions of the State Joint Local Government (Distribution) Law, 2002, Oyo State Compulsory, and Free Universal Basic Education Law, 2005, Primary Health Care Board Law, 2016 and Oyo State Local Government Law, 2001.

(ii) There would appear to be non- payment of Ten Percent State Internal Generated Revenue to the Local Government by the State Government.

(iii) There would appear to be non-payment of Local Government share of amount realized by the State Government on Land Use Charge as contained in Oyo State Land Use Charge Law 2011.

(iv) There would appear to be absence of Revenue Laws (Bye-Laws) thus making collection of revenue difficult and unenforceable.

b. Expenditure:

(i) The expenditures incurred centrally by the State Joint Local Government Account Allocation Committee on Universal Basic Education, Primary Health Care and others would appear unaccounted for in the General Purpose Financial Statement of the Local Government.

7. **DISALLOWANCE:** Allowance of conducts and expenditures highlighted in paragraphs 4, 5 and 6 of this report have been reserved pending

satisfactory explanations and answers to the queries or sanction of the Public Accounts Committee of the House of Assembly/the State Executive Council.

8. **STATE OF ACCOUNTS:** The Accounts of the Local Government have been examined up to 31st December, 2021 and below is the summary of my recommendations to the Chairman and the management.

- (a) Notes to the Account was badly prepared
- (b) Passage of Revenue Laws (Bye-Laws)
- (c) Timely adoption of international Public Sector Accounting Standards (IPSAS) Accrual
- (d) Recovery of Stagnant Advances
- (e) Maintenance of Minimum cash Holding
- (f) Prompt Remittance of Deductions (Unremitted Deductions)
- (g) Adequate Internal Control System
- (h) Effective maintenance of Capital Projects
- (i) Timely submission of General Purpose Financial Statement
- (j) Adherence to Appropriation Laws
- (k) Maintenance of Registers i.e. Asset Register etc.



Olusola Olanrewaju Akinola
Auditor-General for Local Governments,
Oyo State

The Chairman,
Egbeda Local Government,
Egbeda, Ibadan.

Office of The Auditor General
for Local Governments,
Ibadan.

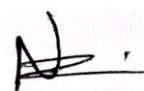
Please furnish an early reply to the query. You should type your reply on the original copy of the query and return it to the above address. No covering letter is necessary and the duplicate copy should be retained for your office records. Please note the copy to this Query should be self-contained, that is reference should not be made to the copy on another Query.

2021 ACCOUNTS

Subject: EXCESS EXPENDITURE DISCLOSED BY THE STATEMENT

Authorizing Officer: DDF&S

Economic Code	Final Approved Provision (₦)	Actual Expenditure (₦)	Excess Disclosed (₦)
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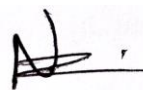
2021 ACCOUNTS**Subject: Expenditure not supported by proper Records or Accounts**

Authorizing Officer: DDF&S

PV. No. & Date	Classification	Purpose	Amount (₦)
12 Jan, 2021	023400/100100100	Branding & Reprinting of Motorcycles	442,650.00

The above represents payment made to Akika Prints Nig. Enterprises for Branding & Reprinting of motorcycles.

2. It was observed that the payment voucher was not supported by proper records or account such as printed official receipts contrary to the provision of Model Financial Memoranda Chapter 14 paragraph 17.
3. Please explain or recover the sum of Four Hundred and Forty Two Thousand, Six Hundred and Fifty Naira (N442,600.00) from Akika Prints Nig. Enterprise quoting the relevant treasury receipts particulars.
4. The payment voucher is hereby attached.



Olusola Olanrewaju Akinola
Auditor-General for Local Governments,
Oyo State

The Chairman,
Egbeda Local Government,
Egbeda, Ibadan.

Office of The Auditor General
for Local Governments,
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2021 ACCOUNTS

Subject: Expenditure not supported by proper Records or Accounts

Authorizing Officer: DAGS

PV. No. & Date	Classification	Purpose	Amount (₦)
01/Sept, 2021	012500100100	Legal Advice & Retainership	300,000.00

The above represents payment made to Lawyer Lanre Ogundare No. 118 Adekunle Fajuyi Road, Adamasingba, Ibadan.

2. It was observed that the payment voucher was not supported by proper records or account such as printed official receipts contrary to the provision of Model Financial Memoranda Chapter 14 paragraph 17.
3. Please explain or recover the sum of Three Hundred Thousand Naira (N300,000.00) from Legal retainer quoting the relevant treasury receipts particulars.
4. The payment voucher is hereby attached.



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Auditor-General for Local Governments,
Oyo State