

CERTIFICATE

OF THE

AUDITOR-GENERAL FOR LOCAL GOVERNMENTS, OYO STATE ON THE ACCOUNTS OF OGO-OLUWA LOCAL GOVERNMENT, AJAAWA 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 Ogo-Oluwa Local Government, Ajaawa 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 OGO-OLUWA LOCAL GOVERNMENT, AJAAWA FOR THE YEAR ENDED 31ST DECEMBER, 2021

The attached General Purpose Financial Statements of Ogo-Oluwa Local Government, Ajaawa 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 Ogo-Oluwa Local Government, Ajaawa 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 Provisions of Model Financial Memoranda

(i) Non-Maintenance of Register: The underlisted registers were not maintained or presented for audit:

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

(ii) 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/OGW/MA/04/2021: Unvouched Payments

a. S/N	Date Cheque Issue	Cheque No.	Bank	Amount (₦)	Date Presented
1.	1/12/2021	0873370	First Bank	100,000.00	1/12/2021
2.	1/12/2021	08734099	First Bank	27,000.00	1/12/2021
3.	3/12/2021	08734101	First Bank	245,000.00	3/12/2021
4.	3/12/2021	08734100	First Bank	18,000.00	3/12/2021
5.	5/12/2021	08734102	First Bank	140,000.00	5/12/2021
6.	5/12/2021	08733788	First Bank	250,000.00	5/12/2021
7.	8/12/2021	08733790	First Bank	15,000.00	8/12/2021
8.	23/12/2021	08733791	First Bank	250,000.00	23/12/2021
9.	31/12/2021	08733809	First Bank	34,000.00	31/12/2021
10	31/12/2021	08733818	First Bank	1,200,000.00	31/12/2021
Total				2,279,000.00	

(ii) Payment Not Supported by Proper Records/Accounts: The underlisted payments were not supported with evidence of payment e.g. official printed receipts.

S/N	Query No.	Amount (₦)	Reasons	Details
1	LA/AJW/MA/01/2021	374,550.00	Official printed receipts were not attached	Expenditure not supported by proper record or Accounts
2	LA/AJW/MA/01/2021	4,057,625.00	Official printed receipts were not attached	Expenditure not supported by proper record or Accounts
3	LA/OGW/MA/03/2021	16,537,877.97	Official printed receipts were not attached	Expenditure not supported by proper record or Accounts

5. 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 sundries would appear unaccounted for in the General Purpose Financial Statement of the Local Government.

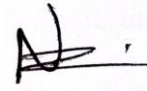
6. **LOSS:** No loss or deficiency was reported or discovered during year under review except as stated in paragraphs 4 and 5.

7. **DISALLOWANCE:** Allowance of conducts and expenditures highlighted in paragraphs 4 and 5 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) There is need to embrace minimum cash holding
- (b) All unvouched payments are to be defrayed
- (c) Uncredited lodgements to be investigated and reported upon
- (d) Efforts must be geared towards improved revenue generation
- (e) List of beneficiaries of project and funds should always be made available for scrutiny
- (f) All capital expenditures must be evidenced base and proven
- (g) Consideration must be given to tarring of roads instead of continuous grading

- (h) There must be prompt remittance of deductions to appropriate agencies and Local Governments
- (i) Passage of Revenue Laws (Bye-Laws) by the Legislative Council



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

The Chairman,
Ogo-Oluwa Local Government,
Ajaawa.

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: UNVOUCHED PAYMENT

Authorizing Officer: Mr. Ojekanmi John A. – HLGA
Alh. Hammed Lateef G. – DF&S

b. S/N	Date Cheque Issue	Cheque No.	Bank	Amount (₦)	Date Presented
1.	1/12/2021	0873370	First Bank	100,000.00	1/12/2021
2.	1/12/2021	08734099	First Bank	27,000.00	1/12/2021
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Total				2,279,000.00	

The above represents payment made to sundry persons for which no payment vouchers were raised contrary to the provision of Model Financial Memoranda Chapter 14 paragraph 3.

2. Please, explain or recover the sum of Two Million, Two Hundred and Seventy Nine Thousand Naira (N2,279,000.00) representing unvouched payments and informs this office of the Treasury Receipt particulars of recovery.



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