

CERTIFICATE

OF THE

AUDITOR-GENERAL FOR LOCAL GOVERNMENTS, OYO STATE ON THE ACCOUNTS OF OLORUNSOGO LOCAL GOVERNMENT, IGBETI 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 Olorunsogo Local Government, Igbeti for the year ended 31st December, 2020 have been audited.

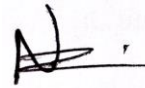
2. The General Purpose Financial Statements consisting of (a) Responsibility Statement (b) Cash Flow Statement (c) Statement of Financial Position (d) Statement of Consolidated Revenue Fund (e) Statement of Capital Development Fund and (f) Notes to the Accounts were prepared in line with IPSAS Cash by 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 OLORUNSOGO LOCAL GOVERNMENT, IGBETI FOR THE YEAR ENDED 31ST DECEMBER, 2021

The attached General Purpose Financial Statements of Olorunsogo Local Government, Igbeti 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 Olorunsogo Local Government, Igbeti 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/OLG/MA/06/2021: Excess Expenditure Disclosed by the Statement

Economic Code	Final Approved Provision (₦)	Actual Expenditure (₦)	Excess Disclosed (₦)
22020601	1,000,000.00	70,000,000.00	69,000,000.00
22020407	200,000.00	251,612.90	51,612.90
22020604	250,000.00	544,354.84	294,354.84

22021001	250,000.00	2,620,000.00	2,370,000.00
22020709	5,000,000.00	8,800,291.78	3,800,291.78
22020603	120,000.00	146,000.00	26,000.00
230501097	2,000,000.00	2,440,850.98	440,850.98
23030102	1,500,000.00	2,092,000.00	592,000,000.00
23050110	73,000,000.00	98,737,950.00	25,737,950.00
230501110	3,000,000.00	3,203,040.00	203,040.00
Total	86,320,000.00	188,836,100.50	102,516,100.50

(B) Violation of Provisions of Model Financial Memoranda

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

Audit Query No. LQ/OLG/MA/05/2021: Unvouched Payments

a. S/N	Date	Cheque No.	Bank	Amount (₦)
	Cheque Issue			
1	Nov 2021	10002984/10002985	Wema	275,000.00
2	Nov 2021	10002986/10002987	Wema	600,000.00
3	Dec 2021	10003032	Wema	300,000.00
4	Dec 2021	10003036	Wema	827,500.00
5	10003032	10003037	Wema	630,000.00

(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 (₦)	Details	Reasons
1	LQ/AUD/OLG/MA/01/2021	3,203,040.10	Alaba Moses Ibadan in respect of Eye screening in Local Government	Non-deduction of value added tax and withholding tax
2	LQ/AUD/OLG/MA/02/2021	41,000,000.00	Peculiar ultimate concerns limited for the supply of two (2) lorry van for the use of Local Government	Expenditure not supported by proper records or accounts.

3	LQ/AUD/OLG/MA/03/2021	320,000.00	Mr. Amao Olusola (Estab) Officer in respect of Sensitization programme with traditional rulers land owners and youth on peace and security in the Local Government	Expenditure not supported by proper records or accounts.
4	LQ/AUD/OLG/MA/04/2021	150,000.00	MrAmaoOlusola (Estab Officer) in respect of sensitization on the use of social media negatively and inflammatory words among the people of the Local Government	Expenditure not supported by proper records or accounts.

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) **Responsibility Statement:** The responsibility statement was not signed and dated by Local Government Chairman

(b) **Notes to the Accounts and Basis of the Accounts:** There would appear to be no obvious effort to transit to IPSAS Accrual from IPSAS Cash.

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 (10%) 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 Statements of the Local Government.

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

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 of the Local Government.

- (a) Effective supervision of the revenue collectors
- (b) Maintenance of minimum cash holding
- (c) Maintenance of Accounting Records
- (d) Adequate internal control system
- (e) Recovery of Advances
- (f) Improvement of independent revenue Generation
- (g) Proper maintenance of capital projects executed
- (h) Rehabilitation of dilapidated shops and stalls owned by the Local Government

- (i) Adherence to Appropriation Law
- (j) Passage of Revenue Laws (Bye-Laws) by the Legislative Council



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

The Chairman,
Olorunsogo Local Government,
Igbeti.

Office of the Auditor-General for
Local Governments, Ibadan,
Oyo State.

Please furnish an early reply to the query below. 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

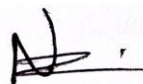
Subject: Excess Disclosed by the Statement

Authorizing Officer: Engr. S.A. Adepoju (HLGA)
A.A. Bogunbe (DF)
Mr. T.T. Mudasir (DAGS)

EXCESS EXPENDITURE

Please, quote authority under Part VII, Section 66, Sub Sections 2, 3 & 5 of the Oyo State Local Government Law 2001 for the following excess expenditure appearing in the General Purpose Financial Statements

Economic Code	Final Approved Provision (₦)	Actual Expenditure (₦)	Excess Disclosed (₦)
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