

# **CERTIFICATE**

## **OF THE**

### **AUDITOR-GENERAL FOR LOCAL GOVERNMENTS, OYO STATE ON THE ACCOUNTS OF ATIBA LOCAL GOVERNMENT, OFFA META, OYO 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 Atiba Local Government, Offa Meta 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 Financial Performance and (e) 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 ATIBA LOCAL GOVERNMENT, OFFA META, OYO FOR THE YEAR ENDED 31ST DECEMBER, 2021**

The attached General Purpose Financial Statements of Atiba Local Government, Offa Meta, Oyo 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, Oyo State Joint Local Government Distribution Law 2002, Oyo State Audit Law 2021 Section 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 Atiba Local Government, Offa Meta, Oyo 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/ATB/MA/05/2021: Excess Expenditures Disclosed by the Statement

<b>Economic Code</b>	<b>Final Approved Provision (₦)</b>	<b>Actual Expenditure (₦)</b>	<b>Excess Disclosed (₦)</b>
23050110	35,000,000.00	37,189,059.50	2,189,059.50
22020601	16,000,000.00	16,074,758.06	74,758.06

22021007	500,000.00	1,235,000.00	735,000.00
22021027	NIL	100,000.00	100,000.00
22020709	500,000.00	850,000.00	350,000.00
22020601	<u>23,000,000</u>	<u>24,120,000.00</u>	<u>1,120,000.00</u>
	<b><u>₦75,000,000.00</u></b>	<b><u>₦79,568,817.56</u></b>	<b><u>₦4,568,817.56</u></b>

**(B) Violation of Provisions of Model Financial Memoranda**

(i) 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/ATB/MA/01/2021	1,980,000.00	Production of Oyo State Lagos Lapel Pin	Expenditure not supported by proper records or accounts
2	LQ/ATB/MA/02/2021	4,504,519.90	Purchase of fifteen (15) Nos Laptops	Expenditure not supported by proper records or accounts
3	LQ/ATB/MA/03/2021	596,964.60	Purchase of 10 Generating set	Expenditure not supported by proper records or accounts
4	LQ/SOR/LCDA/01/2021	150,000.00	Practical training photo voltaic PV removable energy development for three candidate	Expenditure not supported by proper records or accounts
5	LQ/ATB/MA/05/2021	4,568,817.51	Violation of appropriation Law	Excess expenditure disclosed by statement

**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 Financial Performance and (e) Notes to the Accounts were prepared under IPSAS Cash.

a. **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.

### 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.

(ii) Some payments would appear not presented for approval of Finance & General Purpose Committee (F&GPC).

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

8. **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.

9. **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.

- (i) Timely preparation of Bank Reconciliation Statement
- (ii) Improvement on Independence Revenue Generation
- (iii) Proper maintenance of capital project executed
- (iv) Consideration of tarring option as against grading of road.
- (v) Local Government should embark on Agric project to enhance revenue generation.
- (vi) Improvement on road network within the Local Government
- (vii) Timely remittance of Deposit to benefactors.
- (viii) Sensitization of the populace on the road to safeguard and maintain capital project
- (ix) Maintenance of store



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

The Chairman,  
Atiba Local Government,  
Offa-Metta.

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: Mrs. N. Oseni – DF&S  
Alh. A. A. Ayoola. – 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 Annual Financial Statements.

<b>Economic Code</b>	<b>Final Approved Provision (₦)</b>	<b>Actual Expenditure (₦)</b>	<b>Excess Disclosed (₦)</b>
23050110	35,000,000.00	37,189,059.50	2,189,059.50
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22020601	<u>23,000,000</u>	<u>24,120,000.00</u>	<u>1,120,000.00</u>
	<b><u>75,000,000.00</u></b>	<b><u>79,568,817.56</u></b>	<b><u>4,568,817.56</u></b>



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