

CERTIFICATE

OF THE

AUDITOR-GENERAL FOR LOCAL GOVERNMENTS, OYO STATE ON THE ACCOUNTS OF ATISBO LOCAL GOVERNMENT, TEDE 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 Atisbo Local Government, Tede 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 ATISBO LOCAL GOVERNMENT, TEDE FOR THE YEAR ENDED 31ST DECEMBER, 2021

The attached General Purpose Financial Statements of Atisbo Local Government, Tede 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 Atisbo Local Government, Tede 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/ATS/MA/05/2021: Excess Expenditures Disclosed by the Statement

Economic Code	Final Approved Provision (₦)	Actual Expenditure (₦)	Excess Disclosed (₦)
011100100100-22020601	25,000,000.00	82,988,300.00	57,988,300.00
022000100100-22020709	Nil	Nil	Nil
0220100100100-22020701	3,000,000.00	10,782,319.07	7,782,319.07
055100300100-23030110	<u>30,000,000.00</u>	<u>62,287,950.00</u>	<u>32,287,950.00</u>
	<u>58,000,000.00</u>	<u>156,058,569.07</u>	<u>98,058,569.07</u>

(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 i.e. official printed receipts.

SN	Query No.	Amount (₦)	Details	Reasons
1	LQ/AUD/ATS/01/21	564,532.00	Purchase of laptop and Generator	None deduction of VAT and WHT
2	LQ/AUD/ATS/02/21	4,504,517.50	Purchase of laptops	Expenditure not supported by proper Records
3	LQ/AUD/ATS/03/21	2,500,000.00	Payment made to legal retainer	Expenditure not supported by proper Records
4	LQ/AUD/ATS/04/21	5,000,000.00	Payment made to Ladoke Akintola University	Expenditure not supported by proper Records
5	LQ/AUD/ATS/05/21	596,964.60	Purchase of Generator	Expenditure not supported by proper Records
6	LQ/AUD/ATBS/LCDA/01/21	2,510,000.00	Empowerment programme	Expenditure not supported by proper Records
7	LQ/AUD/ATBS/LCDA/02/21	400,000.00	Cultural programme	Expenditure not supported by proper Records

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 (e) Statement of Capital Development Fund and (f) Notes to the Accounts were prepared under IPSAS Cash.

b. **Statement of Financial Position:** The Statement of Financial Position as at 31st December, 2021 contained the following errors:

Items	Amount Shown in the Statement (₦)	Correct Amount (₦)
<u>Revenue</u>		
Stabilization	Nil	24,919,836.96

c. **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 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:** 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.

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.

- (a) Preparation of Bank Reconciliation Statement
- (b) Adherence to Appropriation Law
- (c) Passage of Revenue Laws (Bye Laws) by the Legislative Council
- (d) Improvement of Internal Control System



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