

# **CERTIFICATE**

## **OF THE**

### **AUDITOR-GENERAL FOR LOCAL GOVERNMENTS, OYO STATE ON THE ACCOUNTS OF IBADAN NORTH LOCAL GOVERNMENT, BODIJA 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 Ibadan North Local Government, Bodija 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 IBADAN NORTH LOCAL GOVERNMENT, BODIJA FOR THE YEAR ENDED 31ST DECEMBER, 2021**

The attached General Purpose Financial Statements of Ibadan North Local Government, Agodi 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 Ibadan North Local Government, Bodija and the management is therefore responsible for the contents and the information contained 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/IBN/MA/01/2021: Excess Expenditures Disclosed by the Statement

<b>Economic Code</b>	<b>Final Approved Provision (₦)</b>	<b>Actual Expenditure (₦)</b>	<b>Excess Disclosed (₦)</b>
21010101	12,345,542.64	16,450,232.86	4,106,690.22
21010101	6,061,810.48	6,256,197.82	194,387.34
22020401	165,987.50	2,616,987.50	2,451,000.00
23020104	3,000,000.00	13,000,000.00	10,000,000.00

23020103	Nil	428,750.00	428,750.00
23030122	Nil	57,350.00	57,350.00
23010144	Nil	80,000.00	80,000.00
22021022	Nil	1,000,000.00	1,000,000.00
<b>Total</b>			<b>18,318,177.56</b>

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

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

Audit Query No: LQ/IBN/MA/03/2021: Non-Maintenance of Registers. Violation of Memoranda Chapter 23 paragraph 30.

- (a) Personnel Emolument Register
- (b) Pensioner Register
- (c) Register of Audit Correspondence

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

Audit Query No. LQ/IBN/MA/02/2021: Unvouched Payments:

S/N	Date	Cheque No.	Bank	Amount	Date Presented
1	14/05/2021	236	UBA	50,000.00	14/05/2021
2	06/09/2021	Transfer	UBA	150,000.00	06/09/2021
3	06/09/2021	Transfer	UBA	350,000.00	06/09/2021
4	11/10/2021	829	UBA	11,333.00	11/10/2021
5	18/10/2021	Transfer	UBA	300,000.00	18/10/2021
6	18/10/2021	Transfer	UBA	300,000.00	18/10/2021
7	18/10/2021	Transfer	UBA	10,000.00	18/10/2021
8	25/11/2021	399	UBA	50,000.00	25/11/2021
9	03/11/2021	Transfer	UBA	200,000.00	03/11/2021
10	18/11/2021	Transfer	UBA	25,000.00	18/11/2021
11	23/11/2021	Transfer	UBA	110,000.00	23/11/2021
12	16/02/2021	00000202	Access Bank	70,000.00	16/02/2021
13	22/09/2021	00000517	Access Bank	290,000.00	22/09/2021
14	11/10/2021	00000524	Access Bank	150,000.00	11/10/2021
15	13/10/2021	00000523	Access Bank	60,000.00	13/10/2021
16	15/10/2021	00000526	Access Bank	100,000.00	15/10/2021
17	25/10/2021	00000531	Access Bank	258,500.00	25/10/2021
18	04/10/2021	00000521	Access Bank	100,000.00	04/10/2021
19	06/09/2021	Transfer	First Bank	50.00	06/09/2021
20	29/09/2021	Transfer	First Bank	8.00	29/09/2021

21	03/09/2021	Transfer	First Bank	50.00	03/09/2021
22	04/09/2021	Transfer	First Bank	50.00	04/09/2021
23	07/09/2021	Transfer	First Bank	100.00	07/09/2021
24	09/09/2021	Transfer	First Bank	50.00	09/09/2021
25	10/09/2021	Transfer	First Bank	50.00	10/09/2021
26	15/09/2021	Transfer	First Bank	100.00	15/09/2021
27	16/09/2021	Transfer	First Bank	50.00	16/09/2021
28	13/09/2021	Transfer	First Bank	50.00	13/09/2021
29	20/09/2021	Transfer	First Bank	150.00	20/09/2021
30	23/09/2021	Transfer	First Bank	100.00	23/09/2021
31	24/09/2021	Transfer	First Bank	50.00	24/09/2021
32	24/09/2021	Transfer	First Bank	1,168.00	24/09/2021
33	24/09/2021	Transfer	First Bank	87.60	24/09/2021
34	26/09/2021	Transfer	First Bank	50.00	26/09/2021
35	28/09/2021	Transfer	First Bank	50.00	28/09/2021
36	29/09/2021	Transfer	First Bank	150.00	29/09/2021
37	26/10/2021	Transfer	Unity Bank	21.50	06/09/2021
38	31/10/2021	Transfer	Unity Bank	0.50	29/09/2021
39	18/10/2021	Transfer	Unity Bank	50.00	03/09/2021
40	26/10/2021	Transfer	Unity Bank	21.50	04/09/2021
41	30/10/2021	Transfer	Unity Bank	64.00	07/09/2021
42	05/10/2021	Transfer	Access Bank	150.00	09/09/2021
43	08/10/2021	Transfer	Access Bank	500.00	10/09/2021
44	12/10/2021	Transfer	Access Bank	200.00	15/09/2021
45	14/10/2021	Transfer	Access Bank	500.00	16/09/2021
46	16/10/2021	Transfer	Access Bank	100.00	13/09/2021
47	19/10/2021	Transfer	Access Bank	100.00	20/09/2021
48	21/10/2021	Transfer	Access Bank	300.00	23/09/2021
49	23/10/2021	Transfer	Access Bank	150.00	24/09/2021
50	25/10/2021	Transfer	Access Bank	856.00	24/09/2021
51	26/10/2021	Transfer	Access Bank	322.50	24/09/2021
52	26/10/2021	Transfer	Access Bank	250.00	26/09/2021
53	28/10/2021	Transfer	Access Bank	150.00	28/09/2021
54	30/10/2021	Transfer	Access Bank	50.00	29/09/2021
55	31/10/2021	Transfer	Access Bank	133.13	29/09/2021
56	31/10/2021	Transfer	Access Bank	1,773.50	29/09/2021
	<b>Total</b>			<b>2,592,889.23</b>	

## 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.
- (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 in the management report forwarded to the Chairman.

- (a) Bonding of Revenue Collectors: The management should ensure that all Revenue Collectors are duly bonded in line with provision of Financial Memoranda Chapter 43 paragraph 3
- (b) Abolishment or reduction in the engagement of Revenue Consultant for the avoidance of carry over fraud and teaming
- (c) Prompt Preparation of Bank Reconciliation Statement
- (d) Passage of Revenue Laws (Bye Laws)
- (e) Adherence to Appropriation Law



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

The Chairman,  
Ibadan North Local Government,  
Agodi.

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: Mr. Ojedokun M. I. – DF&S  
Mr. Ladele M. O. – DAGS

<b>Economic Code</b>	<b>Final Approved Provision (₦)</b>	<b>Actual Expenditure (₦)</b>	<b>Excess Disclosed (₦)</b>
21010101	27,020,000.00	27,736,549.98	716,544.98
22021021	4,000,000.00	6,938,000.00	2,938,000.00
Olubadan Class	2,400,000.00	4,400,000.00	2,000,000.00
Secretary	180,000.00	240,000.00	60,000.00
Palace Staff	768,000.00	768,000.00	928,000.00
<b>Total</b>	<b>34,368,000.00</b>	<b>40,082,549.98</b>	<b>6,642,544.98</b>



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### 2021 ACCOUNTS

**Subject: UNVOUCHED PAYMENTS**

Authorizing Officer: Director of Administration and General Services  
Director of Finance and Supplies

S/N	Date	Cheque No.	Bank	Amount	Date Presented
1	14/05/2021	236	UBA	50,000.00	14/05/2021
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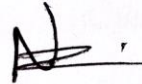
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### 2021 ACCOUNTS

**Subject: Unlawful Possession of Official Vehicles**

Authorizing Officer: DAGS

S/N	Types of Vehicle	Reg. No.	Possession	Post
I	Hyundai Sonata	LG 001 BDJ	Adebayo Bashiru Adegoke	Former Caretaker Chairman
2	Everest	Nil	Hon. Emmanuel	Leader of the House



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### 2021 ACCOUNTS

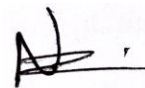
**Subject: Expenditure not supported by proper Records or Accounts**

Authorizing Officer: Engr. Babatunde – HLGA

PV No. & Date	Classification	Amount (₦)
06/Dec, 2021	220210:14	300,000.00

The above represents payment made to Salami Remilekun for preparation of Annual Budget.

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.



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