

CERTIFICATE

OF THE

AUDITOR-GENERAL FOR LOCAL GOVERNMENTS, OYO STATE ON THE ACCOUNTS OF IBADAN SOUTH EAST LOCAL GOVERNMENT, MAPO 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 South East Local Government, Mapo for the year ended 31st December, 2020 have been audited.

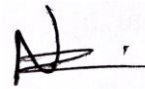
2. The General Purpose Financial Statements consisting of (a) Responsibility Statement (b) Cash Flow Statement (c) Statement of Financial Position (d) Statement of Consolidated Revenue Fund (e) Statement of Capital Development Fund and (f) Notes to the Accounts were prepared in line with IPSAS Cash by 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 did not show 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 SOUTH EAST LOCAL GOVERNMENT, MAPO FOR THE YEAR ENDED 31ST DECEMBER, 2021

The attached General Purpose Financial Statements of Ibadan South East Local Government, Mapo 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 South East Local Government, Mapo 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/IBSE/MA/10/2021: Excess Expenditures Disclosed by the Statement

Economic Code	Final Approved Provision (₦)	Actual Expenditure (₦)	Excess Disclosed (₦)
22020401	500,000.00	693,750.00	193,750.00
022020404	Nil	346,920.62	346,920.62
022020709	5,000,000.00	10,842,324.07	5,842,324.07
023030124	Nil	90,000.00	90,000.00
23010110	106,000,000.00	167,799,070.00	61,799,070.00

–	Nil	15,000.00	15,000.00
22021029	Nil	175,000.00	175,000.00
	111,500,000.00	179,962,064.69	68,462,064.69

(B) Violation of Provisions of Model Financial Memoranda

(i) Non-presentation/Submission of Revenue Earning Books for audit: The underlisted Revenue Earning Receipts were not submitted for audit.

S/N	Name of Staff	Rank	Receipt No.
1	Ogunmola Wasiu		21251 – 21300
2	Tunde Yusuff		0019301 – 0019400
3	Olaniran Moses		0018701 – 0018800
4	Olaniran Moses		0023201 – 0023300
5	Agbomeji A.		0023401 – 0023500
6	Tunde Yusuff		0019901 – 002000
7	Tunde Yusuff		0026801 – 0026900
8	Kehinde Janet		0963751 – 0963900
9	Habib Saheed		0964551 – 0964600
10	Habib Saheed		0965051 – 0965000
11	Habib Saheed		0965001 – 0965100
12	Lekan Afuye		19601 – 19650
13	Habib Saheed		8101 – 8150
14	Agbomeji R.		19201 – 19250
15	Agbomeji R.		23101 – 23150
16	Oyeleke I. O.		71101 – 71200
17	Adeleye Isiaka		66401 – 66500
18	Adeleye Isiaka		64801 – 64900
19	Oyeleke Ibrahim		70701 – 70800
20	Oyeleke Ibrahim		70401 – 70500
21	Oyeleke Ibrahim		77201 – 77300
22	Kehinde Monsuru		103401 – 103500
23	Kehinde Monsuru		103501 – 103600
24	Kehinde Monsuru		106801 – 106900
25	Kehinde Monsuru		106901 – 107000
26	Lekan Afuye		0001701 – 0001800
27	Lekan Afuye		0001801 – 0001900
28	Lekan Afuye		000237 – 0002400

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

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

(iii) 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/IBSE/MA/11/2021: Unvouched Payments

a. S/N	Date Cheque Issue	Cheque No.	Bank	Amount (₦)	Date Presented
1	B/f	Nil		20,946,268.01	
2	01/12/2021	547	Zenith	302,892.00	01/12/2021
3	15/12/2021	Nil	Zenith	1,187,361.04	15/12/2021

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

S/N	Query No.	Amount (₦)	Details	Reasons
1	LQ/IBSE/MA/01/2021	23,800,375.00	First Technical University Payment of full scholarship to five (5) selected candidates	Expenditure not supported by proper Records/Accounts
2	LQ/IBSE/MA/02/2021	435,100.00	De-Demak Nig Ltd Purchase of thirteen (13) Cargo Cruzer (Car 125 Super)	Expenditure not supported by proper Records/Accounts
3	LQ/IBSE/MA/03/2021	4,550,000.00	De-Demak Nig Ltd Purchase of Motorcycle for Amotekun Security Agent	Expenditure not supported by proper Records/Accounts
4	LQ/IBSE/MA/04/2021	3,896,409.93	Idea Consult Ltd Supply of 15 laptops	Expenditure not supported by proper Records/Accounts
5	LQ/IBSE/MA/05/2021	50,000,000.00	LAUTECH University Financial Support	Expenditure not supported by proper Records/Accounts
6	LQ/IBSE/MA/06/2021	619,649.27	Payment made to Isbari Ventures for Supply of 12 Tiger Generators	Expenditure not supported by proper Records/Accounts
7	LQ/IBSE/MA/07/2021	7,072,500.00	Oyo State Water Corporation as outstanding bills on public standing pipes	Expenditure not supported by proper Records/Accounts
8	LQ/IBSE/MA/08/2021	1,986,000.00	Payment made to Autime Nigeria Ent. Ltd for supply of Lapel Logo	Expenditure not supported by proper Records/Accounts
9	LQ/IBSE/MA/09/2021	22,436,521.05	Payment made as Sundry Expenses by the Management of the Local Government through cheques	Expenditure not supported by proper Records/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 Transition/adoption of IPSAS Accrual would appear overdue.

a. **Statement of Consolidated Revenue Fund:** The Statement of Consolidated Revenue Fund for the year ended 31st December, 2021 contained the following errors.

Items	Amount Shown in the	Correct Amount
<u>Expenditure</u>	Statement (₦)	(₦)
Social Benefit (Trs Pension)	Nil	768,986,242.85
Capital Project	137,446,918.42	Nil

b. **Statement of Capital Development Fund:** The Statement of Capital Development Fund for the year ended 31st December, 2021 contained the following errors:

Items	Amount Shown	Correct Amount
	in the Statement	(₦)
	(₦)	
Agric & Natural	1,897,000.00	4,397,000.00

c. **Notes to the Accounts and Basis of the Accounts:** The basis of the accounts would appear confusing and ambiguous.

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:

(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.

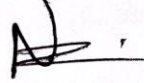
7. **LOSS:** No loss or deficiency was reported or discovered during year under review except as stated in paragraphs 4, 5 and 6.

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 in the management report forwarded to the Chairman.

- (a) Timely implementation of International Public Sector Accounting Standards (IPSAS) Accrual
- (b) Prompt rendition of General Purpose Financial Statement
- (c) The Legislative Council of the Local Government should pass Revenue Laws (Bye Laws) to make collection of revenue legal and enforceable
- (d) The Management of the Local Government to put in more synergy towards ensuring efficiency in government business by ensuring that relevant documents, information etc. were made available to the Auditor General or his staff as the case may be.
- (e) Maintenance of minimum cash holding
- (f) Recovery of stagnant Advances
- (g) Prompt remittance of Deposit
- (h) Effective maintenance of store
- (i) Adequate Internal Control System
- (j) Proper maintenance of Capital Projects executed

- (k) General overhauling of dilapidated shops and stalls
- (l) Effort should be made by the Local Government to improve on the quality of record keeping
- (m) Concerted efforts should be made to attend to most of flaws observed in the previous report



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

The Chairman,
Ibadan South East Local Government,
Mapo.

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. Aremu Grace Aderonke – (HLGA)
Mr. Amusat R. A – (DF)

Economic Code	Final Approved Provision (₦)	Actual Expenditure (₦)	Excess Disclosed (₦)
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2021 ACCOUNTS

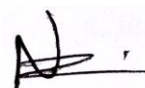
Subject: UNVOUCHED PAYMENT

Authorizing Officer: Mrs. Aremu Grace Aderonke – (HLGA)
Mr. Amusat R. A – (DF)

b. S/N	Date Cheque Issue	Cheque No.	Bank	Amount (₦)	Date Presented
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2	01/12/2021	547	Zenith	302,892.00	01/12/2021
3	15/12/2021	Nil	Zenith	1,187,361.04	15/12/2021
	Total			22,436,521.05	

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 Twenty Two Million, Four Hundred and Thirty Six Thousand, Five Hundred and Twenty One Naira, Five Kobo (N22,436,521.05) representing Unvouched Payments and informs this office of the Treasury Receipt particulars of recovery.



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