

CERTIFICATE

OF THE

AUDITOR-GENERAL FOR LOCAL GOVERNMENTS, OYO STATE ON THE ACCOUNTS OF OLUYOLE LOCAL GOVERNMENT, IDI-AYUNRE 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 Oluyole Local Government, Idi-Ayunre 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 OLUYOLE LOCAL GOVERNMENT, IDI-AYUNRE FOR THE YEAR ENDED 31ST DECEMBER, 2021

The attached General Purpose Financial Statements of Oluyole Local Government, Idi-Ayunre 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 Oluyole Local Government, Idi-Ayunre 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/OLU/MA/11/2021: Excess Expenditures Disclosed by the Statement

| Economic Code | Final Approved Provision (₦) | Actual Expenditure (₦) | Excess Disclosed (₦) |
|----------------------|---|---------------------------------------|---------------------------------|
| 21010103 (P/E) | 163,634,542.18 | 197,192,633.15 | 33,558,090.97 |
| 22020604 (O/H) | 4,800,000.00 | 6,515,000.00 | 1,715,000.00 |
| 22020402 (O/H) | Nil | 113,650.00 | 113,650.00 |
| 22020405 (O/H) | Nil | 187,000.00 | 187,000.00 |
| 22020709 (O/H) | 3,000,000.00 | 8,878,972.63 | 5,878,972.63 |

| | | | |
|-----------------|-----------------------|-----------------------|----------------------|
| 22021001 (O/H) | 500,000.00 | 607,000.00 | 107,000.00 |
| 22020301 (O/H) | Nil | 50,000.00 | 50,000.00 |
| 220020405 (O/H) | 1,000,000.00 | 1,028,500.00 | 28,500.00 |
| 22020102 (O/H) | 250,000.00 | 262,500.00 | 12,500.00 |
| 22020407 (O/H) | Nil | 500,000.00 | 500,000.00 |
| 23010112 (CP) | 1,500,000.00 | 2,031,000.00 | 531,000.00 |
| 23010118 (CP) | 1,500,000.00 | 2,500,000.00 | 1,000,000.00 |
| 23010120 (CP) | Nil | 15,000.00 | 15,000.00 |
| 23010104 (CP) | 1,000,000.00 | 2,500,000.00 | 1,500,000.00 |
| 23020101 (CP) | 5,000,000.00 | 5,123,800.00 | 123,800.00 |
| 23030121 (CP) | Nil | 430,000.00 | 430,000.00 |
| 23010148 (CP) | 200,000.00 | 360,000.00 | 160,000.00 |
| Total | 182,384,542.18 | 228,295,055.78 | 45,910,513.60 |

(B) Violation of Provisions of Model Financial Memoranda

(i) 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

(ii) 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/OLU/MA/12/2021: Unvouched Payments

| a. S/N | Date Cheque Issue | Cheque No. | Bank | Amount (₦) | Date Presented |
|--------|-------------------|------------|--------|------------|----------------|
| 1. | 13/08/2021 | 2056 | Zenith | 10,000.00 | 13/08/2021 |
| 2. | 13/08/2021 | 2056 | Zenith | 70,000.00 | 13/08/2021 |
| 3. | 13/08/2021 | 5097 | Zenith | 150,000.00 | 13/08/2021 |
| 4. | 13/08/2021 | 5098 | Zenith | 52,500.00 | 13/08/2021 |
| 5. | 21/08/2021 | 5090 | Zenith | 150,000.00 | 21/08/2021 |
| 6. | 24/08/2021 | TRF | Zenith | 150,000.00 | 24/08/2021 |
| 7. | 24/08/2021 | 2092 | Zenith | 150,000.00 | 24/08/2021 |
| 8. | 15/10/2021 | 2103 | Zenith | 50,000.00 | 15/10/2021 |

| | | | | | |
|--------------|------------|-------|--------|---------------------|------------|
| 9. | 15/10/2021 | TRF | Zenith | 1,000,000.00 | 15/10/2021 |
| 10. | 15/10/2021 | 52109 | Zenith | 480,000.00 | 15/10/2021 |
| 11. | 15/10/2021 | 52111 | Zenith | 120,000.00 | 15/10/2021 |
| 12. | 15/10/2021 | 52116 | Zenith | 71,500.00 | 15/10/2021 |
| 13. | 15/10/2021 | 52114 | Zenith | 75,000.00 | 15/10/2021 |
| 14. | 15/10/2021 | 5090 | Zenith | 150,000.00 | 15/10/2021 |
| 15. | 15/10/2021 | 5096 | Zenith | 150,000.00 | 15/10/2021 |
| 16. | 15/10/2021 | TRF | Zenith | 150,000.00 | 15/10/2021 |
| 17. | 15/10/2021 | 2100 | Zenith | 80,000.00 | 15/10/2021 |
| 18. | 11/11/2021 | 5228 | Zenith | 100,000.00 | 11/11/2021 |
| 19. | 02/12/2021 | 5422 | Zenith | 300,000.00 | 02/12/2021 |
| 20. | 07/12/2021 | 5438 | Zenith | 340,000.00 | 07/12/2021 |
| 21. | 02/12/2021 | 5441 | Zenith | 300,000.00 | 02/12/2021 |
| 22. | 02/12/2021 | 5432 | Zenith | 300,000.00 | 02/12/2021 |
| 23. | 14/12/2021 | 5443 | Zenith | 600,000.00 | 14/12/2021 |
| 24. | 31/12/2021 | 5445 | Zenith | 15,000.00 | 31/12/2021 |
| 25. | 30/12/2021 | 5559 | Zenith | 523,000.00 | 30/12/2021 |
| Total | | | | 5,537,000.00 | |

(iii) 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/OLU/MA/01/2021 | 47,850,750.00 | First Technical University, Payment of Full Scholarship to Ten (10) nominated youth students in Mar & Dec, 2021 | Expenditure not supported by proper Records or Accounts |
| 2 | LQ/OLU/MA/02/2021 | 4,861,600.00 | De-Damak Nig Ltd Purchase of thirteen (13) Cargo Cruzer (Car 125 Super) Motorcycle | Expenditure not supported by proper Records or Accounts |
| 3 | LQ/OLU/MA/03/2021 | 4,504,517.70 | Idea Consult for the supply of fifteen (15) laptops | Expenditure not supported by proper Records or Accounts |
| 4 | LQ/OLU/MA/04/2021 | 408,600.00 | Akika Prints Nig Enterprises for repainting and rebranding of purchased twelve (12) Cargo Cruizer | Expenditure not supported by proper Records or Accounts |

| | | | | |
|----|---------------------|---------------|--|---|
| 5 | LQ/OLU/MA/05/2021 | 50,000,000.00 | Ladoke Akintola University of Technology, Ogbomoso Financial Support | Expenditure not supported by proper Records or Accounts |
| 6 | LQ/OLU/MA/06/2021 | 596,964.60 | Isbari Ventures for the supply of ten (10) Generators | Expenditure not supported by proper Records or Accounts |
| 7 | LQ/OLU/MA/07/2021 | 96,480.00 | Juntun Global Venture being 30% rebate on revenue generated by the consultant | Expenditure not supported by proper Records or Accounts |
| 8 | LQ/OLU/MA/08/2021 | 893,943.85 | Elizade Nig Ltd on purchase of 1 unit of pick-up being 30% rebate on revenue generated by the consultant | Expenditure not supported by proper Records or Accounts |
| 9 | LQ/OLU/MA/09/2021 | 34,555.00 | WOMAI 30% rebate on revenue generation to the coffer of Oluyole Local Government | Expenditure not supported by proper Records or Accounts |
| 10 | LQ/LCDA/AKR/10/2021 | 75,000.00 | Cherith Pearl Eye Foundation for Free Eye Screening Test | 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.

a. **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 (₦) |
|------------|-----------------------------------|--------------------|
| Investment | Nil | 21,767,504.00 |
| Advances | 3,320,226.86 | 486,347,049.75 |
| Deposit | 279,603.40 | 1,034,049.05 |

b. **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>Revenue</u> | Statement (₦) | (₦) |
| Dependent Revenue | 1,122,363,094.66 | 1,159,524,494.66 |
| <u>Expenditure</u> | | |
| Personnel | 536,395,314.62 | 564,211,834.94 |
| Overhead | 115,279,927.63 | 131,097,093.87 |

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:**

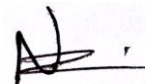
- (i) The expenditures incurred centrally by the State Joint Local Government Account Allocation Committee on Universal Basic Education, Primary Health Care and others would appear unaccounted for in the General Purpose Financial Statement of the Local Government.

7. **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) Timely adoption/transition of International Public Sector Accounting Standards (IPSAS) Accrual Template.
- (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) Adequate Internal Control System
- (g) Proper Maintenance of Assets
- (h) Empowerment of Agricultural Department to avoid idleness
- (i) General overhauling of dilapidated shops and stalls
- (j) Adherence to Appropriation Laws



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

The Chairman,
Oluyole Local Government,
Idi-Ayunre.

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: Alhaja I. A. Abass (HLGA)
Alhaji A. A. Oladimeji (DF)

| Economic Code | Final Approved Provision (₦) | Actual Expenditure (₦) | Excess Disclosed (₦) |
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| 23010120 (CP) | Nil | 15,000.00 | 15,000.00 |
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| Total | 182,384,542.18 | 228,295,055.78 | 45,910,513.60 |



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

The Chairman,
Oluyole Local Government,
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Office of The Auditor General
for Local Governments,
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2021 ACCOUNTS

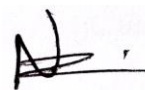
Subject: UNVOUCHED PAYMENT

Authorizing Officer: Alhaja I. A. Abass (HLGA)
Alhaji A. A. Oladimeji (DF)

| b. | S/N | Date Cheque Issue | Cheque No. | Bank | Amount (N) | Date Presented |
|-----|-----|-------------------|------------|--------|---------------------|----------------|
| 1. | | 13/08/2021 | 2056 | Zenith | 10,000.00 | 13/08/2021 |
| 2. | | 13/08/2021 | 2056 | Zenith | 70,000.00 | 13/08/2021 |
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| 16. | | 15/10/2021 | TRF | Zenith | 150,000.00 | 15/10/2021 |
| 17. | | 15/10/2021 | 2100 | Zenith | 80,000.00 | 15/10/2021 |
| 18. | | 11/11/2021 | 5228 | Zenith | 100,000.00 | 11/11/2021 |
| 19. | | 02/12/2021 | 5422 | Zenith | 300,000.00 | 02/12/2021 |
| 20. | | 07/12/2021 | 5438 | Zenith | 340,000.00 | 07/12/2021 |
| 21. | | 02/12/2021 | 5441 | Zenith | 300,000.00 | 02/12/2021 |
| 22. | | 02/12/2021 | 5432 | Zenith | 300,000.00 | 02/12/2021 |
| 23. | | 14/12/2021 | 5443 | Zenith | 600,000.00 | 14/12/2021 |
| 24. | | 31/12/2021 | 5445 | Zenith | 15,000.00 | 31/12/2021 |
| 25. | | 30/12/2021 | 5559 | Zenith | 523,000.00 | 30/12/2021 |
| | | Total | | | 5,537,000.00 | |

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 Five Million, Five Hundred and Thirty Seven Thousand Naira (N5,537,000.00) representing Unvouched Payments and informs this office of the Treasury Receipt particulars of recovery.



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