

# **CERTIFICATE**

## **OF THE**

### **AUDITOR-GENERAL FOR LOCAL GOVERNMENTS, OYO STATE ON THE ACCOUNTS OF OORELOPE LOCAL GOVERNMENT, IGBOHO 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 Oorelope Local Government, Igboho 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 OORELOPE LOCAL GOVERNMENT, IGBOHO FOR THE YEAR ENDED 31ST DECEMBER, 2021**

The attached General Purpose Financial Statements of Oorelope Local Government, Igboho 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 Oorelope Local Government, Igboho 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/ORE/MA/04/2021: Excess expenditures Disclosed by the Statement

<b>Economic Code</b>	<b>Final Approved Provision (₦)</b>	<b>Actual Expenditure (₦)</b>	<b>Excess Disclosed (₦)</b>
012500100100-22020102	700,000.00	914,250.00	214,250.00
02200100100-22020701	Nil	211,035.23	211,035.23
02200100100-22020901	152,000.00	235,438.60	83,438.60
023400100100-22020305	50,000.00	210,000.00	160,000.00
055100300100-22020502	Nil	340,000.00	340,000.00

055100300100-22021030	1,900,000.00	2,895,000.00	995,000.00
052100100100-23010105	<u>3,500,000.00</u>	<u>3,830,000.00</u>	<u>330,000.00</u>
<b>Total</b>	<b><u>6,302,000.00</u></b>	<b><u>8,635,723.83</u></b>	<b><u>2,333,723.83</u></b>

**(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
- (e) Investment Register

(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/AUD/ORE/MA/04/2021: Unvouched Payments**

a. S/N	Date Cheque Issue	Cheque No.	Bank	Amount (₦)	Date Presented
1	03/03/2021	10002417		200,000.00	
2	30/04/2021			14,500.00	
3	30/04/2021			30,000.00	
4	30/04/2021			55,000.00	
5	05/04/2021			43,680.00	
6	30/4/201			1,000,000.00	
7	25/06/2021	1000369	Wema Bank Plc	3,200.00	
8	29/09/2021			15,999.36	
9	21/12/2021			180,932.69	
10	02/12/2021			212,000.00	
11	13/12/2021			155,000.00	
12	15/12/2021			<u>100,000.00</u>	
				<b><u>2,010,312.05</u></b>	

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

S/N	Query No.	Amount (₦)	Details	Reasons
1	LQ/ORE/MA/01/2021	309,600.00	Purchase of newspaper	Expenditure not supported by proper records
2	LQ/ORE/MA/02/2021	375,000.00	Painting of Bajaj Motorcycle	Expenditure not supported by proper records
3	LQ/ORE/MA/03/2021	23,800,375.00	Payment made to TECH 'U'	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 Revenue Fund (e) Statement of Capital Development Fund and (f) Notes to the Accounts were prepared under IPSAS Cash.

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	29,682,432.00
Property, plant and equipment	225,600.00	Nil

b. **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 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, 6 and 7 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 to the Chairman and management of the Local Government.

- (a) Passage of Revenue Laws (Bye Laws) by the Legislative Council
- (b) Maintenance of Asset Register, Investment Register etc. as stipulates by Model Financial Memoranda.
- (c) Timely preparation of Bank Reconciliation statement
- (d) Effort should be made to recover the outstanding balance on Tractor

- (e) The management should find all possible means to collect arrears of rent or revoke shops of rent defaulters.
- (f) Enforcement of Internal Control System
- (g) Adherence to Appropriate Law



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

The Chairman,  
Oorelope Local Government,  
Igboho.

Office of the Auditor-General for  
Local Governments, Ibadan,  
Oyo State.

Please furnish an early reply to the query below. 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 Disclosed by the Statement**

Authorizing Officer: Alhaji Sodiq M. A. (HLGA)  
Alhaji Afebioye (DF&S)

**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 General Purpose Financial Statements

<b>Economic Code</b>	<b>Final Approved Provision (₦)</b>	<b>Actual Expenditure (₦)</b>	<b>Excess Disclosed (₦)</b>
012500100100-22020102	700,000.00	914,250.00	214,250.00
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<b>Total</b>	<b><u>6,302,000.00</u></b>	<b><u>8,635,723.83</u></b>	<b><u>2,333,723.83</u></b>



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### **2021 ACCOUNTS**

#### **Subject: Excess Disclosed by the Statement**

Authorizing Officer: Alhaji Sodiq M. A. (HLGA)  
Alhaji Afebioye A. (DF&S)

### **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>
22020401	2,232,000.00	2,260,000.00	28,000.00
22021002	1,000,000.00	1,350,000.00	350,000.00
22021021	<u>3,422,000.00</u>	<u>8,444,500.00</u>	<u>5,022,000.00</u>
<b>Total</b>	<b><u>6,654,000.00</u></b>	<b><u>12,054,500.00</u></b>	<b><u>5,400,000.00</u></b>



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