

CERTIFICATE

OF THE

AUDITOR-GENERAL FOR LOCAL GOVERNMENTS, OYO STATE ON THE ACCOUNTS OF SURULERE LOCAL GOVERNMENT, IRESA-ADU 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 Surulere Local Government, Iresa-Adu 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 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 SURULERE LOCAL GOVERNMENT,
IRESA-ADU FOR THE YEAR ENDED 31ST DECEMBER, 2021

The attached General Purpose Financial Statements of Surulere Local Government, Iresa-Adu 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 Surulere Local Government, Iresa-Adu 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/SUR/MA/06/2021: Excess Expenditures Disclosed by the Statement

SN	Economic Code	Final Approved Provision (₦)	Actual Expenditure (₦)	Excess Disclosed (₦)
1	220203/22020301	50,000.00	98,500.00	48,500.00
2	220201/22020102	1,500,000.00	1,570,000.00	70,000.00
3	220207/22020703	2,000,000.00	20,276,517.00	18,276,517.00
4	220208/22020801	400,000.00	630,000.00	230,000.00
5	220203/22020305	1,400,000.00	1,548,500.00	148,500.00
6	220210/22021001	5,000,000.00	9,822,200.00	4,822,200.00
7	220210/22021007	4,000,000.00	8,783,040.00	4,783,040.00
8	220210/22021029	3,700,000.00	4,510,000.00	810,000.00

9	230101/23010113	500,000.00	514,500.00	14,500.00
10	230101/23010112	50,000.00	140,000.00	90,000.00
11	220207/22020709	5,000,000.00	6,581,918.00	1,581,918.00
12	220210/22021029	Nil	2,600.00	2,600.00
13	220203/22020305	Nil	25,000.00	25,000.00
14	220204/22020413	5,000,000.00	20,331,975.00	15,331,975.00
15	220210/22021029	Nil	1,347,750.00	1,347,750.00
16	230201/23020106	Nil	50,000,000.00	50,000,000.00
17	220203/22020304	100,000.00	2,230,000.00	2,130,000.00
18	220206/22020601	300,000.00	5,200,000.00	4,900,000.00
19	230501/23050111	5,000,000.00	11,550,000.00	6,550,000.00
20	230501/23050110	1,000,000.00	5,000,000.00	4,000,000.00
21	220210/22021005	500,000.00	887,200.00	387,200.00
22	220206/22020605	<u>6,000,000.00</u>	<u>7,670,600.00</u>	<u>1,670,600.00</u>
	Grand Total	<u>41,500,000.00</u>	<u>158,720,300.00</u>	<u>117,220,300.00</u>

(B) Violation of Provisions of Model Financial Memoranda

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

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

(ii) 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/SUR/MA/01/2021	23,800,375.00	Payment made to Technical University Students (E-collection) for full scholarship of 165 students	Expenditure not supported by proper records or accounts
2	LQ/SUR/MA/02/2021	2,000,000.00	Payment made to Okegbenro Samson Omosanyo (NPC Controller General) for National population commission on Enumeration area demarcation (EAD) for (26) LGAs in the state	Expenditure not supported by proper records or accounts

3	LQ/SUR/MA/03/2021	250,000.00	Payment made to Mr. Atoyebi John Olukemifor the production of Magazine during the 2 years celebration in office of Executive Governor of Oyo State	Expenditure not supported by proper records or accounts
4	LQ/SUR/MA/04/2021	3,575,000.00	Payment made to D-Damak Enterprises, Ibadan for the procurement of eleven (11) Nos cargo cruiser motorcycle to the Local Government	Expenditure not supported by proper records or accounts
5	LQ/SUR/MA/05/2021	5,020,892.00	Payment made to Idea Konsult, Ibadan and Isbari Ventures for procurement of 15 laptop computer sets and accessories and 10 Generator sets for the Local Government	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 Cash.

a. **Note to the Accounts and Basic of the Accounts:** There would appear to be 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 underpayment/non- payment of Ten Percent (10%) State Internal Generated Revenue to the Local Government by the State Government.

(iii) There would appear to be underpayment/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 non-compliance on the agreement between the management and the Revenue Consultant. Hence, the Revenue Consultant had been relieved of his appointment.

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 Statements of the Local Government.

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

8. **DISALLOWANCE:** Allowance of conducts and expenditures highlighted in paragraphs 4 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) Prompt response to Audit Queries and Inspection Reports
- (b) Effective preparation for minimum cash holding
- (c) Pay serious attention to bank charges
- (d) Passage of Revenue Laws (Bye Laws) by the Legislative Council
- (e) Payment made on the instructions of the Ministry of Local Government and Chieftaincy Matters must be adequately receipted while the items should be pursued up to delivery stage
- (f) Adequate consideration must be given to tarring of roads instead of continuous grading
- (g) Prompt remittance of deductions to appropriate agencies and Local Governments

- (h) Adequate monitoring and prompt maintenance of heavy of heavy duty equipment

- (i) Prepayment outstanding of advances/loan of ~~₦~~4,513,121.32
- (j) Adherence to Appropriation Law



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

The Chairman,
Surulere Local Government,
Iresaadu.

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: Mrs. M. M. Thomas (HLGA)
Mrs. F. O. Olayiwola (DF)
Mrs. Faderemi (DAGS)

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

SN	Economic Code	Final Approved Provision (₦)	Actual Expenditure (₦)	Excess Disclosed (₦)
1	220203/22020301	50,000.00	98,500.00	48,500.00
2	220201/22020102	1,500,000.00	1,570,000.00	70,000.00
3	220207/22020703	2,000,000.00	20,276,517.00	18,276,517.00
4	220208/22020801	400,000.00	630,000.00	230,000.00
5	220203/22020305	1,400,000.00	1,548,500.00	148,500.00
6	220210/22021001	5,000,000.00	9,822,200.00	4,822,200.00
7	220210/22021007	4,000,000.00	8,783,040.00	4,783,040.00
8	220210/22021029	3,700,000.00	4,510,000.00	810,000.00
9	230101/23010113	500,000.00	514,500.00	14,500.00
10	230101/23010112	50,000.00	140,000.00	90,000.00
11	220207/22020709	5,000,000.00	6,581,918.00	1,581,918.00
12	220210/22021029	Nil	2,600.00	2,600.00
13	220203/22020305	Nil	25,000.00	25,000.00
14	220204/22020413	5,000,000.00	20,331,975.00	15,331,975.00
15	220210/22021029	Nil	1,347,750.00	1,347,750.00
16	230201/23020106	Nil	50,000,000.00	50,000,000.00
17	220203/22020304	100,000.00	2,230,000.00	2,130,000.00
18	220206/22020601	300,000.00	5,200,000.00	4,900,000.00
19	230501/23050111	5,000,000.00	11,550,000.00	6,550,000.00
20	230501/23050110	1,000,000.00	5,000,000.00	4,000,000.00
21	220210/22021005	500,000.00	887,200.00	387,200.00
22	220206/22020605	<u>6,000,000.00</u>	<u>7,670,600.00</u>	<u>1,670,600.00</u>
	Grand Total	<u>41,500,000.00</u>	<u>158,720,300.00</u>	<u>117,220,300.00</u>

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