

CERTIFICATE

OF THE

AUDITOR-GENERAL FOR LOCAL GOVERNMENTS, OYO STATE ON THE ACCOUNTS OF AFIJIO LOCAL GOVERNMENT, JOBELE 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 Afijio Local Government, Jobele for the year ended 31st December, 2020 have been audited.

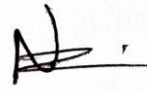
2. The General Purpose Financial Statements consisting of (a) Responsibility Statement (b) Cash Flow Statement (c) Statement of Financial Position (d) Statement of Consolidated Financial Performance (e) Notes to the Accounts were prepared in line with IPSAS Cash by the management of the Local Government.

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 others.
- (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 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 AFIJIO LOCAL GOVERNMENT, JOBELE FOR THE YEAR ENDED 31ST DECEMBER, 2021

The attached General Purpose Financial Statements of Afijio Local Government, Jobele 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, Oyo 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 Afijio Local Government, Jobele 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/AFJ/MA/02/2021: Excess Expenditures Disclosed by the Statement

Economic Code	Final Approved Provision (₦)	Actual Expenditure (₦)	Excess Disclosed (₦)
22020409	1,500,000.00	1,644,838.72	144,838.72
22020601	30,000,000.00	66,136,500.00	36,136,500.00
22020604	3,000,000.00	3,523,225.30	523,225.80
22020407	-	100,000.00	100,000.00
22020407	-	326,612.90	326,612.90
22020409	-	254,032.26	254,032.26

22020604	-	544,354.84	544,354.84
22020102	500,000.00	624,000.00	124,000.00
22020301	1,500,000.00	1,985,000.00	485,000.00
22020401	200,000.00	392,000.00	192,000.00
22020501	500,000.00	550,000.00	50,000.00
22020803	Nil	7,000.00	7,000.00
22020102	700,000.00	813,150.00	113,150.00
22020305	500,000.00	913,750.00	413,750.00
22020404	150,000.00	188,000.00	38,000.00
22020709	5,000,000.00	10,066,333.70	5,066,333.70
2202104	1,000,000.00	1,570,000.00	570,000.00
22020401	2,000,000.00	4,242,596.00	2,242,596.00
22021024	2,000,000.00	5,415,000.00	3,415,000.00
23010112	1,500,000.00	12,072,031.00	10,572,031.00
23010104	Nil	2,710,000.00	2,710,000.00
23010105	Nil	20,378,781.00	20,378,781.00
23010109	400,000.00	1,396,964.00	996,964.00
23030129	10,000,000.00	13,290,000.00	3,290,000.00
23050110	30,000,000.00	99,980,150.00	69,980,150.00
2305011102	5,000,000.00	5,410,000.00	410,000.00
23010122	-	3,203,040.00	3,203,040.00
	<u>₦95,450,000.00</u>	<u>₦257,737,360.22</u>	<u>₦162,287,360.22</u>

(B) Violation of Provisions of Model Financial Memoranda

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

SN	Query No.	Amount (₦)	Details	Reasons
1	LQ/AFJ/MA/01/21	1,980,000.00	Free eye test	Expenditure not supported by proper Records
2	LQ/AFJ/MA/02/21	155,717,359.42	Violation of Appropriation law	Excess expenditure disclosed by statement

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 Performance:** The Statement of Financial Performance contained the following errors.

Economic code	Note	Amount shown in the Statement (₦)	Correct Amount (₦)
Overhead cost	15	285,213,224.84	305,213,224.84
Capital expenditure	16	333,410,033.41	313,410,033.41
Total expenditure		618,623,258.25	618,623,258.25

b. **Cashflow Statement:** The Cashflow Statement as at 31st December, 2021 contained the following errors.

Economic code	Amount shown in the Statement (₦)	Correct Amount (₦)
Overhead	285,213,224.84	305,213,224.84
Total outflow from operating activities	796,142,886.90	816,142,886.90
Net cash inflow/outflow from operating activities	371,166,344.94	351,166,344.94

EXPENDITURE: The Statement of Actual Expenditure for the year ended 31st December, 2021 contained the following errors.

Economic code	Amount Shown in the Statement (₦)	Correct Amount (₦)
23010142	NIL	103,000.00
23010112	4,587,000.00	12,072,031.00
23010104	19,484,849.00	20,378,782.00
23050116	492,000.00	3,492,000.00
23050118	126,200.00	1,126,000.00
23050101	114,000.00	1,114,000.00
23020107	2,535,702.00	12,535,707.02
23030101	70,000.00	2,070,000.00
23030112	2,735,000.00	8,735,000.00
23030113	18,354,542.75	28,567,342.75
23030121	43,000.00	6,441,296.74

23030129	13,140,000.00	13,290,000.00
23050109	2,500,000.00	9,500,000.00
23050110	99,092,950.00	99,980,150.00
230501110	NIL	25,000.00
2305011102	NIL	5,410,000.00
2305011103	NIL	20,000.00
2305011104	NIL	20,000.00
23040102	150,000.00	9,150,000.00
23040104	5,857,000.00	6,857,000.00
230401106	NIL	2,500,000.00
23040106	NIL	500,000.00
22021002	NIL	1,150,000.00
22020102	773,150.00	813,150.00
22020403	NIL	188,000.00
22020409	735,000.00	815,000.00
22020901	349,374.26	488,000.00
22070102	252,947,496.67	140,857,314.33

f. **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 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.

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 management of the Local Government:

- (a) Timely preparation of Bank Reconciliation Statement
- (b) Timely preparation of books of Accounts
- (c) Avoidance of use of Revenue consultant or redress their involvement to the bearest minimum
- (d) Improvement on Independent Revenue
- (e) Proper maintenance of capital project executed.
- (f) Consideration of tarring option as against grading of roads.



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