

CERTIFICATE

OF THE

AUDITOR-GENERAL FOR LOCAL GOVERNMENTS, OYO STATE ON THE ACCOUNTS OF AKINYELE LOCAL GOVERNMENT, MONIYA 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 Akinyele Local Government, Moniya 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) 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 AKINYELE LOCAL GOVERNMENT, MONIYA FOR THE YEAR ENDED 31ST DECEMBER, 2021

The attached General Purpose Financial Statements of Akinyele Local Government, Moniya 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, Sections 27, 34 & 35 of Oyo State Audit Law 2021 and the provisions of Model Financial Memoranda for Local Governments.

2. The General Purpose Financial Statements were prepared by the management of Akinyele Local Government, Moniya and the management is therefore responsible for the contents and the information contained 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/AKY/MA/01/2021: Excess Disclosed by the Statement

Economic Code	Final Approved Provision (₦)	Actual Expenditure (₦)	Excess Disclosed (₦)
22020601	70,000,000.00	72,475,000.00	2,475,000.00
22020601	6,000,000.00	7,735,000.00	1,735,000.00
22020403	Nil	53,000.00	53,000.00
22021030	1,500,000.00	1,883,500.00	383,500.00
23050111	12,500,000.00	17,497,000.00	4,997,000.00
23020118	8,000,000.00	8,892,000.00	892,000.00
Total	98,000,000.00	108,535,500.00	10,535,500.00

(B) Violation of Provisions of Model Financial Memoranda

(i) Bank Reconciliation Statement: It was observed that the Bank Reconciliation Statement was not prepared. The action contravened the provision of Financial Memoranda Chapter 19 paragraph 23 which stipulates that Bank Reconciliation Statement must be prepared on monthly basis.

(ii) 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	Mrs. Kehinde Ayinde		0001251-0001300 0007351 – 0001400 000201 – 000300 000401 – 000450 1233451 – 1233500 1233751 – 1233800

(iii) Unvouched Payment: The Bank Reconciliation Statement/Cash Order Forms as at 31st December, 2021 showed that the underlisted payments were made without raising Payment Vouchers.

Audit Query No. LQ/AKY/MA/02/2021: Unvouched Payments

a. S/N	Date Cheque Issue	Cheque No.	Bank	Amount (₦)	Date Presented
1.	06/12/2021	17333842	Keystone	250,000.00	
2.	08/12/2021	12733851	Keystone	10,000.00	
3.	08/12/2021	12733850	Keystone	200,000.00	
	Total			460,000.00	

(iv) 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/AKY/M/01/21	200,000.00	Payment for legal fee on severance allowance	
2	LQ/AKY/M/02/21	60,000.00	payment for rugs	

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) Notes to the Accounts were prepared under IPSAS Cash.

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 Statement (₦)	Correct Amount (₦)
Administration Sector	11,060,785.22	Nil
Agriculture & Forestry	517,500.00	Nil
Mining, Manufacturing and Construction	272,728,122.25	Nil
Community Development	91,608,125.00	Nil
Environmental Protection	10,458,742.93	Nil
Public Health Services	1,850,000.00	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 in the Statement (₦)	Correct Amount (₦)
Administration Sector	Nil	11,060,785.22
Agriculture & Forestry	Nil	517,500.00
Mining, Manufacturing and Construction	Nil	272,728,122.25
Community Development	Nil	91,608,125.00
Environmental Protection	Nil	10,458,742.93
Public Health Services	Nil	1,850,000.00

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 underpayment/non- payment of Ten Percent 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) Others as applicable

b. **Expenditure:**

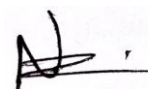
- (i) The expenditures incurred centrally by the State Joint Local Government Account Allocation Committee on Universal Basic Education, Primary Health Care and sundries would appear unaccounted for in the General Purpose Financial Statement of the Local Government.

7. **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 in the management report forwarded to the Chairman.

- (i) The Management of Akinyele Local Government is hereby advised to always ensure that minimum cash holding sufficient to meet day to day expenses of the Local Government is maintained.

- (ii) The issue of Bank Reconciliation Statement should be immediately addressed by the Director of Finance and Supplies without further delay. The Director of Finance and Supplies is hereby mandated to prepare the four month arrears of the Bank Reconciliation from September, 2021 to December, 2021 without further delay.
- (iii) The Local Government is hereby advised to look inwards for other sources of revenue for instance, the Agricultural environment of the council should be tap into to boost their Internally Generated Revenue. The Local Government can set up an ultramodern fish pond farming and vegetable production and other arable farming.
- (iv) The importance of keeping inventory records cannot be overemphasized because it facilitates the identification movement, location and conditions of all items of furniture and equipment and in addition unauthorized removal and pilfering of such items. The Local Government is hereby advised to identify all her proper with the Local Government inscription and maintain all the inventory records with immediate effect while copies are sent to this office for further audit actions.
- (v) The Local Government is hereby advised to repair the grounded vehicle on ground so as to facilitate the easy running of the Council.
- (vi) The Local Government is hereby advised to close both dormant accounts to the recommended numbers in compliance with the office circular letter ref. No. LG/AUD/32/79 of 19th March, 1995.
- (vii) The Local Government should always ensure maintenance of capital projects and a host of other infrastructure provided with a view to keeping the lifespan of the project.



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