

# **CERTIFICATE**

## **OF THE**

### **AUDITOR-GENERAL FOR LOCAL GOVERNMENTS, OYO STATE ON THE ACCOUNTS OF IBADAN NORTH WEST LOCAL GOVERNMENT, ONIREKE 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 Ibadan North West Local Government, Onireke for the year ended 31st December, 2020 have been audited.

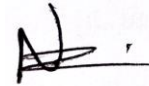
2. The General Purpose Financial Statements consisting of (a) Responsibility Statement (b) Cash Flow Statement (c) Statement of Financial Position (d) Statement of Consolidated Revenue Fund (e) Statement of Capital Development Fund and (f) Notes to the Accounts were prepared in line with IPSAS Cash by 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 IBADAN NORTH WEST LOCAL GOVERNMENT, ONIREKE FOR THE YEAR ENDED 31ST DECEMBER, 2021**

The attached General Purpose Financial Statements of Ibadan North West Local Government, Onireke 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 Ibadan North West Local Government, Onireke 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/IBNW/MA/09/2021: Excess Expenditures Disclosed by the Statement

<b>Economic Code</b>	<b>Final Approved Provision (₦)</b>	<b>Actual Expenditure (₦)</b>	<b>Excess Disclosed (₦)</b>
011100100 (Chairman (Severance All)	9,691,121.52	17,627,430.00	7,936,308.48
220206-01 (Chairman O/H) Security	20,000,000.00	60,208,000.00	40,208,000.00
220210-29	3,000,000.00	3,161,100.00	161,100.00
22020305 (Internal Auditor O/H)	100,000.00	1,260,000.00	1,160,000.00
220210:01 Internal Auditor	150,000.00	650,000.00	500,000.00

220201-02 (The Council)	500,000.00	510,000.00	10,000.00
22021029 (Admin & Gen)	3,000,000.00	4,012,000.00	1,012,000.00
220204-07 (F/S)	250,000.00	855,000.00	605,000.00
220207-09 (F/S)	3,000,000.00	8,882,340.92	5,882,340.92
22021029 (F/S)	1,000,000.00	5,127,618.94	4,127,618.94
220210:29 (Agric)	150,000.00	3,550,000.00	3,400,000.00
220204:04 (Works)	150,000.00	170,000.00	20,000.00
220210:29 (Education)	750,000.00	1,643,000.00	893,000.00
22050105 (Education)	3,000,000.00	50,887,200.00	47,887,200.00
23010113 (Internal Auditor) Capital	200,000.00	4,504,517.70	4,304,517.70
23010546 (Admin Gen) Capital	100,000.00	1,182,800.00	1,082,800.00
230301:27 (Works) Capital	500,000.00	2,707,334.08	2,207,334.08
<b>Total</b>	<b>45,541,121.52</b>	<b>166,938,341.64</b>	<b>121,397,220.12</b>

## (B) Violation of Provisions of Model Financial Memoranda

(i) 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/IBNW/MA/10/2021: Unvouched Payments

a. S/N	Date Cheque Issue	Cheque No.	Bank	Amount (₦)	Date Presented
1.	2/12/2017	04115	Zenith	12,990.00	2/12/2017
2.	30/08/2020	019520063042013	UBA	12,000.00	30/08/2020
3.	14/08/2020	675	Zenith	9,000.00	14/08/2020
4.	26/08/2020	692	Zenith	40,000.00	26/08/2020
5.	07/08/2020	1931	Zenith	50,000.00	07/08/2020
6.	04/09/2020	–	Access	6,350.76	04/09/2020
7.	04/09/2020	–	Access	24,686.53	04/09/2020
8.	25/10/2020	875	Zenith	50,000.00	25/10/2020
9.	28/10/2021	1036	Zenith	34,500.00	28/10/2021
10.	10/02/2021	2289	Zenith	50,000.00	10/02/2021
11.	19/02/2021	2304	Zenith	45,250.00	19/02/2021
12.	09/03/2021	2334	Access	169,001.00	09/03/2021
13.	05/03/2021	1086	Zenith	35,000.00	05/03/2021
14.	15/03/2021	1087	Zenith	50,000.00	15/03/2021
15.	18/03/2021	1100	Zenith	100,000.00	18/03/2021
16.	21/04/2021	1124	Zenith	25,000.00	21/04/2021
17.	07/05/2021	1140	Zenith	35,000.00	07/05/2021
18.	11/05/2021	1141	Zenith	20,000.00	11/05/2021
19.	14/05/2021	1146	Zenith	20,000.00	14/05/2021
20.	26/05/2021	2226	Zenith	140,818.17	26/05/2021
21.	02/06/2021	1166	Zenith	30,000.00	02/06/2021

22.	07/06/2021	1173	Zenith	60,000.00	07/06/2021
23.	18/06/2021	1175	Zenith	50,000.00	18/06/2021
24.	18/06/2021	1183	Zenith	50,000.00	18/06/2021
25.	25/06/2021	1189	Zenith	45,000.00	25/06/2021
26.	01/07/2021	1187	Zenith	50,000.00	01/07/2021
27.	02/07/2021	1196	Zenith	20,000.00	02/07/2021
28.	05/07/2021	1194	Zenith	20,000.00	05/07/2021
29.	09/07/2021	1203	Zenith	200,000.00	09/07/2021
30.	15/07/2021	1208	Zenith	50,000.00	15/07/2021
31.	25/08/2021	2565	Zenith	28,500.00	25/08/2021
32.	02/08/2021	1215	Zenith	20,000.00	02/08/2021
33.	06/08/2021	1359	Zenith	25,000.00	06/08/2021
34.	22/10/2021	1391	Zenith	10,000.00	22/10/2021
35.	26/10/2021	1395	Zenith	70,000.00	26/10/2021
36.	05/10/2021	2657	Zenith	10,199.00	05/10/2021
37.	05/11/2021	2689	Zenith	36,030.00	05/11/2021
38.	25/11/2021	2704	Zenith	405,426.00	25/11/2021
39.	11/11/2021	1409	Zenith	100,000.00	11/11/2021
40.	12/11/2021	1411	Zenith	50,000.00	12/11/2021
41.	30/11/2021	1420	Zenith	76,000.00	30/11/2021
42.	02/12/2021	2718	Zenith	17,000.00	02/12/2021
43.	02/12/2021	2717	Zenith	37,629.96	02/12/2021
44.	16/12/2021	1433	Zenith	77,000.00	16/12/2021
45.	22/12/2021	1449	Zenith	55,000.00	22/12/2021
46.	23/12/2021	1254	Zenith	140,000.00	23/12/2021
<b>Total</b>				<b>2,662,381.42</b>	

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

S/N	Query No.	Amount (₦)	Details	Reasons
1	LQ/IBNW/MA/01/2021	4,504,517.70	Idea Consult for the Supply of Fifteen (15) Laptops	Expenditure not supported by proper Records or Accounts
2	LQ/IBNW/MA/02/2021	656,661.06	Isbari Ventures for the supply of eleven (11) Tiger Generators	Expenditure not supported by proper Records or Accounts
3	LQ/IBNW/MA/03/2021	435,100.00	De-Damak Nigeria Ltd for the Supply of One (1) Cargo Cruiser (Car Super 125)	Expenditure not supported by proper Records or Accounts
4	LQ/IBNW/MA/04/2021	435,100.00	Lapel Logo Altime Nig. Enterprises for the Supply of Five Hundred (500) Logo Lapel Pin	Expenditure not supported by proper Records or Accounts

5	LQ/IBNW/MA/05/2021	535,000.00	Non-Deduction of 7.5% of Value Added Tax and 10% Withholding Tax	Expenditure not supported by proper Records or Accounts
6	LQ/IBNW/MA/06/2021	50,000,000.00	Financial Support to Ladoke Akintola University of Technology, Ogbomoso for Development Programme	Expenditure not supported by proper Records or Accounts
7	LQ/IBNW/MA/07/2021	23,800,375.00	Oyo State Technical University for Development Programme	Expenditure not supported by proper Records or Accounts
8	LQ/IBNW/MA/08/2021	887,200.00	Sponsorship of 3 Students to College of Nursing and Midwifery Ibadan for Development Programme	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. **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 Charge accruable to Local Government not yet resolved.

(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.

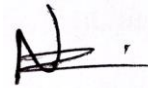
7. **LOSS:** No loss or deficiency was reported or discovered during year under review except as stated in paragraphs 4, 5 and 6.

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.

- (i) Timely Proper implementation of International Public Sector Accounting Standards (IPSAS Accrual)
- (ii) Prompt rendition of General Purpose Financial Statement
- (iii) 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.
- (iv) The Legislative Council of the Local Government should pass Revenue Laws (Bye Laws) to make collection of Revenue Legal and enforceable.
- (v) Ensure adequate data list of taxable property and tax payer
- (vi) Maintenance of minimum cash holding
- (vii) Recovery of stagnant Advances
- (viii) Prompt remittance of Deposit
- (ix) Effective maintenance of store
- (x) Adequate Internal Control System

- (xi) Proper maintenance of Capital Projects executed
- (xii) General overhauling of dilapidated shops and stalls
- (xiii) Effort should be made by the Local Government to improve on the quality of record keeping
- (xiv) Concerted efforts should be made to attend to most of flaws observed in the previous report
- (xv) Always include pension made to the Local Government Pensioners on behalf of Local Government Pension Board in the schedule of Advances
- (xvi) Timely rendition of General Purpose Financial Statement.



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



The Chairman,  
Ibadan North West Local Government,  
Onireke.

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: Mr. Ladepo Abimbola (HLGA)  
Alhaja B. T. Yusuf (DF)

Economic Code	Final Approved Provision (₦)	Actual Expenditure (₦)	Excess Disclosed (₦)
011100100 (Chairman (Severance All)	9,691,121.52	17,627,430.00	7,936,308.48
220206-01 (Chairman O/H) Security	20,000,000.00	60,208,000.00	40,208,000.00
220210-29	3,000,000.00	3,161,100.00	161,100.00
22020305 (Internal Auditor O/H)	100,000.00	1,260,000.00	1,160,000.00
220210:01 Internal Auditor	150,000.00	650,000.00	500,000.00
220201-02 (The Council)	500,000.00	510,000.00	10,000.00
22021029 (Admin & Gen)	3,000,000.00	4,012,000.00	1,012,000.00
220204-07 (F/S)	250,000.00	855,000.00	605,000.00
220207-09 (F/S)	3,000,000.00	8,882,340.92	5,882,340.92
22021029 (F/S)	1,000,000.00	5,127,618.94	4,127,618.94
220210:29 (Agric)	150,000.00	3,550,000.00	3,400,000.00
220204:04 (Works)	150,000.00	170,000.00	20,000.00
220210:29 (Education)	750,000.00	1,643,000.00	893,000.00
22050105 (Education)	3,000,000.00	50,887,200.00	47,887,200.00
23010113 (Internal Auditor) Capital	200,000.00	4,504,517.70	4,304,517.70
23010546 (Admin Gen) Capital	100,000.00	1,182,800.00	1,082,800.00
230301:27 (Works) Capital	500,000.00	2,707,334.08	2,207,334.08
<b>Total</b>	<b>45,541,121.52</b>	<b>166,928,341.64</b>	<b>121,397,220.12</b>



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

The Chairman,  
Ibadan North West Local Government,  
Onireke.

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: UNVOUCHED PAYMENT**

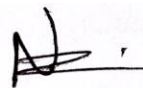
Authorizing Officer: Mr. Ladepo Abimbola (HLGA)  
Alhaja B. T. Yusuf (DF)

b. S/N	Date Cheque Issue	Cheque No.	Bank	Amount (₦)	Date Presented
1.	2/12/2017	04115	Zenith	12,990.00	2/12/2017
2.	30/08/2020	019520063042013	UBA	12,000.00	30/08/2020
3.	14/08/2020	675	Zenith	9,000.00	14/08/2020
4.	26/08/2020	692	Zenith	40,000.00	26/08/2020
5.	07/08/2020	1931	Zenith	50,000.00	07/08/2020
6.	04/09/2020	–	Access	6,350.76	04/09/2020
7.	04/09/2020	–	Access	24,686.53	04/09/2020
8.	25/10/2020	875	Zenith	50,000.00	25/10/2020
9.	28/10/2021	1036	Zenith	34,500.00	28/10/2021
10.	10/02/2021	2289	Zenith	50,000.00	10/02/2021
11.	19/02/2021	2304	Zenith	45,250.00	19/02/2021
12.	09/03/2021	2334	Access	169,001.00	09/03/2021
13.	05/03/2021	1086	Zenith	35,000.00	05/03/2021
14.	15/03/2021	1087	Zenith	50,000.00	15/03/2021
15.	18/03/2021	1100	Zenith	100,000.00	18/03/2021
16.	21/04/2021	1124	Zenith	25,000.00	21/04/2021
17.	07/05/2021	1140	Zenith	35,000.00	07/05/2021
18.	11/05/2021	1141	Zenith	20,000.00	11/05/2021
19.	14/05/2021	1146	Zenith	20,000.00	14/05/2021
20.	26/05/2021	2226	Zenith	140,818.17	26/05/2021
21.	02/06/2021	1166	Zenith	30,000.00	02/06/2021
22.	07/06/2021	1173	Zenith	60,000.00	07/06/2021
23.	18/06/2021	1175	Zenith	50,000.00	18/06/2021
24.	18/06/2021	1183	Zenith	50,000.00	18/06/2021
25.	25/06/2021	1189	Zenith	45,000.00	25/06/2021
26.	01/07/2021	1187	Zenith	50,000.00	01/07/2021
27.	02/07/2021	1196	Zenith	20,000.00	02/07/2021
28.	05/07/2021	1194	Zenith	20,000.00	05/07/2021
29.	09/07/2021	1203	Zenith	200,000.00	09/07/2021
30.	15/07/2021	1208	Zenith	50,000.00	15/07/2021
31.	25/08/2021	2565	Zenith	28,500.00	25/08/2021

32.	02/08/2021	1215	Zenith	20,000.00	02/08/2021
33.	06/08/2021	1359	Zenith	25,000.00	06/08/2021
34.	22/10/2021	1391	Zenith	10,000.00	22/10/2021
35.	26/10/2021	1395	Zenith	70,000.00	26/10/2021
36.	05/10/2021	2657	Zenith	10,199.00	05/10/2021
37.	05/11/2021	2689	Zenith	36,030.00	05/11/2021
38.	25/11/2021	2704	Zenith	405,426.00	25/11/2021
39.	11/11/2021	1409	Zenith	100,000.00	11/11/2021
40.	12/11/2021	1411	Zenith	50,000.00	12/11/2021
41.	30/11/2021	1420	Zenith	76,000.00	30/11/2021
42.	02/12/2021	2718	Zenith	17,000.00	02/12/2021
43.	02/12/2021	2717	Zenith	37,629.96	02/12/2021
44.	16/12/2021	1433	Zenith	77,000.00	16/12/2021
45.	22/12/2021	1449	Zenith	55,000.00	22/12/2021
46.	23/12/2021	1254	Zenith	140,000.00	23/12/2021
<b>Total</b>				<b>2,662,381.42</b>	

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 Two Million, Six Hundred and Sixty Two Thousand, Three Hundred and Eighty-One Naira, Forty Two Kobo (N2,662,381.42) representing Unvouched Payments and informs this office of the Treasury Receipt particulars of recovery.



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