

# **CERTIFICATE**

## **OF THE**

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

The attached General Purpose Financial Statements of Ido Local Government, Ido 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 Ido Local Government, Ido 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/IDO/01/2021: Excess Disclosed by the Statement

<b>Economic Code</b>	<b>Final Approved provision (₦)</b>	<b>Actual Expenditure (₦)</b>	<b>Excess Disclosed (₦)</b>
21010103	2,931,792.40	5,440,386.57	2,508,594.17
21010101	84,184,156.98	135,448,850.61	52,264,693.69
52100100100	Nil	5,580,000.00	5,580,000.00
21010101	140,000,000	207,472,912.81	67,472,912.81
22020101	Nil	40,000.00	40,000.00
22020604	3,500,000.00	46,750,000.00	43,250,000.00
22021029	500,000.00	575,000.00	75,000.00

22020404	Nil	25,000.00	25,000.00
22020401	750,000.00	1,200,000.00	450,000.00
221220202	Nil	40,000.00	40,000.00
221220301	250,000.00	406,000.00	156,000.00
221220312	400,000.00	455,358.00	55,350.00
221220709	6,200,000.00	8,217,157.64	2,017,157.64
22021006	Nil	1,149,416.08	1,149,416.08
22020401	350,000.00	487,000.00	137,000.00
22020405	250,000.00	275,000.00	25,000.00
22020801	7,000,000.00	22,077,409.98	15,077,409.98
22021001	4,500,000.00	4,974,000.00	474,000.00
22021007	1,500,000.00	2,223,000.00	723,000.00
22021021	1,500,000.00	13,948,930.00	12,448,830.00
22020201	250,000.00	694,000.00	444,000.00
22020401	350,000.00	470,450.00	120,450.00
22020801	200,000.00	230,000.00	30,000.00
22020602	250,000.00	492,000.00	242,000.00
22021029	1,500,000.00	2,081,000.00	581,000.00
22020305	100,000.00	120,000.00	20,000.00
22020407	Nil	80,000.00	80,000.00
22021003	2,500,000.00	3,224,080	724,080.00
2021001	500,000.00	570,000.00	70,000.00
23020105	Nil	5,000,000.00	5,000,000.00
23010112	Nil	100,700.00	100,700.00
23010112	6,000,000.00	10,628,484.50	4,628,484.50
23010105	Nil	46,572,000.00	47,572,000.00
23020113	Nil	60,000.00	60,000.00
23010104	Nil	38,000.00	38,000.00
23030102	Nil	10,000.00	10,000.00
23030104	7,000,000.00	7,057,625.00	57,625.00
23010128	1,000,000.00	2,500,000.00	1,500,000.00
23010146	3,000,000.00	6,600,500.00	3,606,500.00
23010110	8,700,000.00	73,800,074.00	65,100,075.00
	<b><u>282,665,949.38</u></b>	<b><u>617,114,335.19</u></b>	<b><u>333,954,278.87</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) Asset Register

(ii) 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/IBPE/MA/ 01 /2021: Unvouched Payment

SN	Date Cheque Issue	Cheque No.	Amount (₦)	Date presented
1	6/10/2021	002804	130,436.15	
2	30/12/2021	00570	20,000.00	
3	12/3/2021	08727879	100,000.00	
4	7/7/2021	10306914	80,000.00	
5	7/7/2021	10306913	20,000.00	
6	28/7/2021	10306918	130,000.00	
7	22/12/2021	035674267	<u>100,000.00</u>	
	<b>Total</b>		<b><u>580,000.15</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.

SN	Query No	Details	Amount (N)	Reasons
1	LQ/IDO/MA/01/2021	Payment to empowerment programme for the women within four (4) political wards	2,500,000	Expenditure nor supported by proper Records or Accounts
2	LQ/IDO/MA/02/2021	Payment to essential drugs	700,000.00	“
3	LQ/IDO/MA/03/2021	Payment to hosting of Zonal community development council	640,000.00	“

## 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 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. **LOSS:** The loss of vice metal table and spare parts valued at Four Million, Six Hundred and Eighty Five Thousand Naira (N4,685,000.00) only was reported on the 28th October, 2021.

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.

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 in the management report forwarded to the Chairman.

- (a) The management non maintenance of Asset Register
- (b) Bank Reconciliation Statements should be prepared as and when due, while all necessary RVs and PVs are raised.
- (c) Management should improve on its independence revenue in order to reduce its independence on the statutory Allocation.
- (d) Dormant Advances should be recovered.
- (e) Adherence to Appropriation Laws
- (f) Passage of Revenue Laws (Bye-Laws)



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