

CERTIFICATE

OF THE

AUDITOR-GENERAL FOR LOCAL GOVERNMENTS, OYO STATE ON THE ACCOUNTS OF ORIIRE LOCAL GOVERNMENT, IKOYI- ILE 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 Oriire Local Government, Ikoyi-Ile 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 ORIIRE LOCAL GOVERNMENT, IKOYI- ILE FOR THE YEAR ENDED 31ST DECEMBER, 2021

The attached General Purpose Financial Statements of Oriire Local Government, Ikoyi-Ile 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 Oriire Local Government, Ikoyi-Ile 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 Provisions of Model Financial Memoranda

(i) **Non-maintenance of Register:** The underlisted registers were not maintained or presented for Audit.

(a) Register of Audit Correspondence

(b) Asset 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/ORI/MA/01/2021	5,101,475.50	Idea Konsult Ltd and Isbari Ventures respectively for purchases of ten (10) Tiger Generator Sets	Expenditure not supported by proper Record or Account
2	LQ/ORI/MA/02/2021	2,000,000.00	Mr. Bello Abdulkareem NPC Director for Logistics Support for execution of Enumeration Area Demarcation (EAD)	Expenditure not supported by proper Record or Account

3	LQ/ORI/MA/03/2021	17,878,787.00	Elizade Nigeria Ltd (Autoland for procurement of Hilux Van for the Security in the Local Government	Expenditure not supported by proper Record or Account
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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. **Cash Flow Statement:** The Cash Flow Statement as at 31st December, 2021 contains the following errors.

Items	Amount shown in the Statement (₦)	Correct Amount (₦)
<u>Independent Revenue</u>		
Non Tax Revenue	Nil	10,261,940.00
Total Independent Revenue	17,564,727.36	18,114,727.36
Total Inflow from Operating Activities	986,374,366.64	985,774,366.64
<u>CASH OUTFLOW</u>		
Net Outflow from Operating Activities	185,932,654.47	185,332,654.47
Proceeds from Sales of Motor Vehicle	550,000.00	1,150,000.00

b. **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 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 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.

- (a) Prompt response to Audit Queries and Inspection Reports
- (b) Adequate preparation for Minimum Cash Holding
- (c) Reduction of maintainable bank accounts from 10 to 4 bank accounts
- (d) Pay serious attention to bank charges and unrepresented cheques
- (e) Passage of Revenue Laws (Bye-Laws) by Legislative Council
- (f) All payments on the instruction of the Ministry of Local Government and Chieftaincy Matters should be adequately receipted and the items should be pursued up to delivery stage
- (g) Grounded vehicles should be disposed but subject to due process
- (h) Capital projects should be adequately maintained.

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