

***OFFICE OF THE AUDITOR-GENERAL***

***FOR LOCAL GOVERNMENTS***

***LOCAL GOVT. AUDIT HEADQUARTERS***

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***LOGAUD/AR/01/ARO/06 June 27, 2021***

**The Executive Chairman**

Arochukwu Local Government

Arochukwu

**AUDIT INSPECTION REPORT OF AROCHUKWU**

**LOCAL GOVERNMENT FOR THE 2021**

The following observations arising from a recent audit inspection of the accounts, books and records of Arochukwu Local Government for the year 2021 are forward for your comments and necessary action, as appropriate, please.

**MONTHLY CHECK OF CASHBOOK AND NO ANNUAL BOARD SURVEY**

2. It was observed that contrary to section 19 sub section 34 of Model financial memoranda for local government which established the need for annual board of survey to be conducted at end of any financial year, it was observed that Arochukwu Local Government neglected the above authority.

The importance of this Annual Board of Survey cannot be overemphasized, itserves as a checkmate to the activities on the cashbook, the cash entries and payments, the monthly check on cash book help to check lapses in accounting.

Would you please, take adequate action to constitute a Board of Survey to look into the records of the cashbook periodically henceforths.

**BANK RECONCILATION STATEMENT**

3. During the time of this audit, it was observed that the five(5) bank accounts maintained by the Arochukwu Local Government Council were not reconciled. This contravened Model Financial Memoranda for Local Government section 19:23 and 19:24.

The importance of monthly and periodical preparation of Bank Reconciliation Statement cannot be over emphasized in the light of the detection of error and fraud among others, which it may highlight thereof.

Would you please, ensure prompt monthly bank reconciliation of the Local Government Accounts and forward copies to this office.

**ASSETS REGISTER AND INVENTORIES NOT KEPT**

4. The Arochukwu Local Government did not keep or maintain update assets register of their recently acquired assets. The attention of the accounting officers of Arochukwu Local Government is drawn to Model Financial Memoranda Section 38:1

Effort should be made to take adequate measures to ensure that the assets of the council is been taken on inventory and recorded appropriately.

**UNRETIRED OPERATIONAL ADVANCES**

5. A total sum of ~~N~~18,605,000.00 as contained in Appendix A to their report represent operational advances granted to various officers of the council but not retired within the year.

In line with section 14:26 and 14:31 of Model Financial Memoranda for Local Government, would you please, ensure cash recovery of the amount stated against the respective persons and forward to this office the recovery particulars for further audit.

**INSUFFICIENTLY VOUCHED PAYMENT**

6. A total sum of ~~N~~16,000,000.00 represent insufficiently vouched payments as a result of not attaching supporting document, see Appendix B attached to this report for details.

Would you please, cause the affected officers to produce the required documents as stated under the remark column and inform the office accordingly.

Where the required documents are not obtained, please take necessary steps to recover from the affected persons the amount stated against their names and forward the necessary particulars to this office for further audit.

Your attention is drawn to Section 14:4 (8) of Model Financial Memoranda of Local Government for Compliances.

**ITEMS OF STOREs NOT TAKEN ON CHARGE**

7. The sum of N1,498,000.00 represent the amount of items of stores purchased by Arochukwu Local Government, that was not taking on charge and was not received by the store contrary to Section 34:17 sub Section 34:17 sub Section 2b.

The inability of the purchasing officer of Arochukwu Local Government not attaching store receipt voucher to the payment voucher covering payment made to them prove that the consumable and expendables stores were not procured.

Would you please produce all that Store Receipt Vouchers (SRV) covering these items of store to prove that they were purchased and furnish me with the necessary particulars for further audit.

**INTERNAL GENERATION REVENUE**

8. During the time of Audit inspection, internal revenue of Arochukwu Local Government for the year 2021, it was observed that there was a significant poor internal revenue generation within the period under review. This sum of ~~N~~2,087,499.77 represent the amount of money collected on internally generation revenuefor year2021 compare to the year, 2020 which was ~~N~~6,435,288.87.

The significant difference of the sum of ~~N~~4,347,789.10, which represent shortfall between the year 2020 and 2021 cannot be undermine.

Effort should be made to take adequate measure to improve in the internal revenue generation for the council.

9. Your response and necessary action to above queries and comments is expected.



**LIST OF OUTSTANDING OPERATIONAL ADVANCES**

**AS AT DECEMBER 31, 2021**

*Appendix A*

|  |  |  |  |
| --- | --- | --- | --- |
| **S/NO** | **FOLIO** | **NAME** | **AMOUYNT****N** |
| 1 | 3 | Okore D. I. K | 150,000.00 |
| 2 | 7 | AdinduChimezie | 90,000.00 |
| 3 | 9 | Ugochukwu U.C | 90,000.00 |
| 4 | 11 | Charles Ole | 30,000.00 |
| 5 | 13 | EmekaKaluIfere | 90,000.00 |
| 6 | 19 | NmaOgburu | 85,000.00 |
| 7 | 25 | IbeIroKalu | 10,000.00 |
| 8 | 33 | Ijere Esther | 5,000.00 |
| 9 | 39 | EkekeOnwuchekwa | 30,000.00 |
| 10 | 45 | ElizabathUdoka | 40,000.00 |
| 11 | 47 | Chairman Driver | 25,000.00 |
| 12 | 49 | H.O.D Driver | 20,000.00 |
| 13 | 51 | Treasurer Driver | 20,000.00 |
| 14 | 53 | C.O.S | 10,000.00 |
| 15 | 63 | NkechiOchu | 20,000.00 |
| 16 | 65 | O/C Reg | 5,000.00 |
| 17 | 73 | Godwin Nwankwo | 80,000.00 |
| 18 | 79 | Ngozi Gospel | 5,000.00 |
| 19 | 80 | AdinduChimezie | 17,890,000.00 |
|  |  |  | **18,605,000.00** |

**INSUFFICIENCY VOUCHER EXPENDITURE** *Appendix B*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **S/N** | **NAME OF OFFICER & ADDRESS** | **PV. NUM & DATE** | **AMOUNT** | **PURPOSE OF PAYMENT**  | **REMARKS** |
| 1 | AdinduChimeziec/o Works Department Arochukwu Local Government | 7 of 7/4/21 | 4,500,000.00 | Being Payment made for the fumigation of the Council | No evidence of expenditure attached to that payment voucher |
| 2 | Ministry of Local Government and chieftaincy Affairs, Umuahia | 6 of 18/01/21 | 6,500,000.00 | Being payment for the fumigation of Health Centres | No evidence of expenditure, and no receipt attached to the payment voucher |
| 3 | ChimezieAdindu, HOD Works Department of Arochukwu Local Government | 17 of 3/2/21 | 300,000.00 | Being payment for water reticulation project on the council | No bill of quantities. No official receipt attached to show evidence of expenditure |
| 4 | ChimezieAdindu, HOD Works Department of Arochukwu Local Government | 8 of 6/1/21 | 1,300,000.00 | Being payment for water reticulation project on the council | No details of expenditure attached to the payment voucher |
| 5 | Christopher OkpoFinance Department Arochukwu Local Government | 5 of 20/01/21 | 400,000.00 | Being payment for the allowances of the supervisor for Feb. 2021 | No details of beneficiary or the details of the supervisor attached to the payment voucher. |
| 6 | Arochukwu Local Government Joint Project Account Arochukwu | 12 of 16/9/21 | 3,000,000.00 | Being transfer of fund to the Project Account | No details of expenditure attached |
|  | **Total**  |  | **16,000,000.00** |  |  |

 **ITEMS NOT RECEIVED BY THE LEDGER CHARGE**

Appendix C

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **S/N** | **NAME OF OFFICER & ADDRESS** | **PV. NUM & DATE** | **AMOUNT** | **PURPOSE OF PAYMENT**  | **REMARKS** |
| 1 | NwakanmaOkerekec/o Chieftaincy Affairs Arochukwu Local Government | 4 of 24/2/21 | 174,600.00 Being part of N350,000.00 | Being Payment for listing Ndieze for the month of January,2021 | The sum of N174,600.00 is representing items beverages1. Brandy- N140,000.00
2. Wine=N34,600.00
 |
| 2 | Hon. Austin EmekaArochukwu Legislative Council | 14 of 16/3/21 | 500,000.00 Being part of N850,000.00 | Purchase of necessary items needed for the Legislative Council | 1.MACE N350,000.002.Generator Set N200,000.003. Legislative apparel= N260,000.004.Other= N50,000.00 |
| 3 | NwakanmaOkerekeArochukwu Local Government | 8 of sept. 5/9/21 | 170,000.00 part of N350,000.00 | For hosting of NdiezeArochukwu Local Government | Items of beverage at the cost of N170,000.00  |
| 4 | NwakanmaOkerekeArochukwu Local Government | 14 of June 28/7/21 | 173,400.00 part of N350,000.00 | For hosting of NdiezeArochukwu Local Government | Items of beverage at the cost of N173,400.00 |
| 5 | NwakanmaOkerekeArochukwu Local Government | 30 of August 25/6/21 | 160,000.00 part of N350,000.00 | For hosting of NdiezeArochukwu Local Government | Items of beverage at the cost of N160,100.00 |
| 6 | NwakanmaOkerekeArochukwu Local Government | 13 of Oct 12/10/21 | 160,000.00 part of N350,000.00 | For hosting of NdiezeArochukwu Local Government | Items of beverage at the cost of N160,100.00 |
| **7** | NwakanmaOkerekeArochukwu Local Government | 20 of March 4/12/21 | 160,000.00 part of N350,000.00 | For hosting of NdiezeArochukwu Local Government | Items of beverage at the cost of N160,100.00 |

PV Amount= ~~N~~2,950,000.00 Amount represented items of stores not received in the store Ledger= ~~N~~1,498,000.00