

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

***FOR LOCAL GOVERNMENTS***

***LOCAL GOVT. AUDIT HEADQUARTERS***

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**LOGAUD/AR/01/ABN/06 June 27, 2022**

**The Executive Chairman**

Umuahia South Local Government

Apumiri Ubakala

**AUDIT INSPECTION REPORT OF UMUAHIA SOUTH**

**LOCAL GOVERNMENT FOR THE YEAR, 2021**

The following observation arising from the recent Audit Inspection of the Accounts, books, and records of Umuahia South Local Government for the year 2021, are forwarded for your information, necessary action, and appropriate comments.

**BANK STATEMENT NOT RECONCILIED**

2. Bank reconciliation statement which supposed to be done immediately and timely at the end of monthly transactions with the bank were left undone, to the detriment of the Local Government, the danger of unreconcilied account posses to the Local Governments Account and the danger of neglecting this financial control strategy cannot be overemphasised. Your attention is drawn to section 1:13 and 1:15 of Financial Memorandum of Local Government for your guide.

 Please would you take immediate actions in updating your Banks reconciliation statement to avert fraud and other financial improprieties and forward evidence of compliance to this office.

**DOUBTFUL EXPENDITURES**

3. Appendix I to this report show that the sum of N12,200,000.00 was expended on various items in the year under review in Umuahia South Local Government through the officers as stated in the appendix ‘I’. There were no sufficient evidence to prove that the money was spent for the purpose intended in the public interest. The officers affected should provide the evidence that, the money was judiciously spent or refund the sum of N12,200,000 to the coffers of the council and present evidence of the refund to audit for my inspection.

 Your attention is drawn to relevant provisions on the Financial Memoranda for Local Government for guidance.

**WRONG USE OF IMPREST (UPKEEP)**

4. The sum of N11,425,000.00 contained in the Appendix II to this report show that the monthly imprest given to the principal officer of Umuahia South Local was essentially used for entertainment instead of the upkeep of the officers, contrary to Section 14:22 of the Financial Memorandum for Local Governments.

 Office cash imprest should be judiciously and effectively used for the provision of office stationery, repairs of office equipment and other assets as well as other pressing needs of the office and not only for the purchase of drinks, food and coolers of fried chicken and meat and other entertainment items.

All imprest staff of Umuahia South Local Government are advised in their own interest to used the monthly imprest given to them for the purpose intended and avoid financial recklessness.

Your attention is drawn to section 14:27 of Financial Memorandum of the local Government for proper guidance.

**OVERINVOCING**

5. A sum of N3,787,000.00 contained in Appendix III to this reports shows, the overinvocing and over claimed, night allowance, transport on seminars and purchase of office and some contract executed by Umuahia South Local Government. This act is frequently and a way of detruding the Local Government funds.

 Would you please ensure the speed and immediate recovery of this over claimed amount against the officers as contained in the appendix and forward to me evidence of recovery.

**COMPLIANCE TO PREVIOUS AUDIT REPORT (2020)**

6. There are evidences of compliance to previous audit report, especially in unretired advances, and other points raised in the 2020 Audit Inspection Report.

**REVENUE AUDIT**

7. The following person short accounted as follows:

 (1) God’stime Chikezie = N90,300.00

 Receipt No 3650-3650

 (2) Samuel Ukwueni –

 Gen Receipt No 0051-0100 = N50,000.00

The sum of N140,300.00 was short accounted by the above named officer of the Local Government and should be recovered from their salaries with immediate effect and the evidence of such recoveries made available to the Auditor- General for Local Governments Abia State. Audit wish to advise that:

1. Proper internal control should be applied by the Internal Auditor of the Local Government, to enhance effective and efficient revenue collection.
2.  Secondly the idea of firming out or outright sale of Revenue of the Local Government should be discourage, as it makes staff of Local Government redundant and non functional.

**DOUBTFUL PAYMENT**

**Appendix I**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **S/NO** | **NAMES** | **PV NO** | **DATE** | **AMOUNT****N** | **DETAIL** | **REMARKS** |
| 1. | Nwosu Kelechi C. | 30 | 25/1/21 | 60,000.00 | OPE for hosting Olokoro market men & women on 13 Jan 2021 | No courtesy letter |
| 2. | Nwosu Kelechi C. | 32 | 21/1/20 | 40,000.00 | Production of ID card for Chairman Ades & committee members | No price or unit cost and number of the people |
| 3. | Nwosu Kelechi C. | 36 | 10/2/21 | 500,000.00 | Being OPE for hosting of stake holders meeting | What is the contribution of the run of Local Govt. |
| 4. | Nwosu Kelechi C. | 40 | 8/3/21 | 500,000.00 | Being OPE for hosting of stake holder meeting of Umuahi south | What is the contribution of the run of Local Govt. |
| 5. | Hon H.C Benson | 42 | 23/8/21 | 1,500,000.00 | Being payment for town hall meeting &assessment tour of Umuopara clan on 11th Jan 2021 | The expenditure is doubtful  |
| 6. | Hon F.C Benson | 48 | 16/3/21 | 1,500,000.00 | Payment for town hall meeting and need assement tour of Olokoro clan on 22 Jan 2021 | The expenditure is doubtful |
| 7. | Deac. Florence Kanu | 49 | 11/3/21 | 300,000.00 | Being OPE for attending Nigeria Girls Guilds Association at Lagos from 1st-8th Sept 2009 | No invitation letter |
| 8. | Hon H.C Benson | 7 | 16/3/21 | 1,500,000.00 | Being payment for town hall meeting & needs assessment of Ubakala clan on 21st Jan 2021 | No economic impart |
| 9. | Hon Nwosu Kelechi C | 46 | 23/5/21 | 500,000.00 | Hosting of stakeholders meeting of Umuahia South Local Government |  |
| 10. | Chioma Elekwanya | 55 | 7/8/21 | 100,000.00 | Refund of OPE for entertainment of Ogbodiukwu women leader for their courtesy visit to the council  | No courtesy call letter |
| 11. | Nwosu Kelechi C | 34 | 28/1/21 | 500,000 | Hosting of stake holders meeting of Umuahia South Local Govt. |  |
| 12. | Nwosu Kelechi C | 35 | 28/6/21 | 500,000.00 | Hosting of stake holders meeting of Umuahia South Local Govt. |  |
| 13. | Ephraim Obinna | 40 | 29/7/21 | 75,000.00 | Being OPE for hosting Umuogo Youth on courtesy visit 5th May 2021  | No courtesy call letter |
| 14. | Irogbueke Mercy  | 10 | 29/7/21 | 75,000.00 | Being OPE for entrainment Mabarakunma Women their courtesy visit  | No courtesy visit letter |
| 15. | Irogbueke Mary | 9 | 18/7/21 | 75,000.00 | Refund of OPE for the purchase of realms of photocopy paper for chairman’s office  | No SRV chairman have imprest to get the material |
| 16. | Elekwanya Chioma | 7 | 28/6/21 | 100,000.00 | OPE for entertainment, Ubakala Women on 7th Jan 2021  | No courtesy call letter |
| 18. | Stephen Oko | 19 | 29/9/21 | 650,000.00 | Payment for congratulory message to the Governor by Algon on the 30th celebration of Abia State | No receipts  |
| 19. | Nnabugwu John | 32 | 11/10/21 | 75,000.00 | OPE entertainment of Omaegwu Youth on their courtesy visit to the chairman on 18th March 2021 | No courtesy call letter |
| 20. | Modestus Nwaoban Ministry of Local Government & Chieftaincy Affairs | 54 | 14/10/21 | 3,300,000 | Payment for the procurement of new computer and photocopy and accessory for JAAC Secretariat and Office CCTV | No Unit cost and number of computer and photocopy machine |
| 21. | Mrs Florence Nwankpa  | 68 | 27/10/21 | 25,000.00 | Being photocopies of letter to the women of Mabarakuma meeting, 4th Oct 2021 | No relationship with the council |
| 22. | Mrs Florence Nwankpa | 67 | 27/10/21 | 100,000.00 | Being refund of OPE for entertaining Umuota women for then meeting 1st Oct | No relationship with the council |
| 23. | Iroabueke Mercy Chima | 71 | 11/10/21 | 75,000.00 | Being OPE for hosting Umuogo Women on their courtesy visit on 12th July 2021 to Chairman | No courtesy letter  |
| 24. | Iroabueke Mercy | 72 | 11/10/21 | 75,000.00 | Being OPE for the hosting of Amibo village heads on their courtesy visit for the chairman | No courtesy letter |
| 25. | Nnabugwu John | 74 | 11/10/21 | 75,000.00 | Being OPE for the hosting of Umunwawa Autonomous Committee during their courtesy visit  | No courtesy letter |
|  | **Total**  | **12,200,000.00** |  |  |

**ABUSE OF IMPREST**

**Appendix II**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **S/NO** | **NAMES** | **PV NO** | **DATE** | **AMOUNT****N** | **DETAIL** | **REMARKS** |
| 1. | Mrs P.C Eme |  | 17/6/21 | 170,000.00 | Retirement of monthly imprest | Food & drinks |
| 2. | Hon. H.C Benson | 5 | 11/5/21 | 1,000,000.00 | Retirement of monthly imprest | Food = 429,000 (21 Assorted Alcoholic drinks= 1,068,400.00Photocopies = 2,600.00 |
| 3. | Hon H.C Benson | 12 | 3/9/21 | 1,500,000.00 | Retirement of monthly imprest | Assorted drinks = 925,900.00Assorted food = 560,000Photocopy of document = 14,100 |
| 4. | Lady Adanma Mercy Umesi  | 010 | 3/9/21 | 300,000.00 | Retirement of monthly imprest | Food = 26,000.00, Assorted 274,000 |
| 5. | Hon. H.C. Benson | 008 | 3/9/21 | 1,500,000.00 | Retirement of monthly imprest | Food Assorted = 450,000.00Assorted drinks = 1,035,500.00Document printer = 14,600.00 |
| 6. | Lady Adanma Mercy Umesi | 001 | 3/9/21 | 300,000.00 | Retirement of monthly imprest Feb, 2021 | Assorted = 289,000.00Food Assorted = 41,000.00 |
| 7. | G.O Okezie | 013 | 22/6/21 | 255,000.00 | Retirement of imprest | Assorted wine & June = 270,000 |
| 8. | G.O Okezie | 015 | 29/9/21 | 270,000.00 | Retirement of imprest | Assorted wine & June = 270,000 |
| 9. | G.O Okezie | 016 | 27/9/21 | 265,000.00 | Retirement of imprest | Assorted wine & June = 265,000 |
| 10. | G.O Okezie | 014 | 10/8/21 | 270,00.00 | Retirement of imprest | Assorted wine & June = 270,000.00 |
| 11. | G.O Okezie | 017 | 2/12/21 | 265,000.00 | Retirement of imprest | Assorted wine & June = 265,000.00 |
| 12. | Lady Adanma Mercy UmesiDeputy Chairman | 050 | 22/10/21 | 300,000.00 | Retirement of imprest | Assorted wine & Alcoholic drink = 300,000.00 |
| 13. | Lady Adanma Mercy UmesiDeputy Chairman | 051 | 26110/21 | 300,000.00 | Retirement of imprest | Assorted wine & Alcoholic drink = 300,000.00 |
| 14. | Lady A.M. Umesi | 052 | 22/12/21 | 300,000.00 | Retirement of imprest | Assorted wine & Alcoholic drink = 300,000.00 |
| 15. | Lady A.M. Umesi | 053 | 22/12/21 | 300,000.00 | Retirement of imprest | Assorted wine & Alcoholic photocopies = 300,000.00 |
| 16. | Lady A.M. Umesi | 054 | 3/9/21 | 300,000.00 | Retirement of imprest | Assorted wine & Alcoholic photocopies = 300,000.00 |
| 18. | Lady A.M USLG | 068 | 3/9/21 | 300,000.00 | Retirement of imprest | Assorted wine & Alcoholic photocopies = 300,000.00 |
| 19. | Hon Dennis Okorie | 084 | 23/12/21 | 500,000.00 | Retirement of imprest | Fuel = 131,500.00Assorted drinks 369,000.00 |
| 20. | Hon Dennis Okorie | 086 | 23/12/21 | 500,000.00 | Retirement of imprest | Assorted & wine = 235,000.00Assorted food = 160,000.00Fuel & oil = 90,000.00 |
| 21. | Hon Dennis Okorie | 096 | 31/12/21 | 500,000.00 | Retirement of imprest | Assorted Alcoholic wine & Hot drink = 428,000.00food = 75,000.00 |
| 22. | Hon Dennis Okorie Leader | 097 | 31/12/21 | 500,000.00 | Retirement of imprest | Assorted Alcoholic drinks = 500,000.00 |
| 23. | Hon Dennis Okorie | 098 | 31/12/21 | 500,000.00 | Retirement of imprest | Assorted Alcoholic drinks = 500,000.00 |
| 24. | Hon Dennis Okorie | 099 | 31/12/21 | 500,000.00 | Retirement of imprest | Assorted Alcoholic drinks = 500,000.00 |
|  |  |  |  | **11,425,000.00** |  |  |

**OVERINVOCING**

**Appendix III**

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| --- | --- | --- | --- | --- | --- | --- |
| **S/NO** | **NAMES** | **PV NO** | **DATE** | **AMOUNT****N** | **DETAIL** | **REMARKS** |
| 1. | G.O. Okezie | 28 | 23/2/21 | 195,000.00 | OPE refund attending seminar at Enugu from 26th-28th Jan 2021 | He claimed 4 days allowance instead of 1 day and His hiring of a vehicle covers his transports should refund the sum of 70,000 forover invoicing |
| 2. | Mrs. P.C Eme | 32 | 23/2/21 | 207,500.00 | OPE refund attending seminar at Enugu from 26th-28th Jan 2021 | She should refund the sum of 82,000 as over invocing her monthly hiring of vehicle cover her transport and she over claimed night allowance by a day  |
| 3. | Hon. H.C Benson | 36 | 23/2/21 | 300,000.00 | Being OPE while attending seminar at Enugu on 26th-28th Jan 2021 | He over claimed night allowance & Monthly hiring of vehicle cover his transportation He should refund the sum 180,000.00 |
| 4. | Hon. H.C Benson | 6 | 10/5/21 | 240,000.00 | Being OPE for attending seminar at Abakaliki on Feb, 2021 | He should refund the sum of N100,000 on transportation due to his monthly hiring of vehicle  |
| 5. | Hon H.C Benson  | 49 | 11/10/21 | 325,000.00 | Being refund of OPE incurred while attending seminar at Enugu from 23rd-25th August 2021 | He claimed 5 days allowance instead of 4-days and transportation is covered by monthly hiring of vehicle he should refund the sum of 150,00.0  |
| 6. | G.O Okezie | 115 | 26/10/21 | 255,000.00 | Being refund of OPE incurred while attending seminar at Enugu from 23rd -25th August 2021 | He Claimed 5day instead of 4 day and the transportation is covered by monthly hiring of vehicle. He shouldrefund the sum of 100,000 as over claimed allowance |
| 7. | Mrs P.C Eme | 92 | 15/10/20 | 760,000.00 | Being payment of first 28 days and transport allowance | She should refund the sum of 120,000 as over claimed transport allowance. |
| 8. | Ikonto C. Obinnaya | 11 | 16/6/21 | 500,000.00 | Provision of double window blind in the conference hall | Please refund the sum of 200,000 as an over inviocing |
| 9. | Ikonte C. Obinnaya | 116 | 16/6/21 | 820,000.00 | Provision of furnish in the chairman office | Refund the sum of 220,000 as an over invoicing |
| 10. | Ikonte C. Obinnaya | 117 | 19/8/&16/6/21 | 3,300,000.00 | Provision of 60 seater conference table 60, Banquet conference chairs 20, swivel chairs, 60 seaters conference table= 1,600,000, 60 Bouquets 780,000, 20, swivel chairs 980,000  | The present cost of the banquet is 8,000 by 60 = 480,000 market survey swivl chairs 22,000 = 440,000 conference table not up to sixty searter 660,000 please refund the sum of 1,580,000 as over inviocing  |
| 11. | Okoronkwo Nkeiruka | 94 | 8/9/21 | 270,000.00 | Partitioning of skill equistions hall office used | Refund the sum 80,000 as overinvicing |
| 12. | Isiolu Betsy Kalu Works Dept | 95 | 16/9/21 | 254,000.00 | Construction of legislative Eblem | Refund the sum of 85,000.00 as over invoicing  |
| 13. | I.D Ngwakwe HOD Works Dept | 003 | 12/2/21 | 430,000.00 | Painting of legislative complex | Please refund the sum of 150,000 as over expenditure. |
| 14. | I.D Ngwakwe HOD Works Dept | 005 | 12/7/21 | 700,000.00 | Reconstruction of water borehole phase one at Amakanma | Please refund the sum of 250,000 as over on the receipted items |
| 15. | I.D Ngwakwe  | 004 | 12/7/21 | 1,500,000.00 | Payment for scooping of tramasl,, carting away debris cleaning bushes at remoted parts of the council | Refund the sum of 500,000.00 |
|  |  |  |  | **10,056,500.00** |  | **3,787,000.00** |