

# **CERTIFICATE**

## **OF THE**

### **AUDITOR-GENERAL FOR LOCAL GOVERNMENTS, OYO STATE ON THE ACCOUNTS OF IBADAN NORTH LOCAL GOVERNMENT, BODIJA FOR THE YEAR ENDED 31ST DECEMBER, 2020**

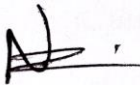
In compliance with the provision of Part VII, Section 66 (Subsections 2, 3 and 5) of Oyo State Local Government Law 2001, Section 5 (Subsection 4) of the State Joint Local Government Account (Distribution) Law 2002 and the provisions of Model Financial Memoranda, the Book of Accounts and General Purpose Financial Statements of Ibadan North Local Government, Bodija for the year ended 31st December, 2020 have been audited.

2. The General Purpose Financial Statements were prepared by the management of Ibadan North Local Government, Bodija and the management is therefore responsible for the contents and the information contained therein.

3. The General Purpose Financial Statements consisting (a) Cash Flow Statement (b) Statement of Financial Position (c) Statement of Consolidated Revenue Fund and (d) Statement of Capital Development Fund were prepared in line with IPSAS Cash.

4. 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 express my opinion. Some projects and programmes were verified in line with the prevailing administrative guidelines.

5. In my opinion and without prejudice to the observations contained in the Audit Inspection Report, the General Purpose Financial Statements did not show the true and fair view of the financial transactions of the Local Government for the year 2020.

  
12/07/21

**Olusola Olanrewaju Akinola**  
**Auditor-General for Local Governments.**

# **REPORT**

## **OF THE**

### **AUDITOR-GENERAL FOR LOCAL GOVERNMENTS, OYO STATE ON THE ACCOUNTS OF IBADAN NORTH LOCAL GOVERNMENT, BODIJA FOR THE YEAR ENDED 31ST DECEMBER, 2020**

The attached General Purpose Financial Statements of Ibadan North Local Government, Bodija have been examined in accordance with the Oyo State Local Government Law 2001 Part VII Section 66 Sub-sections (2) (3) & (5) and the provisions of Model Financial Memoranda for Local Governments.

2. 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.

### **3. REVIEW OF FINANCIAL STATEMENT**

a. **CASH FLOW STATEMENT:** The Cash flow Statement for the year ended 31st December, 2020 contained the following errors.

<b>Items</b>	<b>Amount Shown in the Statement (₦)</b>	<b>Correct Amount (₦)</b>
<b><u>Operating Activities</u></b>		
<b>Inflow</b>		
Interest Earned	2,121,677.33	2,124,097.33
Total Inflow from Operating Activities	1,111,243,206.81	1,111,245,626.81
<b>Outflow</b>		
Overhead Cost	136,352,361.44	136,621,361.33
Net Cash flow from Operating Activities	976,168,616.17	976,437,616.17
Net Cashflow (outflow) from Operating Activities	135,074,590.64	134,808,010.64
Cash Flow from Investing Activities	185,541,401.30	185,474,742.84
Net Cash Inflow from all Activities for the year	(50,466,810.66)	50,666,732.20
Beginning balance of the Cash & Its Equivalent	314,905,144.58	315,104,335.12
Net Cashflow from all Activities	(50,466,810.66)	(50,666,732.20)
Closing balance of Cash and Its Equivalent	288,426,533.25	288,425,802.25

b. **STATEMENT OF FINANCIAL POSITION:** The Statement of Financial Position as at 31st December, 2020 contained the following errors.

<b>Items</b>	<b>Amount Shown in the Statement (₦)</b>	<b>Correct Amount (₦)</b>
<b><u>Assets</u></b>		
Cash & Cash Equivalent	288,416,936.28	288,416,205.28
Savings & Fixed Deposit	105,558,233.10	105,349,012.56
Advances	10,458,157.30	10,468,187.30
Total Current Assets	404,442,923.65	404,243,002.11
Total Assets	406,694,923.65	406,495,002.11
Net Assets/Equity	366,370,771.05	366,170,849.51
Current Year Earning/Deficit	(50,466,810.66)	(50,666,732.20)
Net Asset	366,370,771.05	366,170,849.51

c. **STATEMENT OF CONSOLIDATED REVENUE FUND:** The Statement of Consolidated Revenue Fund as at 31st December, 2020 contained the following errors.

<b>Items</b>	<b>Amount Shown in the Statement (₦)</b>	<b>Correct Amount (₦)</b>
<b><u>Revenue</u></b>		
Interest Earned	2,121,677.33	2,124,097.33
Total Revenue	1,528,080,788.02	1,528,083,208.52
<b><u>Expenditure</u></b>		
Overhead Cost	976,168,616.17	976,437,616.17
Operating Balance	551,912,172.35	551,645,592.35
Transfer to Capital Development Fund	551,912,172.35	551,645,592.35

d. **STATEMENT OF CAPITAL DEVELOPMENT FUND:** The Statement of Capital Development Fund as at 31st December, 2020 contained the following errors.

<b>Items</b>	<b>Amount Shown in the Statement (₦)</b>	<b>Correct Amount (₦)</b>
Transfer from CRF	551,912,172.35	551,645,592.35
Agric, Forestry & Fishing	7,820,500.00	7,800,500.00
Community Development	33,229,625.00	33,182,966.54
Development Fund	366,370,771.05	366,170,849.51

4. **AUTHORITY FOR EXPENDITURE:** All expenditures shown in the Statement of Actual Expenditure for the year 2020 have been authorized as provided by Appropriation Law except as explained below.

Audit Query No.LQ/IBN/MA/01/2020: Excess Expenditure Disclosed by the Statement

<b>Economic Code</b>	<b>Final Approved Provision (₦)</b>	<b>Actual Expenditure (₦)</b>	<b>Excess Disclosed (₦)</b>
22020404	Nil	290,000.00	290,000.00
22020601	5,000,000.00	7,571,712.88	2,571,712.88
22020407	1,260,000.00	1,317,000.00	57,000.00
22021001	Nil	30,000.00	30,000.00
22020301	1,500,000.00	3,126,000.00	1,626,000.00
22020305	1,000,000.00	1,313,000.00	313,000.00
22020306	1,000,000.00	1,428,000.00	428,000.00
22020401	500,000.00	1,215,800.00	715,800.00
22020407	2,000,000.00	2,886,000.00	886,000.00
22020703	1,000,000.00	1,613,599.00	613,599.00
22021001	5,000,000.00	6,435,000.00	1,435,000.00
22021030	1,000,000.00	1,840,000.00	840,000.00
22020102	500,000.00	525,300.00	25,300.00
22020203	120,000.00	334,000.00	214,000.00
22020301	500,000.00	1,227,150.00	725,150.00

22020401	500,000.00	870,700.00	370,700.00
22020404	500,000.00	698,000.00	198,000.00
22020407	1,500,000.00	2,170,000.00	670,000.00
22020803	500,000.00	566,000.00	66,000.00
22021030	1,000,000.00	3,192,000.00	2,192,000.00
22021014	1,500,000.00	1,535,000.00	35,000.00
22020401	2,000,000.00	3,421,767.56	1,421,767.56
22020407	1,980,000.00	2,015,000.00	35,000.00
22020401	Nil	287,500.00	287,500.00
22021003	10,000,000.00	10,681,096.10	681,096.10
22021030	2,000,000.00	3,714,650.00	1,714,650.00
22020401	Nil	182,500.00	182,500.00
23010112	2,000,000.00	2,903,000.00	903,000.00
23010105	11,000,000.00	14,695,450.00	3,695,450.00
23020106	Nil	1,500,000.00	1,500,000.00
23020128	Nil	365,000.00	365,000.00
23030113	30,000,000.00	30,913,750.00	913,750.00
23030121	5,000,000.00	5,635,500.00	635,500.00
<b>Total</b>	<b>89,860,000.00</b>	<b>130,017,475.54</b>	<b>26,657,475.54</b>

5. **UNVOUCHED PAYMENTS:** The Bank Reconciliation Statement prepared as at 31st December, 2020 showed that payments were made without raising Payment Vouchers contrary to the law.

Audit Query No.LQ/LAG/MA/02/2020: Unvouched Payments

S/N	Date Cheque Issue	Cheque No.	Bank	Amount (₦)	Date Presented
1	08/08/2019	Transfer	Fidelity	231,000.00	
2	16/08/2019	Transfer	Fidelity	64,964.85	
3	20/09/2019	Transfer	Fidelity	7,500.00	
4	26/08/2019	Transfer	First Bank	44,950.61	
5	30/03/2019		Zenith	215,262.46	
6	10/03/2020	503486	First Bank	300,000.00	
7	23/03/2020	503487	First Bank	100,000.00	
8	20/04/2020	254		150,000.00	

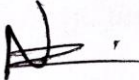
9	08/06/2020	129	Zenith	30,000.00
10	23/07/2020	161	Zenith	25,700.00
11	28/08/2020	305		200,000.00
12	01/09/2020	067		20,000.00
13	07/10/2020	363	Zenith	60,000.00
14	31/12/2020	479	Zenith	120,000.00
15	29/12/2020	Transfer	Zenith	424,242.42
16	29/12/2020	0152	UBA	100,000.00
17	29/12/2020	0153	UBA	100,000.00
18	30/12/2020	0151	UBA	100,000.00
				<b>2,293,620.34</b>

6. In addition to the items shown in paragraphs 4 and 5 of this Report, the following expenditures appear contrary to law.

Query No.	Amount (₦)	Details	Reasons
LQ/IBN/MA/01/2020	120,000.00	–	Unvouched payments
LQ/IBN/MA/02/2020	120,000.00	Community Assessment	Salary being overpaid
LQ/IBN/MA/03/2020	350,000.00	Sensitization of the Public on the importance of keeping safe against the deadly virus	Expenditure not supported by proper Records or Accounts
LQ/IBN/MA/04/2020	495,000.00	Fire Fighting Equipment	Expenditure not supported by proper Records or Accounts
LQ/IBN/MA/05/2020	Nil	Unlawful possession of official vehicles	Unlawful possession of official vehicles

7. **DISALLOWANCE:** Allowance of the expenditures detailed in paragraphs 4, 5 and 6 of this report have been reserved pending satisfactory explanation to the queries and/or the sanction of the State Executive Council.

8. **STATE OF ACCOUNTS:** The Accounts of the Local Government have been examined up to 31st December, 2020 and other observations have been forwarded to the Chairman.

  
 12/07/21  
**Olusola Olanrewaju Akinola**  
**Auditor-General for Local Governments.**