

CERTIFICATE

OF THE

AUDITOR-GENERAL FOR LOCAL GOVERNMENTS, OYO STATE ON THE ACCOUNTS OF IBADAN SOUTH EAST LOCAL GOVERNMENT, MAPO FOR THE YEAR ENDED 31ST DECEMBER, 2020

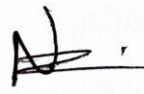
In compliance with the provision of Part VII, Section 66 (Subsections 2, 3 and 5) of Oyo State Local Government Law 2001, Section 5 (Subsection 4) of the State Joint Local Government Account (Distribution) Law 2002 and the provisions of Model Financial Memoranda, the Book of Accounts and General Purpose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

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

3. The General Purpose Financial Statements consisting (a) Statement of Financial Position (b) Statement of Financial Performance and (c) Cash Flow Statement 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 SOUTH EAST LOCAL GOVERNMENT, MAPO FOR THE YEAR ENDED 31ST DECEMBER, 2020

The attached General Purpose Financial Statements of Ibadan South East Local Government, Mapo have been examined in accordance with the Oyo State Local Government Law 2001 Part VII Section 66 Subsection (2) (3) and (5) and the provision of Model Financial Memoranda for Local Government.

2. I have obtained all the information and explanation that I required and in my opinion subject to the observations the General Purpose Financial Statement did not show true and fair view of the financial activities of the Local Government for the year under review.

3. REVIEW OF FINANCIAL STATEMENT

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

Items	Amount Shown in the Statement (₦)	Correct Amount (₦)
<u>Assets</u>		
Prepayment	895,587,778.53	898,312,641.53
Total Current Assets	1,063,557,667.26	1,066,282,524.26
PPE	18,660,300.00	18,850,700.00
Total Non-Current Assets	23,053,200.00	23,243,600.00
Total Assets	1,086,610,867.26	1,089,526,124.26
<u>Liabilities</u>		
Unremitted Deduction	38,673,432.00	38,901,145.21
Net Assets	860,581,704.11	
Capital Grants	93,711,974.22	93,712,024.22
Net Assets	860,581,704.11	1,050,624,979.05
Total Liabilities	1,086,610,867.26	863,269,197.90

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

Items	Amount Shown in the Statement (₦)	Correct Amount (₦)
Revenue		
Statutory/VAT	949,518,527.29	924,010,033.84
Fees, Fine-License	18,892,906.00	18,630,970.00
Transfer to Teachers Reimbursement	715,242,751.86	715,242,762.06
Expenditure Recovery	4,387,733.99	4,019,265.29
Total Revenue	1,692,461,919.14	1,666,323,031.19
Expenditure		
Salary & Wages	517,753,116.78	557,143,678.92
Overhead Cost	953,103,356.73	861,494,654.04
Transfer to other Govt. Agency (NYSC)	7,714,000.00	7,174,000.00
Leave Bonus	28,966,760.93	29,477,981.44
Purchase/Construction of Assets	122,371,773.22	112,562,724.22
Minority Int. Share of Surplus (Deficit)	72,200,311.47	98,117,392.57
Accum. Surplus (Deficit) 31/12/2020	210,730,294.37	236,647,375.47
Total Expenditure	1,507,889,834.44	1,455,642,914.40
Surplus/Deficit from Operating Activities	184,572,084.70	210,680,116.79

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

Items	Amount Shown in the Statement (₦)	Correct Amount (₦)
Cash flow from All Activities Inflow		
Special Allocation	23,704,371.98	205,195,878.54
Expenditure Recovery	4,387,733.99	4,019,265.29
Non-Tax Revenue	18,892,906.00	18,630,970.00
Transfer (Pry Teacher Pension) Reimbursement	715,242,751.86	715,242,762.06
Total Inflow from Operating Activities	1,692,461,919.13	1,666,323,031.19
Outflow		
Salary & Wages	517,753,116.78	557,143,678.92
Overhead	982,070,116.66	890,972,635.48
Other Agencies Allowance, Adhoc, NYSC	7,714,000.00	7,174,000.00
Total Outflow Operating Activities	1,507,537,233.44	1,455,290,314.40

Net Cash flow Inflow	184,924,685.69	211,032,716.79
PPE	18,659,800.00	18,850,700.00
Net Cash flow from Investing Activities	165,912,285.69	191,829,416.79
Capital Grant	93,711,974.22	93,712,024.22
Net Cash flow from Financing Activities	93,711,974.22	93,712,024.22
Cash flow from all Activities	72,200,311.46	98,117,392.57
Cash & Its Equivalent as at 31/12/2020	210,730,294.37	236,647,375.47

4. **AUTHORITY FOR EXPENDITURE:** All expenditure 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/IBSE/MA/02/2020: Excess Expenditure Disclosed by the Statement

Economy Code	Final Approved Provision (₹)	Actual Expenditure (₹)	Excess Disclosed (₹)
22020404	Nil	39,000.00	39,000.00
22021007	Nil	100,000.00	100,000.00
22020404	Nil	14,000.00	14,000.00
22021030	1,000,000.00	1,050,000.00	50,000.00
22020101	Nil	90,000.00	90,000.00
22020301	1,000,000.00	1,312,150.00	312,150.00
22020402	100,000.00	167,700.00	67,700.00
22020404	Nil	114,000.00	114,000.00
22020408	7,394,467.60	10,669,918.00	3,275,450.40
22021030	Nil	300,000.00	300,000.00
220801	Nil	2,499,578.00	2,499,578.00
22020104	Nil	40,000.00	40,000.00
23010113	500,000.00	934,500.00	434,500.00
23030113	46,545,000.00	49,816,249.22	3,271,249.22
22020304	Nil	230,000.00	230,000.00
22020408	3,603,179.02	3,986,191.77	383,012.75
22021007	750,000.00	875,000.00	125,000.00
22021021	1,000,000.00	1,090,000.00	90,000.00
22020101	Nil	30,000.00	30,000.00
22021001	Nil	120,000.00	120,000.00
22021007	Nil	48,000.00	48,000.00

22021027	Nil	550,000.00	550,000.00
22021009	Nil	38,000,000.00	38,000,000.00
	61,892,646.62	112,076,286.99	50,183,640.37

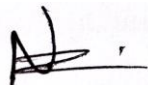
5. **UNVOUCHED PAYMENT:** The Bank Reconciliation Statement prepared as at 31st December, 2020 showed that the payments were made without raising Payment Vouchers contrary to the law.

Audit Query No: LQ/IBSE/MA/03/2020

S/N	Date Cheque Issue	Cheque No.	Bank	Amount (₦)	Date Presented
(i)				8,782,051.90	
(ii)	01/12/2020	240	Zenith	111,100.00	
(iii)	01/12/2020	239	Zenith	9,000.00	
(iv)	31/12/2020	383	Zenith	1,360,000.00	
(v)	17/12/2020	274061	Sterling	20,500.00	
(vi)	23/12/2020	27405	Sterling	187,500.00	
(vii)	30/11/2020	00000360	Zenith	262,800.00	
				10,732,951.90	

6. **DISALLOWANCE:** Allowance of the expenditures detailed paragraphs 3, 4 and 5 of this report have been reserved pending satisfactory explanation to the queries and/or the sanction of the State Executive Council.

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


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