

CERTIFICATE

OF THE

AUDITOR-GENERAL FOR LOCAL GOVERNMENTS, OYO STATE ON THE ACCOUNTS OF IBARAPA CENTRAL LOCAL GOVERNMENT, IGBOORA FOR THE YEAR ENDED 31ST DECEMBER, 2020

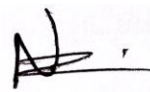
In compliance with the provision of Part VII, Section 66 (Subsections 2, 3 and 5) of Oyo State Local Government Law 2001, Section 5 (Subsection 4) of the State Joint Local Government Account (Distribution) Law 2002 and the provisions of Model Financial Memoranda, the Book of Accounts and General Purpose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

2. The General Purpose Financial Statements were prepared by the management of Ibarapa Central Local Government, Igboora 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 showed 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 IBARAPA CENTRAL LOCAL GOVERNMENT, IGBOORA FOR THE YEAR ENDED 31ST DECEMBER, 2020

The attached General Purpose Financial Statements of Ibarapa Central Local Government, Igboora 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 STATEMENTS:

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 (₦)
Receivable (Advances)	313,383,083.42	317,242,280.21
Total Assets	403,716,121.09	407,575,317.88
LIABILITIES		
Deposit	20,926,898.96	20,707,556.05
Reserve (GRB)	382,789,222.23	386,867,761.83
Total Liabilities	403,716,121.09	407,575,317.88

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 (₦)
<u>Expenditure</u>		
Personnel Emolument	429,501,342.04	434,357,536.95
Overhead Cost	61,072,363.50	61,062,363.50
Total Recurrent Exp.	851,054,730.17	855,900,925.08
Transfer to Cap. Dev. Fund	382,789,222.23	377,943,027.32

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 (₦)
Personnel Emolument	429,501,342.04	434,357,536.95
Overhead Cost	61,072,363.50	61,062,363.50
Total Outflow from Operating Activities	662,101,155.17	666,947,350.50
Net Cashflow from Operating Activities	220,026,547.12	215,180,352.21
Net Cashflow from all Activities	31,072,972.12	26,226,777.21

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/IBC/MA/01/2020: Excess Expenditure Disclosed by the Statement

Economy Code	Final Approved Provision (₦)	Actual Expenditure (₦)	Excess Disclosed (₦)
22020405	Nil	60,000.00	60,000.00
22020604	3,000,000.00	3,750,000.00	750,000.00
22020408	120,000.00	137,339.74	17,339.74
22020901	500,000.00	859,155.52	359,155.52
22020102	350,000.00	821,000.00	471,000.00
22020404	Nil	25,000.00	25,000.00
22020801	Nil	90,000.00	90,000.00
22020408	2,400,000.00	2,520,904.06	120,904.06
22020501	Nil	280,000.00	280,000.00
22020408	250,000.00	483,390.94	233,390.94
Total	6,620,000.00	9,026,790.26	2,406,790.26

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

S/N	Date Cheque Issue	Cheque No.	Bank	Amount (₦)
1	Nov, 2020	Zenith	10000858	30,000.00
2	Nov, 2020	Zenith	10000856	57,950.00
3	Nov, 2020	Zenith	10000875	425,000.00
4	Nov, 2020	Zenith	10000879	25,000.00
5	Nov, 2020	Zenith	Not stated	201,786.24
6	Nov, 2020	Zenith	535	400,000.00
7	Nov, 2020	Zenith	546	64,000.00
8	Nov, 2020	Zenith	552	51,000.00
9	Nov, 2020	Zenith	525	50,000.00
10	Nov, 2020	Zenith	548	50,000.00
11	Nov, 2020	Zenith	523	1,992,034.18
12	Nov, 2020	Zenith	550	95,000.00
13	Dec, 2020	Zenith	565	2,013,478.05
14	Dec, 2020	Zenith		9,260.00
15	Dec, 2020	Zenith		182,600.00
16	Dec, 2020	Zenith	567	345,000.00
17	Dec, 2020	Zenith	591	268,125.00
18	Dec, 2020	Zenith	880	50,000.00
19	Dec, 2020	Zenith	894	450,000.00
20	Dec, 2020	Zenith	895	160,000.00
21	Dec, 2020	Zenith	899	50,000.00
22	Dec, 2020	Zenith	900	16,000.00
23	Dec, 2020	Zenith	897	50,000.00
	Total			7,036,233.47

5. In addition to the items in paragraphs 4 and 5 of this report, the following queries were found to be contrary to law.

S/N	Query No.	Details	Amount (₦)	Remark
1	LQ/IBC/MA/01/2020	Failure to prepare Bank Reconciliation Statement for 3 months	Nil	Non-preparation of Bank Reconciliation Statement
2	LQ/IBC/MA/02/2020	Payment to sundry staff of the LG for sensitization	740,000.00	Non-compliance with government circular letter

		programme, presentation of preventive materials		
3	LQ/IBC/MA/03/2020	Payments made to Technical University collection for five (5) students	24,493,625.00	Expenditure not supported by proper Records or Account
4	LQ/IBC/MA/04/2020	Payment made to State Primary Health Care LG Basket Fund as their take off grant	50,000.00	Doubtful payment (Evidence of payment not available)
5	LQ/IBC/MA/05/2020	Payment made to Mr. Oyedotun Alaba Moses for Eyes Treatment	1,500,000.00	Non-deduction 7.5% VAT and 10% WHT
6	LQ/IBC/MA/06/2020	Payment made to Engr. Ajani Felix O. (DW) for the purchase of diesel for the grading of roads	5,000,000.00	Expenditure not supported by proper Records or Accounts
7	LQ/IBC/MA/07/2020	Payment made to Engr. O. T. Ayegoro VTS Construction Nig. Ltd	22,700,000.00	Expenditure not supported by proper Records or Accounts
8	LQ/IBC/MA/08/2020	Payment made to LG Council Mini Stadia Project for the construction of Mini Stadium and Practicing Pitches across the State	38,000,000.00	Expenditure not supported by proper Records or Accounts

7. **DISALLOWANCE:** Allowance of the expenditures detailed paragraphs 4, 5 and 6 of the 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.