


# **CERTIFICATE**

## **OF THE**

### **AUDITOR-GENERAL FOR LOCAL GOVERNMENTS, OYO STATE ON THE ACCOUNTS OF IBARAPA EAST LOCAL GOVERNMENT, ERUWA 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 East Local Government, Eruwa for the year ended 31st December, 2020 have been audited.

2. The General Purpose Financial Statements were prepared by the management of Ibarapa East Local Government, Eruwa and 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 conducted in accordance with Generally Accepted Auditing Standards. 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 do not show a 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 EAST LOCAL GOVERNMENT, ERUWA FOR THE YEAR ENDED 31ST DECEMBER, 2020**

The attached General Purpose Financial Statements of Ibarapa East Local Government, Eruwa 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. **STATEMENT OF FINANCIAL POSITION:** The Statement of Financial Position as at 31st December, 2020 contained the following errors.

<b>Asset</b>	<b>Amount in the Statement (₦)</b>	<b>Correct Amount (₦)</b>
Cash & Cash Equivalent	4,249,976.49	42,499,767.49
Others (Stabilization Account)	88,290,067.58	88,290,967.58
Investment	84,100,779.84	42,001,989.00
<b>LIABILITY</b>		
Accumulated Surplus	460,469,455.94	418,370,865.10

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

<b>REVENUE</b>	<b>Amount in the Statement (₦)</b>	<b>Correct Amount (₦)</b>
Dependent Revenue	697,215,029.60	862,318,276.80
Other Revenue	105,103,247.20	Nil
Independent	14,922,757.49	13,707,788.89
<b>EXPENDITURE</b>		
Overhead Cost	73,044,741.32	69,469,591.32
Transfer to Cap Dev. Fund	269,208,127.92	271,783,339.72

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

<b>ITEMS</b>	<b>Amount in the Statement (₦)</b>	<b>Correct Amount (₦)</b>
<b>REVENUE</b>		
Independent	14,707,728.89	13,707,788.89
Total Cash Inflow	877,026,004.69	876,026,065.69
<b>EXPENDITURE</b>		
Overhead Cost	73,044,741.32	69,469,591.32
Net Cash Flow from Operating Activities	264,588,421.92	267,163,631.92
Purchase/Construction of Asset	244,944,929.01	244,944,849.01

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/IBE/MA/08/2020 Excess Expenditure Disclosed by the Statement

<b>Administrative Code</b>	<b>Economy Code</b>	<b>Final Approved Provision (₦)</b>	<b>Actual Expenditure (₦)</b>	<b>Excess Disclosed (₦)</b>
011100100100	22020301	400,000.00	590,000.00	190,000.00
011100100100	22020604	5,000,000.00	6,770,000.00	1,770,000.00
011100100100	22021001	500,000.00	732,000.00	232,000.00
011100100100	22021029	Nil	2,500,000.00	2,500,000.00
011118300100	22020404	Nil	16,000.00	16,000.00

011118300100	22021001	200,000.00	647,000.00	447,000.00
011118300100	22021007	Nil	300,000.00	300,000.00
012500100100	22020401	1,000,000.00	1,229,500.00	229,500.00
012500100100	22021001	4,000,000.00	4,617,500.00	617,500.00
012500100100	22021030	500,000.00	795,000.00	295,000.00
022000100100	22020303	Nil	20,000.00	20,000.00
022000100100	22021001	500,000.00	1,214,000.00	714,000.00
022000100100	22021029	Nil	282,800.00	282,800.00
012500100100	22020408	400,000.00	3,765,500.00	3,365,500.00
012500100100	22021001	200,000.00	2,912,000.00	2,712,000.00
012500100100	22021029	Nil	150,000.00	150,000.00
012500100100	22021030	Nil	100,000.00	100,000.00
053500100100	22020605	Nil	350,000.00	350,000.00
053500100100	22021030	Nil	270,000.00	270,000.00
023400100100	22020401	1,000,000.00	1,336,600.00	336,600.00
023400100100	22020419	Nil	300,000.00	300,000.00
023400100100	22020801	Nil	27,000.00	27,000.00
055100300100	22020102	1,000,000.00	1,076,400.00	76,400.00
055100300100	22020204	Nil	60,000.00	60,000.00
055100300100	22020310	Nil	300,000.00	300,000.00
055100300100	22020401	500,000.00	833,000.00	333,000.00
055100300100	22020601	500,000.00	2,456,000.00	1,956,000.00
055100300100	22021001	1,000,000.00	2,597,000.00	1,597,000.00
055100300100	22021003	2,000,000.00	2,673,000.00	673,000.00
055100300100	22040109	1,200,000.00	1,627,000.00	427,000.00
021500300100	22020401	100,000.00	370,000.00	270,000.00
021500300100	22020406	Nil	669,512.23	669,512.23
011100100100	23010105	Nil	2,500,000.00	2,500,000.00
011100100100	23010120	Nil	6,400.00	6,400.00
012500100100	23010112	Nil	79,000.00	79,000.00
012500100100	23010140	Nil	20,000.00	20,000.00
012500100100	23010146	Nil	433,000.00	433,000.00
012500100100	23050109	Nil	4,326,250.00	4,326,250.00
021500100100	23050117	200,000.00	507,300.00	307,300.00
021500100100	23050118	200,000.00	285,000.00	85,000.00
022000100100	23010112	50,000.00	202,500.00	152,500.00
022000100100	23010142	Nil	20,000.00	20,000.00

023400100100	23010105	Nil	3,575,000.00	3,575,000.00
023400100100	23010150	500,000.00	640,000.00	140,000.00
023400100100	23020101	5,000,000.00	15,000,000.00	10,000,000.00
023400100100	23020105	2,000,000.00	3,622,523.27	1,622,523.27
023400100100	23030124	200,000.00	2,400,000.00	2,200,000.00
055100300100	23010104	Nil	1,200,000.00	1,200,000.00
055100300100	23010124	200,000.00	350,000.00	150,000.00
055100300100	23010130	Nil	38,000,000.00	38,000,000.00
		<b>25,353,000.00</b>	<b>114,753,785.50</b>	<b>86,403,785.50</b>

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

S/N	Query No.	Details	Amount (₦)	Remark
1	LQ/IBE/MA/01/2020	Non-preparation of Bank Reconciliation Statement from September to December, 2020	0.00	0.00
2	LQ/IBE/MA/02/2020	Purchases of Pallative Material for the people of Ibarapa East Local Govt.	1,200,000.00	Not supported by proper record
3	LQ/IBE/MA/03/2020	Primary Health Care Service	50,000,000.00	Not supported by proper record
4	LQ/IBE/MA/04/2020	Local Government Council on Mini Stadium Project	38,000,000.00	Not supported by proper record
5	LQ/IBE/MA/05/2020	Technical University Sponsoring of 5 Candidate of Technical University	24,493,625.00	Not supported by proper record
6	LQ/IBE/MA/06/2020	Service rendered on behalf of Local Government	100,000.00	Not supported by proper record
7	LQ/IBE/MA/07/2020	Preparation of Estimate and approved Financial	400,000.00	Not supported by proper

6. **DISALLOWANCE:** Allowance of the expenditures detailed in paragraphs 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.**