

CERTIFICATE

OF THE

AUDITOR-GENERAL FOR LOCAL GOVERNMENTS, OYO STATE ON THE ACCOUNTS OF IBARAPA NORTH LOCAL GOVERNMENT, AYETE 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 North Local Government, Ayete for the year ended 31st December, 2020 have been audited.

2. The General Purpose Financial Statements were prepared by the management of Ibarapa North Local Government, Ayete 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 a true and fair view of the financial transactions of the Local Government for the year 2020.



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

REPORT

OF THE

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

The attached General Purpose Financial Statements of Ibarapa North Local Government, Ayete 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 the financial statements are correct subject to the observations this Report.

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>		
Advances	7,336,980.00	156,591,992.58
Stabilization	48,935,369.79	48,899,136.16
Total	158,567,343.04	307,786,121.49

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>Revenue</u>		
Dependent Rev	794,858,073.72	807,736,226.13
Independent Rev.	16,876,592.30	16,239,350.04
Total	907,310,761.07	807,886,226.17

Expenditure

Personnel Emolument	348,820,574.78	347,971,555.01
Overhead	121,811,414.29	212,437,759.92
Capital	344,262,225.09	251,138,005.10

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 (₦)
Total inflow (Operating Activities)	907,301,761.07	807,886,226.13
Personnel Emolument	348,820,574.78	347,971,555.01
Overhead Cost	121,811,414.29	215,033,038.14
Net Cash Flow (All Activity)	244,262,225.09	(12,972,766.76)

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/IBN/MA/1/2020: Excess Expenditure Disclosed by the Statement

Economy Code	Final Approved Provision (₦)	Actual Expenditure (₦)	Excess Disclosed (₦)
22020601	3,000,000.00	6,706,625.00	3,706,625.00
22020604	6,000,000.00	6,422,000.00	422,000.00
22020803	Nil	160,000.00	160,000.00
220201029	Nil	2,200,000.00	2,200,000.00
22020407	Nil	80,000.00	80,000.00
220201029	Nil	90,000.00	90,000.00
21020101	Nil	24,721,000.00	24,721,000.00
22020407	500,000.00	564,000.00	64,000.00
22021001	3,000,000.00	7,549,250.00	4,549,250.00
22021007	Nil	15,000.00	15,000.00
22021004	Nil	1,680,000.00	1,680,000.00
22020601	4,000,000.00	8,825,000.00	4,825,000.00
23010115	Nil	350,000.00	350,000.00
22020102	Nil	45,000.00	45,000.00
22020408	Nil	6,623,870.54	6,623,870.54

22020501	Nil	100,000.00	100,000.00
21020101	Nil	616,464.33	616,464.33
22020305	100,000.00	213,500.00	113,500.00
22020306	250,000.00	665,690.00	415,690.00
22020404	Nil	71,000.00	71,000.00
22021001	300,000.00	1,557,980.00	1,257,980.00
22021029	Nil	202,400.00	202,400.00
22020803	Nil	95,000.00	95,000.00
22070102	Nil	6,533,631.59	6,533,631.59
22020801	Nil	36,800.00	36,800.00
23010106	Nil	13,687,500.00	13,687,500.00
23010119	Nil	250,000.00	250,000.00
23010131	Nil	140,000.00	140,000.00
23020101	20,000,000.00	38,000,000.00	38,000,000.00
23010112	200,000.00	2,500,000.00	2,300,000.00
23030103	3,000,000.00	3,250,000.00	250,000.00
23030104	2,000,000.00	2,553,700.00	553,700.00
23030119	Nil	30,000.00	30,000.00
21010101	Nil	1,138,084.99	1,138,084.99
22020303	70,000.00	209,000.00	139,000.00
22020407	Nil	120,000.00	120,000.00
220201029	Nil	256,600.00	256,600.00
23050110	Nil	24,943,625.00	24,943,625.00
23010113	Nil	20,000.00	20,000.00
22020401	Nil	249,700.00	249,700.00
22021001	200,000.00	2,985,000.00	2,785,000.00
Total	42,620,000.00	166,457,421.45	143,837,421.45

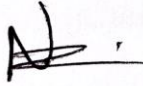
5. In addition to the items in paragraph 4 of this report, the following queries were found to be contrary to law.

S/N	Query No.	Details	Amount (₦)	Remark
1	LQ/IBN/MA/02/2020	Oyedotun Alaba Moses (Free Eye Screening)	1,500,000.00	Not supported with Proper Record
2	LQ/IBN/MA/03/2020	Payment to L.G. Council Mini Stadia Project	38,000,000.00	Not supported with Proper Record

3	LQ/IBN/MA/04/2020	Payment made to Oyo State Primary Health Care Service	50,000,000.00	Not supported with Proper Record
4	LQ/IBN/MA/05/2020	Payment made to Technical University	24,492,625.00	Not supported with Proper Record
5	LQ/IBN/MA/06/2020	Payment made to Mojere M.G. for the Purchases of Motor Vehicle	2,000,000.00	Not supported with Proper Record
6	LQ/IBN/MA/07/2020	Repair of Motor Vehicle	499,000.00	Not supported with Proper Record
7	LQ/IBN/MA/01/2020	Payment to Dr. Oyedotun M. A.	1,500,000.00	Not supported with Proper Record

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