

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, 2021

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 consisting of (a) Responsibility Statement (b) Cash Flow Statement (c) Statement of Financial Position (d) Statement of Consolidated Revenue Fund (e) Statement of Capital Development Fund and (f) Notes to the Accounts were prepared in line with IPSAS Cash by the management of the Local Government.

3. 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 State that:

- (a) The revenues from Federation Account were understated due to deductions by the State Joint Local Governments Account Allocation Committee in compliance with the underlisted laws
 - (i) Oyo State Compulsory and Free Universal Basic Education Law, 2005
 - (ii) Primary Health Care Board Law, 2016
 - (iii) Oyo State Local Government Law, 2001
 - (iv) State Joint Local Government (Distribution) Law, 2002

- (b) The expenditures of Local Government were understated due to expenditures incurred centrally by the State Joint Local Government Account Allocation Committee majorly on Universal Basic Education, Primary Health Care and Sundries.
- (c) Some projects and programmes were verified in line with the prevailing administrative guidelines

4. In my opinion, without prejudice to the comments in paragraph 3 above, the SAR and observations contained in the Domestic Report, the year 2021 General Purpose Financial Statements did not show the true and fair view of the financial transactions of the Local Government.



Olusola Olanrewaju Akinola
Auditor-General for Local Governments,
Oyo State

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, 2021

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), State Joint Local Government, Oyo State Joint Local Government Distribution Law 2002, Oyo State Audit Law 2021 Section 27, 34 & 35 and the provisions of Model Financial Memoranda for Local Governments.

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 therein.

3. 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.

4. COMPLIANCE AUDIT

(A) **Violation of Appropriation Law:** All expenditures shown in the Statement of Actual Expenditure for the year have been authorized as provided by the Law except as follows:

Audit Query No. LQ/IBPC/03/2021: Excess Expenditures Disclosed by the Statement

Economic Code	Final Approved Provision (₦)	Actual Expenditure (₦)	Excess Disclosed (₦)
21020101	11,500,000.00	24,700,000.00	13,200,000.00
21030102	45,000,000.00	50,897,067.59	5,897,067.59
22020803	Nil	12,000.00	12,000.00

22020401	Nil	120,000.00	120,000.00
22020101	Nil	127,000.00	127,000.00
22020405	Nil	20,000.00	20,000.00
22020404	Nil	28,000.00	28,000.00
22020411	Nil	9,700.00	9,700.00
23010105	<u>4,000,000.00</u>	<u>4,500,000.00</u>	<u>500,000.00</u>
Total	<u>60,500,000.00</u>	<u>80,413,767.59</u>	<u>19,913,767.59</u>

(B) Violation of Provisions of Model Financial Memoranda

(i) Non-Maintenance of Register: The underlisted registers were not maintained or presented for audit:

- (a) Personnel Emolument Register
- (b) Asset Register
- (c) Register of Cheque Books
- (d) Register of Audit Correspondence
- (e) Investment Register

(ii) Unvouched Payment: The Bank Reconciliation Statement as at 31st December, 2021 showed that the underlisted payments/transfers were made without raising Payment Vouchers.

Audit Query No. LQ/IBPC/MA/01/2021: Unvouched Payments

S/N	Date Cheque Issue	Cheque No.	Bank	Amount (₦)	Date Presented
1.	July 2021	Transfer		1,600,000.00	
2.	July 2021	10001444		60,000.00	
3.	July 2021	Transfer		30,000.00	
4.	July 2021	Transfer		20,000.00	
5.	July 2021	Transfer		3,600,000.00	
6.	August 2021	Transfer		190,000.00	
7.	August 2021	Transfer		24,500.00	
8.	August 2021	Transfer		590,000.00	
9.	August 2021	Transfer		298,000.00	
10.	August 2021	Transfer		20,000.00	
11.	Oct 2021	Transfer		400,000.00	
12.	Oct 2021	Transfer		540,000.00	

13.	Oct 2021	Transfer	620,000.00
14.	Oct 2021	Transfer	50,000.00
15.	Oct 2021	Transfer	400,000.00
16.	Oct 2021	Transfer	190,000.00
17.	Oct 2021	Transfer	41,000.00
18.	Oct 2021	Transfer	150,000.00
19.	Oct 2021	Transfer	20,000.00
20.	Oct 2021	Transfer	1,060,000.00
21.	Nov 2021	Transfer	550,000.00
22.	Nov 2021	Transfer	80,120.00
23.	Nov 2021	Transfer	320,480.00
24.	Nov 2021	Transfer	27,673.00
25.	Nov 2021	Transfer	80,120.00
26.	Nov 2021	Transfer	27,673.00
27.	Dec 2021	Transfer	169,700.00
28.	Dec 2021	Transfer	150,000.00
29.	Dec 2021	Transfer	20,000.00
30.	Dec 2021	Transfer	40,000.00
31.	Dec 2021	Transfer	10,000.00
32.	Dec 2021	Transfer	60,000.00
33.	Dec 2021	Transfer	70,000.00
34.	Dec 2021	Transfer	1,000,000.00
35.	Dec 2021	Transfer	1,000,000.00
36.	Dec 2021	Transfer	500,000.00
37.	Dec 2021	Transfer	1,000,000.00
38.	Dec 2021	Transfer	1,000,000.00
39.	Dec 2021	Transfer	3,000,000.00
40.	Dec 2021	Transfer	100,000.00
41.	Dec 2021	Transfer	115,000.00
42.	Dec 2021	Transfer	50,000.00
43.	Dec 2021	Transfer	50,000.00
44.	Dec 2021	Transfer	1,500,000.00
45.	Dec 2021	Transfer	300,000.00
46.	Dec 2021	Transfer	90,000.00
47.	Dec 2021	Transfer	50,000.00
48.	Dec 2021	Transfer	700,000.00
49.	Dec 2021	Transfer	1,000,000.00
50.	Dec 2021	Transfer	30,000.00
51.	Dec 2021	Transfer	1,010,000.00
52.	Dec 2021	Transfer	15,663.00
53.	Dec 2021	Transfer	15,000.00

54.	Dec 2021	Transfer	160,000.00
55.	Dec 2021	Transfer	98,083.00
56.	Dec 2021	Transfer	50,683.00
57.	Dec 2021	Transfer	120,000.00
58.	Dec 2021	Transfer	35,000.00
59.	Dec 2021	Transfer	75,000.00
60.	Dec 2021	Transfer	15,000.00
61.	Dec 2021	Transfer	27,673.00
62.	Dec 2021	Transfer	80,120.00
63.	Dec 2021	Transfer	27,673.00
64.	Dec 2021	Transfer	200,000.00
65.	Dec 2021	Transfer	300,000.00
66.	Dec 2021	Transfer	55,000.00
67.	Dec 2021	Transfer	55,000.00
68.	Dec 2021	Transfer	473,500.00
69.	Dec 2021	Transfer	1,000,000.00
70.	Dec 2021	Transfer	1,000,000.00
71.	Dec 2021	Transfer	48,000.00
72.	Dec 2021	Transfer	120,000.00
73.	Dec 2021	Transfer	48,000.00
74.	Dec 2021	Transfer	20,000.00
75.	Dec 2021	Transfer	25,000.00
76.	Dec 2021	Transfer	50,000.00
77.	Dec 2021	Transfer	80,000.00
78.	Dec 2021	Transfer	63,000.00
79.	Dec 2021	Transfer	30,000.00
80.	Dec 2021	Transfer	45,500.00
81.	Dec 2021	Transfer	100,000.00
82.	Dec 2021	Transfer	20,000.00
83.	Dec 2021	Transfer	125,000.00
84.	Dec 2021	Transfer	15,000.00
85.	Dec 2021	Transfer	15,000.00
86.	Dec 2021	Transfer	1,000,000.00
87.	Dec 2021	Transfer	1,000,000.00
88.	Dec 2021	Transfer	580,000.00
89.	Dec 2021	Transfer	1,000,000.00
90.	Dec 2021	Transfer	2,500,000.00
91.	Dec 2021	Transfer	500,000.00
92.	Dec 2021	Transfer	50,000.00
93.	Dec 2021	Transfer	100,000.00
94.	Dec 2021	Transfer	50,000.00

95.	Dec 2021	Transfer	300,000.00
96.	Dec 2021	Transfer	160,000.00
97.	Dec 2021	Transfer	200,000.00
98.	Dec 2021	Transfer	75,000.00
99.	Dec 2021	Transfer	150,000.00
100.	Dec 2021	Transfer	75,000.00
101.	Dec 2021	Transfer	120,000.00
102.	Dec 2021	Transfer	100,000.00
103.	Dec 2021	Transfer	50,000.00
104.	Dec 2021	Transfer	30,000.00
105.	Dec 2021	Transfer	425,000.00
106.	Dec 2021	Transfer	40,000.00
			<u>37,122,181.00</u>

(v) Nugatory Payment: The underlisted payment was not supported with evidence of payment i.e. official printed receipts due to the fact that the supplier Elizade Nig Ltd Autoland, Ibadan had not fulfil his obligation to supply the vehicle as at 31st December, 2021.

S/N	Query No.	Amount (₦)	Details	Reasons
1	LQ/IBPC/MA/02/2021	17,878,787.00	Payment for good not supplied	Payment for good not supplied

(C) Violation of Enabling Circulars and Guidelines

5. FINANCIAL AUDIT

The General Purpose Financial Statements consisting (a) Responsibility Statement (b) Cash Flow Statement (c) Statement of Financial Position (d) Statement of Consolidated Revenue Fund (e) Statement of Capital Development Fund and (f) Notes to the Accounts were prepared under IPSAS Cash.

a. **Cash Flow Statement:** The Cash Flow Statement as at 31st December, 2021 contained the following errors.

Items	Amount shown in the Statement (₦)	Correct Amount (₦)
Overhead	112,951,784.59	79,593,248.72

b. **Statement of Consolidated Revenue Fund:** The Statement of Consolidated Revenue Fund for the year ended 31st December, 2021 contained the following errors.

Items	Amount shown in the Statement (₦)	Correct Amount (₦)
Overhead cost	112,951,784.59	79,593,248.72
Transfer to Capital Development Fund	229,377,206.89	262,735,742.76

c. **Statement of Capital Development Fund:** The Statement of Capital Development Fund for the year ended 31st December, 2021 contained the following errors:

Items	Amount shown in the Statement (₦)	Correct Amount (₦)
Transfer from Consolidated Revenue Fund	229,377,206.89	262,735,742.76

d. **Notes to the Accounts and Basis of the Accounts:** There would appear to be no obvious effort to transit to IPSAS Accrual from IPSAS Cash.

6. **COMPLETENESS**

a. **Revenue:**

(i) The revenues from Federation Account Allocation Committee (FAAC) would appear understated by deductions effected by the State Joint Local Government Account Allocation Committee (SJLGAAC) in compliance with the provisions of the State Joint Local Government (Distribution) Law, 2002, Oyo State Compulsory, and Free Universal Basic Education Law,

2005, Primary Health Care Board Law, 2016 and Oyo State Local Government Law, 2001.

- (ii) There would appear to be underpayment/non- payment of Ten Percent State Internal Generated Revenue to the Local Government by the State Government.
- (iii) There would appear to be underpayment/non-payment of Local Government share of amount realized by the State Government on Land Use Charge as contained in Oyo State Land Use Charge Law 2011.
- (iv) There would appear to be absence of Revenue Laws (Bye Laws) thus making collection of revenue difficult and unenforceable.

b. Expenditure:

(i) The expenditures incurred centrally by the State Joint Local Government Account Allocation Committee on Universal Basic Education, Primary Health Care and others would appear unaccounted for in the General Purpose Financial Statement of the Local Government.

7. **LOSS:** No loss or deficiency was reported or discovered during the year under review except as stated in paragraphs 4, 5 and 6.

8. **DISALLOWANCE:** Allowance of conducts and expenditures highlighted in paragraphs 4, 5, 6 and 7 of this report have been reserved pending satisfactory explanations and answers to the queries or sanction of the Public Accounts Committee of the House of Assembly/the State Executive Council.

9. **STATE OF ACCOUNTS:** The Accounts of the Local Government have been examined up to 31st December, 2021 and below is the summary of my recommendations in the management report forwarded to the Chairman.

- (a) Passage of Revenue Laws
- (b) Adherence to Appropriation Law
- (c) Identification: The Management of Local Government need to educate the indigene of Ibarapa Central Local Government on the importance of identification in the Local Government.
- (d) Estate: The Director of Finance and Supplies and Head of the Estate

unit should ensure that named Bills are served early in January of every year, the Head of Local Government administration and the Director of Finance should jointly ensure that the unit is made a major save of IGR.

- (e) Agricultural Department: The Local Government need to establish as ultra-modern poultry farm, rearing of animals as well as Agricultural extension services on the use of farm input or seedlings.
- (f) The local government should always adhere to the provision of Model Financial Memoranda, circulars and guidelines.
- (g) The Management should always maintain necessary registers i.e. personnel emolument, assets, investment, cheque book register.
- (h) Payment Vouchers must be raised before any payment.



Olusola Olanrewaju Akinola
Auditor-General for Local Governments,
Oyo State

The Chairman,
Ibarapa Central Local Government,
Igboora.

Office of the Auditor-General for
Local Governments, Ibadan,
Oyo State.

Please furnish an early reply to the query below. You should type your reply on the original copy of the query and return it to the above address. No covering letter is necessary and the duplicate copy should be retained for your office records. Please note the copy to this Query should be self-contained, that is reference should not be made to the copy on another Query

2021 ACCOUNTS

Subject: Excess Disclosed by the Statement

Authorizing Officer: Olanrewaju T.A. (HLGA)
Idowu J.O. (DF)

EXCESS EXPENDITURE

Please, quote authority under Part VII, Section 66, Sub Sections 2, 3 & 5 of the Oyo State Local Government Law 2001 for the following excess expenditure appearing in the Annual Financial Statements

Economic Code	Final Approved Provision (₦)	Actual Expenditure (₦)	Excess Disclosed (₦)
21020101	11,500,000.00	24,700,000.00	13,200,000.00
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