

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, 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 Kajola Local Government, Okeho 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 showed 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 EAST LOCAL GOVERNMENT, ERUWA FOR THE YEAR ENDED 31ST DECEMBER, 2021

The attached General Purpose Financial Statements of Kajola Local Government, Okeho 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 East Local Government, Eruwa 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/IBPE/08/2021: Excess Expenditures Disclosed by the Statement

Economic Code	Final Approved provision (₦)	Actual Expenditure (₦)	Excess Disclosed (₦)
22020301	200,000.00	400,000.00	200,000.00
22020604	5,000,000.00	7,480,000.00	2,480,000.00
22021007	Nil	7,650,000.00	7,650,000.00
22020305	50,000.00	85,000.00	35,000.00
22020404	100,000.00	137,300.00	37,300.00

22020703	500,000.00	1,175,000.00	675,000.00
22020402	200,000.00	278,000.00	78,000.00
22021021	1,000,000.00	1,700,000.00	700,000.00
22021027	1,000,000.00	7,000,000.00	6,000,000.00
22020403	Nil	114,000.00	114,000.00
22020406	500,000.00	3,264,425.00	2,764,425.00
22020408	109,113.91	134,069.77	24,955.86
22020419	Nil	2,592,500.00	2,592,500.00
23050118	500,000.00	1,078,000.00	578,000.00
23010148	3,000,000.00	5,000,000.00	2,000,000.00
23030102	500,000.00	1,051,000.00	551,000.00
23030121	2,035,000.00	2,535,000.00	500,000.00
23010108	Nil	16,542,877.97	16,542,877.97
	14,694,113.91	58,217,172.74	43,523,058.83

(B) Violation of Provisions of Model Financial Memoranda

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

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

SN	Date Cheque Issue	Cheque No.	Amount (₦)	Date presented
1	29/11/2018	00000925	45,055.14	
2	29/11/2018	00000932	2,000,000.00	
3	29/11/2018	00000449	2,500,000.00	
4	30/11/2018	00000955	20,000.00	
5	30/11/2018	00000954	78,000.00	
6	30/11/2018	00000945	1,219,800.00	
7	30/11/2018	00000951	405,000.00	
8	28/8/2018	00000592	144,900.00	
9	31/1/2019	00001098	51,000.00	
10	29/3/2019	00001244	98,000.00	
11	8/3/2019	00001182	53,900.00	
12	18/4/2019	1313	26,780.39	
13	25/4/2019	1243	79,170.65	
14	31/1/2020	1705	60,000.00	
15	31/1/2020	1692	45,000.00	

16	31/1/2020	1702	220,000.00
17	31/1/2020	1577	150,000.00
18	14/1/2020	1713	2,200.00
19	24/1/2020	00001727	55,000.00
20	3/2/2020	1753	.30
21	4/3/2020	1833	56,593.00
22	5/3/2020	1832	52,000.00
23	2/3/2020	02506348	2,000.00
24	25/2/2020	0000666	10,000.00
25	26/8/2020	0000701	50,000.00
26	11/9/2020	714	600.00
27	16/10/2020	741	500.00
28	12/11/2020	2146	150,000.00
29	9/12/2020	Transfer	1,933.60
30	30/12/2020	Transfer	44,550.00
31	8/1/2020	Transfer	3,600.00
32	19/2/2021	Transfer	0.49
33	22/2/2021	8041	2,000.00
34	29/5/2020	1903	7,032.92
35	24/8/2020	2079	20,704.06
36	1/9/2020	2087	10,339.32
37	29/5/2020	1933	11,000.66
38	12/3/2021	Transfer	2,000,000
39	4/5/2021	Transfer	0.01
40	4/6/2021	817	500.00
41	20/8/2021	2388	800.00
42	18/11/2021	588	10,000
43	25/11/2021	Transfer	18,239.39
44	6/12/2021	Transfer	20,000.00
45	30/12/2021	Transfer	4,951.91
46	8/12/2021	Transfer	2,000.00
47	17/12/2021	599	2,000.00
48	29/9/2021	2422	0.5
			7,737,182.04

(v) Payment Not Supported by Proper Records/Accounts: The underlisted payments were not supported with evidence of payment i.e. official printed receipts.

SN	Query No	Details	Amount (₦)	Reasons
1	LQ/IBPE/MA/01/2021	Unvouched Payment	7,737,182.04	Expenditure not supported by proper Records or Accounts
2	LQ/IBPE/MA/02/2021	Payment to First Technical University	23,800,375.00	Expenditure not supported by proper Records or Accounts
3	LQ/IBPE/MA/03/2021	Payment to Akika Prints Nig. Enterprises	330,000.00	Expenditure not supported by proper Records or Accounts
5	LQ/IBPE/MA/04/2021	Payment to Mr. Oyedotun A.M. of Skyline Specialist Hospital	1,500,000.00	Expenditure not supported by proper Records or Accounts
6	LQ/IBPE/MA/05/2021	Payment to Elizade Nigeria Limited	17,878,787.00	Expenditure not supported by proper Records or Accounts
7	LQ/IBPE/MA/06/2021	Payment to Ideal Konsult Limited	4,504,519.09	Expenditure not supported by proper Records or Accounts
8	LQ/IBPE/MA/07/2021	Payment to Isbari Ventures	596,964.60	Expenditure not supported by proper Records or Accounts
9	LQ/IBPNE/LCDA/MA/01/2021	Payment to Mrs.Olabode O.A. Ag. DESS	2,500,000.00	Expenditure not supported by proper Records or Accounts
10	LQ/IBPNE/LCDA/MA/02/2021	Payment to Mr. Sangodare O.B. Principal Administrative Officer	450,000.00	Expenditure not supported by proper Records or Accounts
11	LQ/IBPNE/LCDA/MA/03/2021	Payment to Kareem Kudus A. Ag. DAGS	1,000,000.00	Expenditure not supported by proper Records or Accounts
12	LQ/IBPNE/LCDA/MA/04/2021	Payment to Mr. Kareem Kudus	750,000.00	Expenditure not supported by proper Records or Accounts
13	LQ/IBPNE/LCDA/MA/05/2021	Payment to Kareem Kudus Ag. DAGS	1,500,000.00	Expenditure not supported by proper Records or Accounts

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. **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 non-payment of Ten Percent State Internal Generated Revenue to the Local Government by the State Government.
- (iii) There would appear to be 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 collections 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. **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.

8. **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) Adherence to Appropriation Law
- (b) The Legislative Council of the Local Government should pass Revenue Laws (Bye Laws) to make collection of revenue legal and enforceable.
- (c) Marriage: The Local Government should sensitize the community on the importance and usefulness of Marriage certificate which in turn would boost the Independent revenue of the Local Government.
- (d) 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.
- (e) 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.
- (f) 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.



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

The Chairman,
Ibarapa East Local Government,
Eruwa.

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: Babalola W. B. (HLGA)
Mr. Adediran (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

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