

**CERTIFICATE**  
**OF THE**  
**AUDITOR-GENERAL FOR LOCAL GOVERNMENTS, OYO STATE ON**  
**THE ACCOUNTS OF IREPO LOCAL GOVERNMENT, KISI 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 Irepo Local Government, Kisi 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 Accrual 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 IREPO LOCAL GOVERNMENT, KISI FOR THE YEAR ENDED 31ST DECEMBER, 2021**

The attached General Purpose Financial Statements of Irepo Local Government, Kisi 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 (Distribution) Law 2002, Oyo State Audit Law 2021, Sections 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 Irepo Local Government, Kisi 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/AUD/IRE/MA/03/2021: Excess Expenditures Disclosed by the Statement

<b>Economic Code</b>	<b>Final Approved Provision (₦)</b>	<b>Actual Expenditure (₦)</b>	<b>Excess Disclosed (₦)</b>
22020401	50,000.00	89,000.00	39,000.00
22020401	400,000.00	600,000.00	200,000.00
22021006	40,000.00	59,800.00	19,800.00
22020404	100,000.00	368,000.00	268,000.00
22020601	26,500,000.00	60,772,000.00	34,272,000.00

22020102	400,000.00	557,000.00	157,000.00
22020306	700,000.00	2,065,250.00	1,365,250.00
022020709	6,000,000.00	9,262,821.79	3,262,821.79
022020102	400,000.00	454,750.00	54,750.00
022020401	400,000.00	450,000.00	50,000.00
022020601	8,000,000.00	18,495,000.00	10,495,000.00
022021029	250,000.00	313,200.00	63,200.00
022040109	300,000.00	750,000.00	450,000.00
022050102	2,000,000.00	2,538,000.00	538,000.00
22020407	900,000.00	2,650,000.00	1,750,000.00
22021001	Nil	80,000.00	80,000.00
22020605	700,000.00	2,500,000.00	1,800,000.00
23010113	580,000.00	4,412,782.19	3,832,782.19
23010101	Nil	50,000,000.00	50,000,000.00
23010105	Nil	9,000,000.00	9,000,000.00
23010150	Nil	180,000.00	180,000.00
203020102	Nil	7,400,000.00	1,400,000.00
23050110	30,000,000.00	48,020,750.00	18,030,750.00
23050111	13,000,000.00	13,873,000.00	813,000.00
	<b>90,720,000.00</b>	<b>234,891,353.98</b>	<b>138,121,353.98</b>

**(B) Violation of Provisions of Model Financial Memoranda**

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

S/N	Query No.	Amount (₦)	Details	Reasons
1	LQ/AUD/IRE/MA/01/2021	887,200.00	Payment made to College of Nursing and Midwifery in respect of amount approved for the sponsoring of scholarship of student	Not supported by proper Records or Accounts
2	LQ/AUD/IRE/MA/02/2021	3,200,000.00	Payment made to Maro Eye Care and Optical Centre, Iwo Road Value Added/Tax and	Non-deduction of Value Added Tax and

withholding Tax were not deducted from the total sum      Withholding Tax

## 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 Accrual.

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

Items	Amount shown in the Statement	Correct Amount
<b>Operating Activities</b>		
<b>Outflow</b>	(₦)	(₦)
Pension Allowance	Nil	51,807,912.93
Social Benefit	181,536,070.19	Nil
<b>Investing Activities</b>		
<b>Outflow</b>		
Purchase/Construction of Assets	Nil	183,469,070.19

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 (₦)
<b>Expenditure</b>		
Pension Allowance	Nil	51,807,912.93

c. **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

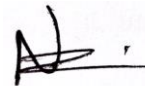
Government Account Allocation Committee (SJLGAAC) in compliance with the provisions of the State Joint Local Government (Distribution) Law, 2002, Oyo State Compulsory, and Free Universal Basic Education Law, 2005, Primary Health Care Board Law, 2016 and Oyo State Local Government Law, 2001.

- (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.

7. **DISALLOWANCE:** Allowance of conducts and expenditures highlighted in paragraphs 4, 5 and 6 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 to the Chairman and management of the Local Government.

- (a) Passage of Revenue Laws (Bye Laws)
- (b) Maintenance of minimum cash holding
- (c) Adequate Record Keeping
- (d) Recovery of Dormant Advances
- (e) Proper Maintenance of Capital Projects
- (f) Adherence to Appropriation Law



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

The Chairman,  
Irepo Local Government,  
Kisi.

Office of The Auditor General  
for Local Governments,  
Ibadan.

Please furnish an early reply to the query. 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

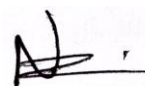
**Subject: EXCESS EXPENDITURE DISCLOSED BY THE STATEMENT**

Authorizing Officer: Mr. Alani Bamgbose. – HLGA

Mr. Awobode O. A. – DF&A

Mr. Onaolapo – DAGS

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