

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, 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 North Local Government, Ayete 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 Financial Performance and (d) 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 NORTH LOCAL GOVERNMENT, AYETE FOR THE YEAR ENDED 31ST DECEMBER, 2021

The attached General Purpose Financial Statement of Ibarapa North Local Government, Ayete have been examined in accordance with the Oyo State Local Government Law 2001, Part VII, Section 66 Sub-sections (2), (3) and (5), State Joint Local Government (Distribution) Law 2002, Section 27, 34 & 35 of Oyo State Audit Law 2021 and the provisions of Model Financial Memoranda for Local Governments.

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 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/IBPN/06/2021: Excess Expenditures Disclosed by the Statement

Economic Code	Final Approved Provision	Actual Expenditure	Excess Disclosed (₦)
011100100100	52,500,000.00	76,039,055.01	23,539,055.01
053500100100	2,000,000.00	8,870,000.00	418,000.00
055100300100	42,800,000.00	88,574,775.00	45,774,775.00
	97,300,000.00	173,483,830.01	76,183,830.01

(B) Violation of Provisions of Model Financial Memoranda

(i) Non-presentation/Submission of Revenue Earning Books of Audit: The underlisted Revenue Earning Receipts were not submitted for audit.

S/N	Name of Staff	Rank	Receipt No.
1.	Mr. Olaoniye Gafar O.	Asst. Chief Edu. Officer	0601-0700

(ii) (Payment for Service not Rendered): The underlisted payments were not supported with evidence of payment i.e. official printed receipts.

S/N	Query No.	Amount	Details
1.	LQ/IBPN/MA/01/2021	112,500.00	Unvouched payment
2.	LQ/IBPN/MA/02/2021	17,878,787.00	Payment to Elizade Nigeria Limited
3.	LQ/IBPN/MA/03/2021	4,504,519.09	Payment to IDEA KONSULT LTD
4.	LQ/IBPN/MA/04/2021	1,200,000.00	Payment to Engr.Salami Moshood
5.	LQ/IBPN/MA/05/2021	7,500,000.00	Payment to Engr.Okunade Segun

5. FINANCIAL AUDIT

The General Purpose Financial Statement consisting (a) Responsibility Statement (b) Cash Flow Statement (c) Statement of Financial Position (d) Statement of Financial Performance and (d) Notes to the Accounts were prepared under IPSAS Cash. There would appear to be no obvious effort to transfer to IPSAS Accrual.

a. Responsibility Statement:- The Responsibility Statement was not signed by the Head of Local Government Administration, Mr. Afolabi M F

6. COMPLETENESS

a. Revenue:

(i) The revenues from Federation Account Allocation Committee (FAAC) would appear understated by deduction 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 for 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) this making collection of revenue difficult and unenforceable.

b. Expenditure:

- (i) The expenditure incurred centrally by the State Joint Local Government Account 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:** Loss was reported during the year in the department of Education and Social Service as stated below-

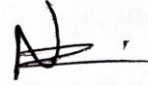
S/N	Item	Value (N)	Date Reported	Details
1	Identification Receipt Certificate Receipt No 000601-000701	N400,000.00	16 th July 202	Loss of Identification

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 and the Management of the Local Government.

- (a) Adherence to Appropriation Law
- (b) Passage or Revenue Laws (Bye-Laws)

- (c) Bonding of Staff should be paramount to the Local Government.
- (d) Revenue Collectors' chart should be maintained.
- (e) Loan/Advances repayment should always be monitored.
- (f) Recovery of Loans Advances in line with Terms of Agreement.
- (g) Prompt Remittance of Deposit.



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