

# **CERTIFICATE**

## **OF THE**

### **AUDITOR-GENERAL FOR LOCAL GOVERNMENTS, OYO STATE ON THE ACCOUNTS OF ITESIWAJU LOCAL GOVERNMENT, OTU 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 Itesiwaju Local Government, Otu for the year ended 31st December, 2020 have been audited.

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



12/07/21

**Olusola Olanrewaju Akinola**  
**Auditor-General for Local Governments.**

# **REPORT**

## **OF THE**

### **AUDITOR-GENERAL FOR LOCAL GOVERNMENTS, OYO STATE ON THE ACCOUNTS OF ITESIWAJU LOCAL GOVERNMENT, OTU FOR THE YEAR ENDED 31ST DECEMBER, 2020**

The attached General Purpose Financial Statements of Itesiwaju Local Government, Otu have been examined in accordance with the Oyo State Local Government Law 2001 Part VII Section 66 Sub-sections (2) (3) & (5) and the provisions of Model Financial Memoranda for Local Governments.

2. 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.

#### **3. REVIEW OF FINANCIAL STATEMENT**

a. **STATEMENT OF FINANCIAL POSITION:** The Statement of Financial Position as at 31st December, 2020 contained the following errors.

<b>Items</b>	<b>Amount Shown in the Statement (₦)</b>	<b>Correct Amount (₦)</b>
<b><u>Assets</u></b>		
Advances	19,407,391.94	12,239,578.12
Total Assets	182,589,512.81	175,421,698.99
<b><u>Liabilities</u></b>		
Deposit	30,843,407.18	24,737,333.92
Total Net Asset/Equity	182,589,512.81	176,482,439.55

b. **STATEMENT OF FINANCIAL PERFORMANCE:** The Statement of Financial Performance for the year ended 31st December, 2020 contained the following errors.

<b>Items</b>	<b>Amount Shown in the Statement (₦)</b>	<b>Correct Amount (₦)</b>
<b><u>Revenue</u></b>		
Total Revenue	795,687,461.48	753,892,915.90

**Expenditure**

Personnel Cost	Nil	431,270,004.99
Overhead Cost	Nil	205,427,835.59
Capital	Nil	168,426,565.42
Total Expenditure	795,687,461.48	805,124,406.99

c. **CASH FLOW STATEMENT:** The Cash flow Statement for the year ended 31st December, 2020 contained the following errors.

<b>Items</b>	<b>Amount Shown in the Statement (₦)</b>	<b>Correct Amount (₦)</b>
<b><u>Expenditure</u></b>		
Personnel Cost	431,276,004.89	431,270,004.99
Capital	158,983,621.00	Nil
Total Cashflow from Operating Act.	795,687,461.48	636,697,840.58
Net Cashflow from Operating Act.	Nil	117,195,075.32
Cash & its equivalent as at 1/1/20	44,784,708.56	54,221,654.07

**Cash Outflow from Investing Act**

Construction/Purchase of Asset	Nil	168,426,566.41
--------------------------------	-----	----------------

4. **AUTHORITY FOR EXPENDITURE:** All expenditures 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/ITE/MA/02/2020: Excess Expenditure Disclosed by the Statement

<b>Economic Code</b>	<b>Final Approved Provision (₦)</b>	<b>Actual Expenditure (₦)</b>	<b>Excess Disclosed (₦)</b>
220201	Nil	1,236,300.00	1,236,300.00
22020401	800,000.00	1,968,724.02	1,168,724.02
22020407	2,000,000.00	3,249,400.00	1,249,400.00
22020407	Nil	70,000.00	70,000.00
220201	500,000.00	717,900.00	217,900.00
2202036	Nil	5,992,200.00	5,992,200.00
22020401	800,000.00	1,609,900.00	809,900.00
22020402	400,000.00	618,000.00	218,000.00
22020405	Nil	54,000.00	54,000.00
22020603	200,000.00	847,000.00	647,000.00
22020703	1,500,000.00	3,463,000.00	1,963,000.00
22021001	1,000,000.00	8,494,000.00	7,494,000.00

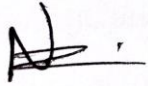
22021030	1,000,000.00	4,962,000.00	3,962,000.00
230101127	260,000.00	3,873,000.00	3,613,000.00
22020101	Nil	653,537.77	653,537.77
22020401	400,000.00	832,900.00	432,900.00
22020404	Nil	154,600.00	154,600.00
23010114	Nil	220,000.00	220,000.00
23020105	Nil	4,890,750.00	4,890,750.00
23020103	7,000,000.00	13,270,875.00	6,270,875.00
23030104	25,000,000.00	44,956,995.48	19,956,995.48
22020304	225,000.00	244,500.00	19,500.00
22021007	420,000.00	900,000.00	480,000.00
22050105	4,000,000.00	24,493,625.00	20,493,625.00
22020401	200,000.00	600,000.00	400,000.00
22021004	200,000.00	1,500,000.00	1,300,000.00
22020605	1,200,000.00	3,345,000.00	2,145,000.00
	<b>47,105,000.00</b>	<b>133,218,207.27</b>	<b>86,113,207.27</b>

5. In addition to the items shown in paragraph 4 of this Report, the following expenditures appear contrary to law.

Query No.	Amount (₦)	Details	Reasons
LQ/ITE/MA/01/2020	1,500,000.00	Payment made to Mr. Oyedotun Alaba Moses for Free Eye Screening and Treatment	Non-deduction of 7.5% (₦112,500.00) of Value Added Tax and 10% (₦150,000.00) Withholding Tax. Expenditure not supported by proper records or account

6. **DISALLOWANCE:** Allowance of the expenditures detailed in paragraphs 4 and 5 of this 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 other observations have been forwarded to the Chairman.

  
 Olusola Olanrewaju Akinola  
 Auditor-General for Local Governments.