

CERTIFICATE

OF THE

AUDITOR-GENERAL FOR LOCAL GOVERNMENTS, OYO STATE ON THE ACCOUNTS OF IWAJOWA LOCAL GOVERNMENT, IWERE-ILE FOR THE YEAR ENDED 31ST DECEMBER, 2020

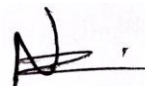
In compliance with the provision of Part VII, Section 66 (Subsections 2, 3 and 5) of Oyo State Local Government Law 2001, Section 5 (Subsection 4) of the State Joint Local Government Account (Distribution) Law 2002 and the provisions of Model Financial Memoranda, the Book of Accounts and General Purpose Financial Statements of Iwajowa Local Government, Iwere-Ile for the year ended 31st December, 2020 have been audited.

2. The General Purpose Financial Statements were prepared by the management of Iwajowa Local Government, Iwere-Ile 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 showed the true and fair view of the financial transactions of the Local Government for the year 2020



Olusola Olanrewaju Akinola

Auditor-General for Local Governments.

12/07/21

REPORT

OF THE

AUDITOR-GENERAL FOR LOCAL GOVERNMENTS, OYO STATE ON THE ACCOUNTS OF IWAJOWA LOCAL GOVERNMENT, IWERE-ILE FOR THE YEAR ENDED 31ST DECEMBER, 2020

The attached General Purpose Financial Statements of Iwajowa Local Government, Iwere-Ile 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 STATEMENTS:

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

Items	Amount Shown in the Statement (₦)	Correct Amount (₦)
<u>Assets</u>		
Advances	218,814,615.47	218,885,507.12
<u>Liabilities</u>		
Deposit	40,002,984.84	43,432,120.33

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

Items	Amount Shown in the Statement (₦)	Correct Amount (₦)
<u>Revenue</u>		
Dependent Revenue	676,647,366.04	806,819,630.26
Independent Revenue	10,520,400.00	9,850,380.10
LG Teachers Allowance	49,029,217.12	Nil
Other Transfer	132,493,625.00	Nil

Total Revenue	868,690,608.16	865,699,227.38
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Expenditure

Personnel Emolument	401,959,378.94	402,559,378.13
Overhead Cost	82,960,947.63	86,492,200.21
Capital	303,236,911.92	304,488,811.92
Net Surplus/Deficit	31,404,152.55	23,129,620.21

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

Items	Amount Shown in the Statement (₦)	Correct Amount (₦)
OPERATING ACTIVITIES		
<u>Cash Inflow</u>		
Dependent Revenue	836,125,902.16	855,848,847.38
Independent Revenue	10,520,400.00	9,850,380.00
Total Receipt	846,646,302.16	865,699,227.38
<u>Cash Outflow</u>		
Personnel Emolument	401,959,378.94	402,559,378.93
Overhead Cost	82,960,947.63	86,492,200.21
Net flow from Operating Activities	312,696,758.47	327,618,431.12
Purchase/Construction of Asset	303,236,911.92	304,488,811.92
Net flow from Invest	Nil	23,169,619.20

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/IWA/MA/01/2020: Excess Expenditure Disclosed by the Statement

Economic Code	Final Approved Provision (₦)	Actual Expenditure (₦)	Excess Disclosed (₦)
22020604	3,000,000.00	7,640,000.00	4,640,000.00
22020407	Nil	160,000.00	160,000.00
22020401	100,000.00	525,000.00	425,000.00
22020408	1,500,000.00	11,857,456.04	10,357,456.05

22020601	2,500,000.00	11,397,000.00	8,897,000.00
22021030	1,650,000.00	4,047,000.00	2,397,000.00
23010146	Nil	5,185,000.00	5,185,000.00
22020405	Nil	782,000.00	782,000.00
22020709	Nil	45,000.00	45,000.00
22020305	600,000.00	813,000.00	213,000.00
22020407	840,000.00	873,000.00	33,000.00
23010104	500,000.00	2,500,000.00	2,000,000.00
23010113	70,000,000.00	110,433,961.92	40,433,961.92
23010118	1,000,000.00	1,613,000.00	613,000.00
23030105	20,000,000.00	38,000,000.00	18,000,000.00
22020401	100,000.00	255,000.00	155,000.00
22021003	2,000,000.00	2,427,300.00	427,300.00
22021020	Nil	150,000.00	150,000.00
22021029	250,000.00	1,148,000.00	898,000.00
23010110	5,000,000.00	27,633,625.00	22,633,625.00
220201004	Nil	900,000.00	900,000.00
2301022	15,000,000.00	50,000,000.00	45,000,000.00
	124,040,000.00	282,395,342.96	158,345,342.96

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/IWA/MA/01/2020	488,000.00	Unaudited Vouchers	Not checked and passed
LQ/IWA/MA/02/2020	24,492,625.00	Sponsoring of 5 candidates in University of Tech	Not supported with proper records
LQ/IWA/MA/03/2020	50,000,000.00	Primary Health Care Project	Not supported with proper records
LQ/IWA/MA/04/2020	38,000,000.00	Mini Stadia Project	Not supported with proper records
LQ/IWA/MA/05/2020	1,500,000.00	Free Eye Screening Service	Non deduction of VAT and Tax
LQ/IWA/GN/01/2020	1,500,000.00	Free Eye Screening Service	Non deduction of VAT and Tax
LQ/IWA/GN/02/2020	243,000.00	Payment made to Manager Water Corporation in Iganna	Non deduction of VAT and Tax

6. **DISALLOWANCE:** Allowance of the expenditures detailed in paragraphs 4, 5 and 6 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 12/07/21
Auditor-General for Local Governments.