

# **CERTIFICATE**

## **OF THE**

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

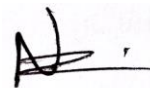
In compliance with the provision of Part VII, Section 66 (Subsections 2, 3 and 5) of Oyo State Local Government Law 2001, Section 5 (Subsection 4) of the State Joint Local Government Account (Distribution) Law 2002 and the provisions of Model Financial Memoranda, the Book of Accounts and General Purpose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

2. The General Purpose Financial Statements were prepared by the management of Olorunsogo Local Government, Igbeti 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.



**Olusola Olanrewaju Akinola** 12/07/21  
**Auditor-General for Local Governments.**

# **REPORT**

## **OF THE**

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

The attached General Purpose Financial Statements of Olorunsogo Local Government, Igbeti 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>		
Non-Current Asset:		
Long Term Advance	9,431,253.20	9,689,745.20
Total Assets	144,726,096.60	144,984,588.60
Deposit	15,919,348.06	15,315,447.23
Surplus for the year	128,806,748.54	129,669,141.37
Total Net Asset/Equity	144,726,096.60	144,984,588.60

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 (₦)
<b><u>REVENUE</u></b>		
<b>Dependent Revenue</b>		
Statutory Allocation	376,479,483.91	644,657,608.08
Special Allocation	240,203,941.99	Nil
Share of VAT	27,972,154.13	Nil
<b>Total Dependent Revenue</b>	<b>644,655,580.03</b>	<b>644,657,608.08</b>
<b>Independent Revenue</b>		
Fines	23,160.00	231,160.00
<b>Total Revenue</b>	<b>665,364,527.48</b>	<b>665,364,550.62</b>

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 (₦)
<b><u>OPERATING ACTIVITIES</u></b>		
<b>Inflow</b>		
<b>Dependent</b>		
Statutory Allocation	376,479,483.91	644,657,608.08
Special Allocation	240,203,941.99	Nil
Pensioner Allowance	27,972,154.12	Nil

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.

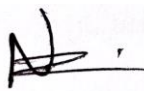
Audit Query No.LQ/OLO/01/2020: Excess Expenditure Disclosed by the Statement

Economic Code	Final Approved Provision (₦)	Actual Expenditure (₦)	Excess Disclosed (₦)
21010103	1,908,000.00	3,197,533.33	1,289,533.33
21010101	46,000,000.00	46,494,801.67	494,801.67
211020101	Nil	3,936,060.65	3,936,060.65
21020101	Nil	26,888,000.00	26,888,000.00
21010101	122,000,000.00	133,278,678.24	11,278,678.24
21010101	22,625,000.00	23,532,565.83	907,565.83
22020407	200,000.00	225,000.00	25,000.00

22020408	80,000.00	145,427.81	65,427.81
22020408	2,500,000.00	5,005,581.39	2,505,581.39
22020601	3,100,000.00	6,886,000.00	3,786,000.00
22021030	1,500,000.00	2,530,000.00	1,030,000.00
22021030	550,000.00	620,000.00	70,000.00
22020408	1,500,000.00	2,159,644.88	659,644.88
22020407	Nil	55,000.00	55,000.00
22020408	Nil	3,543,834.32	3,543,884.32
22020401	Nil	280,000.00	280,000.00
22020408	2,700,000.00	4,176,812.12	1,476,812.12
22021001	250,000.00	1,023,000.00	773,000.00
22021003	500,000.00	1,438,250.00	938,250.00
22021030	550,000.00	720,000.00	170,000.00
220202605	2,000,000.00	2,180,000.00	180,000.00
23050109	125,000.00	200,000.00	75,000.00
23020119	Nil	499,800.00	499,800.00
23030113	15,000,000.00	55,707,290.53	40,707,290.53
23030129	4,300,000.00	4,770,000.00	470,000.00
23020103	10,000,000.00	38,470,000.00	28,470,000.00
23010150	Nil	550,000.00	550,000.00
23050110	20,000,000.00	25,013,625.00	5,013,625.00
23010122B	1,500,000.00	2,108,300.00	608,300.00
	<b>258,888,000.00</b>	<b>395,635,205.77</b>	<b>136,747,255.77</b>

5. **DISALLOWANCE:** Allowance of the expenditures detailed in paragraphs 4 of this report have been reserved pending satisfactory explanation to the queries and/or the sanction of the State Executive Council.

6. **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.