

CERTIFICATE

OF THE

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

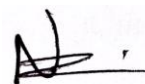
In compliance with the provision of Part VII, Section 66 (Subsections 2, 3 and 5) of Oyo State Local Government Law 2001, Section 5 (Subsection 4) of the State Joint Local Government Account (Distribution) Law 2002 and the provisions of Model Financial Memoranda, the Book of Accounts and General Purpose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

2. The General Purpose Financial Statements were prepared by the management of Saki West Local Government, Saki 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 SAKI WEST LOCAL GOVERNMENT, SAKI FOR THE YEAR ENDED 31ST DECEMBER, 2020

The attached General Purpose Financial Statements of Saki West Local Government, Saki 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.

Items	Amount Shown in the Statement (₦)	Correct Amount (₦)
<u>Assets</u>		
Cash and Cash Equivalent	81,511,753.89	4,166,966.75
Other Accounts (Fund)	216,978,842.33	216,978,844.33
Advances	352,668,111.61	352,478,823.61
Total Current Asset	678,484,707.83	598,950,634.69
Property Plant & Equipment	390,201,000.00	394,145,000.00
Investment	Nil	52,529,573.00
Total Assets (B)	1,066,685,707.83	1,045,625,207.69
<u>Liabilities</u>		
Deposits (B)	14,636,673.68	9,978,314.64
Net Assets Equity (C =A – B)	727,859,495.54	1,035,646,893.05
Accumulated Revenue	398,225,000.00	401,795,923.61

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>Dependent Revenue</u>		
Statutory Allocation	430,540,325.76	884,701,294.02
Share of VAT	599,044,850.02	Nil
Total Independent Revenue (B)	1,029,585,175.78	884,701,294.02
Non-Exchange	10,670,959.01	8,925,095.01
Exchange	15,842,326.15	35,271,829.70
Interest Earned	3,566,505.74	3,767,137.55
Total Independent Revenue (C)	23,358,596.86	47,964,062.26
<u>Expenditure</u>		
General Administration	71,581,406.60	71,147,256.64
Community Development Culture (Edu)	56,234,793.06	56,240,793.06
LGSPB	Nil	223,186,339.74
Total Recurrent Expenditure	827,405,656.28	826,977,506.32
Capital Project	376,912,146.00	294,167,247.30
Total Expenditure (G)	1,204,317,802.28	1,121,141,753.35
Surplus/Deficit from Operating Activities for the period (F – G)	79,066,087.20	89,332,133.79
Net Surplus/Deficit for the period	82,543,087.20	83,855,133.79

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 (₦)
<u>Operating Activities</u>		
Inflow		
Statutory Allocation	430,540,325.76	884,701,294.02
Share of VAT	557,948,243.63	Nil
Non-Exchange	10,670,559.01	8,925,095.01
Exchange	15,842,326.15	35,271,829.70
Interest Earned	921,943.81	3,767,137.55
Miscellaneous Revenue/Exp. Recovery	Nil	101,147,263.28
Total Inflow Operating Activities (A)	1,173,488,823.25	1,033,312,619.56
Outflow		
Education Service	56,059,693.06	56,240,793.06

Health Services & Environmental	6,473,500.00	5,443,500.00
Other of General Services	71,335,500.00	71,147,256.64
Total Outflow from Operating Activities (B)	602,028,776.18	826,977,506.32
Net Cash Flow/Outflow from Operating Activities C = A - B	568,944,175.67	210,312,113.24
Purchase/Construction of Assets	376,512,146.00	294,167,247.03
Net Cash flow from Investing Activities (D)	373,035,146.00	290,690,247.03
Net Cash flow from all Activities (C+D+E)	214,399,029.67	83,855,133.79
Cash and Cash Equivalent as at 1/1/2020	324,537,439.93	88,022,100.54
Cash and Cash Equivalent as at 31/12/2020	221,145,809.50	4,166,966.75

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/SKW/MA/03/2020: Excess Expenditure Disclosed by the Statement

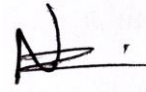
Economic Code	Final Approved Provision (₦)	Actual Expenditure (₦)	Excess Disclosed (₦)
055100300100	31,250,000.00	56,240,793.06	24,990,793.06

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/SKW/AS/01/2020	1,500,000.00	Payment made to Mr. Oyedotun Alaba Moses for Free Eye Screening and Treatment	Non-deduction of 7.5% (150,000.00) of Value Added Tax and 10% (112,500.00) Withholding Tax Expenditure not supported by proper records or account
LQ/SKW/WE/01/2020	1,500,000.00	Payment made to Mr. Oyedotun Alaba Moses for Free Eye Screening and Treatment	Non-deduction of 7.5% (150,000.00) of Value Added Tax and 10% (112,500.00) 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.



12/07/21

Olusola Olanrewaju Akinola
Auditor-General for Local Governments.