

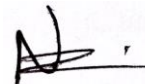
# **CERTIFICATE**

## **OF THE**

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

2. The General Purpose Financial Statements were prepared by the management of Egbeda Local Government, Egbeda 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 Generally Accepted Auditing Standards. 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 a 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 EGBEDA LOCAL GOVERNMENT, EGBEDA FOR THE YEAR ENDED 31ST DECEMBER, 2020**

The attached General Purpose Financial Statements of Egbeda Local Government, 2020 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>		
Cash & Cash Equivalent	22,723,016.76	25,211,274.87
Receivables (Advances)	370,576,812.06	373,077,009.10
<b>Total</b>	<b>456,922,978.40</b>	<b>461,911,433.55</b>
<b><u>Liabilities</u></b>		
Deposits	82,532,475.57	76,267,048.95
Accumulated Surplus	374,390,502.83	385,644,384.60
<b>Total</b>	<b>456,922,978.40</b>	<b>461,911,433.55</b>

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>		
Dependent Revenue	886,347,845.56	1,262,223,607.80
Independent Revenue	28,644,757.67	29,269,507.67
<b>Total Revenue Available</b>	<b>1,293,637,155.95</b>	<b>1,294,050,639.55</b>

<b><u>Expenditure</u></b>		
Personnel Cost	468,916,408.68	470,416,349.69
Overhead Cost	117,433,973.79	117,733,973.64
Pensioner's Allowance	96,657,656.88	97,880,366.78
Teacher's Pension All	376,087,028.56	375,875,762.24
Total Recurrent Exp.	1,059,095,067.91	1,061,906,452.27
Transfer to Capital Devt. Fund	234,542,088.04	232,144,187.28

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>Operating Activities</u></b>		
<b>Inflow</b>		
Independent Revenue	28,644,757.67	29,269,507.67
<b>Total Inflow</b>	<b>1,293,637,155.95</b>	<b>1,294,050,639.55</b>
<b>Outflow</b>		
Personnel Cost	468,916,408.68	470,416,349.69
Overhead Cost	117,433,973.79	117,733,973.64
Pension Allowance	96,657,656.88	97,880,366.78
Teacher's Pension All	376,087,028.56	375,875,762.24
<b>Total Outflow</b>	<b>1,059,095,067.91</b>	<b>1,061,906,452.27</b>
Net Cash flow from Operating Act	234,542,088.04	232,144,187.28
<b><u>Investing Activities</u></b>		
<b>Outflow</b>		
Purchase/Construction of Assets	158,557,320.58	164,426,570.68
Net Cash flow from Investing Act	158,557,320.58	164,426,570.68
Net Cash flow from all Activities	75,984,767.46	67,717,616.60
Cash & Its Equiv. as at 31/12/2020	22,723,016.76	28,934,538.46

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/EGB/M/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>
220203	Nil	14,400.00	14,400.00
220206	Nil	10,000.00	10,000.00
22020604	3,000,000.00	5,422,000.00	2,422,000.00
22020202	Nil	42,000.00	42,000.00
22020301	750,000.00	808,070.00	58,070.00
22020401	300,000.00	410,500.00	110,500.00
22020404	Nil	25,000.00	25,000.00
22020407	1,000,000.00	1,126,250.00	126,250.00
22020801	Nil	20,000.00	20,000.00
22021001	8,000,000.00	8,024,000.00	24,000.00
22020408	350,000.00	489,943.04	139,943.04
22020205	Nil	30,000.00	30,000.00
22020801	Nil	25,000.00	25,000.00
22021030	Nil	80,000.00	80,000.00
22020502	Nil	200,000.00	200,000.00
22020403	Nil	79,000.00	79,000.00
22020407	1,000,000.00	1,761,540.54	761,540.54
22020408	2,000,000.00	4,060,968.26	2,060,968.26
22021001	155,000.00	450,000.00	295,000.00
22020705	Nil	30,000.00	30,000.00
22021033	Nil	35,000.00	35,000.00
22020706	Nil	50,000.00	50,000.00
22020802	Nil	10,500.00	10,500.00
22020306	100,000.00	111,500.00	11,500.00
22020401	Nil	200,000.00	200,000.00
22021030	1,000,000.00	1,220,000.00	220,000.00
22021033	Nil	20,000.00	20,000.00

22020401	Nil	120,000.00	120,000.00
22021003	Nil	160,000.00	160,000.00
23010112	Nil	32,000.00	32,000.00
23010112	600,000.00	865,000.00	265,000.00
23010119	9,330,000.00	9,939,125.00	609,125.00
23010118	Nil	25,000.00	25,000.00
23030113	10,000,000.00	10,429,800.00	429,800.00
23050109	Nil	300,000.00	300,000.00
23050111	4,000,000.00	4,320,000.00	320,000.00
23010122	3,000,000.00	3,670,000.00	670,000.00
23040105	1,000,000.00	1,317,000.00	317,000.00
	<b>45,585,000.00</b>	<b>55,933,596.84</b>	<b>10,348,596.84</b>

5. **UNVOUCHED PAYMENTS:** The Bank Reconciliation Statement prepared as at 31st December, 2020 showed that payments were made without raising Payment Vouchers contrary to the law.

Audit Query No.LQ/EGB/AJ/04/2020: Unvouched Payments

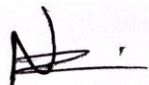
S/N	Date Cheque Issue	Cheque No.	Bank	Amount (₦)	Date Presented
1	1/12/2020	336	Polaris	25,000.00	
2	2/12/2020	341	Polaris	30,000.00	
3	10/12/2020	352	Polaris	65,000.00	
4	22/12/2020	335	Polaris	50,000.00	
5	29/12/2020	357	Polaris	130,000.00	
6	29/12/2020	358	Polaris	20,000.00	
7	22/12/2020	297	Polaris	150,000.00	
8	02/12/2020	290	Polaris	30,000.00	
9	23/12/2020	305	Polaris	70,000.00	
	<b>Total</b>			<b>580,000.00</b>	

6. 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/EGB/MA/01/2020	10,769,246.20	–	Unvouched Payments
LQ/EGB/MA/02/2020	Nil	Unproduced Revenue Earning Receipt Booklets	Unproduced Receipts
LQ/EGB/MA/03/2020	150,000.00	Purchase of HIV/AIDS and Consumables	Expenditure not supported by proper Records or Accounts
LQ/AJ/LCDA/01/2020	200,000.00	Sensitization Programme for the Women and Community Leader	Expenditure not supported by proper Records or Accounts
LQ/AJ/LCDA/02/2020	50,000.00	Stakeholder’s meeting held to curb the plunder, kidnapping in Ajorosun LCDA	Expenditure not supported by proper Records or Accounts
LQ/AJ/LCDA/03/2020	330,000.00	Watch against evil activities of kidnapers sensitization programme	Expenditure not supported by proper Records or Accounts

7. **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.

8. **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.**