

# **CERTIFICATE**

## **OF THE**

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

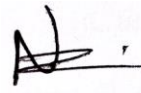
In compliance with the provision of Part VII, Section 66 (Subsections 2, 3 and 5) of Oyo State Local Government Law 2001, Section 5 (Subsection 4) of the State Joint Local Government Account (Distribution) Law 2002 and the provisions of Model Financial Memoranda, the Book of Accounts and General Purpose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

2. The General Purpose Financial Statements were prepared by the management of Ido Local Government, Ido 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 IDO LOCAL GOVERNMENT, IDO FOR THE YEAR ENDED 31ST DECEMBER, 2020**

The attached General Purpose Financial Statements of Ido Local Government, Ido 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>		
Receivable	360,334,657.00	360,335,055.00
(Advances)	572,710,792.65	572,711,190.65
Total Assets		
<b><u>Liabilities</u></b>		
Deposits	28,480,059.65	28,789,239.65
Total Liabilities	572,710,792.65	572,711,190.65

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	818,389,171.13	773,217,359.52
Independent Revenue	45,306,123.06	42,269,622.06
Teachers' Pension	Nil	151,636,193.88
<b>Total Revenue</b>	<b>1,015,331,488.02</b>	<b>867,123,175.46</b>

**Expenditure**

Personnel Emolument	405,788,065.85	372,216,194.33
Overhead Cost	90,103,799.67	81,199,549.62
Teachers' Pension	Nil	151,636,193.88
Total Expenditure	<b>647,528,059.40</b>	<b>605,051,937.83</b>
Transfer to Capital Dev. Fund	<b>430,253,351.52</b>	<b>362,071,237.63</b>

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</b>	<b>Correct Amount</b>
<b>Assets</b>	<b>in the Statement</b>	<b>(₱)</b>
	<b>(₱)</b>	
Dependent Revenue	970,025,365.01	924,853,509.40
Independent Revenue	45,306,123.06	42,269,622.06
Total Inflow from Operating Activities	1,015,431,488.07	967,123,131.46
Personnel Emolument	647,528,059.40	523,852,388.21
Overhead Cost	Nil	81,199,549.62
Total Payment	647,528,059.40	605,051,137.83
Net Cash Flow from Operating Activities	367,903,428.67	362,071,193.63
Cash Flow from Investing Activities		
Purchases/Construction of Assets	206,227,550.08	204,384,555.00
Cash Flow from Financing Activities		
Net Cash Flow from all Activities	161,475,878.67	157,686,638.63

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

<b>Economic Code</b>	<b>Final Approved</b>	<b>Actual</b>	<b>Excess Disclosed</b>
	<b>Provision</b>	<b>Expenditure</b>	<b>(₱)</b>
	<b>(₱)</b>	<b>(₱)</b>	
22020601	200,000.00	295,000.00	95,000.00
22021029	500,000.00	1,206,000.00	706,000.00
22020102	Nil	43,000.00	43,000.00
221220202	Nil	40,630.00	40,630.00
22020301	200,000.00	352,900.00	152,900.00

22020305	500,000.00	1,714,000.00	1,214,000.00
220202401	125,000.00	148,000.00	23,000.00
22020408	Nil	105,000.00	105,000.00
22020901	200,000.00	441,816.60	241,816.60
22021001	500,000.00	2,080,000.00	1,580,000.00
22021029	400,000.00	1,033,150.00	633,150.00
21030102	Nil	12,000.00	12,000.00
22020101	Nil	25,000.00	25,000.00
22020102	400,000.00	1,400,000.00	1,000,000.00
22020301	400,000.00	849,500.00	449,500.00
22020305	300,000.00	830,000.00	530,000.00
22020405	250,000.00	263,000.00	13,000.00
22020407	1,250,000.00	3,165,500.00	1,915,500.00
22020803	Nil	30,000.00	30,000.00
22020604	Nil	40,800.00	40,800.00
22040112	Nil	20,000,000.00	20,000,000.00
22021006	50,000.00	164,750.00	114,750.00
22021007	250,000.00	1,155,000.00	905,000.00
22021029	750,000.00	6,611,500.00	5,861,500.00
22021030	1,000,000.00	4,541,000.00	3,541,000.00
22021001	500,000.00	515,000.00	15,000.00
22020301	Nil	15,000.00	15,000.00
22020402	Nil	4,500.00	4,500.00
22020401	400,000.00	1,169,000.00	769,000.00
22020404	Nil	1,115,000.00	1,115,000.00
22020406	2,000,000.00	3,260,200.00	1,260,200.00
22021029	500,000.00	680,000.00	180,000.00
22020417	Nil	10,000.00	10,000.00
22020906	Nil	90,000.00	90,000.00
22020305	Nil	36,000.00	36,000.00
22021004	Nil	30,000.00	30,000.00
22020406	Nil	188,000.00	188,000.00
22021001	50,000.00	560,000.00	510,000.00
23020112	1,250,000.00	3,302,500.00	2,052,500.00
23010112	310,000.00	1,440,000.00	1,130,000.00

23010112	1,300,000.00	2,282,000.00	982,000.00
23010146	50,000.00	183,500.00	133,500.00
2310113	150,000.00	490,000.00	340,000.00
23050102	Nil	200,000.00	200,000.00
23010114	Nil	270,000.00	270,000.00
23010114	Nil	190,000.00	190,000.00
23010150	Nil	620,000.00	620,000.00
23020128	1,000,000.00	1,650,000.00	650,000.00
23030101	1,000,000.00	8,630,000.00	7,630,000.00
23020105	2,500,000.00	7,000,000.00	4,500,000.00
23030121	3,000,000.00	6,563,800.00	3,563,800.00
23030119	Nil	238,000.00	238,000.00
23010114	2,000,000.00	23,769,240.00	21,769,240.00
23010113	Nil	441,000.00	441,000.00
23010110	2,000,000.00	24,493,625.00	224,493,625.00
23040106	2,000,000.00	400,000.00	200,000.00
	<b>25,485,000.00</b>	<b>136,383,911.60</b>	<b>312,898,611.60</b>

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

Audit Query No.LQ/IDO/MA/02/2020: Unvouched Payments

S/N	Date Cheque Issue	Cheque No.	Bank	Amount (₦)	Date Presented
1	25/08/20	Not indicated	Access Bank	182,708.00	25/08/20
2	27/10/20	Not indicated	Access Bank	33,895.00	27/10/20
3	09/12/20	2,884	Access Bank	120,000.00	09/12/20
4	03/12/20	250	Access Bank	15,740.28	03/12/20
5	08/12/20	259	Access Bank	52,365.59	08/12/20
6	18/12/20	263	Access Bank	66,430.00	18/12/20
				<b>471,138.87</b>	

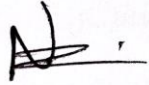
6. In addition to the items shown in paragraph 4 of this Report, the following expenditures appear contrary to law.

Query No.	Amount (₦)	Details	Reasons
LQ/IDO/MA/01/2020	Nil	Failure to prepare Bank Reconciliation Statements	Non-preparation of Bank Reconciliation Statement

LQ/WE/MA/02/2020	4,955,240.00	for year 2020 Payment made to sundry persons for various	Expenditure not supported by proper records or accounts
LQ/IDO/MA/03/2020	1,160,000.00	Payment made to sundry persons for various programmes rendered on behalf of the LG	Expenditure not supported by proper records or accounts
LQ/IDO/MA/04/2020	24,493,625.00	Payment made to Technical University collector for sponsorship of five students	Expenditure not supported by proper records or accounts
LQ/IDO/MA/05/2020	50,000,000.00	Oyo State Primary Health Care LG Board	Expenditure not supported by proper records or accounts
LQ/IDO/MA/06/2020	38,000,000.00	Payment made to LG Council Mini Stadia	Expenditure not supported by proper records or accounts
LQ/IDO/MA/07/2020	20,000,000.00	Payment made to Oyo State Local Government Service Commission	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.**