

CERTIFICATE

OF THE

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

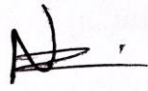
In compliance with the provision of Part VII, Section 66 (Subsections 2, 3 and 5) of Oyo State Local Government Law 2001, Section 5 (Subsection 4) of the State Joint Local Government Account (Distribution) Law 2002 and the provisions of Model Financial Memoranda, the Book of Accounts and General Purpose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

2. The General Purpose Financial Statements were prepared by the management of Lagelu Local Government, Iyana-Offa 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) Cash Flow Statement (c) Statement of Capital Development Fund and (d) Statement of Consolidated Revenue Fund 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 LAGELU LOCAL GOVERNMENT, IYANA-OFFA FOR THE YEAR ENDED 31ST DECEMBER, 2020

The attached General Purpose Financial Statements of Lagelu Local Government, Iyana-Offa 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>		
Advances	8,103,613.61	7,841,613.61
Stabilization Account	11,026,359.71	11,026,090.43
Total	212,756,904.08	212,494,597.50
<u>Liabilities</u>		
Deposits	49,642,509.27	50,510,910.27
Reserves (GRB)	163,114,394.81	161,983,687.23
Total	212,756,904.08	212,494,597.50

b. **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		
Dependent Revenue	947,951,665.02	934,750,125.83
Independent Revenue	14,662,289.00	15,267,039.00
Total Inflow	962,613,954.02	950,017,164.83
Outflow		
Overhead Cost	60,025,174.17	62,157,824.17
Total payment	453,918,784.86	721,693,530.88
Net Cash flow from Operating Activities	508,695,169.16	228,323,633.95
Net Cashflow from all activities	359,154,346.66	78,782,811.45
Cash & Its equivalent as at 1/1/20	54,140,549.08	46,305,339.31

c. **STATEMENT OF CAPITAL DEVELOPMENT FUND:** The Statement of Capital Development Fund as at 31st December, 2020 contained the following errors.

Items	Amount Shown in the Statement (₦)	Correct Amount (₦)
Transfer from Consolidated Revenue Fund	243,053,073.14	228,323,633.95
Balance b/f	93,512,250.64	78,782,811.45

d. **STATEMENT OF CONSOLIDATED REVENUE FUND:** The Statement of Consolidated Revenue Fund as at 31st December, 2020 contained the following errors.

Items	Amount Shown in the Statement (₦)	Correct Amount (₦)
Revenue		
Dependent Revenue	67,037,780.56	665,836,241.37
Independent Revenue	14,662,289.00	15,267,039.00
Total Revenue	962,613,954.02	950,017,164.83
Expenditure		
Overhead Cost	60,025,174.17	62,157,824.17
Total Recurrent Expenditure	719,560,880.88	721,693,530.88
Transfer to Capital Development Fund	243,053,073.14	228,323,633.95

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/LAG/M/02/2020: Excess Expenditure Disclosed by the Statement

Economic Code	Final Approved Provision (₦)	Actual Expenditure (₦)	Excess Disclosed (₦)
	500,000.00	2,490,000.00	1,990,000.00
	2,500,000.00	5,416,000.00	2,916,000.00
Total	3,000,000.00	7,906,000.00	4,906,000.00

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/LAG/MA/01/2020: Unvouched Payments

S/N	Date Cheque Issue	Cheque No.	Bank	Amount (₦)	Date Presented
1		115		421,800.00	
2		111		270,560.00	
3		121		147,500.00	
4		112		144,400.00	
5		102		641,379.50	
6		?		1,040,584.33	
7		287		143,127.70	
8		092		1,345,500.00	
9		250		2,831.81	
10		096		74,994.73	
11		?		1,053,855.83	
12		?		2,890,000.00	
13		?		92,554.00	
14		014		206,196.00	
15		?		17,000.00	
16		029		59,760.0	
17		025		108,400.00	

18	?		2,170,000.00
19	?		1,048,943.40
20	?		2,661,126.17
21	Reversal		1,200.00
22	013		1,000.00
23	034		12,500.00
24	240		600,000.00
25	242		250,000.00
26	085		1,000.00
27	086		20,000.00
28	083		40,800.00
29	098	Zenith Bank	3,000.00
30	104	Zenith Bank	65,000.00
			15,535,013.47


6. In addition to the items shown in paragraphs 4 and 5 of this Report, the following expenditures appear contrary to law.

Query No.	Amount (₹)	Details	Reasons
LQ/LAG/MA/01/2020	21,594,939.31	–	Unvouched payments
LQ/LAG/MA/02/2020	517,192.55	Overpayment	Salary being overpaid
LQ/LAG/MA/03/2020	100,000.00	Printing of ledgers	Expenditure not supported by proper Records or Accounts
LQ/LAG/MA/04/2020	410,000.00	Unemployment problem	Expenditure not supported by proper Records or Accounts
LQ/LAG/MA/05/2020	55,000.00	Hiring of Vehicle	Expenditure not supported by proper Records or Accounts
LQ/LAG/MA/06/2020	180,000.00	Awareness rally a gang rape and child abuse	Expenditure not supported by proper Records or Accounts
LQ/LAG/MA/07/2020	350,000.00	F&GPC meeting	Expenditure not supported by proper Records or Accounts
LQ/LAG/MA/08/2020	145,000.00	Celebration of widow	Expenditure not supported by proper Records or Accounts
LQ/LAG/MA/09/2020	70,000.00	Sanitation programme	Expenditure not

LQ/LAG/MA/10/2020	1,500,000.00	Procurement of Electronic and Furniture	supported by proper Records or Accounts Expenditure not supported by proper Records or Accounts
LQ/LAG/YD/01/2020	600,000.00	Sanitation	Expenditure not supported by proper Records or Accounts
LQ/LAG/OD/10/2020		Enlightenment Jingle Non-preparation of Bank Reconciliation Statement	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.


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