

CERTIFICATE

OF THE

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

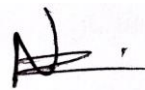
In compliance with the provision of Part VII, Section 66 (Subsections 2, 3 and 5) of Oyo State Local Government Law 2001, Section 5 (Subsection 4) of the State Joint Local Government Account (Distribution) Law 2002 and the provisions of Model Financial Memoranda, the Book of Accounts and General Purpose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

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

The attached General Purpose Financial Statements of Oyo West Local Government, Ojongbodu 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 STATEMENTS

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>		
Statutory Allocation	696,698,807.30	969,514,002.62
Special Allocation	271,344,257.27	Nil
Total Statutory Allocation	968,043,064.57	969,514,002.62
Licenses	804,030.00	694,530.00
Sales	10,110,181.00	4,261,473.00
Earnings	172,650.00	6,102,650.00
Total Independent Revenue	23,950,193.49	23,970,649.46
Grand Total Revenue	991,993,258.06	993,484,652.08
<u>Expenditure</u>		
Personnel Costs	384,227,472.01	384,225,472.01
Social Contribution	216,042,097.10	Nil
Social Benefits	Nil	216,366,660.47
Overhead Costs	125,030,567.56	128,699,397.23

Capital	188,023,591.25	185,523,592.23
Total Expenditures	979,513,244.34	981,004,638.36
Net Surplus/Def. for the period	54,128,658.11	12,480,013.72
Net Surplus/Def. as at 01/01/20	66,775,558.60	54,128,665.11
Net Surplus/Def. as at 31/12/20	50,307,604.40	66,608,678.83

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>Liabilities</u>		
Deposit	(4,116,438.25)	4,332,423.29
Public Fund	65,654,521.83	66,608,678.83
Total Liabilities	61,543,083.58	70,941,102.12
Net Asset	377,858,275.29	368,460,256.75

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 (₦)
Revenue		
Special Allocation	271,344,257.27	Nil
Dependent Revenue	968,043,064.57	969,514,002.62
Licenses	804,030.00	694,530.00
Sales	10,110,181.00	4,261,473.00
Earnings	172,650.00	6,102,650.00
Rent on Govt. Building	4,049,500.00	Nil
Rent on Land & Others	Nil	4,049,500.00
Investment Income	Nil	3,202.49
Interest Earned	Nil	48,663.97
Independent Revenue	23,950,193.49	23,970,649.46
Grand Total Revenue	991,993,258.06	993,484,652.08
Expenditure		
Personnel Costs	384,227,472.01	384,225,472.01
Social Contribution	216,042,097.10	Nil
Social Benefits	Nil	216,366,660.47

Overhead Costs	125,030,567.56	128,699,397.23
Allowances and Contribution	216,042,097.10	216,366,660.47
Total Outflow from Operating Act.	791,489,653.09	795,481,046.13
Net Cashflow from Operating Act.	200,503,604.97	198,003,605.95
Purchases/Construction	188,023,591.25	185,523,592.23
Total Expenditures	979,513,244.34	981,004,638.36
Total Cashflow for Fin. Act.	Nil	188,023,591.25

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


Economic Code	Final Approved Provision (₦)	Actual Expenditure (₦)	Excess Disclosed (₦)
220206/22020601	4,500,000.00	9,700,000.00	5,200,000.00
220206/22020604	6,000.00	6,050,000.00	6,044,000.00
220210/22021007	Nil	20,000.00	20,000.00
220203/22020301	500,000.00	532,000.00	32,000.00
220204/22020402	250,000.00	934,500.00	684,500.00
220206/22020603	200,000.00	730,000.00	530,000.00
220208/22020803	Nil	10,000.00	10,000.00
220501/22050117	Nil	360,000.00	360,000.00
220204/22020406	Nil	55,000.00	55,000.00
220208/22020803	Nil	500.00	500.00
220210/22021014	700,000.00	820,000.00	120,000.00
220204/22020401	5,500,000.00	5,930,300.00	430,300.00
230101/23010105		108,000.00	108,000.00
220210/22021001	3,000,000.00	4,539,750.00	1,539,750.00
220210/22021030	100,000.00	129,150.00	29,150.00
Total	14,756,000.00	29,919,200.00	15,163,200.00

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/OYW/MA/01/2020	200,000.00	Payment to Immigration Divisional Officer	Expenditure not supported by proper records or accounts
LQ/OYW/MA/02/2020	200,000.00	Payment to NULGE Chairman	Expenditure not supported by proper records or accounts

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.