

# **CERTIFICATE**

## **OF THE**

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

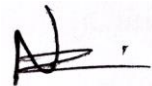
In compliance with the provision of Part VII, Section 66 (Subsections 2, 3 and 5) of Oyo State Local Government Law 2001, Section 5 (Subsection 4) of the State Joint Local Government Account (Distribution) Law 2002 and the provisions of Model Financial Memoranda, the Book of Accounts and General Purpose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

2. The General Purpose Financial Statements were prepared by the management of Saki East Local Government, Ago-Amodu 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 Consolidated Revenue 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 showed 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 EAST LOCAL GOVERNMENT, AGO- AMODU FOR THE YEAR ENDED 31ST DECEMBER, 2020**

The attached General Purpose Financial Statements of Saki East Local Government, Ago-Amodu 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<br/>the Statement (₦)</b> | <b>Correct Amount<br/>(₦)</b> |
|---------------------------|--|-------------------------------|
| <b><u>Assets</u></b>      |  |                               |
| Advances                  | 11,405,654.44                                | 11,643,567.22                 |
| Total Current Assets      | 16,968,355.62                                | 17,206,268.40                 |
| Total Assets              | 545,937,848.01                               | 546,175,760.79                |
| <b><u>Liabilities</u></b> |  |                               |
| Deposit                   | 15,800,451.53                                | 14,858,773.53                 |
| Total Net Asset/Equity    | 530,137,396.48                               | 531,316,987.26                |

b. **STATEMENT OF CONSOLIDATED REVENUE:** The Statement of Consolidated Revenue 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>Dependent Revenue</b>   |  |                           |
| Statutory Allocation       | 677,697,785.23                           | 711,888,972.98            |
| Total Dependent Revenue    | 711,888,970.98                           | 711,888,972.98            |
| <b>Independent Revenue</b> |  |                           |
| Licenses                   | 1,189,620.00                             | 723,970.00                |
| Fees                       | 2,149,640.00                             | 2,048,890.00              |
| Fines                      | Nil                                      | 400,000.00                |
| Sales                      | 7,809,125.00                             | 7,849,125.00              |
| Earnings                   | 1,064,150.00                             | 1,456,650.00              |
| Rent on land and others    | 1,119,700.00                             | 321,200.00                |
| Interest Earned            | 7,008,497.56                             | 7,134,643.10              |
| Total Independent Revenue  | 20,767,542.56                            | 20,363,288.10             |
| Total Revenue              | 732,656,513.54                           | 732,252,261.08            |
| <b>Expenditure</b>         |  |                           |
| Overhead                   | 101,777,019.09                           | 101,240,118.20            |
| Capital                    | 242,058,957.50                           | 242,191,605.93            |
|                            | 768,265,926.34                           | 767,861,673.88            |

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>Cash Inflow</b>                 |  |                           |
| <b>Dependent Revenue</b>           |  |                           |
| Statutory Allocation               | 677,697,785.23                           | 711,888,972.98            |
| Teachers Pension                   | 34,191,185.75                            | Nil                       |
| Total Dependent Revenue            | 711,888,970.98                           | 711,888,972.98            |
| <b>Independent Revenue</b>         |  |                           |
| Licenses                           | 1,189,620.00                             | 723,970.00                |
| Fees                               | 2,149,640.00                             | 2,048,890.00              |
| Fines                              | Nil                                      | 400,000.00                |
| Sales                              | 7,809,125.00                             | 7,849,125.00              |

|  |                |                |
|--|----------------|----------------|
| Earnings                               | 1,064,150.00   | 1,456,650.00   |
| Sales/Rent on Govt. Building           | 1,119,700.00   | 321,200.00     |
| Reimbursement (Bank Interest)          | 7,008,497.56   | 7,134,643.10   |
| Total Independent Revenue              | 20,767,542.56  | 20,363,288.10  |
| Total Inflow from Operating Activities | 732,656,513.54 | 732,252,261.08 |

#### **Cash Outflow**

|   |                |                |
|---|----------------|----------------|
| Overhead Cost                           | 101,777,019.09 | 101,240,118.20 |
| Total Outflow                           | 526,206,968.84 | 526,206,968.84 |
| Net Cash flow from Operating Activities | 206,499,544.70 | 206,582,193.13 |

### **INVESTING ACTIVITIES**

#### **Cash Outflow**

|                                  |                |                |
|----------------------------------|----------------|----------------|
| Purchases/Contribution of Assets | 242,058,957.50 | 242,191,605.93 |
|----------------------------------|----------------|----------------|


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/SKE/01/2020: Excess Expenditure Disclosed by the Statement

| <b>Economic Code</b> | <b>Final Approved Provision (₦)</b> | <b>Actual Expenditure (₦)</b> | <b>Excess Disclosed (₦)</b> |
|----------------------|-------------------------------------|-------------------------------|-----------------------------|
| 21010101             | 4,691,212.82                        | 4,958,272.84                  | 267,060.02                  |
| 22020801             | 200,000.00                          | 860,000.00                    | 660,000.00                  |
| 22020305             | 1,000,000.00                        | 1,105,000.00                  | 105,000.00                  |
| 22020601             | 4,000,000.00                        | 4,758,000.00                  | 758,000.00                  |
| 2101                 | 19,816,967.08                       | 20,391,470.11                 | 574,503.03                  |
| 22020301             | 450,000.00                          | 459,000.00                    | 9,000.00                    |
| 21010101             | 38,015,204.60                       | 39,338,405.37                 | 1,323,200.77                |
| 22020601             | 4,000,000.00                        | 4,025,000.00                  | 25,000.00                   |
| 21010101             | 29,976,813.29                       | 32,515,067.24                 | 2,538,253.95                |
| 22020405             | 750,000.00                          | 992,000.00                    | 242,000.00                  |
| 22020803             | 1,400,000.00                        | 1,620,000.00                  | 220,000.00                  |
| <b>Total</b>         | <b>104,300,197.79</b>               | <b>111,022,245.56</b>         | <b>6,722,017.77</b>         |

5. **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.

6. **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.**